

METROPOLITAN BOROUGH OF SEFTON

COUNCIL SUMMONS

To Members of the Metropolitan Borough Council

Dear Councillor

You are requested to attend a Meeting of the Sefton Metropolitan Borough Council to

be held on **Thursday 28th February, 2013 at 6.30 pm at the Town Hall, Bootle** to

transact the business set out on the agenda overleaf.

Yours sincerely,

A handwritten signature in black ink that reads "M. Carney".

Chief Executive

Town Hall,
Southport

Wednesday 20 February 2013

Please contact Steve Pearce, Democratic Services Manager
on 0151 934 2046 or e-mail steve.pearce@sefton.gov.uk

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AGENDA

1. Apologies for Absence

2. Declarations of Interest

Members are requested to give notice of any disclosable pecuniary interest, which is not already included in their Register of Members' Interests and the nature of that interest, relating to any item on the agenda in accordance with the Members Code of Conduct, before leaving the meeting room during the discussion on that particular item.

3. Minutes of Previous Meeting

(Pages 7 - 16)

Minutes of the meeting held on 24 January 2013

4. Mayor's Communications

Public Session

5. Matters Raised by the Public

To consider a petition containing 4,034 signatures, submitted by Councillor Ashton on behalf the residents of Churchtown, requesting the Council to keep the Churchtown Library open.

(Details of any other matters raised by members of the public resident within the Borough, of which notice has been given in accordance with the procedures relating to public questions, motions or petitions set out in Paragraphs 36 to 46 of the Council and Committee Procedure Rules in Chapter 4 of the Council Constitution, will be circulated at the meeting).

Council Business Session

6. Questions Raised by Members of the Council

To receive and consider questions to Cabinet Members, Chairs of Committees or Spokespersons for any of the Joint Authorities upon any matter within their portfolio/area of responsibility, of which notice has been given by Members of the Council in accordance with Paragraphs 48 to 53 of the Council and Committee Procedure Rules, set out in Chapter 4 of the Council Constitution.

7. Liverpool City Region Local Transport Body and Appraisal of Local Major Transport Schemes

(Pages 17 -
48)

Report of the Director of Built Environment

- | | | |
|-----|---|----------------------|
| 8. | Treasury Management Policy and Strategy 2013/14.
Report of the Head of Corporate Finance and ICT | (Pages 49 -
76) |
| 9. | The Prudential Code for Capital Finance in Local Authorities - Prudential Indicators 2013/14
Report of the Head of Corporate Finance and ICT | (Pages 77 -
88) |
| 10. | Capital Programme 2012/13 and Capital Allocations 2013/14
Report of the Head of Corporate Finance and ICT | (Pages 89 -
108) |
| 11. | Capital Allocation Framework and Capital Strategy
Report of the Strategic Director - Place | (Pages 109 -
140) |
| 12. | Local Government Act 2003 - Chief Financial Officer's Requirements
Report of the Head of Corporate Finance and ICT | (Pages 141 -
150) |
| 13. | Statements by Political Group Leaders
To receive statements by the Leaders of the three Political Groups on the Revenue Budget for 2013/14 | |
| 14. | Two year Financial Plan and Revenue Budget 2013 /14
Report of the Head of Corporate Finance and ICT | (Pages 151 -
282) |
| 15. | Budget and Council Tax Recommendation 2013/14
Report of the Head of Corporate Finance and ICT to follow

(A copy of the draft Budget Resolution will be circulated at the Council Meeting) | |
| 16. | Membership of Committees 20012/13
To consider any changes to the Membership of any committees etc. | |
| 17. | Council Constitution - Urgency and Call - In Provisions
Report of the Leader of the Council. | (Pages 283 -
284) |

18. Notice of Motion Submitted by Councillor Dawson

To consider the following Motion submitted by Councillor Dawson:

“This Council:

1. notes the recent successful launch of the South Lakeland District Council joint utility-purchasing ('switching') scheme for its residents, which through bulk tariff negotiation, affords residents involved a discount over the average price which they would be able to negotiate themselves individually with utility suppliers.
2. notes and commends the efforts which Sefton MBC officers have made to date, jointly with the officers of certain other Local Authorities in the region, seeking to be able to give Sefton MBC residents similar and wider benefits, including benefits for those who are in most financial hardship.
3. commits Sefton MBC, either individually or working with other Local Authorities, to redouble its efforts to bring cheaper gas and electricity supplies to the widest range of local households in the area.

In respect of its own activities, recognising the critical effect on Sefton MBC's own budget of rising real energy costs, commits Sefton MBC to embark upon and maintain an active programme of energy conservation within its own premises.”

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THIS SET OF MINUTES IS NOT SUBJECT TO "CALL-IN"

COUNCIL

MEETING HELD AT THE TOWN HALL, SOUTHPORT ON THURSDAY 24TH JANUARY, 2013

PRESENT: The Mayor (Councillor K. Cluskey) (in the Chair)
The Deputy Chair (Councillor M. Fearn) (Vice Chair)

Councillors Ashton, Atkinson, Ball, Bennett, Blackburn, Booth, Bradshaw, Brennan, Brodie - Browne, Byrom, Carr, L. Cluskey, Crabtree, Cummins, Cuthbertson, Dawson, Dodd, Dorgan, M. Dowd, P. Dowd, Dutton, Fairclough, Lord Fearn, Friel, Gatherer, Hardy, Gustafson, Hands, Hartill, Jones, Keith, John Kelly, John Joseph Kelly, Kermode, Kerrigan, Killen, Lappin, P. Maguire, Maher, Mahon, McGinnity, S. McGuire, Mclvor, McKinley, Moncur, Murphy, Papworth, Preece, Rimmer, Roberts, Robertson, Robinson, Shaw, Sumner, Tonkiss, Tweed, Veidman, Sir Ron Watson, Weavers, Webster and Welsh

75. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Hubbard, Page and Roche.

76. DECLARATIONS OF INTEREST

No declarations of interest were made.

77. MINUTES OF PREVIOUS MEETING

RESOLVED:

That the Minutes of the Council meeting held on 22 November 2012 be approved as a correct record.

78. MAYOR'S COMMUNICATIONS

Mrs. Beryl Kennedy

The Mayor reported on the death of former Councillor and Mayoress Mrs. Beryl Kennedy on 31 December 2012.

Mrs. Kennedy served Manor Ward from 1991 to 1995. Mrs. Kennedy was also Mayoress during her husband's period in Office in 1988 and following his untimely death, she was Mayoress to Councillor Miss Jenny Kemp for the remaining part of the mayoral year.

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The Mayor indicated that he had attended Mrs. Kennedy's funeral in St. Peter's Church, Formby on behalf of the Borough on 11 January 2013.

Mayoral Charity Dinner 2013

The Mayor reported that his Charity Dinner would be held on 1 March 2013 in the Southport Theatre and Convention Centre and the proceeds from the event would be distributed to Mayoral Charities. Tickets were on sale from the Mayor's Office at a cost of £40.

79. MATTERS RAISED BY THE PUBLIC

The Mayor reported that in accordance with the Council's Petition Scheme, three petitions had been submitted for consideration, requesting the Council to keep the Ainsdale, Aintree and Birkdale Libraries open and each petition would be considered separately.

1. The Mayor reported that the first petition with 3,968 signatures, had been submitted by Mrs. Pauline Collier of Ainsdale on behalf of the residents of Ainsdale requesting the Council to keep the Ainsdale Library open following the Review of the Library Service.

In accordance with the Council's Petition Scheme, Mrs. Collier the Lead Petitioner, made a statement in support of the petition.

The Leader of the Council, Councillor P. Dowd and Members of the Council thanked Mrs. Collier for submitting the petition.

A debate then took place on the content of the petition and it was moved by Councillor P. Dowd, seconded by Councillor Maher and

RESOLVED:

That the petition be noted and the representations made be taken into account during the consideration of the report on the Review of the Library Service at the meeting of the Cabinet to be held on 14 February 2013 and the meeting of the Council on 28 February 2013, when the Council Budget for 2013/14 will be determined.

2. The Mayor reported that the second petition with 3,277 signatures, had been submitted by Parish Councillor Peter Gill of Aintree Village Parish Council on behalf of the residents of Aintree Village and Melling requesting the Council to keep the Aintree Library open following the Review of the Library Service.

In accordance with the Council's Petition Scheme, Parish Councillor Gill the Lead Petitioner, made a statement in support of the petition.

The Leader of the Council, Councillor P. Dowd and Members of the Council thanked Parish Councillor Gill for submitting the petition.

A debate then took place on the content of the petition and it was moved by Councillor P. Dowd, seconded by Councillor Maher and

RESOLVED:

That the petition be noted and the representations made be taken into account during the consideration of the report on the Review of the Library Service at the meeting of the Cabinet to be held on 14 February 2013 and the meeting of the Council on 28 February 2013, when the Council Budget for 2013/14 will be determined.

3. The Mayor reported that the third petition with 3,515 signatures, had been submitted by Mr. Terry Durrance of Birkdale on behalf of the residents of Birkdale requesting the Council to keep the Birkdale Library open following the Review of the Library Service.

In accordance with the Council's Petition Scheme, Mr. Durrance the Lead Petitioner, made a statement in support of the petition.

The Leader of the Council, Councillor P. Dowd and Members of the Council thanked Mr. Durrance for submitting the petition.

A debate then took place on the content of the petition and it was moved by Councillor P. Dowd, seconded by Councillor Maher and

RESOLVED:

That the petition be noted and the representations made be taken into account during the consideration of the report on the Review of the Library Service at the meeting of the Cabinet to be held on 14 February 2013 and the meeting of the Council on 28 February 2013, when the Council Budget for 2013/14 will be determined.

80. QUESTIONS RAISED BY MEMBERS OF THE COUNCIL

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

- Councillor Killen to the Leader of the Council (Councillor P. Dowd)
- Councillor Preece to the Leader of the Council (Councillor P. Dowd)
- Councillor Robertson to the Leader of the Council (Councillor P. Dowd)
- Councillor Robertson to the Cabinet Member – Children, Schools, Families and Leisure (Councillor Moncur)

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- Councillor Dawson to the Leader of the Council (Councillor P. Dowd)
- Councillor Dawson to the Cabinet Member – Children, Schools, Families and Leisure (Councillor Moncur)
- Councillor Dawson to the Cabinet Member – Transportation (Councillor Fairclough)
- Councillor Dawson to the Cabinet Member – Regeneration and Tourism (Councillor Maher)

together with the responses given. Supplementary questions were asked and responded to by the Leader of the Council and the Cabinet Members for Children, Schools, Families and Leisure, and Regeneration and Tourism.

81. LOCAL COUNCIL TAX REDUCTION SCHEME 2013/14 AND CHANGES TO COUNCIL TAX DISCOUNTS AND EXEMPTIONS FOR UNOCCUPIED PROPERTIES

Further to Minute No. 83 of the Cabinet meeting held on 13 December 2012, the Council considered the report of the Head of Corporate Finance and ICT which outlined the results of the consultation relating to the Council Tax Reduction Scheme including the Equality Analysis Report, and the results of consultation relating to the removal of Council Tax discounts and exemptions for unoccupied properties, together with an update on Government changes to proposed legislation, including the Equality Analysis Report.

The report also set out a proposed Council Tax Reduction Scheme and a range of Council Tax discounts and exemption changes; provided an update on the latest Government announcement regarding transitional funding being made available to Local Authorities for the Council Tax Reduction scheme, together with the impact of the proposed grant on Sefton Council; and identified ways in which the Council proposes to help those most financially affected by the change through a hardship fund in order to meet its objective of protecting the most vulnerable residents of Sefton.

The report contained the following annexes:

- Annex A: Council Tax Reduction Scheme options – with financial implications
- Annex B: Council Tax Technical changes with financial implications
- Annex C: Consultation and Engagement relating to the Council Tax Reduction Scheme and Council Tax Technical Changes
- Annex D: Equality Analysis Report – Council Tax Reduction Scheme
- Annex E: Equality Analysis Report – Council Tax Technical changes relating to discount and exemptions for vacant unoccupied properties

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Annex F: Local Council Tax Reduction Scheme

It was moved by Councillor P. Dowd, seconded by Councillor Maher and

RESOLVED: That

- (1) the Council Tax Reduction Scheme for 2013/14, as summarised in paragraph 14 and set out in Annex F of the report, be approved and adopted to take effect from 1 April 2013;
- (2) approval be given to the changes to discounts and exemptions for empty and unoccupied properties to take effect from 1 April 2013 in order to minimise the impact for non pensioner claimants, as summarised in paragraph 14, and set out in Annex B of the report;
- (3) approval be given to the introduction of an empty homes premium to take effect from 1 April 2013, as summarised in paragraph 14, and set out in Annex B of the report;
- (4) the Government transitional grant be not accepted; and
- (5) it be noted that the Leader of the Council and the Chair of the Overview and Scrutiny Committee (Performance and Corporate Services) had been requested to give their consent under Rule 46 of the Overview and Scrutiny Procedure Rules, for the decision to be taken by the Cabinet at its meeting on 31 January 2013 on the Council Tax Base to be treated as urgent and not subject to "call in", because legislation requires local authorities to notify the Department for Communities and Local Government and precepting bodies of the Council Tax Base by no later than 31 January 2013. This would necessitate the Cabinet decision being actioned on the same day.

82. CAPITAL MAINTENANCE GRANT 2012/13 - ADDITIONAL SCHEMES

Further to Minute No. 89 of the Cabinet meeting held on 13 December 2012, the Council considered the report of the Director of Young People and Families which sought approval to an increase in the Children's Services funding provision from the Government Capital Allocation of £3,198,000 received for 2012/13.

It was moved by Councillor P. Dowd, seconded by Councillor Maher and

RESOLVED:

That approval be given to the addition of the identified schemes totalling £536,250 into the Capital Programme, as set out in the report.

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83. NEIGHBOURHOOD PLANNING SCHEME OF DELEGATION

Further to Minute No. 34 of the meeting of the Audit and Governance Committee held on 12 December 2012, the Council considered the report of the Director of Built Environment on the provisions within the Localism Act 2011 relating to Neighbourhood Planning which enables communities to have a bigger and more formal involvement in the local planning policies to be operated within their local area. The report set out a proposed scheme of delegation for the Neighbourhood Planning process.

It was moved by Councillor McGinnity, seconded by Councillor Roberts and

RESOLVED: That

- (1) all Ward Councillors, together with Members of any ward whose boundary abuts or is likely to be affected by proposals in a proposed Neighbourhood Plan area, should be notified in writing when an application to establish a Neighbourhood Plan area or a Neighbourhood Forum is submitted to the Local Planning Authority;
- (2) all relevant Members be notified when key stages of the Neighbourhood Plan-making process is reached by email and at the first available Area Committee meeting;
- (3) the Planning Committee be asked if they have any views on a proposal to designate a Neighbourhood Plan area, as a 'Business' Neighbourhood Plan area;
- (4) the Cabinet Member – Regeneration and Tourism be given delegated authority to determine applications relating to the area to be covered by a proposed Neighbourhood Plan when it is not likely to impact on a significant number of people in two or more wards; and the Cabinet be given delegated authority to determine applications relating to neighbourhood planning applications relating to the extent of the area to be covered by a proposed Neighbourhood Plan when it is likely to impact on a significant number of people in two or more wards (i.e. is likely to be a Key Decision);
- (5) the Cabinet Member – Communities and Environment be given delegated authority to determine whether a proposed Neighbourhood Forum adequately represents the local community and that they are properly constituted;
- (6) the Planning Committee be given delegated authority to determine whether the appropriate legal requirements have been met i.e. that the Neighbourhood Plan is in general conformity with the Development Plan; and the requirements of the Habitats Regulations and the Environmental Impact Assessment Regulations have been met;

- (7) the Head of Planning Services be given delegated authority to identify and appoint an appropriate person to examine the Neighbourhood Plan. Such an appointment to be made in conjunction with the Neighbourhood Forum or Parish Council who submitted the plan, and the decision being reported to the Planning Committee and the Cabinet Member – Regeneration and Tourism;
- (8) the Cabinet should determine the area(s) within which the referendum/a on a proposed Neighbourhood Plan should be held, after taking into account the views of the Planning Committee and the Cabinet Member – Regeneration and Tourism;
- (9) the same scheme of delegation should apply to decisions relating to the making of Neighbourhood Development Orders and Community Right to Build Orders as to Neighbourhood Plans i.e. that these decisions are delegated to the Cabinet taking into account the views of the Cabinet Member – Regeneration and Tourism and the Planning Committee;
- (10) any decision relating to the modification or revocation of a Neighbourhood Plan, Neighbourhood Development Order or Community Right to Build Order should be made by the Cabinet, except where the change is being made to correct an error, in which case the decision should be delegated to the Head of Planning Services;
- (11) any decision relating to the de-designation of a Neighbourhood Plan Forum be delegated to the Cabinet; and
- (12) the Council Constitution be amended to take into account all of the resolutions set out above.

84. REVIEW OF STANDARDS REGIME

Further to Minute No. 36 of the meeting of the Audit and Governance Committee held on 12 December 2012, the Committee considered the joint report of the Director of Corporate Commissioning and the Director of Corporate Support Services which provided details of the recommendations of the Member Working Group, appointed to undertake the review of the administration of standards in Sefton; the feedback from Parish Councils on the content of the current Members' Code of Conduct and set out the revised Members' Code of Conduct for approval by the Council.

It was moved by Councillor McGinnity, seconded by Councillor Roberts and

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RESOLVED:

That the revised Members' Code of Conduct set out in Appendix A to the report be adopted.

85. MEMBERSHIP OF COMMITTEES 2012/13

No changes were made to the Membership of Committees.

86. MATTERS DEALT WITH IN ACCORDANCE WITH RULE 46 OF THE SCRUTINY PROCEDURE RULES (CALL-IN AND URGENCY) OF THE CONSTITUTION

The Council considered the report of the Leader of the Council setting out the details of those urgent matters dealt with in accordance with Rule 46 of the Overview and Scrutiny Committee Procedure Rules set out in the Council Constitution.

RESOLVED:

That the report noted.

87. NOTICE OF MOTION SUBMITTED BY COUNCILLOR SIR RON WATSON

The Mayor reported that the undermentioned Notice of Motion had been withdrawn by Councillor Sir Ron Watson:

"The Council:

1. Welcomes the principle that a referendum is required for an increase in Council Tax;
2. Believes, however that those participating in such a referendum should be Council Tax Payers only; and
3. Seeks the support of the Local Government Association in introducing such a proposal."

88. NOTICE OF MOTION SUBMITTED BY COUNCILLOR WEAVERS

It was moved by Councillor Weavers, seconded by Councillor Brodie-Browne and

RESOLVED:

This Council appreciates the problems caused by fuel poverty, which affects the most vulnerable in our community, and strives to do whatever is possible within existing resources to minimise the problem. This includes using our planning policy to reduce the suffering whenever and wherever it is possible.

89. NOTICE OF MOTION SUBMITTED BY COUNCILLOR DAWSON

It was moved by Councillor Dawson, seconded by Councillor Shaw

“The Council notes:

1. the erosion of the value of the State Retirement Pension over many years;
2. that since 2010, in a time of relative austerity, the Government has increased the State Retirement Pension above the prevailing inflation rate;
3. the announcement of Government proposals to introduce a new state pension system which will, from 2017, guarantee a pension ‘of right’ to all those who have been in employment of approximately £160.00 per week;
4. the particular benefits in the new proposals for those, disproportionately women whose employment record has been broken by periods of full-time or part-time childcare; and
5. the proposed new pension system will encourage people to save to add to their pension income without being penalised by a means test which has acted as a disincentive, to many, to claiming their full entitlement.

On behalf of the future pensioners living within the communities served by Sefton Metropolitan Borough Council, the Council welcomes, in principle, the announced basis of the new State Retirement Pension proposals.”

Following debate thereon, on a show of hands, the Mayor declared that the Motion was lost by 34 votes to 19, with 9 abstentions.

RESOLVED

That no action be taken on the Motion.

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Report to: Cabinet
Council

Date of Meeting: 28th February 2013
28th February 2013

Subject: Liverpool City Region Local Transport Body and Appraisal of Local Major Transport Schemes

Report of: Director of Built Environment

Wards Affected: All

Is this a Key Decision? Yes

Is it included in the Forward Plan?
Yes

Exempt/Confidential No

Purpose/Summary

The Department for Transport (DfT) proposes to devolve funding for local major transport schemes to local areas in the next spending review period. This will necessitate the establishment of a new body called a Local Transport Body (LTB) to oversee the process, guided by an Assurance Framework that must be agreed with the DfT in respect of its governance and management arrangements.

The purpose of this report is to provide information about the way this will be implemented in the Liverpool City Region, to approve Sefton's representation on the Local Transport Body and to advise Members of the proposed Assurance Framework and Scheme Prioritisation Methodology.

Recommendation(s)

It is recommended that Cabinet:

- (a) request the Council to nominate the Leader of the Council onto the new Local Transport Body (LTB), together with an alternate member, Cabinet Member Transportation, to represent the Authority on the LTB as required;
- (b) approve the draft Assurance Framework and its associated principles, as set out within the Appendix of this report, for its submission to the Department for Transport;
- (c) receive follow-up information on the above issues, at appropriate intervals; and
- (d) request the Director of Built Environment to commence preparation of a list of potential local major transport schemes in Sefton to be considered for submission to the LTB and to be agreed through the Council's Strategic Capital Investment Board.
- (e) to note that preliminary discussions have been held with the Head of Legal & Democratic Services at MITA to explore whether a more wide ranging partnership agreement as set out in paragraph 5 is required. The Head of Corporate Legal Services will prepare the agreement, should that prove

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necessary, in consultation with the Cabinet Member for Performance and Corporate Services.

It is recommended that the Council:

- (a) nominate the Leader of the Council onto the new Local Transport Body (LTB), together with an alternate member, Cabinet Member Transportation, to represent the Authority on the LTB as required.

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

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

Reasons for the Recommendation:

The proposed arrangements for the Liverpool City Region LTB have been discussed and agreed by the LCR partners, but the appointments to the LTB and the assurance framework and prioritisation methodology need to be formally approved by each of the LCR partners.

What will it cost and how will it be financed?

(A) Revenue Costs

There are no revenue implications of these recommendations.

(B) Capital Costs

There are no capital implications of these recommendations.

Implications:

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

Legal

Appointments to external decision making bodies are required to be made by Council. Once the initial appointment has been made, appointment to the LCR Local Transport Body will be confirmed on an annual basis together with the other appointments to external bodies.

Other legal implications are contained within the content of the report.

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:

There is no expected impact on service delivery.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT (FD 2116/13) notes there are no direct revenue implications of these recommendations.

Head of Corporate Legal Services (LD1432/13) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

No other options are available. The proposed arrangements for the Liverpool City Region LTB have been discussed and agreed by the LCR partners. If the Council decided not to make the appointment to the LTB, it would mean that Sefton Council would not be represented in the City Region decision making process for local major transport schemes.

Implementation Date for the Decision

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

Contact Officer: Stephen Birch Team Manager STPU
Investment Programmes & Infrastructure

Tel: 0151 934 4225

Email: Stephen.birch@sefton.gov.uk

Background Papers:

None

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1. Introduction/Background

1.1 The Department for Transport (DfT) proposes to devolve funding for local major transport schemes to local areas in the next spending review period.

1.2 This will necessitate the establishment of a new body called a Local Transport Body (LTB) to oversee the process, guided by an Assurance Framework that must be agreed with the DfT in respect of its governance and management arrangements.

1.3 The DfT published formal guidance on this process at the end of November and this is available at:-

www.gov.uk/government/publications/guidance-for-local-transport-bodies.

1.4 The LTB will ultimately assume the role previously undertaken by the DfT in relation to funding decisions that affect local major transport schemes. Whilst DfT is devolving funding decisions to LTBs, it still requires established DfT processes and methodologies to be followed. It is also anticipated that the LTB will have an increasing role in strategic transport matters in the City Region going forward.

1.5 The principal deadlines set by DfT, in the lead-up to the next spending review period are as follows:-

- **February 2013:** local transport bodies must submit their assurance frameworks to DfT
- **July 2013:** local transport bodies must submit their prioritised list of major schemes to DfT
- **Post July 2013:** shortlisted schemes to be developed and brought forward by promoters, for approval by the Local Transport Body
- **April 2015 onwards:** schemes are delivered using the devolved funds.

1.6 This report largely focuses on the immediate next steps, in terms of establishing the LTB and the Assurance Framework that needs to be submitted to the Department for Transport (DfT) by the end of February 2013.

1.7 This report has four specific aims, to:-

- a) appoint the Leader of the Council onto the new Local Transport Body (LTB), which will manage the devolved funding process within the Liverpool City Region (LCR).
- b) appoint Cabinet Member Transportation as an Alternate to the Leader of the Council on the new Local Transport Body (LTB)
- c) note and approve the Assurance Framework, set out within the Appendix , that must be submitted to DfT by the end of February 2013. This provides the basis of the agreement between the DfT and the Liverpool City Region (LCR) in terms of the arrangements and processes that will govern the use of the devolved major schemes funds; and

- d) request the Director of Built Environment to commence preparation of a list of potential local major transport schemes in Sefton to be considered for submission to the LTB for inclusion on the prioritised list of major schemes. These schemes would be agreed through the Council's Strategic Capital Investment Board.

2. **Context**

2.1 The Liverpool City Region Cabinet and other key partners in the LCR have agreed "in principle" that:-

- (a) the LTB would cover the established Liverpool City Region geography (i.e. Merseyside and Halton);
- (b) the Chair of the Merseyside Integrated Transport Authority (ITA) (Merseytravel) will chair the LTB;
- (c) the ITA will act as the LTB's accountable body and will be responsible for holding the devolved funds from the DfT on behalf of the LCR; and
- (d) a Transport Advisory Group (TAG), which will comprise senior transport or regeneration officers from across the city region, including Halton, will be the LTB's principal technical advisors, recognising the established and detailed DfT processes that govern the use of the devolved funds.
- (e) that the preferred mode of operation will be that of a partnership between the constituent local authorities, the LEP and ITA as opposed to joint board or a company limited guarantee
- (f) that there is no need for decisions made by LTB to be ratified by each constituent authority.

2.2 These matters now need to be formally agreed by each of the LCR authorities, and the ITA.

2.3 The DfT published indicative funding allocations for each LTB on the 23 January. The Liverpool City Region's LTB has been allocated £35.5 million (+/- 33% contingency) for the 4 year period between 2015 and 2019.

2.4 Since discussions with LCR took place, the ITA has confirmed that as accountable body the ITA reserves the right to decline to carry out an LTB decision considered to be unlawful or appears to pose unacceptable risks and will refer any matters back to the LTB as appropriate.

2.5 Notably the guidance from the DfT does not make clear upon which statutory basis the partnership arrangement is being established. Previously such a partnership arrangement including local authorities and other organisations would be convened by authorities appointing joint committees or joint boards under the auspices of the Local Government Act 1972. Alternatively primary legislation would have been passed to set up the LTB similarly to the legislation that established the Transport Authorities in the first place. It would therefore seem

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that the Council is being encouraged by the DFT to rely on the general competency power as set out in the Localism Act 2011.

3. **Appointment of Members**

3.1 In order to constitute the LTB, Sefton will need to agree the Assurance Framework (see Appendix). In particular, this includes the need to appoint a representative onto the LTB, being a new external body with a specific remit. In accordance with the Assurance Framework agreed by the City Region partners it is proposed to appoint the Leader of the Council onto the LTB.

3.2 In addition, approval is sought for the appointment of Cabinet Member Transportation as an alternate member from the Authority to represent Sefton on the LTB. All other members of the LTB will be asked to appoint an alternate member as well.

4. **The draft Assurance Framework**

4.1 Detailed guidance on the content of the Assurance Framework was received from the Department for Transport in late November 2012, and which is available at:-

<https://www.gov.uk/government/publications/guidance-for-local-transport-bodies>

4.2 The draft Assurance Framework for the LTB follows this structure, and is set out within the Appendix to this report for noting and approval by members.

4.3 The significant issues set out within the draft Assurance Framework include:-

(a) details of the proposed composition and voting arrangements of the LTB, as per the table below, and to include the appointment of a Vice Chair;

Member	Status	Role on LTB	Number of votes
Chair of Merseyside Integrated Transport Authority *	Elected member	Chair + Voting member	1 + casting vote in the event of a tie of votes
Leader of Halton BC *	Elected member	Voting member	1
Leader of Knowsley MBC *	Elected member	Voting member	1
Mayor of Liverpool *	Elected Mayor	Voting member	1
Leader of St Helens MBC *	Elected member	Voting member	1
Leader of Sefton MBC *	Elected member	Voting member	1
Leader of Wirral MBC *	Elected member	Voting member	1
Chair of Liverpool Local Enterprise Partnership *	Private sector representative	Voting member	1

* or named alternate

(b) details of the LTB's support, administrative and accountable body arrangements

(d) the proposal that £3 million would be an appropriate major scheme minimum threshold for the LCR, so that major schemes are strategic in scale and over-and-above schemes funded through mainstream integrated transport block monies;

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- (e) the proposal that a minimum local contribution of 10% should be required from scheme promoters and that the LTB's funding contributions should be capped contributions;
- (f) proposals to address the transparency, technical and audit requirements stipulated by the Department for Transport, such as the proposals to make all background papers and meetings of the LTB public, and the need to arrange external audits of the LTB's affairs; and
- (g) the transparent methodology and scoring system that will be used to support the prioritisation of schemes.

4.4 In parallel, the Assurance Framework is being reported across all main city region networks and constituent local authorities/organisations, to secure agreement and nominations from partners that will make up the LTB.

5. **Legal Agreement**

5.1 Preliminary discussions have been held with the Head of Legal & Democratic Services for MITA to consider whether a further more wide ranging legal agreement is needed for the establishment of the partnership. Such an agreement could include indemnity arrangements, exit plan, confidentiality, publicity, obligations and responsibilities of partners that do not relate to decision making as set out in the assurance framework, failure in co-operation and other standard clauses for partnership arrangements etc.

5.2. Further consideration of this will be given by the various Heads of Legal for the constituent authorities and the accountable body and MITA. Should there be consensus that a partnership agreement is necessary the Head of Corporate Legal Services will prepare the agreement in consultation with the Cabinet Member for Performance and Corporate Services.

6. **Conclusions**

6.1 This report updates members on the processes associated with the DfT's devolution of funding for local major transport schemes in the next Spending Review period.

6.2 The report seeks the formal appointment of the Leader of the Council onto the LTB, together with an alternate member.

6.3 In addition, it seeks Members' approval of the draft Assurance Framework that needs to be submitted to DfT by the end of February.

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DEVOLVING TRANSPORT MAJOR SCHEME FUNDING

LIVERPOOL CITY REGION ASSURANCE FRAMEWORK

DRAFT 4 - January 30th 2013

1. Introduction

- 1.1 The Liverpool City Region (LCR) welcomes DfT's devolution of funds for major transport schemes in the next spending review period. The city region's Local Transport Body (LTB) is pleased to set out its proposals in this assurance framework. This outlines the city region's governance arrangements in respect of major scheme funds, together with its management and decision-making arrangements.
- 1.2 The LCR is committed to maximising the opportunities afforded by the devolution of major transport schemes. Indeed, this issue formed a key 'ask' of government in the recent Liverpool City Region Deal, agreed with the Cabinet Office in the summer of 2012. To this end, the LCR would also be pleased to receive longer-term, indicative planning guidelines in respect of devolved major schemes funding, building on the LCR's commitment to establish a 10 year single funding pot for transport, as part of the City Region Deal.
- 1.3 The LCR has developed its proposals around the governance of the devolution process via the Liverpool City Region Cabinet, which is comprised of the Leaders of each of the local authorities, the Liverpool City Region Local Enterprise Partnership (LEP) and the Merseyside Integrated Transport Authority and each constituent local authority individually. The approach has thus been inclusive and co-ordinated.
- 1.4 This assurance framework and the governance arrangements set out within it have been formally considered and approved by the following bodies:-

Organisation	Approval date
Merseyside Integrated Transport Authority	7 February 2013
Halton BC	TBC
Knowsley MBC	TBC
Liverpool City Council	13 March 2013
St Helens MBC	6 March 2013
Sefton MBC	TBC
Wirral MBC	TBC
The LCR Local Enterprise Partnership	TBC

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- 1.5 In addition, the assurance framework has been reported to and endorsed by the Liverpool City Region Cabinet.
- 1.6 The assurance framework reflects the Department for Transport's guidelines and recommendations and is commended to officials and to Ministers.

2. **The Local Transport Body**

- 2.1 The Local Transport Body will be known as the Liverpool City Region Local Transport Body (LTB). Its Terms of Reference are set out within Appendix 1.
- 2.2 The LTB will cover the established Liverpool City Region geography, which is coterminous with the established boundaries of the LCR Local Enterprise Partnership and the Liverpool City Region Cabinet. This area consists of the local authority areas of Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral. It also includes Merseytravel, which is the operating name for the Merseyside Integrated Transport Authority (ITA) and Passenger Transport Executive (PTE).
- 2.3 The LTB will consist of 8 voting members, though the Chair (or the Vice Chair) will carry the casting vote in any instances where votes are tied, as per the table below:-

Member	Status	Role on LTB	Number of votes
Chair of Merseyside Integrated Transport Authority *	Elected member	Chair + Voting member	1 + casting vote in the event of a tie of votes **
Leader of Halton BC *	Elected member	Voting member	1
Leader of Knowsley MBC *	Elected member	Voting member	1
Mayor of Liverpool *	Elected Mayor	Voting member	1
Leader of St Helens MBC *	Elected member	Voting member	1
Leader of Sefton MBC *	Elected member	Voting member	1
Leader of Wirral MBC *	Elected member	Voting member	1
Chair of Liverpool Local Enterprise Partnership *	Private sector representative	Voting member	1

** or named alternate*

*** Vice Chair of LTB to have casting vote in Chair's absence*

- 2.4 The LTB will take the form of a partnership, operating on behalf of all Liverpool City Region partners as an executive decision-making body. Its members have been (or will shortly be) formally appointed by its constituent organisations. It has a democratic majority, as seven of its eight members are senior elected members drawn from the local authorities and from the Integrated Transport Authority. The Chair of the LEP will ensure full representation and voting rights from the private sector.

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- 2.5 The LTB will be chaired by the Chair of the Merseyside Integrated Transport Authority. A Vice Chair will also be appointed who shall deputise for the Chair in their absence. Each member of the LTB will have equal status in terms of voting rights, with the Chair of the meeting having a casting vote in all cases. There shall be no other formal classes of membership.
- 2.6 However, as all meetings will be held in public (see section 10 below) all meetings may be attended by any member of public, by the press, by government bodies, adjoining local authorities, transport operators, Non-Governmental Organisations, other stakeholders or expert witnesses. Any member of the public will be entitled to table a question in advance and speak at a meeting of the LTB at the Chair's discretion. This will be covered in more detailed operating principles that will be developed by the LTB's accountable body.
- 2.7 All members sitting on the LTB shall appoint a single, official alternate, who will enjoy the same status as their principal representative. Where the chair of the LTB is absent, the role of chair shall be taken by the Vice Chair.
- 2.8 The Terms of Reference, Chair, Vice Chair and membership of the LTB will be reviewed in July of each year. This will provide an opportunity for the remit of the LTB to be amended and for membership of the LTB to be reviewed. All decisions will be subject to majority agreement by the LTB and all members of the LTB shall be appointed by their respective authority or organisation on an annual basis.
- 2.9 Leaders of the local authorities sitting on the LTB will be supported by their transport or regeneration portfolio members who will advise on relevant issues, processes and recommendations. Portfolio members may attend all meetings of the LTB and make representations at the Chair's discretion, but voting rights will remain vested with the principal LTB member or with the named alternate.
- 2.10 The LTB will be supported by a Transport Advisory Group (TAG) consisting of officers of the 6 local authorities/Liverpool Mayor's office, the LEP and the Integrated Transport Authority (see section 8). A wider stakeholder group will be invited by the TAG to provide input into all relevant processes, such as the identification of candidate schemes, the prioritisation process and on detailed scheme business cases. This stakeholder group will include representation from private sector transport operators, from local interest groups, local authority portfolio members, and from government agencies / partners such as the Highways Agency and Network Rail.

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- 2.11 This stakeholder group will principally exist in a “virtual” capacity (i.e. members will be engaged principally by means of email communication and input), and will be consulted on specific issues as outlined above. Meetings of the stakeholder group will be convened as required. In addition, members will receive electronic copies of all LTB agendas and papers in advance of each meeting, providing an opportunity for comments or queries to be raised with officials or directly with members of the LTB.
- 2.12 Representatives from the Highways Agency and Network Rail will be closely engaged by scheme promoters from the outset, recognising the need for schemes affecting the rail or trunk road network to fit clearly with the statutory processes governing these networks. It will also be essential to assess scheme deliverability as part of the prioritisation process. As such, officials from the Highways Agency and Network Rail may also be invited to attend TAG meetings, to ensure that the implications of emerging proposals or schemes are fully understood by officers and by the LTB.
- 2.13 The structure chart, showing how the LTB interacts with scheme promoters and with its advisory structures is set out within Appendix 2.

3. **Managing conflicts of interest and propriety**

- 3.1 Members of the LTB serve to take strategic, objective decisions on the use of devolved funding. They do not serve to promote the schemes of their constituent district or organisation.
- 3.2 Where members of the LTB would consider individual issues or schemes that directly affect their organisation or local authority, then this shall be declared at the start of the meeting. Providing that there is no pecuniary interest (see below), such members may attend and make representations upon the issue or scheme and also vote as required.
- 3.3 Where members have a direct financial interest in a scheme, through employment or personal gain (including any interest as a result of close personal relationships/friendships), this shall be declared and the member shall abstain from discussing and voting on the item.
- 3.4 The Integrated Transport Authority, as the accountable body for the LTB, will develop and maintain a register of personal interests of all decision making members, which will be based on existing conventions across the city region. This will be available to the public via its own website or links to relevant sections on partner websites. All meetings of the LTB shall

commence with a standing item in relation to declarations of interest.

- 3.5 The TAG will have responsibility for ensuring that objective, professional advice is given to the LTB on the merits (or otherwise) of schemes. The TAG act in the interest of the LTB as a whole and will draw on external, impartial support or advice as required, particularly when reviewing business cases. Reports presented to the LTB will be agreed by the TAG.

4. **Gifts and hospitality**

- 4.1 The LTB members will be governed by a dedicated register of interest, and associated gifts and hospitality policies, based on existing policies governing the partner organisations and national best practice. These shall be maintained by the accountable body and all relevant documents shall be available on its website. These details will also be shared with all of the LTB's constituent organisations.

5. **The status and role of the accountable body**

- 5.1 The accountable body for the LTB will be the Merseyside Integrated Transport Authority, which is a public body governed by 18 elected members appointed by the five Merseyside local authorities. It is thus subject to established local authority practices and procedures. The Integrated Transport Authority is supported by a legally distinct Passenger Transport Executive, which is the principal staffing and delivery body. The latter would be the promoter of any major scheme locally, thus minimising any conflict of interest between the accountable body and scheme promoter functions.

- 5.2 As the accountable body, the Integrated Transport Authority will:-

- ensure that the decisions and activities of the LTB conform with legal requirements with regard to all relevant legislation, including equalities, environmental and EU issues.
- ensure through its Section 151 Officer that the funds are used appropriately and exclusively for the intended purpose
- ensure that the LTB's approved assurance framework is being adhered to.
- maintain the official record of LTB proceedings and holding all LTB documents, via its Legal and Member Services division

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- take responsibility for the decisions of the LTB in approving schemes if subjected to e.g. Freedom of Information requests or legal challenge
- hold the devolved funds on behalf of the city region.

5.3 The Integrated Transport Authority will provide full secretarial services to the LTB, including the management of meetings, the distribution of minutes and papers and provision of minutes of meetings. This will include the provision of a Monitoring Officer role. The LTB will be managed in the same way as a committee of the Integrated Transport Authority, with minutes, papers and key decisions freely available on its website and available as an email list to all members of the wider stakeholder group, unless exempt (e.g. staffing or procurement issues).

5.4 All meetings of the LTB will be held in public at fully accessible venues, usually at the Integrated Transport Authority's city centre headquarters. All agendas, papers and minutes will be in the public domain and accessible via the established modern.gov web-based system. Papers will be made available at least 5 working days in advance of a meeting, in accordance with established local authority guidelines.

5.6 The Integrated Transport Authority will hold the devolved major scheme funding and make payments to delivery bodies and to itself, where appropriate. The funds will be accounted for in such a way that they will be separately identifiable, with a separate cost centre. Financial statements will be routinely provided to the LTB on scheme costs and on the profiling of spend. The Integrated Transport Authority will ensure that local agreements with scheme promoters ensure that the funds can be used only in accordance with an LTB decision. Any inappropriate use of the funds shall render scheme promoters liable to the clawback of funds in whole or in part.

5.7 A legal agreement, based on the principles set out within this assurance framework, will be developed between the Integrated Transport Authority, as accountable body, and each of the constituent bodies who are represented on the LTB once it is formally established. This will reiterate the purpose of the LTB, its role and the purposes for which devolved major schemes funds may be used. This will also make clear the role of the Integrated Transport Authority as accountable body and the fallback position whereby funds may be withheld or clawed back if they are mismanaged in any way or in the event that match-funding commitments are not honoured.

6. **Audit and scrutiny**

- 6.1 The LTB will arrange an annual, external audit by a qualified external auditor, and submit these annually to the DfT. These audits will be arranged and procured by the Integrated Transport Authority as the LTB's accountable body. An audit will be undertaken and submitted to DfT between February 2012 and the start of the devolved funding period, and thereafter on an annual basis in March.
- 6.2 Further scrutiny will also be built into the LTB's decision-making and approvals process through:-
- (a) the involvement of professional officers in the prioritisation and appraisal process via the TAG, which will commission independent support and advice on prioritisation and on scheme business cases;
 - (b) the involvement of portfolio members from the district councils as advisors to their Leaders on proposals, salient issues and on key recommendations;
 - (c) through the existence of the wider stakeholder group;
 - (d) through the convention that all methodologies, prioritised lists and scheme details and funding approvals are made publicly available on the accountable body's website (and longer-term, on a dedicated website); and
 - (e) the Integrated Transport Authority acting as accountable body and scrutinising the activity of the LTB in terms of compliance with this assurance framework and scrutinising spend and performance by scheme promoters.
- 6.3 As the devolved funds will be held and managed by the Integrated Transport Authority, then by virtue of being a public body, they will be subject to additional financial management and scrutiny arrangements, as they will specified clearly within the Integrated Transport Authority's annual budget.

7. **Strategic Objectives and Purpose**

- 7.1 The principal purpose of the LTB is to perform the following roles in relation to devolved major scheme funding:-
- Identifying a prioritised list of investments within the available budget, and keeping this under review
 - Making decisions on individual scheme approval, investment decision making and release of funding, including scrutiny of individual scheme business cases
 - Monitoring progress of scheme delivery and spend
 - Actively managing the devolved budget and programme to respond to changed circumstance [will include, but will not be

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limited to scheme slippage, scheme alteration and cost increases]

- Responsibility for ensuring value for money is achieved within the available budget
- Post scheme implementation monitoring and reporting on outcomes/outputs with reference back to original business cases.

7.2 The LTB may agree, by majority decision, to widen the scope of future agendas to take on wider advisory roles, e.g. providing advice on a specific transport policy issues, input to consultation responses, the development of evidence to select committees, input to wider funding streams or any new requirements stemming from central government. Any changes to the scope of the LTB shall thereafter be reflected and formally agreed as part of the annual revision of the Terms of Reference.

7.3 The principles that apply to members of the LTB in relation to the devolution of major transport funding (e.g. declarations of interest, gifts and hospitality) shall apply equally to the LTB acting in a wider advisory capacity.

8. **Support and administration arrangements**

8.1 As noted in section 2.10, the LTB will be supported at a professional officer level by the Transport Advisory Group (TAG). This group comprises Director or Assistant-Director level transport and regeneration officers from each of the city region local authorities, from the LEP and from the Integrated Transport Authority. This officer group also has experience of the major schemes regime. This body will have responsibility for providing professional advice to the local transport body to allow it to fulfil its functions.

8.2 The TAG will support the development of agendas and technical papers for the LTB, in conjunction with the lead Chief Executives on transport issues for the Liverpool City Region. The Chair of the TAG, in conjunction with the lead Chief Executives, will be the principal contact point for the LTB, and will act as the link between the TAG and the Chair of the LTB.

8.3 The TAG has agreed to commission a WebTAG compliant economic appraisal toolkit to support the testing of candidate schemes, principally at the detailed business case stages. This toolkit has the capability of being operated in tandem with an established Liverpool City Region Transport Model, thus providing an evidence base to support objective decision-making.

- 8.4 The TAG is also overseeing the development of a transparent and robust prioritisation methodology to appraise candidate schemes, discussed in further detail in section 12. The Integrated Transport Authority, as the LTB's accountable body, will secure resources to commission external and impartial consultancy support to assist with the process of scoring candidate schemes, to ensure that the prioritisation process is transparent and objective.
- 8.5 In addition, a funding pot will be created by the TAG and its constituent organisations, to enable the LTB to commission impartial technical support with the evaluation of individual scheme business cases that arise from the prioritisation process.

9. **Working Arrangements and Meeting Frequency**

- 9.1 The LTB shall agree an annual schedule of meetings. However, the Chair may also convene additional meetings of the LTB, in consultation with other members, providing that the requirements of the Local Government Act 1972 Access to Information Regulations are satisfied and sufficient notice is given. In the event that a scheduled meeting is not deemed necessary, then the Chair may agree to cancel or reschedule that meeting, providing that all members of the LTB have been consulted in advance of the required notice being given of the intention to cancel the meeting.
- 9.2 A meeting of the LTB shall be required in order to consider an individual business case and to make a funding decision in respect of a scheme.
- 9.3 In preparation for the July 2013 scheme prioritisation deadline, a minimum of three meetings of the LTB shall be convened, each with the specific purpose of:-
- 9.3.1 establishing the LTB, agreeing protocols such as codes of conduct, and considering the draft scheme prioritisation methodology;
 - 9.3.2 considering progress with the prioritisation of candidate schemes; and
 - 9.3.3 agreeing a prioritised list of schemes for submission to DfT.
- 9.4 As highlighted in section 10, all meetings of the LTB will be public meetings and all agendas, papers and minutes working shall be made available online by the accountable body.

10. **Transparency and Local Engagement**

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- 10.1 As highlighted in section 2.11 and in the structure chart in Appendix 2, the LTB shall be supported by a wider stakeholder group, consisting of representatives from the transport sector, from local interest groups and other relevant stakeholders. This stakeholder group will be established as an informal “virtual” forum (e.g. as an email-group, principally), to provide input to the process and provide an additional tier of non-statutory scrutiny and rigour into the process. It will also be canvassed for any candidate schemes, or views thereon, at the start of the scheme prioritisation process.
 - 10.2 Specifically, the wider stakeholder group will be consulted on the draft prioritised list being considered by the LTB in July 2013. The group will subsequently be consulted on individual schemes, including draft business cases and other formal consultation stages (e.g. on Environmental Impact Assessments). The TAG will be responsible for setting out more detailed guidance and requirements for scheme promoters on public engagement and on consultation, having regard to statutory requirements.
 - 10.3 The Integrated Transport Authority, as accountable body, will ensure that all background papers, scoring frameworks, decisions and minutes are made publicly available via its website. Exemptions will only be permitted where these relate to established issues of confidentiality, such as staffing or commercially sensitive aspects.
 - 10.4 A dedicated LTB website will be established in due course by the Integrated Transport Authority, though all constituent bodies will initially provide a web link to the accountable body’s LTB “modern.gov” web pages, to ensure that consistent information is available from numerous sources.
11. **Complaints and whistleblowing**
- 11.1 Any complaints or concerns will be directed to and administered by the Integrated Transport Authority, as the LTB’s accountable body. These will be managed by the Integrated Transport Authority’s Monitoring Officer, supported by the Passenger Transport Executive’s Head of Audit.
 - 11.2 In cases where objections or concerns cannot be resolved at officer-level, then these shall be escalated to an appropriate committee of the Integrated Transport Authority.
 - 11.3 As a third stage, unresolved complaints arising from the above shall be referred to DfT by the Integrated Transport Authority.

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12. **Scheme prioritisation**

- 12.1 The LTB will adopt a transparent and robust prioritisation methodology for evaluating candidate schemes at the outset. The Merseyside and Halton Local Transport Plans will provide the overriding guiding framework for the process of devolving major transport schemes, recognising that these plans identify potential major schemes in response to the city region's transport challenges and objectives.
- 12.2 An initial "longlist" of candidate schemes will be co-ordinated by the TAG, based on the policy context set out within the LTPs and other key city region policy documents (e.g. Core Strategies, Mayoral Development Zones, Enterprise Zones and the LEP's economic growth priorities etc.). These priorities have been outlined in a briefing paper for senior officials from the DfT during the summer of 2012 and will be used as context.
- 12.3 In addition, this list will be supplemented by canvassing members of the wider stakeholder group for other candidate schemes. This will ensure that the process is inclusive and up-to-date. A detailed electronic pro-forma will be utilised to obtain the relevant information and to provide a clear audit trail of all schemes that are identified.
- 12.4 The methodology that will be used to generate the prioritised list of projects will follow earlier successful approaches within the city region for prioritising funds, specifically work on shortlisting candidate Regional Funding Allocation schemes in 2008, and schemes that made up the successful Local Sustainable Transport Fund bid in 2011. The draft methodology will be shared with the wider stakeholder group, and will be considered and approved by the LTB ahead of the consideration of candidate schemes. It will also be available as a stand-alone document on the accountable body's website.
- 12.5 The methodology will seek to utilise a preliminary gateway assessment stage, and scheme promoters will be required to address the fit of the scheme against LTP and LEP policy context. This will include a gateway stage that will utilise DfT's 'EAST' methodology to establish whether or not the proposal would form the best solution to the problem that exists. A deliverability assessment stage will also be utilised to understand the state of readiness of the scheme.
- 12.6 Schemes that satisfy the gateway stages will then be scored objectively, on the information available, against three principal criteria:-

- Economic impacts (50%)
- Financial case criteria (25%)
- Health and wellbeing criteria (25%)

The DfT's carbon calculator will be employed in the third criterion in relation to health and wellbeing impacts. A numerical score will then be attached to each candidate scheme, to enable a ranked list to be considered by the local transport body.

- 12.7 This process will enable not only a 4-year programme of ranked schemes to be identified (covering the next spending review timescales), but a longer-term programme, in line with the city region's commitment to develop a 10 year single capital pot for transport.
- 12.8 As noted in section 8, the Integrated Transport Authority, on behalf of wider LCR partners, is also developing an economic appraisal module to provide further quantification of the economic impacts of the schemes that come forward through the devolution process.
- 12.9 The appraisal methodology is summarised in the diagram within Appendix 3.

13. **Scheme eligibility**

- 13.1 The LTB will ensure that the funds that are devolved will be utilised for traditional major schemes, but in addition, will allow packages of measures to be included. Major maintenance schemes will also be included within the scope of the work, recognising their strategic fit with the LCR's Local Transport Plans' policy context. The scheme prioritisation methodology outlined above will provide the necessary policy tests for candidate schemes and no additional restrictions or hurdles will be employed by the local transport body once schemes have been prioritised by July 2013.
- 13.2 The prioritisation 'gateway' test in particular will ensure that schemes that are promoted are of sufficient magnitude, and are of genuine strategic importance to the city region. This reflects the special conditions associated with major schemes funding and the city region's clear stance that major schemes funding must not be used to top up Integrated Transport Block (ITB) funds or to fund works that should instead come from the ITB.
- 13.3 A threshold of £3 million has been agreed as the minimum threshold for schemes, to ensure that they are of sufficient significant scale and impact and to manage the number of

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schemes coming forward. Reducing the original £5 million threshold does, however, give the city region greater flexibility with its resources at a time when other sources of funding are more limited.

- 13.4 The LTB will also require all scheme promoters to provide an element of match funding for their schemes. A minimum of 10% will be required, and major schemes funding will form a maximum of 90% of the scheme's cost. Devolved major schemes funds may not be used to pay for scheme development costs. Furthermore, the prioritisation methodology will utilise criteria that reflect value for money considerations, meaning that schemes attracting higher levels of match funding will receive a higher weighting in the scoring system than those drawing only limited levels of match funding. This will ensure best value for money from the funds that are available to the city region (see section 16 below).

14. **Scheme assessment and approval**

- 14.1 Individual local authorities or the Passenger Transport Executive (described in section 5.1 above) will remain responsible for developing business case proposals for schemes agreed by the LTB through the initial prioritisation process. The city region is looking to develop more innovative and collaborative approaches to scheme delivery, as part of its review of transport governance arrangements and in line with the Liverpool City Region Deal with government.
- 14.2 To ensure a clear distinction between scheme promoters and the role of the LTB as scheme assessors, the Chair of the Transport Advisory Group will be the principal officer contact point for the LTB, and provide a link between the officer-level support structures and the LTB. They will present timely advice to the LTB on all schemes submitted for funding approval at the key stages outlined below.
- 14.3 As highlighted in section 8, the TAG has committed to create a funding pot for drawing in impartial, technical advice on scheme business cases, as required. This approach will ensure that advice presented to the LTB is impartial and that conflicts of interest between officers who sit on the TAG and the schemes promoted by their respective organisation or authority are avoided.
- 14.4 Schemes that have been shortlisted will be approved by the LTB in two discrete stages following the submission of a satisfactory business case that accords with DfT's WebTAG guidelines:-

- (i) schemes will enter a Programme Entry stage, to give scheme promoters 'in principle' approval and to allow appropriate powers or processes to be pursued.
- (ii) when the scheme reaches its required stage of readiness, an application for Full Approval shall be made to the LTB before any funds are committed legally.

The LTB reserves the right to utilise an interim, Conditional Approval stage for larger or contentious schemes.

15. **The transport business case**

- 15.1 The LTB will require all scheme proposals submitted by local authorities to clearly accord with the existing DfT requirements. The LTB will be supported by the TAG and by impartial, external technical support, to ensure that the level of information submitted is of the required standard and that all necessary processes (e.g. WebTAG and Environmental Impact Assessment requirements) are satisfied.
- 15.2 Scheme promoters will be required to develop a Strategic Outline business case, an Outline Business Case and a full Business Case. External validation and scrutiny at these stages will be secured through consultancy support, as required, funded from the budget that is being specifically allocated by the TAG and by its constituent organisations.

16. **Value for Money**

- 16.1 Value for money will be a core criterion that the LTB will utilise initially in its methodology for creating a prioritised list of schemes. Schemes drawing in higher levels of match funding will receive a higher weighting than schemes drawing in the minimum level of match funding.
- 16.2 All business cases that are subsequently developed will be required to accord with established WebTAG advice, and Benefit-to-Cost ratios will be required for all candidate scheme business cases. The LTB will approve only those schemes offering the highest value for money. Schemes that have previously been rejected on value for money grounds within the lifetime of the first and second Local Transport Plans (i.e. from 2001 onwards) will not be re-considered by the LTB.
- 16.3 Further proxies for value for money will be secured by the city region through the use of the Liverpool City Region Transport Model and its emerging economic appraisal toolkit, as appropriate. Consistency and quality assurance will be secured

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through the independent, external technical support and validation that will be called upon by the TAG as required, and as discussed in section 8 of this assurance framework.

- 16.4 At every scheme approval stage, the LTB shall require a value for money statement to be developed. This will be considered and signed-off by the TAG.
- 16.5 As part of the detailed scheme approval process, the LTB will require scheme promoters to submit evaluation and monitoring method statements, and the requirement to monitor schemes will be a funding condition. At the end of the spending review period, the LTB will commission a report that collates evaluation and monitoring data from schemes completed within this period and identify any key messages arising as a result. This report will be publicly available thereafter.

17. **External views on business cases**

- 17.1 The LTB will utilise the wider stakeholder group as its main advisory group to comment, challenge and provide scrutiny of scheme business cases. In addition, scheme business cases shall be made available on the website of the accountable body (and in due course, the website of the local transport body) for a minimum of 3 months. This will provide an opportunity for members of the public to consider and comment upon proposals and for these comments to be reported to the LTB. The TAG will manage this consultation process.
- 17.2 The TAG will be responsible for considering comments received as part of this process and ensuring that these are reported to the LTB as part of the decision making processes.

18. **Release of funding, cost control and approval conditions**

- 18.1 The LTB's funding contributions will be capped contributions. In the event that scheme costs escalate, then applications for additional funding approval will not be considered by the LTB once schemes are fully approved. This reflects the reality that funding levels are limited and will be in high demand. Alternative approaches will thus be required to manage cost overruns (e.g. from local funds or third parties). This condition will be made clear once the LTB has agreed a prioritised list of schemes and invites major scheme business cases from successful scheme promoters.
- 18.2 Funding approvals will also reiterate the legal agreement that will exist between each organisation represented on the LTB and the

accountable body, in terms of the purposes for which devolved funds may be used, as outlined in paragraph 5.7 of the assurance framework. This will also make funding conditional upon the security of the match funding identified.

18.2 The Integrated Transport Authority, as the accountable body will require funds to be claimed from scheme promoters in arrears on a quarterly basis. In the event that spend is not keeping pace, then contributions may be suspended. This will be stipulated as part of a conditional funding agreement between the accountable body and the promoting body.

18.3 These principles will apply equally to the Passenger Transport Executive in the event that it is also a scheme promoter. As noted in section 5.1, additional controls will exist in this respect by the legal distinction between the Integrated Transport Authority (the body represented on the LTB) and the Passenger Transport Executive, which be the scheme delivery agent. Any funds awarded to the PTE as a scheme promoter would also enter its capital programme and be accounted for separately from devolved major schemes funds as a whole.

18.4 As part of scheme business cases, promoters will be required to demonstrate where match funding will stem from, and the risks associated with these funds.

18.5 Scheme promoters will also be subject to regular audits by the accountable body.

19. **Programme and risk management**

19.1 The work of LTB will be managed and supported by professional staff. The principal officer with responsibility for contact between formal LTB meetings and the Chair will be the Chair of the Transport Advisory Group, supported by officers from the constituent local authorities and the Lead Local Authority Chief Executives for Transport.

19.2 Funding approvals will feature as standing items of formal meetings of the TAG, to monitor and manage issues such as spend profiles and risk to the programme as a whole, on behalf of the LTB.

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Appendix 1

Terms of Reference for the Liverpool City Region Local Transport Body

DRAFT – February 2013

Context

1. The Liverpool City Region Local Transport Body (LTB) exists for the primary purpose of managing the process of making policy and funding decisions in relation to devolved transport major schemes funding from the Department for Transport within the Liverpool City Region (LCR).
2. The LCR is defined as the local authorities of Halton, Knowsley, Liverpool, St Helens, Sefton and Wirral. It also includes Merseytravel, as the Passenger Transport Executive and Integrated Transport Authority for Merseyside and the Liverpool Local Enterprise Partnership area.

Duties of Local Transport Body

3. The LTB will take the form of a partnership of appointees from each of its constituent organisations, empowered to take decisions to fulfil the duties expected of it in respect of devolved transport major schemes funds. These duties will include:-
 - Identifying a prioritised list of investments within the available budget, and keeping this under review
 - Making decisions on individual scheme approval, investment decision making and release of funding, including scrutiny of individual scheme business cases
 - Monitoring progress of scheme delivery and spend
 - Actively managing the devolved budget and programme to respond to changed circumstance [including, but not limited to scheme slippage, scheme alteration and cost increases]
 - Responsibility for ensuring value for money is achieved within the available budget
 - Post scheme implementation monitoring and reporting on outcomes/outputs with reference back to original business cases.
4. Decisions made by the LTB will be binding, though will be subject to the right of the accountable body to challenge on legal or a procedural grounds. There will be no requirement for the constituent local authorities or organisations to ratify decisions made by the local transport body, as the local transport body has executive power to make strategic funding decisions on behalf of the city region.

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- The LTB shall operate in accordance with the principles set out within the LTB's assurance framework, submitted to the DfT in February 2013, and which should be read in conjunction with these Terms of Reference. The LTB may also widen its remit at its discretion.

Membership of LTB, voting and meeting requirements

- The LTB will be composed as follows:-

Member	Status	Role on LTB	Number of votes
Chair of Merseyside Integrated Transport Authority *	Elected member	Chair + Voting member	1 + casting vote in the event of a tie of votes *
Leader of Halton BC *	Elected member	Voting member	1
Leader of Knowsley MBC *	Elected member	Voting member	1
Mayor of Liverpool *	Elected Mayor	Voting member	1
Leader of St Helens MBC *	Elected member	Voting member	1
Leader of Sefton MBC *	Elected member	Voting member	1
Leader of Wirral MBC *	Elected member	Voting member	1
Chair of Liverpool Local Enterprise Partnership *	Private sector representative	Voting member	1

** or named alternate*

*** Vice Chair of LTB to have casting vote in Chair's absence*

- All representatives sitting on the LTB shall appoint a single, named alternate, who will enjoy the same status as the principal representative.
- At its inception, the LTB will be chaired by the Chair of the Merseyside Integrated Transport Authority.
- A Chair and a Vice Chair shall be appointed each year. The Vice Chair shall deputise for the Chair in their absence, with the Chair of the meeting having a casting vote in all cases
- The Lead Member / Portfolio holders for transport and regeneration issues for each local authority will support the work of their respective LTB members.
- There shall be no other classes of membership.
- All decisions made by the LTB shall be majority decisions and any proposals or amendments will be subject to established proposing and seconding conventions. The Chair of the LTB shall carry the casting vote in the event that votes are tied.

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13. The LTB must be quorate in order to take decisions and consider recommendations. A minimum of 5 members must be present to ensure that the quorum is met.
14. Members of the LTB agree to abide by a code of conduct as developed by the Integrated Transport Authority as its accountable body, and be subject to agreed protocols in respect of declarations of interest and pecuniary interests.

Accountable body to the LTB

15. The Merseyside Integrated Transport Authority will act as the LTB's accountable body, supported by its Passenger Transport Executive. As such it will:-
 - hold the devolved major scheme funding in a discrete cost centre
 - make payments to delivery bodies such as Local Authorities, linked to appropriate legal agreements and funding agreements relating to the purpose to which funds may be used
 - be responsible for providing annual audits to DfT on behalf of the LTB
 - providing audits of scheme promoters
 - provide financial statements to the LTB
 - manage the devolved funding in accordance with the assurance framework
 - be responsible for clawing back, or withholding funds in the event of any mismanagement of funds.

LTB meeting arrangements

16. The LTB shall agree a schedule of meetings each year. The Chair may also convene additional meetings of the LTB, in consultation with other members, providing that at least 14 days' notice ahead of the proposed date is given. In the event that a scheduled meeting is not deemed necessary, then the Chair may agree to cancel or reschedule that meeting at least 14 days ahead of its scheduled date, providing that all members of the LTB have been consulted in advance of notice being given of the intention to cancel.
17. A meeting of the LTB shall be required in order to consider an individual scheme business case or to make eligibility / funding decisions in respect of any scheme.
18. The meetings of the local transport body will be held in public and all background papers, agendas and minutes will be publicly available on the Integrated Transport Authority's (or a future dedicated LTB website's) 'modern.gov' system a minimum of 5 working days ahead of the date of the meeting

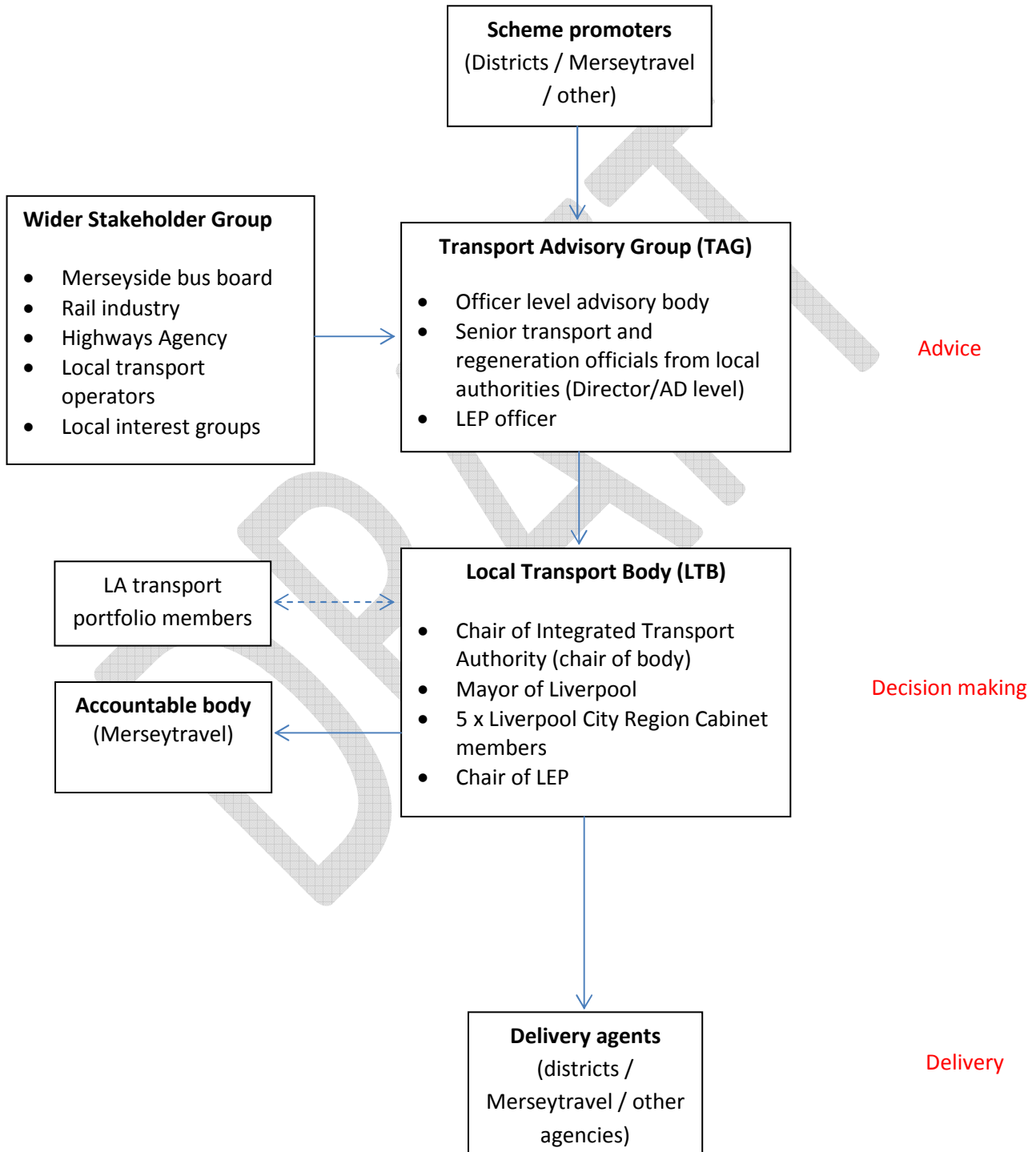
19. The LTB's terms of reference will be reviewed and updated at an annual meeting of the LTB in July of each year. This will provide an opportunity for the following issues to be reviewed:-
- membership of the LTB
 - the Chair and Vice Chair for the coming year (the existing Chair and Vice Chair may stand for re-election)
 - changes to voting arrangements
 - changes to the LTB's terms of reference, including wider responsibilities or advisory roles
 - changes to the LTB's accountable body
 - changes to the LTB's support arrangements

LTB support arrangements

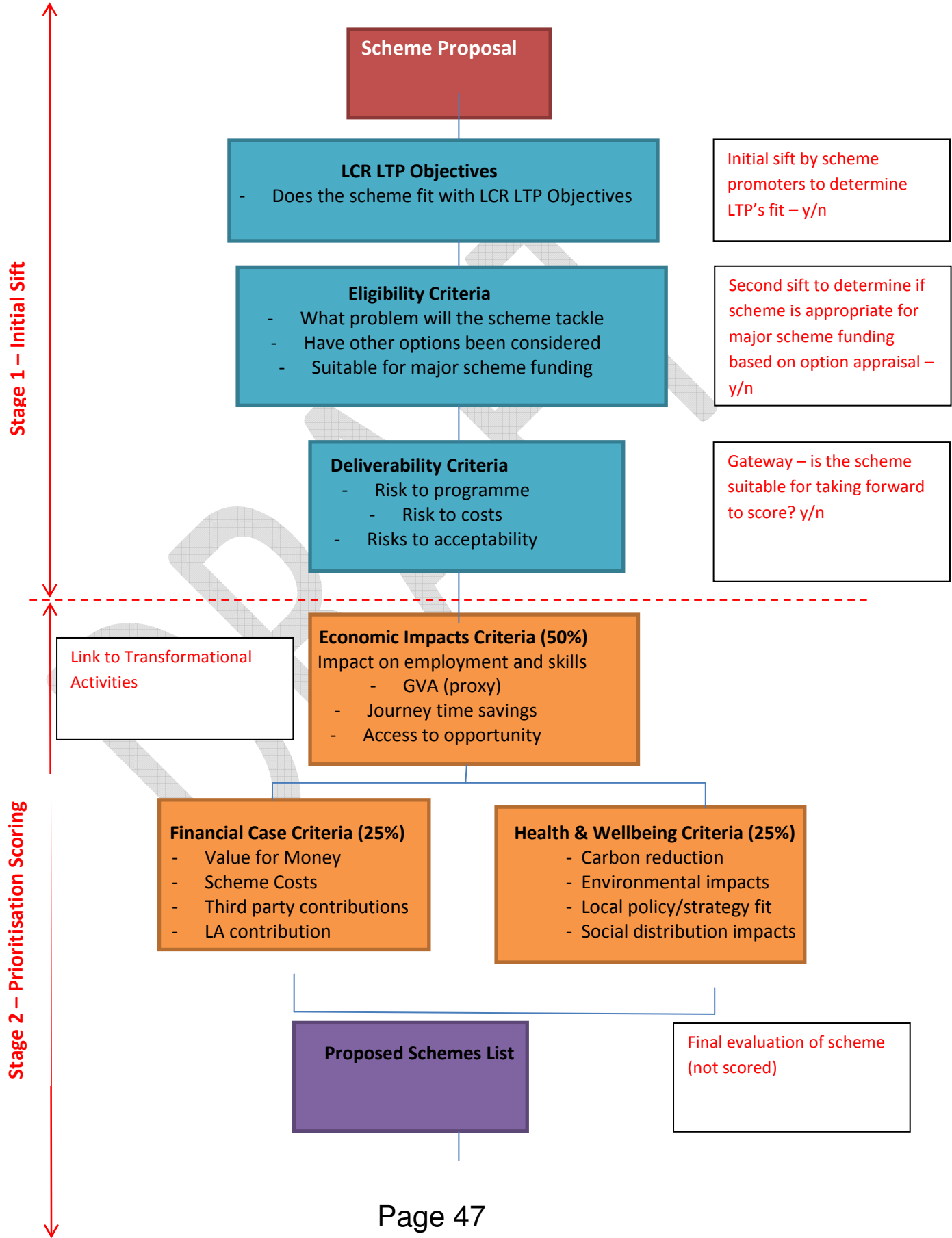
20. The LTB will be supported at officer level by a Transport Advisory Group (TAG), made up of Director and Assistant-level transport and regeneration officers from each of the city region local authorities and from Merseytravel. This body will have responsibility for providing professional advice to the LTB.
21. The Chair of the TAG will be the principal contact point for the LTB, and will act as the principal link between the TAG and the Chair of the LTB, supported by the Lead Local Authority Chief Executives for Transport.
22. The LTB will be supported by a wider stakeholder group, to provide input into the prioritisation, approvals and consultation processes. This will include representation from private sector transport operators, from local interest groups and from government agencies / partners such as the Highways Agency and Network Rail.

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Appendix 2 The structure of the Local Transport Body and its support arrangements



Appendix 3 Schematic of scheme prioritisation methodology



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Prioritised
Programme

DRAFT

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Report to: Cabinet
Council

Date of Meeting: 14 February 2013
28 February 2013

Subject: Treasury Management Policy & Strategy 2013/2014

Report of: Head of Corporate Finance & ICT

Wards Affected: All

Is this a Key Decision? No

**Is it included in the Forward
Plan?** No

Exempt/Confidential No

Purpose/Summary

To advise Cabinet of the proposed procedures and strategy to be adopted in undertaking the Treasury Management Function in 2013/2014.

Recommendation(s)

Council be recommended that: -

- a) The Treasury Management Policy Document for 2013/2014 (Annex A) be agreed; and
- b) The Treasury Management Strategy Document for 2013/2014 (Annex B) be agreed.

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

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

Reasons for the Recommendation:

To enable the Council to effectively manage its treasury activities..

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What will it cost and how will it be financed?

- (A) Revenue Costs
There are no financial implications as a result of this report.
- (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	Local Authorities are required to have regard to the Code of Practice on Treasury Management under the provisions of the Local Government Act 2003	
Equality		
1.	No Equality Implication	<input checked="" type="checkbox"/>
2.	Equality Implications identified and mitigated	<input type="checkbox"/>
3.	Equality Implication identified and risk remains	<input type="checkbox"/>

Impact on Service Delivery:

None.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT has no comments on this report because the contents of the report have no financial implications (FD2095/13:)

The Head of Corporate Legal Services has been consulted and comments have been incorporated into the report (LD2095/13 /13:).

Are there any other options available for consideration?

None.

Implementation Date for the Decision

With effect from 1 April 2013.

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

Background Papers:

None

1. Background

- 1.1. The Council has previously adopted CIPFA's revised 2001 Code of Practice on Treasury Management in the Public Services which recommends the production of annual Treasury Management Policy and Strategy Documents, and the revision to The Code in 2009 following the Icelandic bank collapse. The Council has also adopted the revisions contained within the 2011 Code.
- 1.2. In addition, the Council has also adopted, and incorporated into both documents:
 - a) The requirements of the 2003 Prudential Code for Capital Finance in Local Authorities; and,
 - b) An Investment Strategy produced in line with guidance from the then Office of the Deputy Prime Minister concerning the investment of surplus funds. This sets out the manner in which the Council will manage its investments, giving priority to the security and liquidity of those investments.

2. Treasury Management Policy and Strategy Documents

- 2.1. The Code requires the Council to produce:
 - a) A Treasury Management Policy Document – which outlines the broad policies, objectives and approach to risk management of its treasury management activities;
 - b) A Treasury Management Strategy Document – This sets out specific treasury activities which will be undertaken in compliance with the Policy in 2013/2014; and
 - c) Suitable treasury management practices, setting out the manner in which the organisation will seek to achieve these policies and objectives, prescribing how it will manage and control those activities.

The content of the policy statement and the treasury management practices will follow the recommendations contained in sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the Council. Such amendments will not result in the Council materially deviating from the Codes key principles.

- 2.2. The proposed Policy and Strategy Documents are attached at **Annex A and B** respectively.
- 2.3. Economic conditions have been difficult since the onset of the credit crunch in August 2007. This caused all major economies to enter into recession caused by a reduction in lending as banks attempted to repair their balance sheets, with concerns being raised over the financial health of many institutions. The wider economic position has meant that a continuing review of the Treasury Management Policy and Strategy documents has been undertaken to identify whether any improvements can be made.

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All investments are made in accordance with the Council's Investment Criteria. This takes account of market and risk conditions at the time the investment is made, with security being assessed over liquidity, and liquidity being assessed over return.

- 2.4. In view of the complex nature of Treasury Management, regular treasury update reports will be presented to the Audit and Governance Committee.

3. Financial Procedure Rules – Banking Arrangements

- 3.1. The Treasury Management Policy Document at **Annex A** delegates certain responsibilities to the Head of Corporate Finance and ICT, including all executive decisions on borrowing, investment or financing, in line with the Constitution of the Council.

4. Minimum Revenue Provision (MRP) for Debt Repayment Policy Document

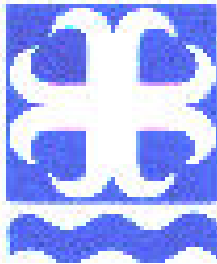
- 4.1. The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 introduced changes to the calculation of the MRP.
- 4.2. As a transitional arrangement for 2008/09, authorities were able to continue to calculate MRP as in previous years i.e. 4% of the underlying need to borrow for capital purposes, as measured at 31 March 2008. The Council's revenue budget for 2008/09 was constructed on this basis.
- 4.3. To comply with the legislative changes, the Council has, from 2009/10, retained this calculation for borrowing supported through the Revenue Support Grant but for unsupported prudential borrowing, MRP will be calculated using the estimated life method. This links the charges to revenue more closely to the life of the asset. The Council's Revenue Budget for 2013/14 to 2015/16 has been constructed on this basis.
- 4.4. The change in legislation also allows councils to apply an MRP "Holiday" on large projects, the costs of which span a number of financial years. Rather than starting to charge MRP as the expenditure is incurred, the option is given to apply MRP only when the scheme becomes operational. The total level of MRP remains unchanged, only the timing of the charge is altered. This option is considered to be the most appropriate for use within Sefton.

SEFTON COUNCIL

TREASURY MANAGEMENT

POLICY

2013/2014



CORPORATE FINANCE AND ICT

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1. **Treasury Management Policy**

1.1. The Council defines Treasury Management as:

The management of the Authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

1.2. The Council's Statement of Treasury Management Policy is:

- a) Effective Treasury Management is acknowledged as providing support towards the achievement of the Council's business and service objectives. It is therefore committed to the principles of achieving best value in Treasury Management, and to employing suitable performance measurement techniques, within the context of effective risk management;
- b) The successful identification, monitoring and control of risk is regarded as being the prime criteria by which the effectiveness of the Council's Treasury Management activities will be measured. Accordingly, the analysis and reporting of Treasury Management activities will focus on their risk implications for the organisation.

1.3 A dedicated team of three officers carries out the day-to-day treasury management activities. Two of the current officers are qualified accountants, whilst the third is a qualified accounting technician. The Treasury Group Accountant has obtained the CIPFA/Association of Corporate Treasurers sponsored qualification CertITM-PF, which is aimed at giving a solid grounding in treasury management and which is tailored to the public sector.

1.3.1 Members should receive training in the Treasury Management function, in order to assist in the understanding of this relatively complex area. This will be addressed via the provision of regular reporting to Cabinet, Corporate Services Cabinet Member Meeting and the Audit and Governance Committee, and the provision of specific training on Treasury Management.

2. **Treasury Management Strategy**

2.1. The Annual Strategy Document sets out in detail how the Treasury Management Activities are to be undertaken in a particular financial year to comply with the Council's Policy. The strategy for 2013/2014 is attached at **Annex B**.

3. **Delegated Powers**

3.1. The Head of Corporate Finance and ICT, under the Council's Constitution, is given the following authority:

- a) All money in the hands of the Council shall be aggregated for the purposes of Treasury Management and shall be under the control of the Head of Corporate Finance and ICT, the Officer designated for the purposes of Section 151 of the Local Government Act, 1972;

- b) All executive decisions on borrowing, investment or financing shall be delegated to the Head of Corporate Finance and ICT (or in his/her absence the Deputy Section 151 Officer) who shall be required to act in accordance with the Council's Treasury Policy, Treasury Management Practices and CIPFA's Standard of Professional Practice on Treasury Management.

4. Reporting Requirements/Responsibilities

4.1. Council

Council will approve, prior to each financial year, the Treasury Management Policy and Strategy Documents. Also, an annual outturn report on Treasury Management activity will be presented before 30 June following the end of the previous financial year.

4.2. Cabinet

Cabinet will:

- a) Consider, prior to each financial year, Treasury Management Policy and Strategy Documents and refer them to Council for approval;
- b) Monitor these documents and approve any in-year amendments necessary to facilitate continued effective Treasury Management;
- c) Receive an annual outturn report on Treasury Management activity prior to the 30 June following each financial year; and

4.3. Audit and Governance Committee

Audit and Governance Committee will:

- a) Implement and monitor performance on at least a quarterly basis necessary to facilitate continued effective Treasury Management;
- b) Receive an annual outturn report on Treasury Management activity prior to the 30 June following each financial year; and
- c) Will be responsible for ensuring effective scrutiny of treasury management and policies.

4.4. Head of Corporate Finance and ICT

The Head of Corporate Finance and ICT will:

- a) Draft and submit to Cabinet and Council prior to each financial year, Treasury Management Policy and Strategy Documents;
- b) Implement and monitor these documents resubmitting any necessary in-year revisions/amendments (at least on a quarterly basis) to Cabinet for approval;
- c) Draft and submit an annual outturn report on Treasury Management activity to Cabinet and Council by the 30 June following each financial year-end;

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- d) Draft and submit an annual outturn report (and quarterly performance reports) on Treasury Management activity to the Audit & Governance Committee by the 30 June following each financial year-end;
- e) Maintain suitable Treasury Management Practices (TMP), setting out the manner in which the Council will seek to achieve its objectives. The TMP's will also prescribe how the treasury activities will be managed and controlled;
- f) Be responsible for the execution and administration of treasury management decisions; and
- g) Act in accordance with the Council's policy statement and treasury management practices, and also in accordance with CIPFA's Standard of Professional Practice on Treasury Management.

4.5 Borrowing and investments

The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.

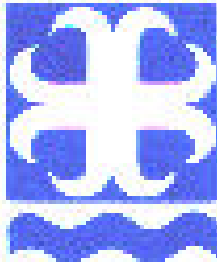
The Council's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Authority's investments followed by the yield earned on investments remain important but are secondary considerations.

SEFTON COUNCIL

TREASURY MANAGEMENT

STRATEGY

2013/2014



CORPORATE FINANCE AND ICT

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SEFTON COUNCIL

Treasury Management Strategy

1. Introduction

- 1.1. The Treasury Management Strategy Document sets out in detail how the Treasury Management Activities are to be undertaken in a particular financial year to comply with the Council's Treasury Management Policy.
- 1.2 The Strategy had been produced to incorporate the requirements of the CIPFA Code of Practice on Treasury Management, the 2011 revised Prudential Code for Capital Finance, and the revised Treasury Management in the Public Services code of Practice and Cross-Sectoral Guidance Notes (2011).

2. Treasury Management Strategy 2013/2014

- 2.1. The Strategy for 2013/2014 covers:
 - a) Treasury Limits in force which will limit the borrowing activity of the Council (2.2);
 - b) Prudential Indicators 2013/2014 to 2015/2016 (2.3);
 - c) Interest Rates (2.4);
 - d) Capital Borrowing (2.5);
 - e) Debt Rescheduling opportunities (2.6);
 - f) Borrowing in advance of need (2.7);
 - g) Investment Strategy (2.8).

2.2. Treasury Limits for 2013/2014

The Treasury Limits set by Council in respect of its borrowing activities are:

The overall or Affordable Borrowing Limit (authorised limit as per Prudential Indicators 2013/2014).	Maximum £200.500m
--	-------------------

It is a statutory duty under S.3 of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the 'Affordable Borrowing Limit'. The Affordable Borrowing Limit takes into account the Council's current debt, an assessment of external borrowing to fund the Capital Programme in 2013/2014, the need to fund capital expenditure previously met from internal funding, and cash flow requirements.

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The amount of overall borrowing, which maybe outstanding by way of short-term borrowing.	Maximum £15m
--	--------------

The Short – Term Borrowing limit takes into account an assessment of any potential short-term financing the Council may need (e.g. bank overdraft, short-term funding in anticipation of grant receipts). Short-Term Borrowing is defined as being for less than 12 months.

The proportion of external borrowing which is subject to variable rate interest.	Maximum 33%
--	-------------

The limit on variable rate borrowing gives the Council flexibility to finance expenditure at favourable market rates, but ensures Council exposure to variable interest commitments is within prudent levels.

2.3. Prudential Indicators

The following prudential indicators are considered relevant by CIPFA for setting an integrated Treasury Management Strategy.

2.3.1 Interest Rate Exposure Indicators

Fixed rate borrowing and investment has the benefit of reducing the uncertainty surrounding future interest rate changes. However, in looking to improve performance best practice recommends retaining a degree of flexibility through the use of variable rates on at least part of the Treasury Management Activity.

To ensure that the risk associated with improved performance which may be achieved by using variable loans and investments is minimised, it is necessary to establish indicators to control the position. The control is based on setting an upper limit for both fixed and variable interest rate exposures expressed as a percentage of the Council's net outstanding principal sum. The following indicators are to be used:

Upper Limit for Interest Rate Exposures	2013/14 %	2014/15 %	2015/16 %
Upper limit for fixed interest rate exposure expressed as a percentage of net outstanding principal sum	340	340	340
Upper limit for variable interest rate exposure expressed as a percentage of net outstanding principal sum	-20	-20	-20

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2.3.2 Non Specified Investment Indicator

The Investment Strategy (Para 2.9) allows non-specified investments (see paragraph 2.9.3 for definition) to be made using funds managed by the Council. The indicator is designed to control the level of such non-specified investments when compared to the overall investments of the Council.

Upper Limit on Non-Specified Investments	2013/14 %	2014/15 %	2015/16 %
Upper limit on the value of non-specified investments as a percentage of total investments	40	40	40

2.3.4 Debt Maturity Indicators

The indicators are designed to be a control over an authority having large concentrations of fixed rate debt needing to be replaced at times of high interest rates. The control is based on the production of a debt maturity profile, which measures the amount of borrowing that is fixed rate that will mature in each period as a percentage of total projected borrowing that is fixed rate. Any borrowing decision and related maturity dates will be taken by the Council mindful of maturity profile limits set out below to ensure large concentrations of debt do not fall due for repayment in any one future financial year. The profile reflects borrowing advice provided by Arlingclose, the Council's Treasury Management Advisors, and has been noted by them.

Maturity Structure of Fixed Rate Borrowing During 2013/2014	Upper Limit %	Lower Limit %
Under 12 month	35%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	40%	0%
10 years and above	90%	25%

Policy on the use of external service providers

The Council employs Arlingclose as its treasury consultants. Arlingclose were engaged for the first time with effect from 01/04/2011, replacing Sector, following a tendering exercise for the contract. The Council recognises that responsibility for treasury management decisions rests with the Council at all times. It also recognises that there is value in such arrangements in order to

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acquire access to specialist skills, knowledge, and advice. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly documented, and subjected to regular review.

2.3.5 Credit risk

Virtually any investment involves risk. The Council will consider the credit ratings supplied by a variety of recognised money market organisations, as part of the process to determine the list of Banks where the level of risk is acceptable, with security, then liquidity, being the key aims. As part of this process advice from Arlingclose will be considered, both in terms of maximum duration and level of investment.

The Council also considers alternative assessments of credit strength, and information on corporate developments and of market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ for non-UK sovereigns);
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP);
- Corporate developments, news, articles, markets sentiment and momentum;
- Subjective overlay.
- Background research in the financial press
- Discussion with our treasury consultants
- Internal discussion with Head of Corporate Finance and ICT

As a means of clarifying the level of acceptable risk, the Risk Matrix at **Annex B3** will be used. The Council will only invest in institutions that have a Risk Matrix scoring of long term A- (or equivalent).

The Council maintains a full record of each investment decision taken, each of which is authorised by an appropriate level of signatory.

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2.4. Interest Rates

2.4.1 Arlingclose provide regular forecasts of interest rates to assist decisions in respect of:

- a) Capital Borrowings (2.5);
- b) Debt Rescheduling opportunities, (2.6)
- c) Temporary borrowing for cash flow; and
- d) Investments strategy (2.8).

2.4.2. **Annex B2** gives details of Arlingclose's central view regarding interest rate forecasts. Arlingclose's forecast is for official interest rates to remain at 0.5% until 2016.

2.4.3. The advice from Arlingclose takes into account financial activity both in the UK and world economies and the impact of major national and international events. It is essential that borrowing and investment decisions are taken mindful of independent forecasts as to interest rate movements. The Council will continue to take account of the advice of Arlingclose.

2.5. Capital Borrowing

2.5.1 The Council's debt portfolio as at 31st January 2013 is as set out below:

Debt Portfolio	
Average Interest Rate	4.51%
<u>Debt Outstanding – Fixed Rate</u>	£m
PWLB	130.465
Other Borrowing	19.770
Other Long Term Liabilities	<u>5.907</u>
Total Debt	156.142

The category of other borrowing (£19.770m) represents finance lease liabilities.

Other long term liabilities (£5.907m) represent transferred debt from the Merseyside Residuary Body.

2.5.2 The Council will raise its required finance, following advice from Arlingclose, from the Public Works Loan Board (PWLB), or other local authorities.

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The Council's forecast borrowing requirement for 2013/2014 is as follows:

Borrowing Requirement	Estimate £m
New Borrowing	14.345
Replacement Borrowing	<u>7.173</u>
Total Borrowing	21.518

The new borrowing represents the unsupported borrowing as required by the Capital Programme in 2013/14. As noted in 2.5.4 below the Council is internally borrowed, and may take additional borrowing if required in order to reverse this position.

2.5.3. The Arlingclose forecast for Gilt interest rates (as set out at **Annex B2**). This would suggest that the following strategy is followed:

- The cheapest borrowing will be internal borrowing, which involves running down cash balances and foregoing interest earned at historically low rates. Consideration will always be given to long term borrowing rates and the possibility of rates rising, which could mean borrowing at future higher rates which could erode the advantages of internal borrowing
- Temporary borrowing from money markets or other local authorities.

2.5.4. The authority borrows from the PWLB in order to fund part of the capital programme, the maximum that we can borrow being the Capital Financing Requirement (CFR). PWLB borrowing as at 31 January 2013, plus lease liabilities and other long term liabilities, is £156.142m, as against a CFR of £220.500m for 2013/14. This position is classed as being internally borrowed which does have the advantage of reducing exposure to interest rate and credit risk. To be internally borrowed is a conscious decision to use cash balances to fund capital expenditure, rather than borrow from the PWLB. This position can be reversed at any time by borrowing from the PWLB.

2.5.5. 2013/14 is expected to experience a continuation of a low bank rate. Hence, internal borrowing is a sensible option where interest rates on deposits are much lower than the current PWLB borrowing rates.

2.5.6. However, as noted in 2.5.3, savings have to be weighed against the potential for incurring long term extra costs by delaying unavoidable new borrowing until later years when PWLB rates are forecast to be higher.

2.5.7. Against this background, caution will be adopted in undertaking borrowing in 2013/2014. The Head of Corporate Finance and ICT will monitor the interest rate market and following advice from Arlingclose, adopt a pragmatic approach to changing circumstances during the year.

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2.5.8. External v Internal Borrowing

2.5.9. The Council currently has a difference between gross debt and net debt (gross debt net of cash balances) of £72m. The general aim of the strategy would be to reduce the difference between the two in order to reduce the credit risk of holding investments.

2.5.10. As noted in 2.5.4 above the Council is internally borrowed. If this continues this will reduce the difference between gross and net debt. Early repayment of debt is, however, not a realistic option since the introduction by the PWLB of significantly lower rates on 1 November 2007, which has now been compounded by a considerable further widening of the difference between new borrowing and repayment has meant that large premiums would be incurred.

2.6. Debt Rescheduling Opportunities

2.6.1. As noted in 2.5.10 above, restructuring with the PWLB is now much less attractive than before due to the potentially large premiums that would be incurred.

The lower interest rate environment and changes in the rules regarding the premature repayment of PWLB loans has adversely affected the scope to undertake meaningful debt restructuring. However, the situation will be monitored and the Council will consider the option of debt restructuring during 2013/2014, should the financial circumstances change.

2.7 Borrowing in advance of need

The Council will not borrow more than, or in advance of, its needs purely to profit from the investment income made on the extra sums borrowed. Any decision to borrow in advance of need will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

In determining whether to borrow in advance of need the Council will;

- Ensure that there is a direct link between the capital programme and maturity profile of the existing debt portfolio which supports the need to borrow in advance of need;
- Ensure that the revenue implications of such borrowing have been considered in respect of future plans and budgets; and
- Consider the merits of other forms of funding.

2.8 The Use of Financial Instruments for the Management of Risks

Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate

collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). The CIPFA Code requires Councils to clearly detail their policy on the use of derivatives in the annual strategy.

The Council's policy on such items is that it will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

The Council will only use derivatives after seeking expertise, a legal opinion and ensuring officers have the appropriate training for their use.

2.9. Investment Strategy

2.9.1. The Council manages the investment of its surplus funds internally, and operates in accordance with the Guidance on Local Government Investments issued by CLG, and the 2011 CIPFA Treasury Management in Public Services and Cross Sectoral Guidance Notes.

2.9.2 The Council's investment priorities are, in order of priority:

- The security of capital
- The liquidity of capital

The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

2.9.3. Under the system of guidance investments are classified as Specified or Non Specified.

Specified Investments are those which satisfy the following conditions:

- a) The investment and all related transactions are in sterling;
- b) The investment is short-term i.e. less than 12 months;
- c) The investment does not involve the acquisition of share or loan capital;
Either:
 - i) The investment is made with the UK Government or local authority;
OR
 - ii) The investment is made with a body or scheme, which has been awarded a high credit rating by a credit rating agency.

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Non Specified Investments are those that do not meet the above definition.

2.9.4 The Council's investment portfolio as at 31st January 2013 is set out below:

Investments Portfolio	£m
Specified Investments	70.930
Non-Specified Investments	<u>0.700</u>
Total	71.630

2.9.5 The Council banks with National Westminster, which is part of the Royal Bank of Scotland Group. It is currently a part government-owned institution. At the present time, it does meet the minimum credit criteria of A- (or equivalent) long term. If the credit rating falls below the Authority's minimum criteria the Bank will continue to be used for short term liquidity requirements (overnight and weekend investments) and business continuity arrangements when no other options are available.

2.9.6 The Council Strategy will be:

- a) To make Specified Investments in line with the above conditions;
- b) To make Non Specified Investments which satisfy all of the above with the exception of 2.9.3 b) which is extended to a period of less than 2 years or fixed term deposits, and a maximum of 5 years for negotiable instruments such as CDs;

It is suggested that the following investment vehicles should be made available to the authority:

Investment	Reason	Risk
Term deposits made with banks as listed in annexe B5, following the investment criteria as listed in annexe B4. Deposits also acceptable on an overnight call basis. Can also deposit with Local Authorities.	Certainty of rate of return and repayment of capital	Liquid, with potential for deterioration in credit risk. Most Local Authorities are not credit rated.
Certificates of Deposit with Banks and Building Societies	Certainty of rate and liquid	If not held until maturity, can be sold for a capital loss on the secondary market
Supra-national bonds	Greater levels of security of investment. A fairly liquid investment, though not as liquid as Gilts	High credit rating as placed with EIB and World Bank (AAA rated). Bond price may vary if sold early

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Investments with Registered Providers	Certainty of rate of return and repayment of capital	Most Registered Providers are not credit rated.
Investments with organisations that do not meet the Council's specified investment criteria (subject to an external credit review and specific advice from TM advisor).	Greater diversification and allows a small portion of the portfolio to be invested at higher rates of return	Investments may not be with credit rated organisations
AAA rated Money Market Fund (MMF)	Same day liquidity and high credit worthiness due to considerable diversification	High credit rating via the International Money Market Fund Association or IMMFA (AAA rated)
Other Money Market and Collective Investment Schemes	Strong portfolio diversification	Variable Net Asset Value VNAV funds – potential for receiving less than paid in. Plus long lead time for return of investment.
Corporate Bonds	Can be sold on the secondary market	Can be sold for a capital loss
Gilts	Liquid and very secure. Interest paid every six months	High credit rating as Government backed (AAA rated). Bond price may vary if sold early
Treasury Bills	Liquid and very secure. Duration of < 1 year	No interest paid – they are zero-coupon rated, but are typically bought at a discount.
Debt Management Agency Account Deposit Facility (DMADF)	Secure investment	High credit rating as Government backed (AAA rated). Interest earned low. Investment cannot be repaid early

The maximum that can be invested in any of the above vehicles is £25m, except for term deposits and MMF's for which no limit is set. The maximum maturity period in any is 2 years for non-tradeable deposits, and 5 years for deposits that are tradeable on the secondary market. However, advice from Arlingclose will be taken into account in determining whether shorter maximum investment period is more appropriate during the year.

It is NOT proposed that the Council will be making any Non Specified Investments in 2013/2014 that do not comply with the above, however, should

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the situation change, the Head of Corporate Finance and ICT will report to Cabinet requesting appropriate approval to amend the Strategy before any such investments are made.

2.9.7 The Bank of England Base Rate has remained significantly low at 0.5%. Arlingclose's project of interest rates is to remain at 0.5% to 2016 **Annex B2**. Given the volatility of the market, the forecasts can only be used as a general guide to the future position. Consequently for 2013/14, the Authority has taken a prudent view and budgeted for an investment return based upon Arlingclose's base rate projection during 2013/14.

2.9.9. In order to pursue the strategy of maximising returns from surplus funds at an acceptable level of security and liquidity, the following Brokers will be utilised for investments of over one month:

- ii) Sterling International Brokers Limited;
- iii) Tradition UK Limited;
- iv) Tullet Prebon Limited.

2.9.10 As noted in previous year's report, Cabinet agreed that the limit of investments that can be made to any UK or international banking institution was raised from £15m to £25m. This reflected the fact that our counterparty list became drastically reduced following the downgrading of many banks by the credit rating agencies following the credit crunch. However, now that stability has now entered the banking sector, on an operational basis we are using an institutional or group limit of £15m in order to increase security of capital by spreading risk. However, the overall limit of £25m will be maintained as a maximum, should conditions change.

It should be noted that an operational limit of £22.5m applies to Banking Groups, reflecting the fact that it represents two institutions (e.g. Natwest and RBS), as advised by Arlingclose. This represents 1.5 times the operational limit. The potential investment is apportioned between the institutions so that the maximum investment in either of the institutions is £15m.

2.9.11 The current list of Banks at **Annex B5** has been produced for information; this takes account of the most up-to-date credit ratings available in respect of the Banks and Building Societies named, and utilising Arlingclose's creditworthiness advice. It has also been rationalised to only include institutions that are backed by a no-UK sovereign rating of AA+, which implies that national Governments would support the Banks if they were facing financial difficulties. The organisations listed will be monitored daily with the assistance of Arlingclose to ensure they continue to meet the requirements outlined at **Annex B4**. In the event of a change in credit rating or outlook, the Council, with advice from Arlingclose, will evaluate its significance and determine whether to include (subject to Cabinet approval) or remove the organisation from the approval list.

2.9.14 If any of the Council's investments appear at risk of loss due to default (ie this is a credit related loss, and not one resulting from a fall in price due to movements in interest rates) the Council will make an assessment of whether a revenue provision of an appropriate amount is required.

2.9.15 Performance monitoring

a) Compliance with investment strategy (i.e level of risk is not exceeded).

b) The performance of the Council's investment strategy will be assessed by monitoring the average interest rate earned against the average 7 day LIBID on a monthly basis.

This will be reported to the Audit and Governance Committee on a quarterly basis, with outturn reports also presented to Cabinet and Council.

2.10 Member and Officer training

CIPFA's Code of Practice requires the Head of Corporate Finance and ICT to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

In order to address this, the Treasury Group Accountant has obtained the CIPFA/Association of Corporate Treasurers sponsored qualification CertITM-PF, which is aimed at giving a solid grounding in treasury management and which is tailored to the public sector. Training was provided for Members of the Audit & Governance Committee on 12 December 2012 and it is intended for such training to occur at least annually.

ANNEX B2

ARLINCLOSE INTEREST

RATE FORECAST

Arlingclose's Interest Forecast as at 31 January 2012

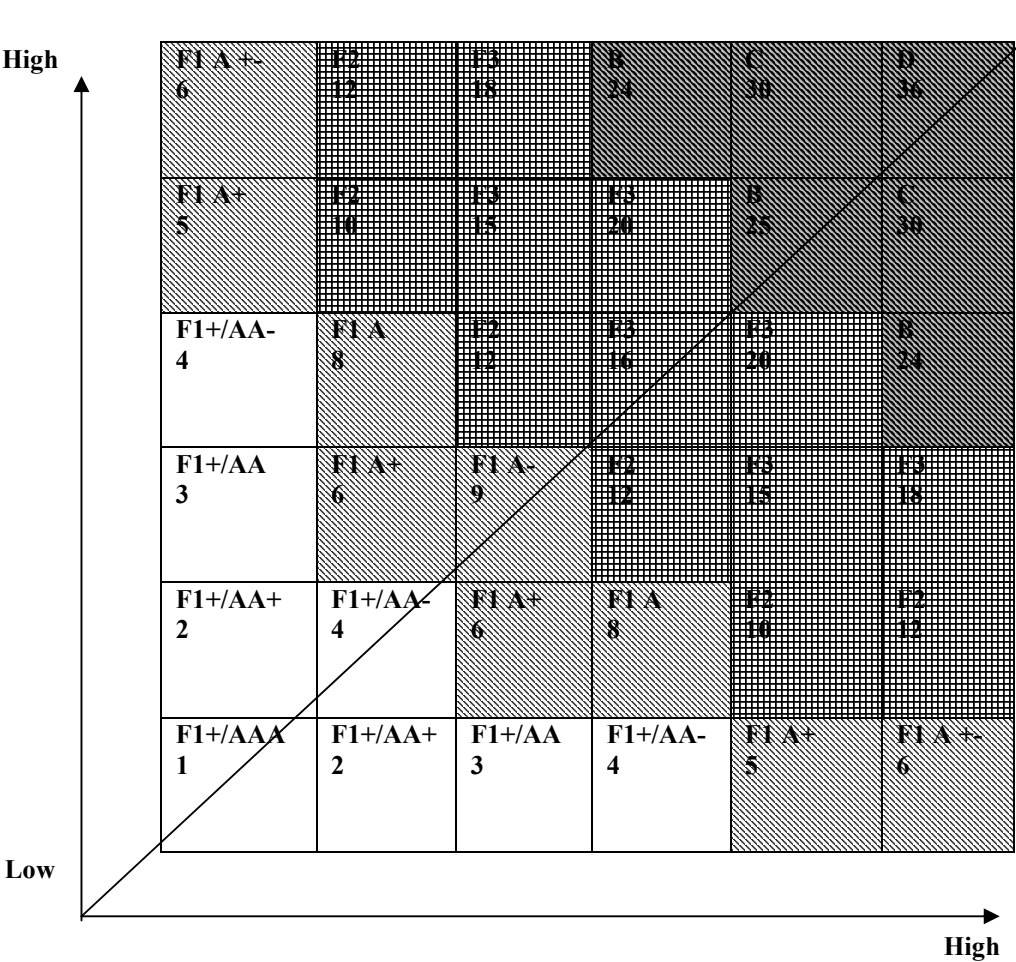
	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Official Bank Rate													
Upside risk				0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50
Central case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
3-month LIBID													
Upside risk	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Central case	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
1-yr LIBID													
Upside risk	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	1.50	1.40	1.50	1.50	1.60	1.60	1.70	1.70	1.70	1.80	1.80	1.80	1.80
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
5-yr gilt													
Upside risk	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	0.60	0.60	0.70	0.70	0.70	0.80	0.80	0.90	0.90	0.90	0.90	0.90	0.90
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
10-yr gilt													
Upside risk	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	1.50	1.40	1.50	1.60	1.60	1.70	1.70	1.80	1.80	1.80	1.90	1.90	1.90
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
20-yr gilt													
Upside risk	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	2.50	2.40	2.40	2.40	2.50	2.50	2.60	2.50	2.50	2.60	2.60	2.60	2.60
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
50-yr gilt													
Upside risk	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	3.00	2.90	2.90	3.00	3.10	3.10	3.20	3.20	3.20	3.20	3.20	3.30	3.30
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50

RISK ASSESSMENT MATRIX - FITCH RATINGS

**PROBABLITY
of DEFAULT**

High

**INCREASING
YIELD**



**SEVERITY OF
CONSEQUEN**

SEFTON RISK
TOLERANCE

4

LOW RISK

1 - 4

Investment Grade

LOW - MEDIUM
RISK



5 - 9

Investment Grade

MEDIUM RISK



10 - 20

Investment Grade

HIGH RISK



21 - 36

Speculative Grade

FITCH RATING EXPLANATION

Short term rating

This places greater emphasis on the liquidity necessary to meet financial commitments.

F1 – highest credit quality - + denotes exceptionally strong

F2 – good credit quality

F3 – fair credit quality

Long term rating

AAA – highest credit quality – lowest expectation of credit risk and exceptionally strong capacity to pay financial commitments

AA – very high credit quality – very low credit risk and very strong capacity to pay financial commitments

A – high credit quality – low credit risk and considered to have strong capacity to pay financial commitments, but may be vulnerable

Viability rating

This assesses how a bank would be viewed if it were entirely independent and could not rely on external support.

Aaa – highest fundamental credit quality

aa – very high fundamental credit quality

a – high fundamental credit quality

bbb – good fundamental credit quality

bb – speculative fundamental credit quality

b – highly speculative fundamental credit quality

ccc – substantial fundamental risk

cc – very high levels of fundamental credit risk

c – exceptionally high levels of fundamental credit risk

f – failed

Support rating

Judgement of a potential supporter's (either sovereign state of parent) propensity to support the bank and its ability to support it.

1 – extremely high probability of external support

2 – extremely high probability of external support

3 – moderate probability

4 – limited probability

5 – cannot rely on support

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Investments with UK and International Banks (including the Nationwide Building Society) are limited by the Head of Corporate Finance and ICT to a maximum principal sum of £25m with any of the institutions listed above.

Investment with the Government's Debt Management Account Deposit Facility (DMADF), local authorities or any AAA rated or equivalent Money Market Fund will be limited to a maximum principal sum of £25m. However, the Head of Corporate Finance and ICT can decide day to day maximum sums lower than this; an operational limit of £15m is currently in place.

A group limit of 1.5 times the above limit will also be applied to institutions that are part of a group. This would allow, for example in the case of the RBS/Natwest Group, £15m to be invested with Natwest, and £7.5m with RBS.

SEFTON COUNCIL - STANDARD LENDING LIST

ANNEX B5

Counterparty Name	COUNTRY	Fitch Long-Term Issuer Default	Fitch Short Term Rating	Fitch Viability Rating	Fitch Support Rating	Moody's Long-term	MDY ST	Moody's Financial Strength Rating	S&P Long-term	S&P Short-term	Banking Group	Maximum Recommended Duration (where TMSS permitted)
COMMONWEALTH OF AUSTRALIA	AU	AAA	F1+			Aaa			AAAu	A-1+u		
AUST AND NZ BANKING GROUP	AU	AA-	F1+	aa-	1	Aa2	P-1	B-	AA-	A-1+		12 Months
COMMONWEALTH BANK OF AUSTRAL	AU	AA-	F1+	aa-	1	Aa2	P-1	B-	AA-	A-1+		12 Months
NATIONAL AUSTRALIA BANK LTD	AU	AA-	F1+	aa-	1	Aa2	P-1	B-	AA-	A-1+	National Australia Bank Group	12 Months
WESTPAC BANKING CORP	AU	AA-	F1+	aa-	1	Aa2	P-1	B-	AA-	A-1+		12 Months
GOVERNMENT OF CANADA	CA	AAA	F1+			Aaa			AAA	A-1+		
BANK OF MONTREAL	CA	AA-	F1+	aa-	1	Aa2	*- P-1	B- *-	A+	A-1		12 Months
BANK OF NOVA SCOTIA	CA	AA-	F1+	aa-	1	Aa1	*- P-1	B *-	A+	A-1		12 Months
CAN IMPERIAL BK OF COMMERCE	CA	AA-	F1+	aa-	1	Aa2	*- P-1	B- *-	A+	A-1		12 Months
ROYAL BANK OF CANADA	CA	AA	F1+	aa	1	Aa3	P-1	C+	AA-	A-1+		12 Months
TORONTO-DOMINION BANK	CA	AA-	F1+	aa-	1	Aaa	*- P-1	B+ *-	AA-	A-1+		12 Months
REPUBLIC OF FINLAND	FI	AAA	F1+			Aaa	P-1		AAA	A-1+		
NORDEA BANK FINLAND PLC	FI	AA-	F1+	WD	1	Aa3	P-1	C	AA-	A-1+	Nordea Group	12 Months
FRENCH REPUBLIC	FR	AAA	F1+			Aa1			AA+u	A-1+u		
BNP PARIBAS	FR	A+	F1+	a+	1	A2	P-1	C-	A+	A-1	BNP Paribas Group	100 Days
CREDIT AGRICOLE CIB	FR	A+	F1+	#N/A N.A	1	A2	P-1	D-	A	A-1	Credit Agricole Group	100 Days
CREDIT AGRICOLE SA	FR	A+	F1+	a	1	A2	P-1	D	A	A-1	Credit Agricole Group	100 Days
SOCIETE GENERALE	FR	A+	F1+	a-	1	A2	P-1	C-	A	A-1		100 Days
UNITED KINGDOM	GB	AAA	F1+			Aaa			AAAu	A-1+u		
SANTANDER UK PLC	GB	A	F1	a	1	A2	P-1	C-	A	A-1	Santander Group	100 Days
BANK OF SCOTLAND PLC	GB	A	F1		1	A2	P-1	D+	A	A-1	Lloyds Banking Group	6 Months
BARCLAYS BK PLC-ADR C	GB	A	F1	a	1	A2	P-1	C-	A+	A-1		12 Months
HSBC BANK PLC	GB	AA-	F1+	a+	1	Aa3	P-1	C	AA-	A-1+	HSBC Group	12 months
LLOYDS TSB BANK PLC	GB	A	F1	bbb	1	A2	P-1	C-	A	A-1	Lloyds Banking Group	6 Months
NATIONAL WESTMINSTER BANK	GB	A	F1		1	A3	P-2	D+	A	A-1	RBS Group	6 Months
NATIONWIDE BUILDING SOCIETY	GB	A+	F1	a+	1	A2	P-1	C	A+	A-1		12 Months
ROYAL BANK OF SCOTLAND PLC	GB	A	F1	bbb	1	A3	P-2	D+	A	A-1	RBS Group	6 Months
STANDARD CHARTERED BANK	GB	AA-	F1+	aa-	1	A1	P-1	B-	AA-	A-1+		12 Months
FEDERAL REPUBLIC OF GERMANY	GE	AAA	F1+			Aaa			AAAu	A-1+u		
DEUTSCHE BANK AG-REGISTERED	GE	A+	F1+	a	1	A2	P-1	C-	A+	A-1		12 Months
KINGDOM OF THE NETHERLANDS	NE	AAA	F1+			Aaa	P-1		AAAu	A-1+u		
ING BANK NV	NE	A+	F1+		1	A2	P-1	C-	A+	A-1		100 Days
BANK NEDERLANDSE GEMEENTEN	NE	AAA	F1+		1	Aaa	P-1	A	AAA	A-1+		12 Months
COOPERATIEVE CENTRALE RAIFFE	NE	AA	F1+		1	Aa2	P-1	B-	AA-	A-1+		12 Months
KINGDOM OF SWEDEN	SW	AAA	F1+			Aaa	P-1		AAA	A-1+		
SVENSKA HANDELSBANKEN-A SHS	SW	AA-	F1+	aa-	1	Aa3	P-1	C	AA-	A-1+		12 Months
SWISS CONFEDERATION	SZ	AAA	F1+			Aaa			AAAu	A-1+u		
CREDIT SUISSE	SZ	A	F1	a	1	A1	P-1	C-	A+	A-1	Credit Suisse Group	100 Days
UNITED STATES (GOVT OF)	US	AAA	F1+			Aaa			AA+u	A-1+u		
JPMORGAN CHASE BANK NA	US	A+	F1	a+	1	Aa3	P-1	C	A+	A-1		12 Months
Supranationals and multi-lateral												
EUROPEAN INVESTMENT BANK	LX	AAA	F1+			Aaa			AAA	A-1+		
EUROPEAN BANK FOR RECONSTRUC	GB	AAA	F1+			Aaa			AAA	A-1+		
COUNCIL OF EUROPE DEVELOPMNT	FR	AA+	F1+			Aaa			AA+	A-1+		
INTL BANK RECON & DEV	US	AAA	F1+			Aaa			AAA	A-1+		
NORDIC INVESTMENT BANK	FI					Aaa			AAA	A-1+		
INTER-AMERICAN DEV BANK	US	AAA	F1+			Aaa			AAA	A-1+		
KREDITANSTALT FUER WIEFERAUF	GE	AAA	F1+			Aaa			AAA	A-1+		

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Reasons for the Recommendation:

To enable the Council to effectively manage its Capital Financing activities, and comply with the CIPFA Prudential Code for Capital Finance in Local Authorities.

What will it cost and how will it be financed?

(A) Revenue Costs

There are no financial implications as a result of this report.

(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	Local Authorities are required by Regulation to have regard to the Prudential Code when carrying out their duties under Part 1 of the Local Government Act 2003
Human Resources	None
Equality	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact on Service Delivery:

None.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT prepared the report (FD2094/13).

The Head of Corporate Legal Services has been consulted and comments have been incorporated into the report (LD1410 /13).

Are there any other options available for consideration?

None.

Implementation Date for the Decision

With effect from 1 April 2013.

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

Background Papers:

None

BACKGROUND:

1. Introduction

1.1. The CIPFA Prudential Code for Capital Finance in Local Authorities (The Prudential Code) was introduced following the Local Government Act 2003. It details a number of measures/limits/parameters (Prudential Indicators) that are required to be set each financial year. The approval of these limits will ensure that the Council complies with the relevant legislation and is acting prudently and that its capital expenditure proposals are affordable. This report presents for approval the Prudential Indicators required to be set by the Council in 2013/2014 to comply with the code.

1.2. The Council is required to approve Prudential Indicators for the following items:

- (i) Capital Expenditure (Section 2);
- (ii) Financing Costs/Net Revenue Stream (Section 3);
- (iii) Capital Financing Requirement (Section 4);
- (iv) External Debt (Section 5-7);
- (v) Impact on Council Tax (Section 8);
- (vi) Treasury Management Indicators (Section 9).

These indicators are presented in the following paragraphs and summarised at Annex A.

2. Prudential Indicator – Capital Expenditure

2.1. This indicator details the overall total planned capital expenditure of the Council and therefore reflects the Council's Capital Programme.

2.2. The actual capital expenditure that was incurred in 2011/2012 and the estimates for the current and future years capital programme recommended for approval are:-

	<u>2011/2012</u> <u>Actual</u> <u>£m</u>	<u>2012/2013</u> <u>Estimate</u> <u>£m</u>	<u>2013/2014</u> <u>Estimate</u> <u>£m</u>	<u>2014/2015</u> <u>Estimate</u> <u>£m</u>	<u>2015/2016</u> <u>Estimate</u> <u>£m</u>
Childrens Services	11.436	8.346	3.417	0.100	0
Housing – General Fund	2.543	2.616	0	0	0
Technical Services	5.709	7.618	8.864	11.250	1.233
Other Services	19.549	24.648	16.189	2.930	0.050
Total	39.237	43.228	28.470	14.280	1.283

2.3. The estimated levels of expenditure above represent those elements approved by Council and which have been included within the capital programme. This may change as grant allocations are made known to the Council and are approved for inclusion within the capital programme.

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3. Prudential Indicator – Financing Costs/Net Revenue Stream

- 3.1. This indicator measures the total capital financing costs of capital expenditure as a proportion of the total level of income from Government grants and local Council Taxpayers.
- 3.2. Estimates of the ratio for the current and future years and the actual figures for 2011/2012 are:

Financing Costs/Net Revenue Stream					
	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
General Fund	5.4	5.8	6.4	6.9	7.0

- 3.3. The estimates of financing costs include current commitments and proposals contained in the capital programme. The 2011/2012 percentage is lower than future projections as the future years projections reflect reduced levels of funding from the Government.

4. Prudential Indicator – Capital Finance Requirement

- 4.1. The Capital Financing Requirement indicator reflects the Authority's underlying need to borrow for a capital purpose. This is based on historic capital financing decisions and a calculation of future years planned capital expenditure requirements. It should be noted that the Council's PFI scheme for Crosby Leisure Centre is included as part of the Capital Financing Requirement, as are a number of assets that are now classified as finance lease assets. This is due to the implementation of International Financial Reporting Standards.
- 4.2. Estimates of the end of year Capital Financing Requirement for the current and future years are set out in the table below:

Capital Financing Requirement					
	<u>31/03/12</u>	<u>31/03/13</u>	<u>31/03/14</u>	<u>31/03/15</u>	<u>31/03/16</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
General Fund	214.528	216.800	221.000	225.000	230.000

4.3. CIPFA’s Prudential Code for Capital Finance in Local Authorities includes the following statement as a key indicator of prudence:

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

5. Prudential Indicator – Borrowing Limits

5.1. External borrowing undertaken by the Council arises as a consequence of all the financial transactions of the Authority, both capital and revenue, and not simply those arising from capital spending. The Council manages its Treasury Management position in terms of its external borrowings and investments in accordance with its approved Treasury Management Strategy and Policy Statements. These documents are presented for approval elsewhere on today’s agenda.

5.2. The Operational Boundary

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

5.2.2. In respect of the Operational Boundary it is recommended that the Council approves the following limits for the next three financial years. These limits separately identify borrowing from other long-term liabilities.

Operational Boundary				
	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Borrowing (long-term)	168.000	180.000	192.000	204.000
Other long term liabilities (transferred debt - Merseyside Residuary Body)	6.500	5.500	5.500	4.500
Total	174.500	185.500	197.500	208.500

5.2.3. The Council is asked to approve these limits and to delegate authority to the Head of Corporate Finance and ICT to manage the movement between the separately agreed limits for borrowing and other long-term liabilities within the total limit for any individual year. Any such changes made will be reported to Members at the earliest opportunity.

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5.3. The Authorised Limit

5.3.1. The Authorised Limit sets a limit on the amount of borrowing (both short and long-term) that the Council undertakes. It uses the Operational Boundary as its base but also includes additional headroom to allow, for example, for exceptional cash movements. Under the terms of section 3 (1) of the Local Government Act 2003, the Council is legally obliged to determine and review how much it can afford to borrow i.e. the authorised limit. The authorised limit determined for 2013/14 will be the statutory limit determined under section 3 (1).

5.3.2. The Council is asked to delegate authority to the Head of Corporate Finance and ICT to effect movement between the separately agreed figures for borrowing and other long-term liabilities within the total authorised limit for any year. Any such changes will be reported to the Council at the earliest opportunity. The Authorised Limit for external debt are:

Authorised Limit				
	<u>2012/2013</u> <u>£m</u>	<u>2013/2014</u> <u>£m</u>	<u>2014/2015</u> <u>£m</u>	<u>2015/2016</u> <u>£m</u>
Borrowing (short & long-term)	183.000	195.000	207.000	219.000
Other long term liabilities	6.500	5.500	5.500	4.500
Total	189.500	200.500	212.500	223.500

6. Prudential Indicator – Actual External Debt

6.1. The Prudential Code requires that in setting indicators for 2013/14, the Council reports its actual levels of external debt as at 31 March 2012. The Council's actual external debt at 31 March 2012 was £156.689 comprising £130.793m borrowing, £19.770m in respect of finance lease liabilities, and £6.126m other long-term liabilities.

7. Gross Debt and the Capital Financing Requirement

7.1. This is a new prudential indicator, and is used to ensure that the authority does not borrow in advance of need. If the authority borrowed in advance of need then the net position would be negative – i.e. borrowing greater than the CFR.

Authorised Limit				
	<u>2012/2013</u> <u>£m</u>	<u>2013/2014</u> <u>£m</u>	<u>2014/2015</u> <u>£m</u>	<u>2015/2016</u> <u>£m</u>
CFR	216.800	221.000	225.000	230.000
Gross Debt	-162.598	-174.821	-187.029	-199.237
Net	54.202	46.179	37.971	30.763

8. Prudential Indicator – Impact on Council Tax

- 8.1. Under the Prudential Code, Local Authorities are able to decide the level of borrowing required to meet the demands of the capital programme. Any unsupported borrowing will have to be funded by Council Taxpayers. As such, these indicators are a key measure of affordability of unsupported borrowing undertaken to support capital investment decisions.
- 8.2. The indicators for the impact on Council Tax of unsupported borrowing are to reflect any ADDITIONAL/NEW unsupported borrowing approval.
- 8.3. Due to current budget constraints no new starts have been included within the 2013/14 capital programme.
- 8.4. In the event that any amendments are made to the New Starts Capital Programme, the indicator will be recalculated accordingly.

9. Prudential Indicator – Treasury Management

- 9.1. The Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. The annual Policy and Strategy Documents establish the following limits/controls for interest rate exposure, debt maturity profiles and an upper limit for investments made by the Council for more than 364 days.

9.2 Interest Rate Exposure

- i) An upper limit on its fixed interest rate exposures for 2013/2014 – 2015/2016 of 340% of its net outstanding principal sums;
- ii) An upper limit on its variable interest rate exposures for 2013/2014 – 2015/2016 of -20% of its net outstanding principal sums.

This indicator calculates exposure of either fixed or variable rate borrowings, less fixed or variable rate investments, expressed as a percentage of both fixed and variable rate borrowings net of fixed and variable rate investments.

9.3 Debt Maturity Profile

A debt maturity profile is detailed in the following table i.e. the amount of borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate.

Debt Maturity Profile	<u>Upper limit</u>	<u>Lower limit</u>
Under 12 months	35%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	40%	0%
10 years and above	90%	25%

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9.4 Investments Over 1 Year

An upper limit on the value of non-specified investments over 1 year, but less than 5 years (as approved in the annual Treasury Management Policy and Strategy Documents) is set at 40% of Total Investments. This limit will be kept under review to take advantage of any opportunities in the current money market. Members will be advised of any change.

10. Monitoring Prudential Indicators

- 10.1. Having established the Prudential Indicators the Head of Corporate Finance and ICT will monitor them during the year and report on actual performance as part of the Council's Annual Accounts. In the event of any variations during a financial year, reports will be presented to Cabinet highlighting the variation, the reason and the corrective action to be taken.

Summary of Prudential Indicators.

ANNEX A

Capital Expenditure - 2011/2012 to 2015/2016 (Para 2)					
	2011/2012 £m Actual	2012/2013 £m Estimate	2013/2014 £m Estimate	2014/2015 £m Estimate	2015/2016 £m Estimate
Education	11.436	8.346	3.417	0.100	0
Housing – General Fund	2.543	2.616	0	0	0
Technical Services	5.709	7.618	8.864	11.250	1.233
Other Services	19.549	24.648	16.189	2.930	0.050
Total non-HRA					
TOTAL	39.237	43.228	28.470	14.280	1.283

Financing Costs/Net Revenue Stream (Para 3)					
	2011/2012 Actual	2012/2013 Estimate	2013/2014 Estimate	2014/2015 Estimate	2015/2016 Estimate
	5.4	5.8	6.4	6.9	7.0

Capital Financing Requirement (Para 4)					
	2011/2012 £m Actual	2012/2013 £m Estimate	2013/2014 £m Estimate	2014/2015 £m Estimate	2015/2016 £m Estimate
Non HRA	214.528	216.800	221.000	225.000	230.000

Operational Boundary(Para 5)				
	2012/2013 £m	2013/2014 £m	2014/2015 £m	2015/2016 £m
Borrowing	168.000	180.000	192.000	204.000
Other long term liabilities	6.500	5.500	5.500	4.500
Total	174.500	185.500	197.500	208.500

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Authorised Limit (Para 5)				
	2012/2013 £m	2013/2014 £m	2014/2015 £m	2015/2016 £m
Borrowing	183.000	195.000	207.000	219.000
Other long term liabilities	6.500	5.500	5.500	4.500
Total	189.500	200.500	212.500	223.500

Gross and Net Debt (Para 7)				
	2012/2013 £m	2013/2014 £m	2014/2015 £m	2015/2016 £m
CFR	216.800	221.000	225.000	230.000
Gross Debt	-162.598	-174.821	-187.029	-199.237
Net	54.202	46.179	37.971	30.763

Unsupported Borrowing (Para 8)			
	2013/2014 £m	2014/2015 £m	2015/2016 £m
General Fund	0.000	0.000	0.000

Impact on the Band D Council Tax (Para 8)			
	2013/2014 £	2014/2015 £	2015/2016 £
	0.00	0.00	0.00

Limit on Interest Rate Exposure (Para 9)		
	Upper Limit	Lower Limit
Fixed Borrowing/ Investment	340%	120%
Variable Borrowing/ Investment	-20%	-240%

Fixed Rate Debt Maturity (Para 9)

	Upper Limit	Lower Limit
Under 12 months	35%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	40%	0%
10 years and above	90%	25%

Investments over 1 Year (Para 9)

Non-Specified Investments over)
1 year but less than 5 years) 40% of
with) Total
)
approved Banks/Building) Investments
Societies)

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Report to: Cabinet
Council

Date of Meeting: 28 February 2013
28 February 2013

Subject: Capital Programme 2012/13 and Capital Allocations 2013/14

Report of: Head of Corporate Finance & ICT

Wards Affected: All

Is this a Key Decision? Yes

Is it included in the Forward Plan?

Yes

Exempt/Confidential

No

Purpose/Summary

To provide Members with details of the 2013/14 Capital Allocations received to date and to consider their use in the development of a new starts programme for 2013/14.

Recommendation(s)

Council is recommended to:

- i) Note the revised Capital Programme for 2012/13;
- ii) Approve for inclusion within the Capital Programme the allocation of £203,150 Short Break for Disabled Children resources in 2012/13 as outlined in paragraph 2.6;
- iii) Approve for inclusion within the Capital Programme the allocation of the additional £377,730 Disabled Facilities Grant in 2012/13 as outlined in paragraph 2.7;
- iv) Approve for inclusion within the Capital Programme the allocation of £427,970 Funding Early Education for Two Year Olds from Lower Income Households in 2012/13 as outlined in paragraph 2.8;
- v) Approve the inclusion in the Capital Programme of a grant of £727k in respect of the Flood and Coastal Erosion Risk Management as outlined in paragraph 2.9;
- vi) Approve the inclusion in the Capital Programme of refurbishing existing pitches, and providing new pitches, at the Gypsy and Traveller site at Red Rose Park as outlined in paragraph 2.10;
- vii) Approve the inclusion in the Capital Programme of works to alleviate fuel poverty in relation to the Sefton Affordable Warmth workers, as outlined in paragraph 2.11;
- viii) Note the 2013/14 capital allocations received to date;
- ix) Approve for inclusion within the Capital Programme the Capital Priorities Fund from reserves as outlined in paragraph 4, of which part will be allocated as additional funding to the High Street Innovation Fund (HSIF) revenue funding already received; and
- x) Note the changes to the Capital Finance System as outlined in paragraph 5.

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

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

Reasons for the Recommendation:

To inform Members of the 2013/14 Capital Allocations received to date and to allow Members to consider how these allocations should be utilised. Also to seek approval for the use of both an additional allocation of Short Breaks for Disabled Children, Disabled Facilities Grant, and Early Education Funding for Two Year Olds from Lower Income Households in 2012/13.

What will it cost and how will it be financed?

(A) Revenue Costs

For any additional capital expenditure, a full evaluation of the revenue running costs will need to be undertaken.

(B) Capital Costs

All allocations included in this report are capital grants.

Implications:

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

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

Impact on Service Delivery:**What consultations have taken place on the proposals and when?**

The Head of Corporate Finance (FD2152/13) and Head of Corporate Legal Services (LD1468/13) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

The options available to Members for the use of non ring-fenced capital grant allocations are included in the body of the report.

Implementation Date for the Decision

After Council.

Contact Officer: Jeff Kenah

Tel: 0151 934 4104

Email: Jeff.kenah@sefton.gov.uk

Background Papers:

None.

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1. Introduction/Background

- 1.1 This report updates the 2012/13 Capital Programme and provides details of some additional allocations recently received for the current year. Details are also provided of the Government Capital Allocations that have been notified to date for 2013/14 with a view to the Cabinet beginning to consider the use of the non-ringfenced allocations in the development of a new starts programme for 2013/14.

2. Revised Capital Programme 2012/13

- 2.1 The revised Capital Programme is attached at **Annex A**.
- 2.2 The level of prudential borrowing currently required for the capital programme is £5.6m for 2013/14. This comprises £259k for Childrens Services, £873k for Corporate Resources, £789k for Leisure, £884k for Regeneration, £1,802 for Technical Services, and £1,000k for Repairs and Maintenance Capitalisation.
- 2.3 Cabinet on 24 May and Council on 5 July 2012 approved the utilisation of Single Capital Pot Allocations for 2012/13. At this time £536,250 of Department for Education Capital Maintenance Grant and £807,910 of Adult's Personal Social Services remained unallocated to specific schemes.
- 2.4 Cabinet received a report on 13 December 2012 where approval was given to allocate funds and include schemes in the Capital Programme at a total cost of £536,250, fully funded from the Capital Maintenance Grant 2012/2013. This was approved by Council on 24 January 2013, and has now been included within the Capital Programme at Annex A. Cabinet are advised that there are no revenue implications relating to these schemes.
- 2.5 The £807,910 Adult's Personal Social Services Grant 2012/13 has been retained to support the transformation of Adult Social Services, including service remodelling and systems development. Details will be submitted following the approval of the 2 year financial plan.
- 2.6 In September 2012 the Department of Education announced £40m of additional funding for short breaks. The funding is intended to help local authorities and their health partners to create better access to short break provision by providing new equipment, adaptations and facilities for disabled children and young people. Sefton's share of this allocation is £203,153. This grant is non-ringfenced, and may be used for any capital purpose, but it is intended to help local authorities and their health partners to create better access to short break provision.
- 2.7 The Department for Communities and Local Government announced in December 2012 £40m of additional funding for Disabled Facilities Grants for Local Authorities in 2012/13. The aim is to help more people with disabilities to access the aids and adaptations they require to live independently at home. Sefton's share of this allocation is £377,732. This will be used in 2012/13 to replace revenue funding for DFG's within the same year. This will allow the revenue saving to support one-off revenue costs in future years.

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- 2.8 The Department for Education announced in December 2012 £100m of additional funding for Funding Early Education for Two Year Olds from Lower Income Households. The aim is to support implementation of early education for two year olds. Sefton's share of this allocation is £427,970. This grant is non-ringfenced and may be used for any capital purpose, but it is intended to support implementation of early education for two year olds.
- 2.9 In February 2013 the Environment Agency announced a grant of £727k in respect of flood erosion and risk management. This is the sum which can be spent in 2013/14 and which is claimed once expenditure has been defrayed.
- 2.10 On 14 February Cabinet accepted the grant offer of £308,020, made under the Homes and Communities Gypsy and Traveller Fund, to refurbish the existing pitches and to provide four new pitches at the Gypsy and Traveller site at Red Rose Park, Broad Lane, Formby. Match funding from revenue of £15,000 was also agreed. Approval of this item will allow it to be included within the Capital Programme.
- 2.11 On 11 January a grant of £44k was allocated to deliver fuel poverty alleviation to Sefton residents in relation to the Sefton Affordable Warmth workers. Works carried out will be predominantly central heating and insulation works. Approval of this item will allow it to be included within the Capital Programme.

3. Government Capital Allocations 2013/14

- 3.1 It should be noted that for 2013/14 a single capital pot will be in operation. This means that all non-ring-fenced grants will initially be held centrally, and bids will need to be made in order to secure funds for capital projects. A detailed report on how this operates is contained elsewhere on today's agenda.
- 3.2 The table below itemises those capital allocations that have been received for 2013/14. The 2012/13 figures, where applicable, are shown for comparison, including the additional funding as noted in paragraphs 2.6 to 2.8 above. All allocations are non-ringfenced, with the exception of Devolved Formula Capital.

Description of Allocation	2012/13 £'000	2013/14 £'000	Variation £'000
Children's Services – Devolved Formula Capital (ring-fenced)	450	TBC	
Children's Services – Basic Need	781	TBC	
Children's Services – Capital Maintenance	2,417	TBC	
Children's Services – Short Breaks	203	TBC	
Early Education for Two year Olds	428	TBC	
Total Children's Services	4,279		
Disabled Facilities Grant	1,954	TBC	
Total Housing	1,954		
Department of Health Capital Grant	808	820	+12
Total Social Services	808	820	+12

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Highways Maintenance	2,536	2,355	-181
Integrated Transport Block (indicative)	981	965	-16
Additional Highway Maintenance	0	426	+426
Total Transportation	3,517	3,746	+229
Total Allocations	10,558	4,566	+239

TBC – not yet notified, although early indications are that the Disabled Facilities Grant will be little changed from 2012/13.

4. Additional capital funding

- 4.1 As part of the formal Government response to the Portas review a number of Portas Pilots were announced, at the same time a new package was announced by Ministers. This included a multi-million pound High Street Innovation Fund (HSIF) which was kick started by £10 million of public sector funding focused on bringing empty shops back into use. Sefton received £100,000 from the HSIF.

At Cabinet on the 14th of February it was agreed that the £100,000 be allocated to the four Towns that created Town Teams in a bid to secure funding from the Portas initiative (Crosby, Waterloo, Southport, Maghull).

- 4.2 It is proposed to offer other town centres and shopping parades throughout the Borough the same level of support. The Revenue Budget 2013/14 and Two Year budget plan, elsewhere on today's agenda, includes a proposal to finance an additional £1m of capital spend using funding from reserves, which will fund a variety of schemes. More detail on this will be put before Cabinet on 28 March 2013, but part of this funding will be earmarked as part of the initiative to regenerate the high street.
- 4.3 The Capital Priorities Fund of £1m will, in part, be used to supplement town centre initiatives, as well as investment in local economies, supplying youth employment, and supporting Council priorities.

5. Change to Capital Finance Regulations

- 5.1 On 8 January 2013 the Department for Communities and Local Government (DCLG) issued a consultation paper regarding the proposed amendments to the capital finance regulations relating to equal pay claims. Over the past few years, many authorities have become liable for large back payments in relation to pay inequalities.
- 5.2 DCLG allowed authorities to apply for "capitalisation directions" allowing such costs to be treated as capital expenditure. This enabled authorities to meet such costs by borrowing, or by using capital receipts. However, due to the impact of capitalisation on public indebtedness, the Government now wishes as far as possible to avoid this approach.

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- 5.3 The proposal is to allow local authorities to use capital receipts from sales raised from 2012/13 to fund outstanding equal pay claims, removing the ability to borrow to fund claims. The proposed change would also allow local authorities to charge to revenue when the payment is made, rather than in the period that the liability is identified.

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METROPOLITAN BOROUGH OF SEFTON

ANNEX A

CAPITAL PROGRAMME 2012/13 - 2015/16

Committee Summary

1	2	3	4	5	6	7
COMMITTEE	TOTAL COST	EXPEND TO 31.3.2012	2012/13	2013/14	2014/15	2015/16 & LATER YEARS
	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	91,878.25	79,272.60	8,883.62	3,622.03	100.00	0.00
Corporate Services	11,940.92	6,211.15	4,247.61	1,482.16	0.00	0.00
Environmental	5,345.86	2,741.39	1,301.08	1,303.39	0.00	0.00
Health & Social Care	3,630.12	2,697.79	642.64	289.69	0.00	0.00
Leisure & Tourism	55,895.03	40,988.99	8,760.58	5,806.13	289.33	50.00
Regeneration	47,310.60	24,098.45	11,836.05	8,736.10	2,640.00	0.00
Technical Services	27,239.30	2,294.56	6,597.81	7,864.00	10,250.00	232.93
Uncommitted Resources						
- 2012/13 Adults' Personal Social Services	807.91	0.00	0.00	807.91	0.00	0.00
- 2012/13 Short Break for Disabled Children	203.15	0.00	0.00	203.15	0.00	0.00
- 2012/13 Early education for Two Year Olds	427.97	0.00	0.00	427.97	0.00	0.00
- 2012/13 Disabled Facilities Grants	377.73	0.00	377.73	0.00	0.00	0.00
- Capital Priorities Fund	1,000.00	0.00	0.00	1,000.00	0.00	0.00
Capitalisation - Maintenance Projects	4,000.00	0.00	1,000.00	1,000.00	1,000.00	1,000.00
TOTAL ALL SCHEMES	250,056.83	158,304.93	43,647.12	32,542.53	14,279.33	1,282.93

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METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2012/13 - 2015/16

CHILDREN'S SERVICES

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2012	2012/13	2013/14	2014/15	2015/16 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
General							
1	Forefield Juniors-Alteration and Extension	222.88	209.02	13.86	0.00	0.00	0.00
2	Capitalised (Planned) Maintenance	671.92	0.00	621.92	50.00	0.00	0.00
3	Merefield-New Classrooms	1,471.86	1,466.34	5.52	0.00	0.00	0.00
4	School Travel Plans 2004/05 - 2009/10	320.07	282.16	37.91	0.00	0.00	0.00
5	Litherland Sports Park	5,551.35	5,540.84	10.51	0.00	0.00	0.00
6	Hillside High School - Sports Hall	1,700.00	1,684.25	0.00	15.75	0.00	0.00
7	Devolved Formula Capital	1,605.31	0.00	805.31	800.00	0.00	0.00
8	Rimrose Hope Primary School-Targeted Capital	6,425.00	6,423.73	1.27	0.00	0.00	0.00
9	Thomas Gray PS - Single Siting	3,128.00	3,118.94	9.06	0.00	0.00	0.00
10	South Sefton Sixth Form Centre	12,324.98	12,313.43	0.31	11.24	0.00	0.00
11	Churchtown CP School - SEN Facilities	142.61	140.21	2.40	0.00	0.00	0.00
12	Litherland OSP	26,265.62	25,174.01	591.61	500.00	0.00	0.00
13	Fair Play Playbuilder Programme	961.83	946.55	15.28	0.00	0.00	0.00
14	TCF SEN - Post 16 SEN Facility Thornton	2,010.74	1,903.41	57.33	50.00	0.00	0.00
15	TCF Kitchens / Dining Rooms	297.53	289.41	8.12	0.00	0.00	0.00
16	Meols Cop Specialist College for Sport	126.66	125.52	1.14	0.00	0.00	0.00
17	Bedford PS Family Room	300.22	293.83	6.39	0.00	0.00	0.00
18	Greenacre Nursery - provision of multipurpose room	75.43	74.63	0.80	0.00	0.00	0.00
19	Kings Meadow PS Kitchen Refurbishment	146.88	146.88	0.00	0.00	0.00	0.00
20	Norwood PS After School Club/Kitchen Extension	242.81	224.47	18.34	0.00	0.00	0.00
21	Meols Cop HS Refurb. of food technology room	148.81	145.35	3.46	0.00	0.00	0.00
22	Adaptations to Foster Carers' Residences	200.00	0.00	200.00	0.00	0.00	0.00
23	AHDC - Waterloo PS - ASD play space	60.00	0.00	50.00	10.00	0.00	0.00
24	AHDC - Rowan Park School / Litherland Sports Centre - adventur	80.00	0.00	5.00	75.00	0.00	0.00
25	Aiming High for Disabled Children	33.15	0.00	33.15	0.00	0.00	0.00
26	Old Schemes	113.51	49.79	63.72	0.00	0.00	0.00
	Total General	64,627.17	60,552.77	2,562.41	1,511.99	0.00	0.00
IT Schemes							
27	CSF IT Strategy	1,250.00	1,235.19	14.81	0.00	0.00	0.00
28	CS IT (Single Child Record)	540.00	131.35	150.00	258.65	0.00	0.00
	Total IT Schemes	1,790.00	1,366.54	164.81	258.65	0.00	0.00

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METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2012/13 - 2015/16

CHILDREN'S SERVICES

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2012	2012/13	2013/14	2014/15	2015/16 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
Primary Capital Programme							
29	Aintree Davenhill PCP	2,428.65	2,350.87	57.78	20.00	0.00	0.00
30	Lander Road PCP	2,075.87	1,989.66	50.28	35.93	0.00	0.00
31	St Philips CE PS PCP	225.35	224.13	1.22	0.00	0.00	0.00
32	Christ Church CE PS PCP	566.89	559.48	7.41	0.00	0.00	0.00
33	Aintree Davenhill Ph 2	2,356.14	1,187.26	1,110.88	58.00	0.00	0.00
34	Other Primary Capital Programme Schemes	3.21	0.00	3.21	0.00	0.00	0.00
Total Primary Capital Programme		7,656.11	6,311.40	1,230.78	113.93	0.00	0.00
Modernisation							
35	Maghull High School - Maths/ Music Rooms	1,065.00	1,063.41	1.59	0.00	0.00	0.00
36	Crossens Nursery Relocation to Larkfield CP School	673.25	671.88	1.37	0.00	0.00	0.00
37	Farnborough Road School Kitchen / Dining Imps.	2,001.57	1,868.56	2.93	130.08	0.00	0.00
38	Kew Woods - New Classrooms	780.26	720.28	59.98	0.00	0.00	0.00
Total Modernisation		4,520.08	4,324.13	65.87	130.08	0.00	0.00
School Access Initiative							
39	Litherland HS - Hygiene Area/ Lift	277.78	267.88	0.00	9.90	0.00	0.00
40	Stanley HS - Special needs base	58.78	58.19	0.59	0.00	0.00	0.00
41	Merefield - one way system	80.00	59.37	20.63	0.00	0.00	0.00
Total Schools Access Initiative		416.56	385.44	21.22	9.90	0.00	0.00
New Pupil Places							
42	Woodlands PS Kitchen Refurbishment	167.39	167.19	0.20	0.00	0.00	0.00
43	Hatton Hill Primary-Boiler Replacement	73.55	73.50	0.05	0.00	0.00	0.00
44	Hatton Hill PS Kitchen Refurbishment	155.58	137.48	18.10	0.00	0.00	0.00
45	Summerhill PS Kitchen Refurbishment	166.80	148.61	18.19	0.00	0.00	0.00
46	Valewood PS Kitchen Refurbishment	149.59	149.30	0.29	0.00	0.00	0.00
47	Larkfield PS Roof Repairs	89.86	83.71	6.15	0.00	0.00	0.00
48	Linacre PS Boiler Replacement	49.47	46.20	3.27	0.00	0.00	0.00
49	Shoreside Remodelling and new build	252.74	213.69	39.05	0.00	0.00	0.00
50	Waterloo PS Roof Repairs/Ext. Works	203.32	167.31	36.01	0.00	0.00	0.00
51	Forefield Inf School - Window Repl	40.68	17.70	22.98	0.00	0.00	0.00
52	Shoreside PS - Toilet Refurbishment	37.30	37.18	0.12	0.00	0.00	0.00
53	Hudson PS - Roof Repairs	59.81	57.35	2.46	0.00	0.00	0.00
54	Lydiate PS Heating Duct Repairs	34.22	33.86	0.36	0.00	0.00	0.00
55	Redgate PS Boiler Repl.	110.01	6.38	99.00	4.63	0.00	0.00
56	Daleacre PRU - Boiler Repl.	100.83	0.50	97.85	2.48	0.00	0.00
57	Oakfield/Pinefield Window Repl.	20.84	18.27	2.57	0.00	0.00	0.00
58	Presfield Roof Repairs	29.46	29.10	0.36	0.00	0.00	0.00
59	Linaker PS IT Extension	138.85	0.34	129.73	8.78	0.00	0.00
60	Birkdale PS Increase in Accommodation	0.00	0.00	0.00	0.00	0.00	0.00
61	Other New Pupil Places Schemes	325.44	0.00	325.44	0.00	0.00	0.00
Total New Pupil Places		2,205.74	1,387.67	802.18	15.89	0.00	0.00

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METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2012/13 - 2015/16

CHILDREN'S SERVICES

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2012	2012/13	2013/14	2014/15	2015/16 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
Capital Maintenance Grant							
62	Bedford PS - Porch / Foyer	13.45	12.86	0.59	0.00	0.00	0.00
63	Churchtown PS - Outside Classroom	70.00	54.48	15.52	0.00	0.00	0.00
64	Greenacre Nursery - under 3's room	3.97	3.86	0.11	0.00	0.00	0.00
65	Hatton Hill PS - infants roof repair	11.43	11.04	0.39	0.00	0.00	0.00
66	Linacre PS - main entrance	17.68	16.89	0.79	0.00	0.00	0.00
67	Melling PS - resource area	44.24	0.00	44.24	0.00	0.00	0.00
68	Meols Cop HS - Glazing compliance	19.27	18.62	0.65	0.00	0.00	0.00
69	Merefield - kitchen replacement	102.37	2.62	92.86	6.89	0.00	0.00
70	Redgate PS - new parents room	35.38	0.00	35.38	0.00	0.00	0.00
71	Summerhill PS - refurbish toilets	21.02	20.72	0.30	0.00	0.00	0.00
72	Thomas Gray PS - Outdoor Learning Covered Area	17.56	0.97	16.59	0.00	0.00	0.00
73	Valewood PS - Toilet Refurbishment	49.67	0.00	49.67	0.00	0.00	0.00
74	Waterloo PS - Emergency Lighting	11.78	0.00	0.70	11.08	0.00	0.00
75	Woodlands PS - Outdoor Learning	30.00	28.62	1.38	0.00	0.00	0.00
76	Meols Cop HS Library and 2 Classroom Ext.	851.69	22.61	794.08	35.00	0.00	0.00
77	Kew Woods PS Additional Hall Space	318.28	10.55	287.73	20.00	0.00	0.00
78	Green Park PS replace fire alarm	22.17	0.00	20.17	2.00	0.00	0.00
79	Lander Rd PS Internal modifications	40.00	0.00	40.00	0.00	0.00	0.00
80	Larkfield PS and Presfield Re-roof	96.00	0.00	87.67	8.33	0.00	0.00
81	Litherland Moss PS Replace boiler	96.00	0.00	50.00	46.00	0.00	0.00
82	Presfield Replace boilers	30.00	0.00	25.00	5.00	0.00	0.00
83	Summerhill PS Replace felt roof covering	37.70	0.00	37.70	0.00	0.00	0.00
84	Waterloo PS Rebuild wall	25.98	0.00	24.00	1.98	0.00	0.00
85	Woodlands PS Replace boilers	90.16	0.00	5.00	85.16	0.00	0.00
86	Forefield JS - Boiler Replacement	5.00	0.00	0.00	5.00	0.00	0.00
87	Freshfield PS - Boiler Replacement	2.50	0.00	0.00	2.50	0.00	0.00
88	Birkdale PS additional accommodation	1,729.98	0.00	500.00	1,129.98	100.00	0.00
89	Crosby HS Additional Accommodation	504.20	2.01	497.19	5.00	0.00	0.00
90	Schools Access Initiative minor works	50.00	0.00	25.00	25.00	0.00	0.00
91	Jigsaw PRU KS1 adaptations	44.86	0.00	44.86	0.00	0.00	0.00
92	Hillside HS Drama wing & classrooms feasibility	30.00	0.00	15.00	15.00	0.00	0.00
93	Primary Accommodation feasibility study	20.00	0.00	10.00	10.00	0.00	0.00
94	Emergency Schemes	93.80	0.00	43.80	50.00	0.00	0.00
95	Lydiate PS mechanical service installation	68.74	0.00	68.74	0.00	0.00	0.00
96	Linacre PS - roof replacement and renewal	17.14	0.00	17.14	0.00	0.00	0.00

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METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2012/13 - 2015/16

CHILDREN'S SERVICES

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2012	2012/13	2013/14	2014/15	2015/16 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
97	Farnborough Road Infants floor repl / renewal	36.88	0.00	36.88	0.00	0.00	0.00
98	Hudson PS hazardous material removal	34.96	0.00	34.96	0.00	0.00	0.00
99	Kitchen Canopy Replacement 2012/13	63.05	0.00	33.05	30.00	0.00	0.00
100	Green Park PS mechanical service installation	64.78	0.00	14.78	50.00	0.00	0.00
101	Hudson PS mechanical service installation	15.18	0.00	0.00	15.18	0.00	0.00
102	Meols Cop HS External walls windows and doors	37.49	0.00	30.00	7.49	0.00	0.00
103	Meols Cop HS mechanical service installation	11.26	0.00	1.26	10.00	0.00	0.00
104	Lydiate Primary Ducts & Asbestos	150.00	0.00	150.00	0.00	0.00	0.00
105	Crosby High Heating Plant Alterations	140.00	0.00	140.00	0.00	0.00	0.00
106	Crosby High School Link Corridor	85.00	0.00	85.00	0.00	0.00	0.00
107	Various Schools Roof Works	161.25	0.00	161.25	0.00	0.00	0.00
108	Other Capital Maintenance Schemes	232.29	0.00	232.29	0.00	0.00	0.00
	Total Capital Maintenance Grant	5,654.16	205.85	3,771.72	1,576.59	100.00	0.00
TCF 14-19 Diplomas							
105	Birkdale High School	330.00	326.33	3.67	0.00	0.00	0.00
106	Chesterfield High School	101.98	101.98	0.00	0.00	0.00	0.00
107	Deyes High School	1,179.56	1,109.83	64.73	5.00	0.00	0.00
108	Formby High School	237.36	235.50	1.86	0.00	0.00	0.00
109	Greenbank High School	280.81	275.07	5.74	0.00	0.00	0.00
110	Hillside High School	228.00	223.90	4.10	0.00	0.00	0.00
111	Maghull High School	373.29	346.09	27.20	0.00	0.00	0.00
112	Meols Cop High School	269.00	247.49	21.51	0.00	0.00	0.00
113	Christ the King RC High School	184.59	183.44	1.15	0.00	0.00	0.00
114	Holy Family RC High School	269.93	264.54	5.39	0.00	0.00	0.00
115	Sacred Heart RC College	266.70	230.70	36.00	0.00	0.00	0.00
116	Savio Salesian RC College	118.45	114.69	3.76	0.00	0.00	0.00
117	St Michael's High School	202.26	198.87	3.39	0.00	0.00	0.00
118	St Ambrose Barlow RC High School	137.54	103.75	33.79	0.00	0.00	0.00
119	St Wilfrid's RC High School	114.46	109.90	4.56	0.00	0.00	0.00
	Total TCF 14-19 Diplomas	4,293.93	4,072.08	216.85	5.00	0.00	0.00
Surestart Grant Schemes							
120	Summerhill PS -Construction of nursery	339.77	315.55	24.22	0.00	0.00	0.00
121	Valewood Children's Centre	330.00	321.93	8.07	0.00	0.00	0.00
	Total Surestart Capital Grant	669.77	637.48	32.29	0.00	0.00	0.00
Children's Personal Social Services							
122	Children's PSS	44.73	29.24	15.49	0.00	0.00	0.00
	Total Children's Personal Social Services	44.73	29.24	15.49	0.00	0.00	0.00
TOTAL CHILDREN'S SERVICES SCHEMES		91,878.25	79,272.60	8,883.62	3,622.03	100.00	0.00

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METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2012/13 - 2015/16

CORPORATE SERVICES

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2012	2012/13	2013/14	2014/15	2015/16 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
<u>Admin Buildings</u>							
1	Disabled Facilities	400.00	373.39	0.00	26.61	0.00	0.00
2	Health & Safety Programme	306.39	289.24	17.15	0.00	0.00	0.00
3	Pleasureland Clearance / Demolition	400.00	331.55	0.00	68.45	0.00	0.00
4	Energy Efficiency Measures	250.00	245.43	0.00	4.57	0.00	0.00
5	Refurbishment of St. Peter's House	3,716.11	3,603.89	77.22	35.00	0.00	0.00
6	Balliol House Demolition	940.00	836.23	84.11	19.66	0.00	0.00
7	Property Intervention Fund 2011/12	249.24	107.84	135.40	6.00	0.00	0.00
8	Property Intervention Fund 2012/13	500.00	0.00	250.00	250.00	0.00	0.00
9	Capital Contingency Fund	50.00	0.00	0.00	50.00	0.00	0.00
Total Admin Buildings		6,811.74	5,787.57	563.88	460.29	0.00	0.00
<u>Vehicles,Plant,Equipment</u>							
10	E Government Priority Service Outcomes	400.00	362.86	37.14	0.00	0.00	0.00
11	I.T. Firewall Replacement	25.00	17.45	0.00	7.55	0.00	0.00
12	I.T. Members ICT & Mobile Technology	70.00	43.27	6.05	20.68	0.00	0.00
13	ICT Data Centre	250.00	0.00	0.00	250.00	0.00	0.00
14	Refuse Collection Vehicles	3,722.50	0.00	2,978.86	743.64	0.00	0.00
15	Specialist Transport Vehicles	661.68	0.00	661.68	0.00	0.00	0.00
Total Vehicles,Plant,Equipment		5,129.18	423.58	3,683.73	1,021.87	0.00	0.00
TOTAL CORPORATE SERVICES SCHEMES		11,940.92	6,211.15	4,247.61	1,482.16	0.00	0.00

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METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2012/13 - 2015/16

ENVIRONMENTAL

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2012	2012/13	2013/14	2014/15	2015/16 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
<u>Coastal Defence</u>							
1	CERMS 2011 - 2016	2,595.00	491.61	800.00	1,303.39	0.00	0.00
2	Adaptation to Climate Change on the Sefton Coast	165.00	130.87	34.13	0.00	0.00	0.00
3	Hightown Sea Defences Ph 2 (S106)	1,388.88	1,280.15	108.73	0.00	0.00	0.00
4	Pathfinder Fund Programme (Dune Slacks / Boardwalks)	91.00	59.75	31.25	0.00	0.00	0.00
	Total Coastal Defence	4,239.88	1,962.38	974.11	1,303.39	0.00	0.00
<u>Environmental</u>							
5	Waste Infrastructure	916.18	682.87	233.31	0.00	0.00	0.00
6	Claremont Ave. Maghull L.D. Investigation	35.00	26.09	8.91	0.00	0.00	0.00
7	Thornton & Lunt L.D. Investigation	39.00	36.49	2.51	0.00	0.00	0.00
8	Dobbs Gutter L.D. Investigation	41.00	33.56	7.44	0.00	0.00	0.00
9	Contaminated Land at Vaux Crescent, Bootle	30.80	0.00	30.80	0.00	0.00	0.00
10	Sefton Affordable Warmth	44.00	0.00	44.00	0.00	0.00	0.00
	Total Environmental	1,105.98	779.01	326.97	0.00	0.00	0.00
TOTAL ENVIRONMENTAL SCHEMES		5,345.86	2,741.39	1,301.08	1,303.39	0.00	0.00

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METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2012/13 - 2015/16

HEALTH & SOCIAL CARE

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2012	2012/13	2013/14	2014/15	2015/16 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
<u>COMMITTED SCHEMES</u>							
1	I.I.M Cap Grant 2006/07 - 07/08	172.78	168.79	3.99	0.00	0.00	0.00
2	IT Strategy	488.00	338.30	149.70	0.00	0.00	0.00
3	Adult Social Care IT Infrastructure	317.05	0.00	117.05	200.00	0.00	0.00
4	Capital Investment for Transformation in Adult Social Care	197.24	0.00	150.00	47.24	0.00	0.00
5	Mental Health SCE (R) - Ringfenced 05/06 - 07/08	407.28	390.72	0.00	16.56	0.00	0.00
6	Mental Health SCE (C) 2010/11	301.00	275.11	0.00	25.89	0.00	0.00
7	Disability Discrimination Act	406.69	404.24	2.45	0.00	0.00	0.00
8	Independent Living Centre (Scarbrick Avenue)	1140.08	1120.63	19.44	0.00	0.00	0.00
9	Assisted Technology	200.00	0.00	200.00	0.00	0.00	0.00
TOTAL HEALTH & SOCIAL CARE SCHEMES		3,630.12	2,697.79	642.64	289.69	0.00	0.00

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METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2012/13 - 2015/16

LEISURE AND TOURISM

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2012	2012/13	2013/14	2014/15	2015/16 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
Leisure - People Directorate							
1	Formby Leisure Centre	29.10	0.00	0.00	29.10	0.00	0.00
2	Maghull Leisure Centre	8,304.09	8,059.87	44.22	200.00	0.00	0.00
3	Netherton Activity Centre	6,329.75	6,081.50	58.25	190.00	0.00	0.00
4	Southport Cultural Centre	16,882.68	10,346.54	6,536.14	0.00	0.00	0.00
5	Temporary Library Service	49.00	37.47	3.90	7.63	0.00	0.00
6	Jakes Sensory Garden, Netherton Activity Centre	70.00	0.00	31.48	38.52	0.00	0.00
7	Dunes Splashworld Fitness Equipment	262.00	0.00	0.00	262.00	0.00	0.00
Total Leisure People Directorate Schemes		31,926.62	24,525.38	6,673.99	727.25	0.00	0.00
Leisure - Place Directorate							
1	Old and Completing Schemes	8.25	0.00	8.25	0.00	0.00	0.00
2	Hesketh Park	2,335.05	2,183.13	0.36	151.56	0.00	0.00
3	Repairs / refurbishment of park lodges	101.00	96.73	4.27	0.00	0.00	0.00
4	Hesketh Park Office / Visitor Centre	50.00	0.00	0.00	50.00	0.00	0.00
5	Meols Park Changing Facilities	75.00	0.00	75.00	0.00	0.00	0.00
6	Flue Gas Filtration Work at Southport Crematorium	999.78	879.84	119.94	0.00	0.00	0.00
7	Duke Street Play Area, Formby	90.50	85.55	4.95	0.00	0.00	0.00
8	Browns Lane Allotments	50.00	45.58	4.42	0.00	0.00	0.00
9	Bootle Cemetery Improvements	85.00	81.64	3.36	0.00	0.00	0.00
10	Tree Planting Contract 2009/10	195.50	172.96	22.54	0.00	0.00	0.00
11	Kings Gardens	5,566.73	274.17	957.66	4,134.90	200.00	0.00
12	Portland Street Changing Facilities	429.50	381.34	48.16	0.00	0.00	0.00
13	Ainsdale & Birkdale Nature Reserve	118.00	0.00	39.34	39.33	39.33	0.00
14	South Park Improvements, Bootle	253.00	2.00	2.00	249.00	0.00	0.00
15	Hatton Hill Park Improvements, Litherland	68.00	64.00	4.00	0.00	0.00	0.00
16	North Park Improvements, Bootle	127.00	1.91	2.00	123.09	0.00	0.00
17	Derby Park Improvements, Bootle	67.50	52.29	15.21	0.00	0.00	0.00
18	Tree Planting Programme 2010/11	125.50	94.70	24.80	6.00	0.00	0.00
19	Outdoor Gyms	375.00	0.00	100.00	275.00	0.00	0.00
Total Leisure Place Directorate Schemes		11,120.31	4,415.84	1,436.26	5,028.88	239.33	0.00
Leisure - Place (Tourism)							
20	Southport Pier - Programmed Maintenance	200.00	0.00	50.00	50.00	50.00	50.00
21	Floral Hall Improvement Project	8,176.11	8,131.61	44.50	0.00	0.00	0.00
22	Southport Market Refurbishment	3,032.00	2,509.39	522.61	0.00	0.00	0.00
23	Southport Pier Structural Assessment	20.00	0.00	20.00	0.00	0.00	0.00
Total Tourism		11,428.11	10,641.00	637.11	50.00	50.00	50.00
Southport Action Plan							
24	Southport Marine Lake Improvements Zone 1	1,419.99	1,406.77	13.22	0.00	0.00	0.00
Total Southport Action Plan		1,419.99	1,406.77	13.22	0.00	0.00	0.00
TOTAL LEISURE & TOURISM SCHEMES		55,895.03	40,988.99	8,760.58	5,806.13	289.33	50.00

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METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2012/13 - 2015/16

REGENERATION

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2012	2012/13	2013/14	2014/15	2015/16 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
General							
1	Southport Commerce Pk. - 3rd phase Devel.	884.00	0.00	0.00	884.00	0.00	0.00
2	Stepclever Property Project	1,657.00	1,093.26	454.42	109.32	0.00	0.00
3	Stepclever Legacy Fund	1,284.73	0.00	464.91	819.82	0.00	0.00
4	REECH Project	7,170.62	0.00	4,137.09	3,033.53	0.00	0.00
TOTAL GENERAL REGENERATION SCHEMES		10,996.35	1,093.26	5,056.42	4,846.67	0.00	0.00
Housing Regeneration Schemes							
Disabled Facilities Grants							
5	Previous Years' Approvals	22.36	0.00	22.36	0.00	0.00	0.00
6	2010/11 Approvals	2,788.37	2,788.04	0.33	0.00	0.00	0.00
7	2011/12 Approvals	1,827.24	1,211.72	615.52	0.00	0.00	0.00
8	2012/13 Approvals	1,861.79	0.00	1,861.79	0.00	0.00	0.00
Total Disabled Facilities Grants		6,499.76	3,999.76	2,500.00	0.00	0.00	0.00
9	Drug Rehabilitation / Boscoe Hostel	1,280.00	1,253.05	26.95	0.00	0.00	0.00
General							
10	Energy Efficiency Grants	337.53	337.32	0.21	0.00	0.00	0.00
11	Landlord Accreditation / HMO's	35.00	29.78	5.22	0.00	0.00	0.00
12	Strategic Housing Market Assessment	61.15	58.15	3.00	0.00	0.00	0.00
13	Housing Act - Works in Default	35.00	16.03	18.97	0.00	0.00	0.00
14	Affordable Housing Study	25.00	23.29	1.71	0.00	0.00	0.00
15	Gypsy and Traveller Accommodation Provision	12.00	0.00	12.00	0.00	0.00	0.00
16	Choice based lettings - ICT procurement	50.00	11.54	38.46	0.00	0.00	0.00
17	Gypsy & Traveller Site at Red Rose Park	323.02	0.00	0.00	323.02	0.00	0.00
18	Old Schemes	10.24	0.84	9.40	0.00	0.00	0.00
Total General		888.94	476.95	88.97	323.02	0.00	0.00
Housing Investment							
19	Projects	10,146.04	5,592.11	918.70	2,185.23	1,450.00	0.00
20	Remediation	3,215.06	2,162.85	791.71	110.50	150.00	0.00
21	Fees & Housing Management	3,393.58	1,657.38	765.90	620.30	350.00	0.00
22	Acquisitions	10,609.38	7,581.60	1,687.40	650.38	690.00	0.00
23	Other	281.49	281.49	0.00	0.00	0.00	0.00
Total Housing Investment		27,645.55	17,275.43	4,163.71	3,566.41	2,640.00	0.00
TOTAL HOUSING REGENERATION SCHEMES		36,314.25	23,005.19	6,779.63	3,889.43	2,640.00	0.00
GRAND TOTAL REGENERATION SCHEMES		47,310.60	24,098.45	11,836.05	8,736.10	2,640.00	0.00

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METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2012/13 - 2015/16

TECHNICAL SERVICES

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2012	2012/13	2013/14	2014/15	2015/16 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
<u>New Construction</u>							
1	Thornton Switch Island Link Scheme	20,412.00	2,101.07	894.00	7,384.00	9,800.00	232.93
2	Asset Management Development	121.42	71.42	50.00	0.00	0.00	0.00
<u>Carriageway Resurfacing</u>							
3	Completing Existing Schemes	144.48	0.00	144.48	0.00	0.00	0.00
4	Resurfacing Programme	653.00	0.00	653.00	0.00	0.00	0.00
5	Micro Asphalt Programme	1,049.00	0.00	1,049.00	0.00	0.00	0.00
6	Capita Fees	114.00	0.00	114.00	0.00	0.00	0.00
	Total Carriageway Resurfacing	1,960.48	0.00	1,960.48	0.00	0.00	0.00
7	UTC Maintenance	131.56	0.00	131.56	0.00	0.00	0.00
<u>Street Lighting</u>							
8	Completing Existing Schemes	33.00	0.00	33.00	0.00	0.00	0.00
9	2012/13 LTP Block Allocation	130.00	0.00	130.00	0.00	0.00	0.00
10	LED Pilot Programme	74.00	1.00	73.00	0.00	0.00	0.00
	Total Street Lighting	237.00	1.00	236.00	0.00	0.00	0.00
<u>Drainage</u>							
11	Station Road, Ainsdale	92.64	0.00	92.64	0.00	0.00	0.00
12	A565 Derby Road Manholes	40.00	0.00	40.00	0.00	0.00	0.00
13	Capita Fees	50.00	0.00	50.00	0.00	0.00	0.00
	Total Drainage	182.64	0.00	182.64	0.00	0.00	0.00
	Total Carriageways / Priority Maintenance	2,511.68	1.00	2,510.68	0.00	0.00	0.00
<u>Bridges and Structures</u>							
<u>Assessment & Inspection</u>							
14	Principal Bridge Inspections	40.00	0.00	40.00	0.00	0.00	0.00
15	Assessment - Retaining Walls	20.00	0.00	20.00	0.00	0.00	0.00
<u>Structural Maintenance & Strengthening</u>							
16	Wicks Lane Footbridge	197.20	0.00	197.20	0.00	0.00	0.00
17	Easedale Drive Footbridge	244.00	0.00	244.00	0.00	0.00	0.00
18	Victoria Road Footbridge	13.50	0.00	13.50	0.00	0.00	0.00
19	Rimrose Road, Retaining Wall	2.50	0.00	2.50	0.00	0.00	0.00
20	Capita Fees	30.00	0.00	30.00	0.00	0.00	0.00
	Total Bridges and Structures	547.20	0.00	547.20	0.00	0.00	0.00

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METROPOLITAN BOROUGH OF SEFTON

CAPITAL PROGRAMME 2012/13 - 2015/16

TECHNICAL SERVICES

1	2	3	4	5	6	7	8
REF. NO.	PROJECT DESCRIPTION	TOTAL COST	EXPEND TO 31.3.2012	2012/13	2013/14	2014/15	2015/16 & LATER YEARS
		£'000	£'000	£'000	£'000	£'000	£'000
<u>Integrated Transport Programme</u>							
21	Current Schemes	1,577.00	0.00	1,577.00	0.00	0.00	0.00
<u>Other Schemes</u>							
22	Waterloo Car Parks, Machines / Signage	40.00	26.07	13.93	0.00	0.00	0.00
23	Local Sustainable Transport Fund - Merseyside	260.00	15.00	85.00	85.00	75.00	0.00
24	Local Sustainable Transport Fund - Sefton / West Lancs	575.00	80.00	205.00	155.00	135.00	0.00
25	Local Sustainable Transport Fund - Major Project	646.00	0.00	166.00	240.00	240.00	0.00
26	Sustrans Linking to Schools Grant	300.00	0.00	300.00	0.00	0.00	0.00
27	Convert Traffic Bollards to LED Fittings	109.00	0.00	109.00	0.00	0.00	0.00
28	Convert Traffic Signs to LED Fittings	140.00	0.00	140.00	0.00	0.00	0.00
Total Other Technical Services Schemes		2,070.00	121.07	1,018.93	480.00	450.00	0.00
TOTAL TECHNICAL SERVICES SCHEMES		27,239.30	2,294.56	6,597.81	7,864.00	10,250.00	232.93

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Report to: Cabinet Council	Date of Meeting: 28 th February 2013 28 th February 2013
Subject: Capital Allocation Framework and Capital Strategy.	
Report of: Strategic Director - Place	Wards Affected: All
Is this a Key Decision? Yes	Is it included in the Forward Plan? Yes
Exempt/Confidential No	

Purpose/Summary

To agree for recommendation to Council a Capital Allocation Framework and Capital Strategy, including a prioritisation model for the single capital pot, to enable the determination of the Council's Capital Investment Plan for 2013-14 onwards.

Recommendation(s)

Cabinet to agree for recommendation to Council :

- (i) The Capital Allocations Framework for the management of the Council's Capital Investment for 2013–14 onwards, as detailed in Appendix A
- (ii) The Capital Strategy and the Single Capital Pot prioritisation scoring model for the determination of the Council's Capital Investment Plan for 2013–14 onwards, as detailed in Appendix C
- (iii) The Capital Strategy Governance Structure for the management of the Council's Capital Investment for 2013-14 onwards, as detailed in Appendix B
- (iv) To note that following a review a further report will be presented in relation to the Strategic Asset Management Plan

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		X	
2	Jobs and Prosperity		X	
3	Environmental Sustainability		X	
4	Health and Well-Being		X	
5	Children and Young People		X	
6	Creating Safe Communities		X	
7	Creating Inclusive Communities		X	
8	Improving the Quality of Council Services and Strengthening Local Democracy	X		

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Reasons for the Recommendation:

To agree a single Capital allocation framework and governance structure, to support the prioritisation of the Single Capital Pot for 2013/14 onwards, and the development of the Capital Investment Plan.

What will it cost and how will it be financed?

(A) Revenue Costs

There are no additional costs arising out of the recommendations of this report

(B) Capital Costs

There are no additional costs arising out of the recommendations of this report

Implications:

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

Legal	No implications
Human Resources	No implications
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:

The implications of all projects will be considered and addressed during the individual scheme development and appraisal process and there will therefore be no significant impact upon service delivery.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT has been consulted and any comments have been incorporated into the report. **FD2041/12**

Head of Corporate Legal Services has been consulted and any comments have been incorporated into the report. **LD1358/12**

Are there any other options available for consideration?

The Council could choose to allocate capital resources using an alternative prioritisation and allocation model.

Implementation Date for the Decision

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

Contact Officer: Amanda Langan
Head of Investment Programmes & Infrastructure
Tel: 0151 934 2171
Email: amanda.langan@sefton.gov.uk

Background Papers:

None

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1. Introduction/Background

- 1.1 Cabinet, at its meeting on 16 February 2012, considered the report of the Head of Corporate Finance and ICT which provided details of the Government Capital Allocations received for 2012/13.
- 1.2 In respect of the non ring-fenced resources Cabinet resolved:
 - ...the proposal for all 2012/13 capital allocations to be pooled and subject to a bidding process be accepted in principle and a further report on this issue be submitted to a future meeting of the Cabinet; and
 - ... that further to the above the Strategic Asset Management Group be requested to consider a detailed strategy for the 2012/13 Capital Programme and submit its proposals to a future meeting the Cabinet.
- 1.3 To establish such a process the Council's current governance and strategic frameworks in relation to its capital investment programmes were reviewed to consider suitability and effectiveness in supporting this change and move to a single pot.
- 1.4 Following this review Cabinet Member Corporate Services and Performance, on 6 June 2012, considered the report of the Head of Investment Programmes and Infrastructure which recommended the development of a single Capital Allocation Framework and Capital Strategy to enable the development and management of a Capital Investment Plan which encompasses the single capital pot and bidding process.

2 Capital Allocation Framework Proposal

- 2.1 To facilitate a cohesive approach to the Council's capital investment it is proposed to adopt a Capital Allocation Framework (Appendix A). This will bring together a Capital Strategy, which provides the policy background to the Council's Capital Investment Plan, and a Strategic Asset Management Plan, which informs the use and management of the authority's assets.
- 2.2 The aim is to have a single framework and governance structure for all capital investment, pulling together the Council's current investment and asset management strategies and enabling them to be overseen by Cabinet through anew Member Reference Group , the Strategic Capital Investment Group (SCIG (formerly Strategic Asset Management Group - SAMG). The Group, which will consist of 3 Cabinet Members will act as a reference group in relation to Capital investment and will report to Cabinet.
- 2.3 This framework will enable the Council to build a long term capital programme to ensure a managed approach to the achievement of the corporate objectives. By intrinsically linking the Asset Management Plan and Capital Strategy the Council is better able a take planned approach to the disposal and investment in its assets.

3. Capital Strategy

- 3.1 The Capital Strategy (Appendix C) is an essential element within the Council's Corporate Planning Framework. It underpins and operates within the umbrella of the Capital Allocations Framework, and enables the development and management of a Capital Investment Plan which encompasses the single capital pot and bidding process. The overarching aim of the strategy is to provide a framework within which Capital Investment plans can be determined and delivered.
- 3.2 The Strategy outlines the Council's approach to capital investment, how it directs that investment to corporate priorities, secures funding sources, and details the basis for the prioritisation of capital bids.
- 3.3 Capital expenditure is agreed by Council and, by ensuring that decisions are made with reference to corporate objectives, the Capital Strategy takes into account other relevant Council strategies, policies and plans and the views of partners and stakeholders with whom the Council is involved. Except in extraordinary circumstances, capital investment decisions should by their nature form part of the Council's strategic plans and so only after a positive contribution to one or more of the corporate objectives has been demonstrated will a project be considered.
- 3.4 The adoption of a Capital Strategy will provide a transparent framework through which the Council can robustly review its capital investment plans and expectations to ensure that capital commitments and the impact on the revenue budget are affordable and sustainable.
- 3.5 Any capital investment which would result in clearly defined revenue cost saving and efficiency would be considered a priority and all capital projects would need to demonstrate a rigorous process of option appraisal, requiring evidence of need, cost, risk and outcomes.
- 3.6 Where suitable "Invest to Save" projects can be identified the Council will actively pursue such projects as it recognises the benefits, in the form of reduced costs falling on the General Fund Revenue Account, that can result from such investment.

4. The Single Capital Pot

- 4.1 The establishment of a Single Capital Pot will provide the mechanism for the determination of the Capital Investment Programme from 2013/14 onwards. The aim of the Single Capital Pot will be to ensure the effective utilisation of capital resource and assets in realising the Council's strategic outcomes. The use of the Single Capital Pot is agreed by Council.
- 4.2 The mechanism for appraisal of "bids" to the single capital pot has to be robust and comprehensive to allow the evaluation and comparison of proposals which may differ significantly from each other in terms of scope and the impact on Council priorities. Council will be the final arbiters of which capital schemes will contribute most towards achieving the aims of the Council.

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- 4.3 To oversee and manage this process a new Member Reference Group consisting of 3 Cabinet Members will be established – the Strategic Capital Investment Group (SCIG). The development of a Capital Investment Plan for recommendation to Cabinet and Council will be the responsibility of SCIG. The Capital Strategy and supporting Asset Management Plan will also be overseen by the Group.
- 4.4 Where resources are passed to the Council as part of the Single Capital Pot SCIG will review the original suggested/intended purpose for which the resources were provided, and consider if this is the most efficient and effective method of achieving the Council's corporate objectives. In some circumstances it will be necessary to maintain and restrict resources to the original suggested/intended use due to the nature of the funding criteria, risk to future allocations, claw back, contractual commitment to ongoing programmes of work or the need to undertake planned maintenance and repair of our buildings, assets and schools. In these circumstances although the resource will remain part of the single pot it may be deemed a 'pre allocated sum' and will not be available for redistribution through the bidding process. Such sums would currently for example, include Integrated Transport Funding and Disabled Facilities Grant.
- 4.5 All remaining resources will form a single pot against which bids for capital resource would be submitted. This will allow the aggregation of resources around the key priorities agreed with Cabinet and facilitate the commissioning of activity.
- 4.6 The appraisal and prioritisation process will see all bids assessed and scored based on the following designations
- Emergency Works
 - Urgent Health and Safety
 - Statutory obligation
 - Invest to Save.
 - Strategic Objective /Plan
 - Fully funded from external resources
 - Contractual obligation
 - Other
- 4.7 All bids must demonstrate a robust business cases and these will be appraised and validated by the Strategic Capital Investment Group using the prioritisation scoring model (Appendix 4 within the Capital Strategy), and will either be:
- Recommended to Cabinet for inclusion in the capital programme,
 - Considered acceptable but not at this particular time, and placed on a reserve list
 - Rejected as not being viable
- 4.8 SCIG will then propose to Cabinet, for recommendation to Council, a Capital Investment Plan aligned to the corporate objectives. The Capital Investment Plan will be determined annually by Council.

5. **Capital Investment Plan**

- 5.1 Before any project may be commenced it must have been recommended by SCIG and agreed by Council as part of the Capital Investment Plan.
- 5.2 The Council will agree a rolling three year Capital Investment Plan each year consistent with the capital strategy to ensure the programme of investment continues to be in line with actual resource available.

6. **Performance Management**

- 6.1 Overall performance against the Capital Investment Plan, including post evaluation of projects will be undertaken by SCIG reporting directly to Cabinet.
- 6.2 The Capital Strategy will be reviewed annually adapting to the review of the corporate objectives, but would not require a complete overhaul if the existing documentation remained valid.

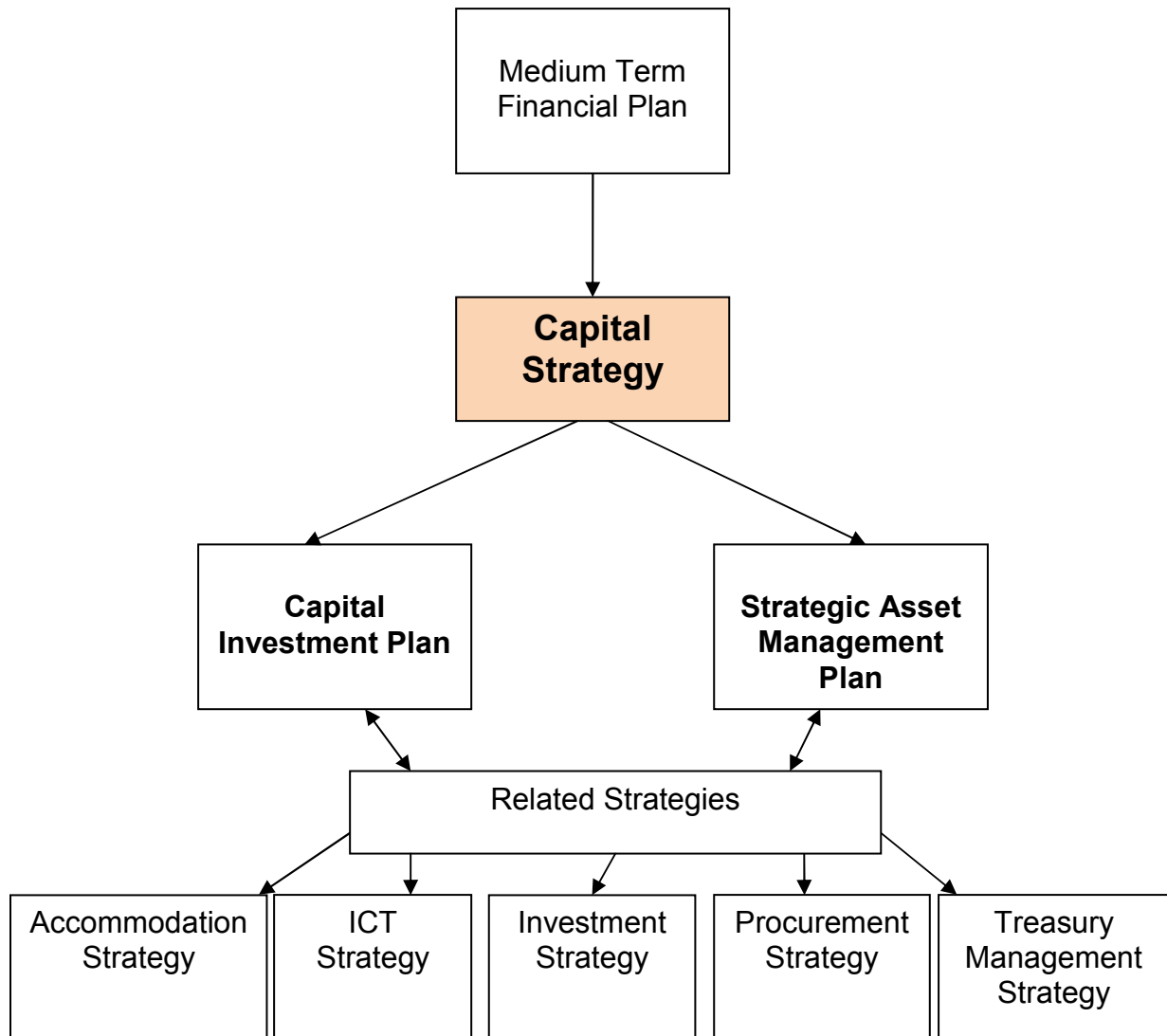
7. **Governance Arrangements**

- 7.1 To oversee and manage the Capital Allocation Framework and Capital Strategy a revised governance structure is proposed (Appendix B)
- 7.2 Following recommendation from Cabinet, Council will determine the Capital Strategy, Capital Investment Plan and Strategic Asset Management Plan. Reporting directly to Cabinet a new Member Reference Group , the Strategic Capital Investment Group (SCIG), will oversee the delivery of the Capital Strategy, assess, determine and performance manage all capital projects, and provide reference for the operational groups delivering the capital programme, asset management and investment priorities.
- 7.3 SCIG will provide the robust framework and reference for ensuring capital investment is aligned with and supports corporate priorities.

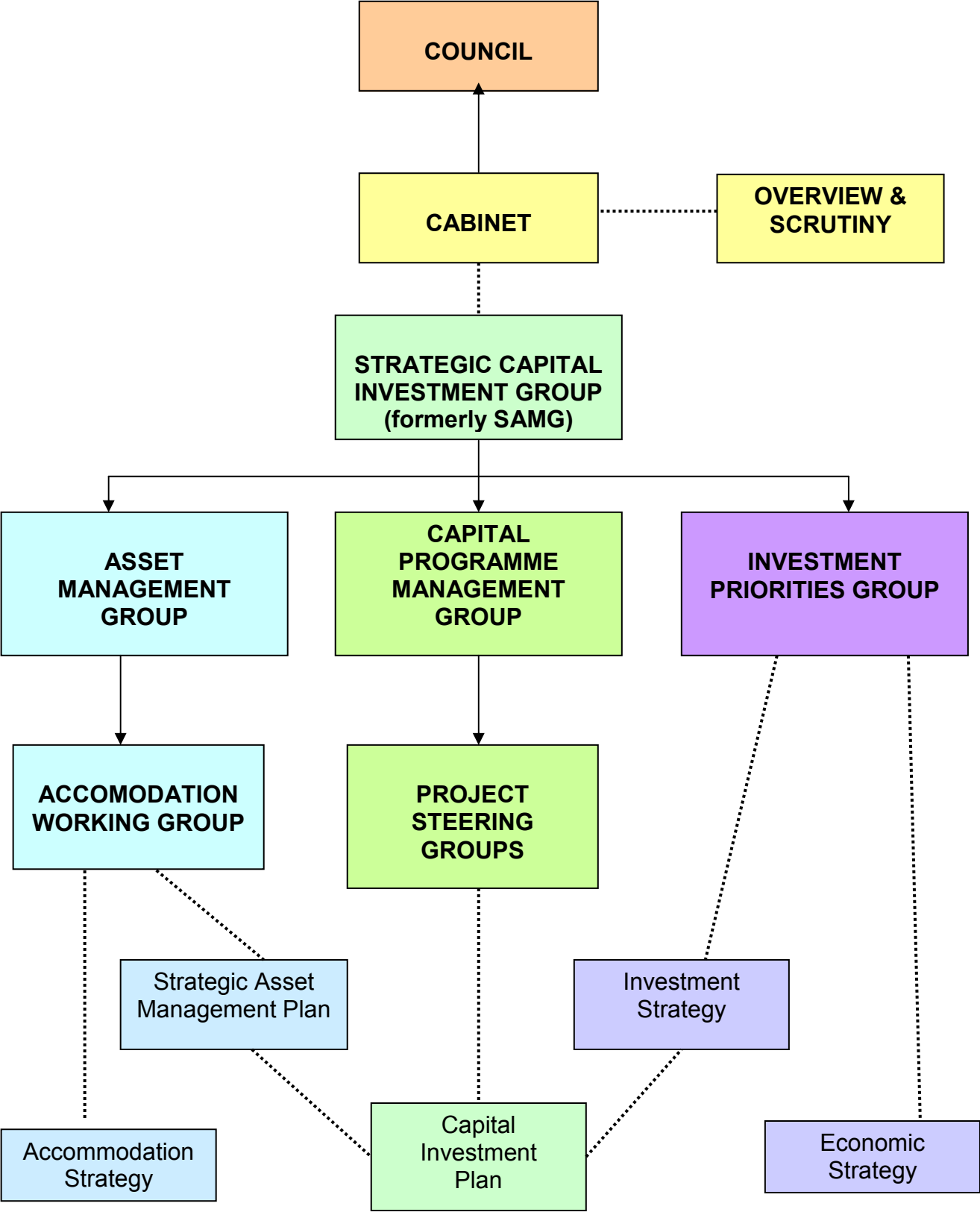
8. **Summary**

- 8.1 The Capital Allocation Framework provides a single structure through which the Council's capital investment decision can be managed. The Capital Strategy provides the policy background for the Councils Investment Plan and Strategic Asset Management Plan enabling the Council to build a long term capital programme to ensure the achievement of the corporate priorities.

Capital Allocation Framework



CAPITAL STRATEGY GOVERNANCE STRUCTURE



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Sefton Metropolitan Borough Council

CAPITAL STRATEGY

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1. Introduction
2. Aims of the Capital Strategy
3. Capital Resources
4. The Councils approach to Capital Investment
5. Governance
6. How Capital investment will be prioritised
7. Capital Project Appraisal Process
8. Revenue Implications
9. Capital Investment Plan
10. How the Council will procure its Capital Projects
11. Performance Monitoring and Evaluation.
12. Review
13. Summary

Appendix 1 Capital Allocations Framework;

Appendix 2 Capital Strategy Governance

Appendix 3 Capital Project Appraisal Form

Appendix 4 Prioritisation Scoring Model

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1. Introduction

The Capital Strategy is an essential element within the Council's overall Corporate Planning Framework. It underpins and operates within the umbrella of the Councils Capital Allocations Framework (Appendix1) which enables the development and management of a Capital Investment Plan. The Strategy encompasses the single capital pot and bidding process and its overarching aim is to provide a framework within which the Capital Investment Plan can be delivered.

The Strategy is intrinsically linked with the Council's Medium Term Financial Strategy (MTFS) and the Strategic Asset Management Plan, and is concerned with all aspects of the Council's capital expenditure – its planning, prioritisation, management and funding

The purpose of the strategy is to set out the Council's approach to capital investment, and how its capital programme supports its corporate priorities and 4 main objectives:

- **Together develop healthy & well supported communities wellbeing**
- **Together develop access to opportunities for all**
- **Together develop attractive & sustainable places & communities**
- **Together empowering and supporting residents**

It takes into account other relevant Council strategies, policies and plans and the views of partners and stakeholders with whom the Council is involved. It also takes account of the resources which are likely to be available to the Council to fund capital investment and the effect of that investment on the Council's revenue budget.

All capital investment decisions will be made with reference to corporate objectives. Except in extraordinary circumstances, capital investment decisions should by their nature form part of the Councils strategic plans and so only after a positive contribution to one or more of these objectives has been demonstrated will a project be considered.

In addition demands for Capital are many, and often in excess of the resource available. This scarcity of Capital resource is likely to continue and it is therefore essential that there is a clear mechanism for the generation, evaluation and selection of capital schemes. A capital project will need to have demonstrated a rigorous process of options appraisal, requiring evidence of need, cost, risk and outcomes.

Opportunities for cross cutting and partnership working will always be considered.

2. Aims of the Capital Strategy

The key aims of the Capital Strategy are to:

- provide a clear context within which proposals for new capital expenditure are evaluated to ensure that all capital investment is targeted at meeting the Council's Priorities and/or legislative requirements;
- establish a fair and objective approach to capital prioritisation

- maximise the use of resources by establishing effective arrangements for the management of capital expenditure including the assessment of project outcomes, budget profiling, deliverability, and the achievement of Value for Money.
- establish a corporate approach to generating capital resources, including the release of capital from the Council's existing asset base.

3. Capital Resources

Capital resources from Central Government can be split into three categories:

- Non ringfenced – resources which are delivered through the single capital pot and can be utilised on any project.
- Ringfenced Non Specific – resources which are ringfenced to particular areas but not to particular projects (delivered through the single capital pot)
- Ringfenced Specific – resources which are ringfenced to specific projects.

The Councils strategy for deploying resources is to ensure that all resources are being utilised to achieve the Corporate Objectives.

Methods of funding the Capital Programme

Government Grants and Non government Contributions

These can be non ringfenced, ringfenced non specific, or ringfenced specific resources as noted above. Unless the funding is ringfenced specific it needs to be applied for as part of the single capital pot, and a business case should first be presented to the Strategic Capital Investment Board (SCIB) to ensure that

- the project is in line with corporate objectives
- the resources are used in the most efficient and effective method
- match funding and revenue consequences can be managed in the capital and revenue budget.

The outcome of these reviews will be reported ultimately to Cabinet and Council, with whom the final decision rests.

Prudential Borrowing

The Council will investigate opportunities to resource capital projects using prudential borrowing where plans are sustainable, affordable, prudent, and offer value for money. Full appraisal will take place to ensure that all revenue implications of the cost of borrowing are taken into account. Prudential Borrowing will also be utilised to cover the cost of projects such as redundancy capitalisations, where the reduction in costs is on a corporate basis. All costs associated with Prudential Borrowing, including on going revenue cost, must be met by the applying department.

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Capital Receipts

Capital Receipts come from the sale of the council's assets. Corporate asset management planning covers all the Councils assets and is critical in supporting the Capital Investment Plan through a planned programme of acquisition and disposal, and subsequent capital receipt. The Strategic Asset Management Plan is intrinsically linked to the Capital Strategy and is overseen and managed via the Strategic Capital Investment Board.

Where the sale of an asset results in the requirement to repay grant, or the loss of a significant revenue stream, the receipt will be utilised for this purpose. Once these liabilities have been established and provided for capital receipts will be available to support the capital programme as a corporate resource.

Revenue Contributions

Occasionally the service putting a capital project forward wishes to utilise its revenue budget to support the capital project.

Other Capital Funding

Funding and capital investment can become available to the Council from non central government grants, such as EDRF, REECH Project, Business Support Grants, Big Lottery funding and monies obtained via section 106 Town and Country Planning Act 1990 and section 278 Highways Act 1980. This type of Capital funding and investment is scheme and criteria specific and whilst it falls within the umbrella of the Capital Strategy, it is not available within the single capital pot prioritisation process. For example s 106 monies are determined by the Councils Planning Committee, and can only be used in accordance with the Planning consent.

4. The Councils approach to Capital Investment

The overall level and direction of the Council's capital investment proposals embodied in its capital programme, is informed by the Council's Corporate Priorities and therefore its stakeholders, particularly the Borough's residents.

The Council's capital investment plans are influenced by a number of external parties and factors: central government and its agencies, legislation requiring capital works, partner organisations, businesses, developers and by its stakeholders' needs and views

The Council works with a wide range of partners from the public, private, voluntary and community sectors, all of which have an influence over its spending priorities. Wherever possible the Council will seek to work in partnership with others to deliver its capital investment programme in order to provide facilities that meet the needs of the Borough.

Where it may be required by legislation to carry out works of a capital nature, such as to comply with the Housing Grants, Construction and Regeneration Act 1996 or Health and Safety requirements, the Council will consider the most effective way to discharge its obligations and appropriate provision will be made in its Capital

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Programme once it has determined that it shall carry out the necessary work and that this should be capitalised.

Wherever Government grants are available to meet all or part of the cost of capital projects the Council will ensure that these are applied for and used to maximise the amount of investment which can be made and the benefit which will result from that investment.

Wherever possible, and appropriate, funding will be sought from external parties towards the cost of capital projects. These will include developers, government agencies, funding from the European Union, funding bodies such as the National Lottery, and partner organisations that may join with the Council to bring forward particular projects of mutual benefit.

The Council will also endeavour, through its programme of capital investment, to maintain its assets to a standard such that they remain fit for purpose, enabling continuity of service delivery. In particular, it will carry out regular surveys of its stock of buildings and structures to ascertain their state of repair and any remedial works which may be necessary. Repair or improvement works arising from such surveys will be carried out subject to the availability of resources and consideration of the role the building plays in service delivery and the need to continue the relevant service in order to contribute to meeting corporate priorities.

In addition the Capital Strategy will be influenced by the results of any service reviews which have been carried out by the Council, either as part of the budget preparation process or as one-off exercises. Where these reviews identify areas of service which are to be restructured or discontinued, this may give rise to surplus assets which will be available for disposal and possibly generate a capital receipt which will be available for funding further capital investment. Alternatively reviews may identify areas for investment, some of which may be capital investment.

Where suitable “Invest to Save” projects can be identified the Council will actively pursue such projects as it recognises the benefits, in the form of reduced costs falling on the General Fund Revenue Account, that can result from such investment. Any capital investment which will result in a revenue cost saving or efficiency will be considered.

The Councils approach to the use of capital expenditure and resources is broadly as follows:

1. To maintain the allocation of grant funding in line with ring-fenced government allocations and criteria.
2. To progress projects which are fully funded and which therefore will have no effect on the Councils overall capital financing position. In relation to such projects it remains vital that they undergo a rigorous appraisal process and support the Council’s strategic properties and objectives.
3. In relation to non specific ring fenced resources, to prioritise schemes within the overall level of capital receipts available to the Council (the single capital pot) over the planned period using the Capital Investment Plan process.
4. Provide appropriate funding to the Property Intervention Fund (PIF), a key enabler for property related activity in the Council.

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5. Governance

Responsibility for the Capital Allocation Framework, Capital Strategy, Capital Investment Plan and Strategic Asset Management Plan rests with Council.

Oversight and management of the Strategy and process is through Cabinet, supported by a Member Reference Group, the Strategic Capital Investment Group (SCIG).

The Strategic Capital Investment Group (SCIG) will oversee the delivery of the Capital Strategy, and assess, determine and performance manage all capital projects. It will also provide reference for the operational groups delivering the capital programme, asset management and investment priorities.

SCIG consists of 3 Cabinet Members supported by Directors (or appropriate representative) from each directorate, and the Head of Investment Programmes and Infrastructure, and the Head of Finance and ICT.

The Group will meet regularly (to ensure there is a managed approach to:

- Developing the Capital Strategy,
- Developing the coming years capital programme
- Appraising business cases
- Monitoring performance of capital projects

The group oversees capital projects from inception to completion to ensure they are delivered efficiently and effectively and in line with the Council's corporate objectives.

All matters relating to capital within the single capital pot are assessed by this group first before entering into the normal reporting process. The group will recommend actions to Cabinet or appropriate sub-group, for recommendation to Council.

The Capital Strategy Governance structure is detailed at Appendix B.

6. How the Capital requirements will be prioritised

Council will agree the prioritisation of Capital resources and agree an annual Capital Investment Plan. All non specific ring-fenced capital allocations will be pooled to form a Single Capital Pot and subject to appraisal, prioritisation and were appropriate a bidding process.

Where resources are passed to the Council as part of the Single Capital Pot, the Strategic Capital Investment Group (SCIG) will review the original suggested/intended purpose for which the resources were provided and consider if this is the most efficient and effective method of achieving the Councils corporate objectives.

In some circumstances it will be necessary to maintain and restrict resources to the original suggested/intended use due to the nature of the funding criteria, risk to future allocations, claw back etc, contractual commitment to ongoing programmes of work

or the need to undertake planned maintenance and repair of our buildings, assets and schools.

In these circumstances although the resource will remain part of the Single Pot it may be deemed a 'pre allocated sum' and will not therefore be available for redistribution through the bidding process. Such sums would currently for example included, Integrated Transport Funding and Disabled Facilities Grant. SCIG will make any recommendations in relation to 'pre allocated sums' to Cabinet, for recommendation to Council, as part of the yearly Capital Investment Plan.

Where works of a capital nature are required as an emergency or due to urgent health and safety requirements, SCIG will consider the most effective way to discharge its obligations and appropriate provision will be made in its Capital Plan. Again in these circumstances although the resource will remain part of the Single Pot it may be deemed 'pre allocated' and will not be available for redistribution through the bidding process.

All remaining resources will be subject to a bidding and appraisal process, which will provide the mechanism for the determination of the Council's Capital Investment Plan. It is essential to apply a robust prioritisation process to determine which projects are included in the Capital Investment Plan. All projects will therefore be subject to a Project Appraisal Process, This includes projects and schemes which are fully funded or self financed, as the Council will be selective in the bids it make for external funding by ensuring consistency with its corporate priorities and financial strategies . No project should be considered in isolation. This process also applies to any projects which are proposed following the approval of the yearly capital programme.

7. Capital Project Appraisal Process

To ensure resources available for capital investment are used efficiently and effectively all capital projects must be in line with corporate objectives and priorities.

Project bids can be put forward by any individual from any service area which requires Capital funding to complete its' objectives. A project may consist of a single project or a single programme of small similar projects, but must demonstrated that the requirement meets the corporate objectives.

At the first stage the appropriate Director should consider the alignment of the project with corporate priorities and service objectives, including other capital requirements from within the directorate and agree that a bid be put forward to the Capital Investment Appraisal process. A project appraisal form must be submitted (Appendix 3) to SCIG, and signed by the appropriate Director, as confirmation this assessment has been undertaken.

An annual timetable for the receipt of project bids will be determined. Project sponsors may present their business case to SCIG detailing how the project delivers council priorities and service objectives.

Stage 1: projects will be assessed and scored based on the following designations

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Emergency Works	Not scored due to nature of work & liability
Urgent Health and Safety	Not scored due to nature of work & liability
Statutory Obligation	These are projects which are related to our statutory obligations and are <u>necessary</u> for Sefton to fully comply with those duties. The level and implications of failure to fund should be detailed for consideration and will primarily be covered by the 'risk' section of the scoring.
Invest to Save	These are deemed to be projects where calculated revenue savings out weigh the capital cost, within <u>five years</u> of the project being completed. Projects which realise revenue savings within a longer period will also be considered but scored appropriately. Whilst completion of these projects effectively leads to savings, and should be done almost regardless of score, they must be scrutinised to ensure that the savings are real and assured, and the affordability within the overall programme considering the other categories must be assessed.
Strategic Objective /Plan	These are projects which demonstrably achieve a strategic objective where the outcomes can be effectively quantified and assessed. Such schemes may use public sector match for private / European funding. They may deliver against national or regional plans
Fully funded from external resources	These are projects which are funded from non-Council funds. In order that the projects are selected in line with Council priorities as far as is possible, these projects remain subject to the project appraisal process. Any revenue or ongoing liability to the Council must be highlighted and an exit plan detailed.
Contractual obligation	These are project where we have already commenced, or have contractually committed to completing the projects. Once again, it stands to reason that these projects should go forward, however, this is not a forgone conclusion, and each project will be considered on its' individual merits.
Other	These projects may not be essential, but may have a very positive effect on our communities and where possible this category should not be neglected. Some may also have a spend to save aspect which falls outside the five year return period but are nonetheless attractive prospects

Stage 2: the business case will need to demonstrate that:

- The chosen option delivers the highest impact in achieving improved performance against the Council's key objectives, including links to other schemes, and strategic plans.
- The project is financially sustainable and any adverse revenue implications can be dealt with within existing budgets.
- That the risks and appropriate actions to negate these risks have been identified
- A full exit strategy has been identified by the relevant directorate who will be responsible for meeting any ongoing costs.
- That the project has key milestones and is deliverable
- The method of procurement has been identified and represents value for money.

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It is recognised that at Stage 2 the level of appraisal required may differ dependant on the projects nature, size and complexity. However a clear understanding of financial liability upon the Council, both capital and revenue, is essential (all appraisal forms must be signed by the relevant finance officer).

Stage 3: business cases will be appraised and validated by the Strategic Capital Investment Group using a prioritisation scoring model (Appendix 4), and will either be:

- Recommended to Cabinet for inclusion in the Capital Plan,
- Considered acceptable but not at this particular time, and placed on a reserve list
- Rejected as not being viable.

Within the prioritisation scoring model criteria are not taken equally. Each criteria has a score and weightings are then applied. This is an important exercise to ensure that the criteria are properly considered to the correct degree. It is also recognised that realistically the objective criteria within the model needs to allow for flexibility.

Through the bid validation process the level of funding for each project will also be determined (this may be more or less than originally bid for).

Stage 4: SCIG will then propose to Cabinet, for recommendation to Council, a Capital Investment Plan aligned to the corporate objectives. Council will be the final arbiters of which capital schemes best achieve the aims of the Council.

8. Revenue Implications

The impact, if any, upon the General Fund Revenue Account, which will arise from capital investment proposals will be calculated and considered at the time projects are appraised and will be placed before Cabinet.

Such impact may be in the form of reduced interest receipts, where projects are to be financed from capital receipts or reserves, borrowing costs, if loan finance is to be employed, or additional running costs arising from the provision of a new or altered facility. Offset against these costs will be any savings which might accrue, for example from “invest to save” projects, or income generated.

All residual costs, including borrowing cost, must be accounted for from within the relevant directorate/departments existing budget. The impact of this must be understood, detailed and appropriately considered within the appraisal process.

The Council will always have regard to the affordability of its proposed capital investments, in terms of the revenue implications arising. The revenue implications of the capital programme will be taken account of in the Council’s Medium Term Financial Strategy.

9. Capital Investment Plan

All new capital investment proposals must be appraised by the Strategic Capital Investment Group prior to Cabinet, and subsequent Council approval being

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requested. Before any project may be commenced expenditure must have been agreed by Council as part of the Capital Investment Plan.

The Council will agree a rolling three year Capital Investment Plan each year consistent with the capital strategy and the resources available. The Strategy and Plan will be taken into account in the refresh of the Medium Term Financial Strategy.

10. How the Council Will Procure its Capital Projects

Regard will be had to the contents of the Council's Procurement Strategy when considering the delivery of capital projects.

Where estimated project contract costs exceed the relevant European Union threshold, the appropriate EU tendering procedures will be followed.

All contracts will be let in accordance with the Public Contracts Regulations and the Council's Financial Procedure Rules and Contracts Procedure Rules, as set out in Chapter 11 of the Constitution. .

The Council will decide on the appropriate form of financing for projects included in the Capital Plan based on advice from the Head of Finance and ICT as to availability and the consequences and costs of use of the various options.

11. Performance Monitoring and Evaluation

The overall performance of the Capital Investment Plan (both expenditure and funding), including post evaluation of projects, will be monitored regularly by Cabinet via the Strategic Capital Investment Group (SCIG). SCIG will report throughout the year to Cabinet, or appropriate sub-group.

The Strategic Capital Investment Group

The Capital Strategy envisages a commissioning approach to the delivery of the Capital Investment Plan, and through SCIG this will be supported by a strong programme management process. The Group's role is to assist the Council in providing a managed approach to the capital plan and to provide a coordinated corporate approach to the strategic alignment of investments which ensures that investments are planned, managed and delivered prudently.

SCIG will act as a reference group and will review project progress and receive exception reports indicating the corrective action to be initiated where projects fall behind schedule, appear likely to overspend or otherwise give cause for concern. All capital investment proposals and project progress and management are subject to the Council's scrutiny arrangements.

The Capital Programme Management Group

Reporting directly to SCIG a new Capital Programme Management Group will manage the delivery of the Capital Investment Plan.

The Group will support and inform the process and offer a co-ordinated programme management support function to facilitate;

- project outputs being monitored at least quarterly to ensure delivery,
- activities and projects being evaluated annually to ensure that activity is addressing corporate and/or statutory outcomes,
- risk assessment and management
- support for project managers
- verification that expenditure is compliant with the funding agreement.

The Capital Programme Management Group will oversee individual capital schemes to ensure that any potential problems in terms of cost, timescales or other issues are flagged at the earliest opportunity and remedial action identified. This will be reported to SCIG

Project Sponsors

All projects will be assigned a named project sponsor from within the relevant directorate. They will be responsible for overseeing the project, including project initiation, monitoring and control, implementing exception reports and, where appropriate, corrective action if the project deviates from its planned progress or cost. Project Forms will be maintained in respect of each project which will track the progress of projects.

Project Sponsors will report into the Capital Programme Management Group and subsequently SCIG.

12. Review

The Capital Strategy will be reviewed annually, adapting to the review of the Councils strategic objectives. It does not need to be overhauled annually if existing documentation remains valid.

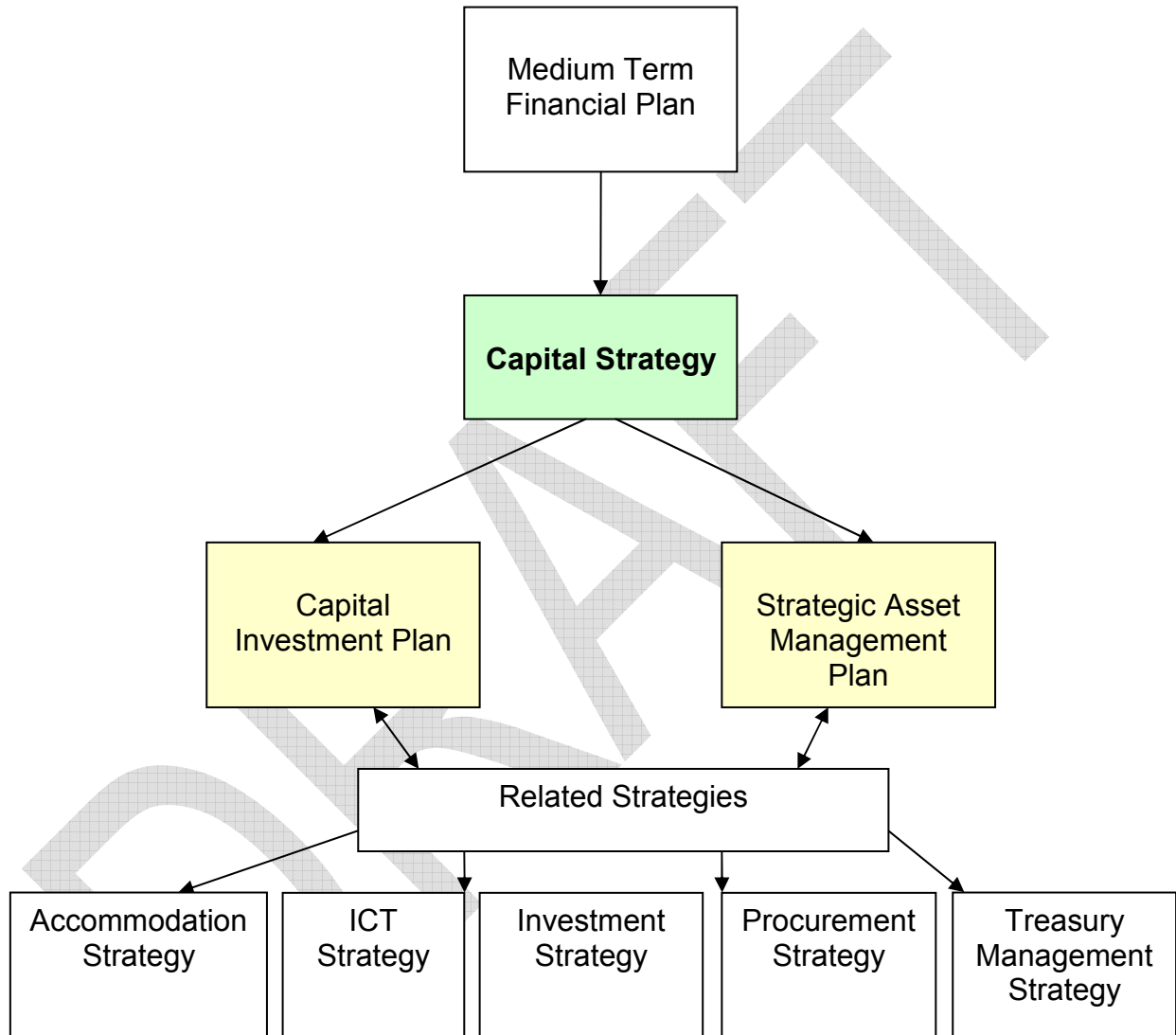
Each year after the 3 year Capital Investment Plan has been agreed, the SCIG will review the prioritisation process. If necessary the appraisal documents and process will be amended to ensure that corporate objectives and priorities, and the benefits and impact of schemes are adequately reflected in the prioritisation procedure. The Council will review the allocation of its capital resources on an annual basis to ensure that its programme of investment is in line with actual resource available.

13. Summary

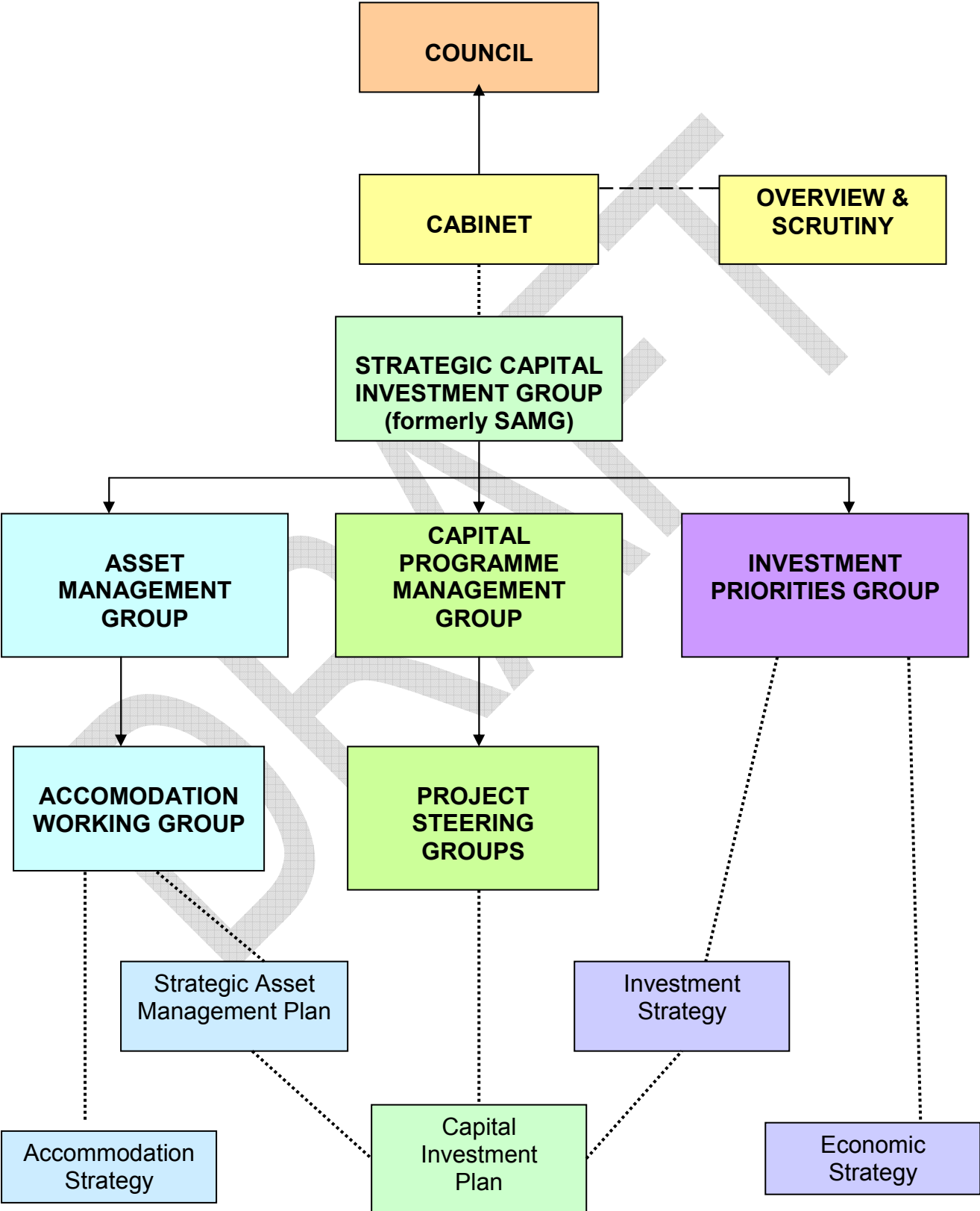
This Capital Strategy provides the policy background to the Councils Investment Plan and Strategic Asset Management Plan enabling the Council to build a long term capital programme to ensure a managed approach to the achievement of the corporate priorities.

The Strategy demonstrates and sets the framework for how the Council's Capital Investment Plan supports its corporate priorities.

Capital Allocation Framework



CAPITAL STRATEGY GOVERNANCE STRUCTURE



Strategic Asset Management Group PROJECT APPRAISAL FORM

		DATE SUBMITTED	
PROJECT TITLE			
APPLICATION DEPARTMENT			
SERVICE AREA			
PROPOSED START		PROPOSED FINISH	
PROJECT SPONSOR			Ext No

DESCRIPTION OF THE SCHEME

CONTRIBUTION TO CORPORATE OBJECTIVES		
Corporate Objectives		
• Together develop healthy & well supported communities Wellbeing	Yes/No	
• Together develop attractive & sustainable places & communities	Yes/No	
• Together empowering and supporting residents	Yes/No	
• Together develop Access to Opportunities for All	Yes/No	
How will this be achieved?		

CONTRIBUTION TO STRATEGIC OBJECTIVES / PLANS (Inc national & regional plans & partners)

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SCHEME DESIGNATION (as per Capital Strategy)			
Urgent Health & Safety	Yes / No	Emergency Works	Yes/ No
Invest to Save (5yrs)	Yes / No	Other Revenue Saving	Yes/ No
External Fully Funded	Yes/ No	Statutory Obligation	Yes/ No
Strategic Objective / Plan	Yes/ No	Contractual Commit	Yes/ No
Other	Yes/ No		

OUTPUTS AND OUTCOMES FOR CAPITAL INVESTMENT	
Problem or Issues the scheme addresses:-	
Outputs to be achieved:-	
Outcomes to be realised:-	
Evidence of Needs Assessment / Business Plan included	Yes/No

CONSENTS REQUIRED
<p>Are any Planning / Building Regulations required - Comments :-</p> <p>Are any Central Government consents required - Comments :-</p>

RISK MANAGEMENT
Key Risks presented by undertaking the project (inc deadline dates) :

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Key Risks mitigated by undertaking the project :

EXIT STRATEGY / RESIDUAL LIABILITY

CONSEQUENCE OF NOT UNDERTAKING SCHEME

FINANCIAL SUMMARY

- | | |
|--------------------------------|---|
| 1. Call on Capital Resource | £ |
| 2. Capital amount of the bid | |
| A) Sefton | £ |
| B) Other Funding: | |
| • Grant | £ |
| • Borrowing | £ |
| 3. Year 1 Annual Revenue Costs | |
| A) Sefton | £ |
| B) Other Funding | £ |

STATUS OF EXTERNAL FUNDING, e.g. bid submitted, offer received?

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MUST BE COMPLETED:

DETAILED FINANCIAL APPRAISAL – analysis of scheme cost and phasing over project life.

CAPITAL COSTS	2013/14 £ 000	2014/15 £ 000	2015/16 £ 000	2016/17 £ 000	2017/18 £ 000	TOTAL £ 000
Land/Property Value (Include land owned by the Council)						
Construction Costs						
Furniture & Equipment						
Vehicle & Plant						
Fees						
Other (please specify)						
TOTAL						

REVENUE IMPLICATION	2013/14 £ 000	2014/15 £ 000	2015/16 £ 000	2016/17 £ 000	2017/18 £ 000	TOTAL £ 000
Staffing (including NI and Super)						
Running costs						
Capital charges/ Lease Cost						
Furniture and Equipment						
Rent or Licence Fee						
Building Maintenance Costs						
Vehicle & plant						
Annual Revenue savings						
Revenue costs						
Current Budget						
Income						
NET EXPENDITURE						

POTENTIAL FUNDING	2013/14 £ 000	2014/15 £ 000	2015/16 £ 000	2016/17 £ 000	2017/18 £ 000	TOTAL £ 000
Grant (please specify)						
Private/Partner Funding (please specify)						
Prudential Borrowing						
Other (please specify)						
Revenue contribution						
TOTAL						

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APPROVALS FOR BID SUBMISSION	
1. Service Director	Date
2. Finance Officer	Date

APPROVAL OF BID	
Strategic Capital Investment Group Chair	Date
<u>Comments</u>	

HAVE THE GENERIC QUESTIONS BEEN ASKED? (see below)
<p>GENERIC QUESTIONS TO ASSIST IN IDENTIFICATION OF OPTIONS BEEN CONSIDERED?</p> <ul style="list-style-type: none">▪ Is 'do nothing' an option?▪ Is there a 'do minimum' scheme?▪ Does the scheme/project have to be undertaken on the scale proposed?▪ Could it be scaled down or phased?▪ What is the design life for the scheme and the effect of varying it?▪ Are different locations possible and/or available?▪ Are there different ways of meeting the required outcomes?▪ Are all elements of the proposed scheme justified?▪ By removing some elements could the cost/value ratio be improved?▪ Could the scheme be combined with another scheme to advantage?▪ Are there different ways of providing/funding the facility?▪ How are other comparable organisations achieving the desired outcomes?▪ Could the benefits of the scheme be achieved by alternative means?

SEFTON MBC - PROJECT APPRAISAL FORM ADVISORY NOTES

PROJECT TITLE

Brief title of the Scheme/Project

APPLICATION DEPARTMENT

Please provide.

SERVICE AREA

Please provide details of the service area.

PROPOSED START – PROPOSED FINISH

The date you wish the project to commence and the date you anticipate it will finish. These are only your initial indications.

PROJECT SPONSOR

The person within your Service who is to be the responsible Officer, together with their telephone extension number.

BRIEF DESCRIPTION OF THE SCHEME

Please outline the proposed scheme/project and what is required.

CONTRIBUTION TO CORPORATE OBJECTIVES

Indicate which of the Council's key objectives the proposed scheme will achieve, This should be answered Yes/No and any comments if necessary.

CONTRIBUTION TO STRATEGIC OBJECTIVES / PLANS

Indicate which Strategic objectives / plans the proposed scheme will achieve, These could be National or regional, relate to partners or specific areas of the Borough e.g. The Liverpool City Region Deal,

SCHEME DESIGNATION

Please indicate relevant category (as per Capital Strategy).

OUTCOME/OUTPUT

Issues

What is the problem or issue identified and evidenced, which resulted in the need to submit the Capital Bid.

Outputs

Identify what will be achieved or completed once the scheme/project is finished. These maybe determined by an external funding stream, be the result of a needs assessment, relate to services plans etc,

Outcomes

What is the outcome/impact the scheme will realise?

CONSENTS REQUIRED

Are any Planning/Building Regulations required?

Please advise yes/no. If yes then a brief idea of the Planning/Building Regulation Approval which will be required.

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Are any Central Government consents required?

Please advise yes/no. If yes then a brief idea of the consents which will be required.

RISK MANAGEMENT (advise on risk management is contained within the Corporate Risk Management guidance)

Key Risks presented by undertaking the scheme

Please identify the key risks associated with this project. This could link to the Council's or Departmental Risk Registers.

If funding is time constrained please identify.

If the project must be completed within a defined time line please identify.

Key Risks mitigated

Please identify the key risks mitigated by this project. This could refer to the Council's or Departmental Risk Registers.

EXIT STRATEGY / RESIDUAL LIABILITY

This confirms how the project will be sustained in the future, and what liabilities will remain with the Council both capital and revenue and who and how commitments will be met.

CONSEQUENCE OF NOT UNDERTAKING THE SCHEME

This confirms what the consequence or likely consequence would be to the Council if the scheme was not progressed.

THE BID SUMMARY

This is a summary of the costs of the bid, which is being requested to carry out the scheme.

STATUS OF EXTERNAL FUNDING

This confirms the current status of required funding

DETAILED FINANCIAL APPRAISAL PLEASE CONSULT WITH YOUR SERVICE ACCOUNTANT AT ALL STAGES OF THE FINANCIAL APPRAISAL. A FULL FINANCIAL ASSESSMENT IS CRITICAL.

Capital Costs

Please advise of the full costs associated with the scheme/projects. The land/building value will need to be indicated on the form.

Revenue Implications

Please indicate the likely running costs associated with the future maintenance of the project/building. Running costs could be: Staffing, Utilities, Cleaning, Ground Maintenance, Insurance, Rates

Potential Funding

An indication of the funding which will be available for the scheme/project. This should include any revenue contributions.

APPROVALS

The Service Director and Finance officer must approve the bid before submission to SCIG

The SCIG must approve the bid and the Chair must sign and date.

COMMENTS

Any comments or advice from SCIB. .

GENERIC QUESTIONS These questions need to be asked to ensure that the scheme submitted is appropriate and relevant to fulfil the objectives.

Capital Single Pot - Prioritisation Scoring Model

Scheme Title:			
	Score	Weight	Total
Unavoidable capital expenditure due to emergency / urgent H& S	Outside Scoring system due to nature of works, and liability.		
Achievement of the Corporate Objectives	How important is this project to improving performance on the Councils key objectives? Score (10=High, 1=Low)	x1	10
Statutory, Contractual or Legislation	Critical Statutory / mandatory requirement = 10 Non statutory /mandatory = 0	X1	10
Achievement of Strategic Objectives / Plans	How important is this project to delivering Strategic objectives / plans? Score (10=High, 1=Low)	X1	10
Invest to Save	100% payback within 5 years = 10 and Reduces to zero pro rata to funding identified	X2	20
External Funding	100% funding or expenditure leading to larger capital receipt = 10 and Reduces to zero pro rata to funding identified	X2	20
Residual Liability	Score (10=Low , 1 = High)	X 1	10
Risk – presented by project	Score (10=Low , 1 = High)	X1	10
Risk – mitigated by project	Score (10=High, 1=Low)	X1	10

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Agenda Item 12

Report to: Council Cabinet	Date of Meeting: 28 February 2013
Subject: Local Government Act 2003 – Chief Financial Officer’s Requirements – Robustness Report	
Report of: Margaret Rawding Section 151 Officer and Head of Corporate Finance and ICT	Wards Affected: All
Is this a Key Decision? Yes	Is it included in the Forward Plan? Yes
Exempt/Confidential	No

Purpose/Summary

To comply with statute the Chief Financial Officer is required to report to Council prior to the approval of the budget and the setting of the Council Tax, to give assurance that the budget is robust and that there are adequate reserves and balances. The report is based on the proposals presented to Cabinet and Council in preparation for the Council meeting of 28th February 2013.

Recommendation(s)

The Local Government Act 2003 (section 25) (as amended) requires the Chief Financial Officer to report formally on the following issues:

- a) An opinion as to the robustness of the estimate made and the tax setting calculations
- b) The adequacy of the proposed financial reserves
- c) The production of longer term revenue and capital plans

The Cabinet and Council is requested to note the issues raised in this report during the final stages of determining the financial plan for 2013/14 and 2014/15 and budget for 2013/14.

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

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

Reasons for the Recommendation:

As set out above

What will it cost and how will it be financed?

(A) Revenue Costs

Decisions taken as a consequence of this report will influence the Council's Revenue Budget and Council Tax for 2013/14 and 2014/15 and thereby shape the Council's financial plans future years.

(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 –	The Council is required to set a Budget and Council Tax level by 10 March 2013 and must consider the comments of the Chief Financial Officer before that decision is taken.
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

Impact on Service Delivery:

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD2153/13.) and Head of Corporate Legal Services (LD1469/13) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration ?

This a statutory report to provide advice to Members in determining the two year financial plan and the budget 2013/14.

Implementation Date for the Decision

With immediate effect

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

Background Papers:

There are no background papers available for inspection

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1. Introduction

The Local Government Act 2003 requires the Chief Financial Officer to report formally on the following issues:

- a) An opinion as to the robustness of the estimates made and the tax setting calculations.
- b) The adequacy of the proposed financial reserves.
- c) The production of longer term revenue and capital plans.

The Council will be required to take account of this report when determining its budget. This report represents an assessment based on the proposals elsewhere on this agenda. Therefore this opinion may be revised in the light of any changes to the budget proposals as presented in this agenda.

2. Summary Option

Having taken into account the issues detailed in the report, I am able to give a positive opinion on the robustness of the estimates and the adequacy of the financial reserves. This opinion is based on the budget savings already approved and the final proposals presented elsewhere on the agenda; in particular the Council tax options and the limited use of one-off funding. **Should any of the assumptions change which require the identification of significant additional savings or the use of other reserves and balances then this opinion will be reviewed.**

- 2.1. The issues raised in this report highlight to the Council the importance of agreeing a financial plan covering at least two years and the level of risks which these financial plans go some way to mitigating. The financial forecasts themselves are only estimates of future political, economic, environmental and demographic forecasts which contain many variables and degrees of uncertainty.
- 2.2. The budget proposals made to date contain some risks given the extent of the savings. The consultation process and the evaluation of responses will help to mitigate the risks to vulnerable groups. All options require close monitoring of implementation and delivery and any non achievement reported and corrected in a timely way.

3. Robustness of Estimates

3.1. Estimates of Expenditure and Services Changes

The Council has built on the method established over the last few years for the prioritisation of resources and continues to keep all areas under review, reporting changes through the year to the Cabinet and Council. In particular the Council has:

- Identified further tactical savings where services can be downsized and delivered at less cost

- Reviewed all remaining expenditure to identify the minimum level of services that must be provided
- Continued to reduce managements and support costs through restructuring and contract renegotiation
- Identified saving options arising from downsizing of services, integration of functions and the cessation of discretionary services.

The options presented to Members have been quality assured by a multi-disciplinary group of senior officers to consider the risks of implementation and impact. This process has been ongoing since September 2012 and has allowed changes in the proposals and the phasing of the financial impact to be revised. The group considers legal, social, economic and financial risks and equality impact assessments of all options have been undertaken.

3.2. **Consultation**

The consultation with all stakeholders has been more targeted than in previous years to support the identification of key risks for vulnerable groups and service users. All party involvement in the determination of consultation activity has ensured appropriate methods and targeting of consultation. Consultation with staff has been extensive to ensure timely appropriate solutions to integration and downsizing options.

A range of consultation methods have been used to give greatest benefit to the understanding of the impact on service users and stakeholders. All consultations have been available for any person to respond to issues even where more targeted consultation has supplemented the generic approach.

3.3. **Risk Assessment**

The key risks in achieving the services changes required by the proposed budget savings have been assessed for each option. The assessments have covered the legality of the option, timescales needed to achieve the change, impact on service users and stakeholders, long term implications of the changes and any contractual restrictions which may impact on achieving the savings. These assessments have been presented to Cabinet and Council at each stage of the decision making process to highlight any risks relating to each option.

4. **Determination of the Level of Resources Available**

- 4.1. The forecast level of available resources for 2013/14 was notified to the Council by Government on 19th December 2012, with final figures confirmed in February 2013. Indicative figures for 2014/15 have been provided as part of the Local Government Finance announcement. The Chancellor's Autumn Statement in December 2012 also indicated the longer term financial trend of further reductions from 2015 to 2019. The settling of the two year plan and the 2013/14 budget must be seen in the context of ongoing reductions in funding for several years beyond the 2013- 2015 plan.

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4.2. The change in the funding arrangements for local government from April 2013 brings new financial risks which the Council will need to consider in the determination of the 2013/14 and 2014/15 budget plan.

4.3. Business Rates

The current arrangements for local government funding from National Non Domestic Rates (NNDR) uses a national pooling of all NNDR receipts and protects individual authorities from changes in the actual collection levels within its area. From April 2013 the Council funding is based on a government assessment of the expected level of Business Rates to be collected by Sefton. All variations against this baseline will be borne equally by the government and the local authority. Changes arising from non payment, successful appeals and reducing Business Rateable properties will be an ongoing risk to the Council which now become a significant risk in the future viability of financial forecast and budget setting.

4.4. Council Tax Base

The changes from government funded Council Tax Benefit to locally funded Council Tax Reduction will add further significant risk in determining the level of resources available.

The application of Council Tax Reduction (instead of Council Tax Benefit) will give the Council new exposure to risk of falling incomes of residents as the cost of the reduction in Council Tax Bills will have to be met from the local authority and its precepting bodies.

There is inadequate forecasting information to predict with high levels of certainty the number of applicants who previously had been discouraged from applying for a benefit but may apply for a Council Tax reduction. The Council will also have to carry the risk of increased bad debt from non payment of Council Tax as the amount payable by previous working age Council Tax benefit claimants increases.

4.5. Monitoring of Resources Available

The Council will need to carefully monitor the achievement of Business Rate collection levels and the value of Council Tax Reduction claims. This will be a new risk which will need to be factored into the planning of balances and the actuals regularly reported as part of the budget monitoring reports to Members.

4.6. Public Health Funding

The responsibility for Public Health transfers to the Local Authority from April 2013. This is funded through a ring fenced grant (£19m) and the transition plan has been monitored throughout the year to minimise any risk of the transfer of this new responsibility.

4.7 Other Funding

Other grant notifications have yet to be received relating to Disabled facilities grants, and capital allocations. Funding from the GP Commissioning Groups is also a new arrangement from 2013 and will require ongoing monitoring.

4.8. Setting the Council Tax

The Council as part of the budget setting will be required to set the Council Tax at its meeting on 28th February 2013.

The budget for 2013/14 has been based on the Council not increasing Council Tax. The two year plan assumes increased Council tax in 2014/15. Any increase in Council Tax in 2013/14 would necessitate a referendum and would change the opinion given in this report.

5. Key Budget Risks

a) Pressures on services

The proposed budget does make assumptions about the level of demand for Children and Adult Services. The increasing demand faced by Sefton, and nationally, will be a key risk throughout the foreseeable future. Current overspends in the Adults Care budget has been supported by additional external funding received during the year. The budget for 2013/14 and 2014/15 will face similar pressures and although additional resources have been identified to support this demand it will require robust monitoring and management to minimise the risk to overspend.

b) Achievability of approved budget savings

Significant effort has been made to minimise the risk of non-achievement. High level implementation plans and early consultation have been completed and these will be closely monitored. In year monitoring will be crucial to ensure that required savings are achieved within the planned timescales and financial phasing.

6. Budget Assumptions

The majority of these issues are addressed in the budget report elsewhere on this agenda. The more significant challenges around setting the budget are the assessment of the timescales within which service change can be achieved and the estimation of the effect of re-commissioning services. Variations to the estimated figures will be met from the general reserves. The two year financial plan provides funding for additional social care expenditure in 2013/14 and 2014/15 of £7m to support the changes in demographic pressures for social care.

The budget also assumes the continuation of the current low bank interest rates until at least 2015. This approach is supported by the Council's external advisors. The longer term view would be monitored closely.

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7. Political Group Budget Amendments

At the stage of writing this report I have not been informed of any amendments from political groups to the framework budget. Should any be forthcoming they will need to be assessed and if necessary this opinion will be revised.

8. Delivering of Financial Plan

The budget options considered by the Cabinet and Council cover a two year period. Assessment of the deliverability of the options has been undertaken and a robust challenge has been applied to the timeframe for achieving the options, in particular those complex options requiring significant service change and consultation. Those complex changes require a lead in time in excess of six to nine months. To achieve a balanced financial plan over the two year period decisions need to be taken in February 2013 relating to service policy changes to be actioned throughout 2013/14 to achieve the required savings for 2014/15.

The high level of savings required necessitates the significant level of change to be agreed for action for implementation throughout 2013/14 for financial savings in 2014/15. The budget forecasts for 2015/16 and future years clearly indicate further reductions in expenditure beyond the level included in the 2 year plan. It is therefore imperative that the financial stability of the authority is maintained as the level of risk will increase as expenditure levels reduce further. The financial robustness of the Authority will only be sustained if actions are implemented in a timely manner to achieve future budget requirements.

9. Advice on the level of General Balances

The estimated level of uncommitted balances at 31st March 2013 is £4m. This assumes that the 2012/13 position is balanced. Current monitoring reports suggest that the 2012/13 budget will be in line with the projections reported to Cabinet in January 2013. Any surplus would ordinarily be added to general balances. The planned contributions from general balances in 2012/13 within the MTFP have been reported to Cabinet as part of the 2012/13 monitoring reports.

General fund balances are amounts set aside to cushion the impact of unexpected events and emergencies. They should not ordinarily be used to underpin the budget unless it is part of a strategic plan and sufficient balances remain to cover potential risks and emergencies. There is no scientific way in which the adequacy of these balances can be assessed. It is a judgement based on risk and potential exposure, the strength of financial reporting arrangements and the Council's track record in financial management.

Views have been expressed by the external auditor that the level of general balances is below the level he would recommend. It is certainly the case that based on the potential risks identified within this report, general balances may be called upon should some risks materialise. However, given the mitigations also identified in the report it is my view that, at this stage, the Council's current level of balances is appropriate to meet the potential risks. It is not recommended that general balances should be reduced to support the budget other than as identified within the two year plan. Obviously if all the risks were to materialise it would have a significant impact on the level of general balances available for later years

and in these circumstances it would be necessary to replace any general balances utilised.

The external auditor has also expressed an opinion on the low level of provision for doubtful debts held by the Council. This has been the subject of significant review over the last year and the provision for doubtful debt has been increased in the financial plan, especially with reference to the introduction of the Council tax reduction scheme which was identified and reported to Council at its meeting of 24 January 2013.

10. **Conclusion**

Based on the assessment included in this report I have concluded that the budgets proposed and supported by the two year financial plan, along with the associated systems and processes are sound and the level of General Balances and Reserves are adequate for supporting the risks with mitigating actions. Should any of the assumptions change which require the identification of significant additional savings or the use of reserves or balances then this opinion will be reviewed.

The issues raised in this report highlight to the Council the importance of agreeing a financial plan covering at least two years and the level of risks which this plan goes some way to mitigating.

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Report to: Cabinet
Council

Date of Meetings: 28th February 2013

Subject: Two year Financial Plan and Revenue Budget 2013 /14

Report of: Head of Corporate Finance & ICT

Wards Affected: All

Is this a Key Decision? Yes

Is it included in the Forward Plan? Yes

Exempt/Confidential No

Executive Summary

The Council must legally set a balanced budget, one that is robust and sustainable. This report

- Updates on the final Local Government Settlement and confirms the budget gap of £50.8m over the next two years.
- Requests Cabinet approval for the final outstanding options, detailed within the report.
- Updates on the options and requests consideration of what should now be included in the final two year Budget Plan
- Illustrates how the two year Budget Plan can be balanced within available resources assuming the options identified can be approved and implemented

Since the last Cabinet Report on 14th February 2013, the budget options and plan have been considered in detail at the Overview & Scrutiny (Performance & Corporate Services) on 19th February 2013. Any issues arising from this meeting will be reported verbally at the meeting.

This report presents a 2 year budget plan, which enables a budget for 2013/14 to be approved and identifies those policy changes required to deliver a sustainable and robust two year budget plan. Due to the mixture of efficiencies and significant policy changes some of these options cannot and will not be realised within a 12 month period and will contribute to the 2014/15 budget as illustrated in this report. This will require the implementation of major change programmes and appropriate capacity will need to be dedicated to ensure deliverability. Given the scale of the budget reductions any slippage or underachievement will have implications for the financial management of the Council and as such robust management and monitoring arrangements must continue to be operated.

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Cabinet is Recommended: -

1. To note the updated Library Review information provided in the report at paragraph 3.2 and make an appropriate recommendation to Council.
2. To note the final outcome of consultation for D1.32 Public Conveniences - and commend to Council for approval, the increase in the charges for pay to use facilities and where feasible introduce a charge for use at all public convenience facilities.
3. To commend the recommendations of the Street Lighting review to Council for approval and implementation as outlined in the budget option form in Annex A
4. To consider the draft two year budget plan (2013/14 and 2014/15) which now incorporates Cabinet's decisions in 1-3 above and make appropriate recommendations to Council.

Council is recommended:

1. Approve the two year budget plan and associated policy changes;
2. To note and take account of the detail within the Public Sector Equality Duty analysis reports or statements, the consultation feedback and the mitigating actions within each option in taking their decisions and authorise Officers to prepare for the immediate implementation of the policy changes for both years.
3. To create a new one-off £1m Community Transition Fund to facilitate where possible the transfer of certain services to become community run, and self sustaining.
4. To create a new one-off capital priorities fund of £1m to invest in Council priorities including town centres, youth employment and local economy
5. As required by the Localism Act 2011 (Section 38-41) to approve the proposed amendments to the Pay Policy as set out in paragraph 3.4 and for the pay policy to be published.

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	*See below		
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 totality of the saving options will have a significant impact on our communities. It is not possible to give a global impact assessment in the table above. However, where appropriate, the impact of the saving options (Annex A) includes details of the impact of that decision.

FD 2144

(A) Revenue Costs

The Government's announcement of the final Revenue Settlement for 2013/14 and provisional figures for 2014/15 has resulted in a small reduction of £0.002m in grant compared to the provisional settlement announced on 19 December 2013. The Council's budget gap for 2013/14 and 2014/15, therefore remains at £50.8m.

(B) Capital Cost

The report recommends that £1m of earmarked reserves will be used to establish a Capital Fund to assist the regeneration of town centres across the Borough, youth employment and local economies.

The Government has not made any changes to the previous announcement that Councils will not be allowed to capitalise the costs of equal pay settlements. They have agreed that authorities can use receipts from asset sales to meet such costs.

With regard to capitalisation directions for redundancy costs, no announcement has yet been made.

Implications:

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

Legal LD 1460

Members will recall that the LD comments in all transformation reports have previously advised that each individual project must clearly consider the legal, human rights and equality implications and that this consideration must be evidenced. In order to achieve this, the following has been included in the report before Members

- a. Each option has had the statutory basis for the service considered and details are included in the individual reports.
- b. The outcome of each individual consultation and equality impact assessment has been included in the reports.
- c. In addition mitigating factors have been included in the individual option reports.
- d. Generic risks including legal risks have been reported to Members previously and are re-iterated in part 5 of this report.
- e. The rationale for inclusion of this information, is to ensure that Members have all relevant information available, and that the information can be weighed up carefully when making each and all of the decisions.

Human Resources

The options contained within this report have a potential impact upon employees and the potential for both voluntary and compulsory redundancies. It will be necessary for the Authority to comply with the duty to consult with recognised Trade Unions and employees and to complete as necessary a notification under Section 188 of the Trade Union Labour

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Relations (Consolidation) Act 1992. Also form HR1 to the Department of Business Innovation and Skills notifying of redundancies has been filed. Full and meaningful consultation should continue to take place with the Trade Unions and employees on the matters contained within this report.

Equality *

1. No Equality Implication

2. Equality Implications identified and mitigated

3. Equality Implication identified and risk remains

* The status of the equality impact for the saving options are at varying levels of information as detailed in Annex A that includes details of the impact of the decision.

Impact on Service Delivery:

Service implications as currently understood are described within the options in this report.

What consultations have taken place on the proposals and when?

There have been extensive public engagement and consultation exercises throughout this process (see links under paragraph 2.2) regarding Developing the budget and Council Tax

Regular and ongoing 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 Corporate Personnel, Head of Corporate Legal Services and Trade Unions.

Further information is contained in Annex A of this report.

Are there any other options available for consideration?

All currently feasible / viable options have been put forward for consideration. A number of non viable budget options have been dismissed by Members.

Implementation Date for the Decision

Officers are authorised to implement all decisions within this report immediately following Council on 28th February 2013.

Contact Officer:

Margaret Rawding, Head of Corporate Finance & ICT

Tel: 0151 934 4082

Email: Margaret.rawding@sefton.gov.uk

Background Papers:

- Feedback from Closure of all public conveniences across the Borough (D1.32)
<http://modgov.sefton.gov.uk/moderngov/ecSDDisplay.aspx?NAME=SD1413&ID=1413&RPID=6997949&sch=doc&cat=13423&path=13421%2c13423>
- Updated Proposed Fees & Charges Booklet for 2013/14
- <http://modgov.sefton.gov.uk/moderngov/ecSDDisplay.aspx?NAME=SD1414&ID=1414&RPID=6997974&sch=doc&cat=13423&path=13421%2c13423>

Other relevant budget documentation:

- Non-Domestic Rates and Revenue Support Grant for 2013-14 and Related Matters. (Previously published 31st January 2013 Cabinet)
- <http://modgov.sefton.gov.uk/moderngov/ecSDDisplay.aspx?NAME=SD1415&ID=1415&RPID=6998051&sch=doc&cat=13424&path=13421%2c13424>
- Developing the Budget Consultation Report. (Previously published 31st January 2013 Cabinet)
- <http://modgov.sefton.gov.uk/moderngov/ecSDDisplay.aspx?NAME=SD1418&ID=1418&RPID=6998237&sch=doc&cat=13424&path=13421%2c13424>
- Feedback reports on the consultation and engagement on Council Tax. (Previously published 14th February 2013 Cabinet)
- <http://modgov.sefton.gov.uk/moderngov/ecSDDisplay.aspx?NAME=SD1417&ID=1417&RPID=6998154&sch=doc&cat=13424&path=13421%2c13424>
- <http://modgov.sefton.gov.uk/moderngov/ecSDDisplay.aspx?NAME=SD1416&ID=1416&RPID=6998127&sch=doc&cat=13424&path=13421%2c13424>
- Feedback to Landscape Services Junior Sports Pitch Charges Consultation. (F1.2) (Previously published 31st January 2013 Cabinet)
- <http://modgov.sefton.gov.uk/moderngov/ecSDDisplay.aspx?NAME=SD1419&ID=1419&RPID=6998272&sch=doc&cat=13424&path=13421%2c13424>
- Feedback to Landscape Services Cemeteries and Crematoria Consultation. (F1.4) (Previously published 31st January 2013 Cabinet)
- <http://modgov.sefton.gov.uk/moderngov/ecSDDisplay.aspx?NAME=SD1420&ID=1420&RPID=6998307&sch=doc&cat=13424&path=13421%2c13424>
- Feedback from Cleansing – cease provision of free plastic sacks excluding those premises which are currently identified as ‘difficult to access’ (D1.24). (Previously published 14th February 2013 Cabinet)
- <http://modgov.sefton.gov.uk/moderngov/ecSDDisplay.aspx?NAME=SD1421&ID=1421&RPID=6998328&sch=doc&cat=13424&path=13421%2c13424>
-
- Feedback on Consultation for Street Lighting Review (Previously published 13th December 2013 Cabinet)
- <http://modgov.sefton.gov.uk/moderngov/ecSDDisplay.aspx?NAME=SD1422&ID=1422&RPID=6998357&sch=doc&cat=13424&path=13421%2c13424>
-
- Pay Policy
- <http://modgov.sefton.gov.uk/moderngov/ecSDDisplay.aspx?NAME=SD1423&ID=1423&RPID=6998374&sch=doc&cat=13424&path=13421%2c13424>

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Part 1: Final Revenue Settlement Announcement 2013/14

- 1.1 On 19 December 2012, the Secretary of State for Communities and Local Government announced the Provisional Revenue Settlement for 2013/14 and indicative figures for 2014/15. The implication of this announcement for Sefton was a further £7.1m increase in the level of savings required for the next two years; i.e. from £43.7m to £50.8m.
- 1.2 Following a short consultation period, the Parliamentary Under-Secretary of State for Communities and Local Government published details of the final Local Government Finance Settlement for 2013/14, with provisional figures for 2014/15 on 4 February 2013. In his written statement Brandon Lewis said:

'We received almost 200 written responses from local authorities, fire and rescue authorities, formal and informal groupings of authorities and others during the consultation. In addition Ministers met delegations from representative bodies including the Local Government Association and London councils as well as a large number of individual local authorities'.

'Having considered the views of all those who have commented on the provisional settlement, I have decided broadly to confirm the proposals for the settlement for 2013-14 as announced in December, after making some minor technical changes following representations made during consultation'.

1.3 Implications of the Final settlement for Sefton

1.3.1 Start-Up Funding Assessment

The Start-Up Funding Assessment replaces Revenue Support Grant and Pooled Business Rate allocations. A further adjustment is incorporated to allow for the introduction of Local Business Rates retention scheme. There was a very small reduction in the Start Up Funding as a result of an adjustment to the Council Tax Support Funding data. The impact of this adjustment is a reduction in grant of £0.002m in both 2013/14 and 2014/15. In effect the two-year budget gap of £50.8m remains unchanged.

1.3.2 Other Grant Notifications

A number of grant notifications received (e.g. NHS Support for Social Care and the Public Health transfer monies) have been built into the proposed budget for 2013/14 and 2014/15.

The following grant notifications, shown in the table below, received by the Council have not as yet been assumed in the budget. The terms and conditions of these grants (and in some cases the value) have yet to be clarified. The use of these grants will be subject to consideration once their utilisation has been clarified; this will be reported to a future Cabinet meeting: -

	2013/14	2014/15
	£'000	
Community Right to Bid	8	8
Community Right to Challenge	8	8
Local Reform and Community Voices	267	275
Adoption Reform Grant	604	Not yet announced
Crime and Disorder Grant	*393	*393

Purposes of above grants are described below: -

Community Right to Bid / Challenge – To offset Council administration costs arising from the need to support community organisations who wish to bid to purchase assets of community value, or wish to challenge where they could run existing Council services differently.

Local Reform and Community Voices – To fund the transfer of the Independent Complaints (and Mental Health) Advocacy Services to local authorities. Also included is additional funding for Healthwatch and for Deprivation of Liberty Safeguards in Hospitals.

Adoption Reform Grant – This is split into two elements; ring-fenced (£210k) and non ring-fenced (394k). The first element is to provide support for local authorities to address structural problems with adopter recruitment, particularly the uneconomic fee that local authorities are charged by other authorities. The non-ring-fenced element is available to local authorities to support adoption reform.

Crime and Disorder Grant – The Police and Crime Commissioner wants to continue to support existing drugs, crime and community safety initiatives by distributing this funding to Community Safety Partnerships. Details of plans as to how the funding is spent, and how this fits in with the PCC's Police and Crime Plan, will be required. Outcomes of spending and performance will be monitored. *The allocations are still to be finalised.

1.4 2012/13 Projected Revenue Outturn

- 1.4.1 In September 2012, Cabinet agreed to allocate £3.169m of one off resources to support the likely shortfall in 2012/13 budgeted savings. The latest projected outturn (reported to Cabinet on 14 February 2013), shows the likely shortfall has reduced to £1.669m. If this were to be the case, this could enable £1.5m of earmarked reserves to be freed up, and therefore be available to support the establishment of the £1m Community Transition Fund and to contribute to the funding of the part year effect of the savings for 2013/14.
- 1.4.2 The 2012/13 savings which will not be achieved going forward will be funded from the Medium Term Financial Plan. Budgets have been prepared on this basis.
- 1.4.3 Recent settlement of outstanding legal claims at a figure below the provision made allows the Council to utilise £1m to resource the one off Capital Priorities Fund.

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Part 2 Consultation & Engagement Overview

- 2.1 An initial package of potential budget options was approved by Cabinet, 13th September 2012, to commence consultation and engagement.
- 2.2 Formal consultation on setting a balanced budget commenced on the 15th October 2012 and closed on the 7th January 2013. The purpose of the consultation was to seek the views of the public on a set of principles to assist the Council in the development of policies in relation to service areas. In addition to this in January 2013 Council consulted residents on their views on an indicative increase in Council Tax. Both of these consultations were reported to 14th February Cabinet –full details are available in other relevant budget documentation, see links below.

<http://modgov.sefton.gov.uk/moderngov/ecSDDisplay.aspx?NAME=SD1416&ID=1416&RPID=6963784&sch=doc&cat=13424&path=13421%2c13424>

<http://modgov.sefton.gov.uk/moderngov/ecSDDisplay.aspx?NAME=SD1418&ID=1418&RPID=6963786&sch=doc&cat=13424&path=13421%2c13424>

<http://modgov.sefton.gov.uk/moderngov/ecSDDisplay.aspx?NAME=SD1417&ID=1417&RPID=6963878&sch=doc&cat=13424&path=13421%2c13424>

- 2.3 The options shown in Annex A are all options recommended by Cabinet for Council approval. The options in this annex reflect matters which are at various stages of public and employee consultation and/or implementation. The status of each option is set out clearly in the Annex. In respect of the options officers are authorised to consult as appropriate.

Part 3 Options for consideration and approval

3.1 Public Sector Equality Duty

- a) Members are aware that as the Council continues to put actions into place to set a sustainable budget plan for 2013/14 and 2014/15 there is a need to be clear and precise about our processes to ensure that duties under the Equality Act 2010 are met. The Council constantly builds in to its thinking the equality implications to changes in services and mitigating risk as appropriately as possible. This research and subsequent findings are put before Members in the form of quality assurance statements or reports to ensure that Members make decisions in an open minded balanced way showing due regard to the impact of the recommendations being presented in compliance with the Equality Act 2010.
- b) The options are at various stages of consultation/implementation as outlined in Annex A and some are considered complete for Council approval and a number of the options continue to be subject to appropriate consultation, engagement and PSED analysis as part of the process of assessing impact in order to have due regard to the Council's obligations under the Equality Act 2010. Where appropriate a PSED analysis report and/or statement is provided which identifies any potential impact on those with protected characteristics and the mitigating actions to be taken should any risks remain. Council is requested to note and take account of the detail within the PSED analysis reports or statements, the consultation feedback and the mitigating actions within each option in taking their decisions.
- c) Reducing budgets and activities is a difficult task, and one that the Council has to balance with the needs of the community. It is clear from the Sefton Strategic Needs Assessment and feedback from our local population, that the people of Sefton recognise that some members of our community need more support and services than others. In reviewing the recommendations within the reports presented, Members need to endeavour to keep this

in view and balance the needs of the few with the needs of the general population whilst showing due regard to all statutory duties

3.2 **Service Options**

Libraries

3.2.1 A report on the Library consultation was presented at 14th February 2013 Cabinet, when it was agreed that consideration of the report be deferred to the meeting of the Cabinet on 28th February 2013 to enable Members to fully consider:

- (a) the consultation responses and the analysis thereof;
- (b) the Public Sector Equality Duty Analysis Report;
- (c) the representations made by petitioners; and
- (d) the information given by officers at this meeting in response to questions from Members.

The full report and minutes can be accessed through this link

<http://modgov.sefton.gov.uk/moderngov/mgAi.aspx?ID=24250#mgDocuments>

3.2.2 A number of questions and comments were raised by Members and petitioners at Cabinet and responses to some of those questions are detailed within the Minutes of the meeting. The following additional information in relation to a number of those questions and comments is provided for Members consideration.

- Dedicated car parking for disabled people is available on site at Crosby (Civic Hall), Formby, Meadows and Netherton libraries. Nearby on-street car parking for disabled people is available in the vicinity of Bootle and College Road libraries.
- In addition to the public transport information provided at the 14th February Cabinet meeting in respect of links to the Atkinson Library, there are direct buses from:
 - Aintree Library to Bootle, Meadows and Netherton Libraries
 - College Road Library to Bootle and Crosby Libraries
 - Litherland and Orrell Libraries to Bootle, Crosby and Netherton Libraries

(Further information about frequency and time taken to travel are available through this link)

<http://modgov.sefton.gov.uk/moderngov/ecCatDisplay.aspx?sched=doc&cat=13402&path=13193,13333>

- The only relevant restrictive covenant on Library buildings relates to Litherland Library where any use of the buildings for a purpose other than for the benefit of the public would require the approval of the Earl of Sefton's Estate.

3.2.3 **Street Lighting and Public Conveniences**

Further information relating to Street Lighting and Public Conveniences options is detailed within the individual budget option documents (Annex A) The Consultation and Engagement report for Street Lighting was submitted to 13th December Cabinet. The Consultation and Engagement for Public Conveniences is available as a background document

<http://modgov.sefton.gov.uk/moderngov/ecSDDisplay.aspx?NAME=SD1413&ID=1413&RPID=6963767&sched=doc&cat=13423&path=13421%2c13423>

and Consultation report for Street Lighting is available as other relevant budget documentation:

<http://modgov.sefton.gov.uk/moderngov/ecSDDisplay.aspx?NAME=SD1422&ID=1422&RPID=6982415&sched=doc&cat=13424&path=13421%2c13424>

3.3 **Fees and Charges 2013/14**

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3.3.1 The Cabinet report on 31st January included proposed fees and charges for 2013/14, some of which were predicated on savings options being approved by Council. This report identifies a number of further fees and charge proposals (the detail is shown in a Background Document to this report). The changes made to fees and charges since the report to 31 January Cabinet are in the following areas:

- a) Youth Sports pitches;
- b) Learning and Development
- c) Car Parking Review
- d) Public Convenience Review

Council Tax

3.3.2 The financial plan assumes Council Tax Freeze Grant for 2013/14 would achieve £1.1m and is payable in both years. In 2014/15 it is assumed that Council Tax will increase to the maximum allowed without a referendum which would achieve income of £1.4m in 2014/15. The financial plan has been prepared on this basis. Members are asked to note that the Government has indicated that the regulations relating to Council Tax Referendum limits are to be reconsidered during 2013, and this may affect the 2014/15 referendum threshold shown here. This assumption will be kept under review in the light of any changes in Government policy.

3.4 Implementation

3.4.1 The two year financial plan as presented in this report is based on the earliest feasible implementation phasing. This phasing requires one off resources in 2013/14 to deliver a balanced budget of £236.809m. It is therefore critical that officers commence implementation of all policy changes with immediate effect to avoid unaffordable slippage. The use of one-off resources to balance the budget is considered further in paragraph 5.2.

3.4.2 The options shown in Annex A are options recommended by Cabinet for Council approval. The options in this annex reflect matters which are at various stages of public and employee consultation and/or implementation. In respect of the options officers are authorised to consult and implement as appropriate which includes the sending to the Government Departments' notifications as required (HR1). Officers are already authorised to consult with Trade Unions under section 188 ensuring that appropriate notification is sent under the Trade Union and Labour Relations (Consolidation) Act 1992.

3.4.3 Where options have consequences for employees this is set out in the options document where possible. Any implementation of the options, is subject, as necessary, to consultation with Trade Unions and employees as part of the recognised processes and as ever this can have a range of outcomes including dismissal and re-deployment for example.

3.4.4 Council will recall that it approved the framework for and a pay policy for the first time last year. This document can be found within the other relevant Budget documents (see link below) Council is required by the legislation to specifically resolve before 31st March in any given year a new pay policy. In light of the established framework for the year 2013/14 only some minor amendments are proposed. These amendments are to include the fact that Chief Officer pay is to be considered in light of the current and on going Hay Review. It is proposed to amend the pay policy so as to reflect the now agreed

amendments to terms and conditions of employment (staff salary increments are frozen for a further 2 years until 2015/16 and the imposition of unpaid leave up to a maximum of 4 days). Furthermore it is anticipated that there will be two transfers of staff into the Council in the forthcoming year namely the public health staff and staff from the Capita contract. Members are therefore asked to approve these amendments and for the Council's pay policy be amended and published in the usual way.

<http://sb1msmgov1:9070/ecSDDisplay.aspx?NAME=SD1423&ID=1423&RPID=6982417&sch=doc&cat=13424&path=13421%2c13424>

Part 4 Two Year Revenue Budget Plan (2013/14 and 2014/15)

- 4.1 Council on 22nd November approved saving options of £15.549m. Compared to the overall budget gap of £50.8m, this left £35.251m of further savings to be identified and approved by Council, in order for a balanced budget to be achieved. The additional budget saving options, recommended by Cabinet since November enable a balance budget to be achieved. **Annex A** lists all proposed savings (to meet the £50.8m gap over the two financial years 2013/14 and 2014/15. Including those previously agreed at 22nd November 2012 Council. The end column of the Annex identifies the current status of the saving (e.g. approved by Council in November, consultation completed, consultation process ongoing etc). Members are requested to give careful consideration of this Annex before making final decisions.
- 4.2 However, if proposals are rejected, or amended downwards by Council, this will result in a shortfall in the savings target. Council will therefore need to identify and agree alternative savings/funding mechanisms in order for a balanced budget to be approved.
- 4.3 The analysis of the proposed budget for 2013/14 and 2014/15 (assuming the approval of the saving options identified in this report), is set out in the 2013/14 Council Tax Recommendation report (elsewhere on today's agenda). It should be noted however, that whilst the budget is balanced over the two financial years, there is expected to be a shortfall in balancing the budget for 2013/14, which is recovered in the 2014/15 plan. This is due to the significant amount of preparation / implementation work required on a significant number of saving options. The logistics of this work cannot be over-emphasised. As a result, the need for approximately £0.84m of any available one-off resources will be required to balance the budget.
.
- 4.4 The implementation of savings over the next two years will inevitably impact on local residents and communities. As a means of enabling local people to adjust to some of the impact of the changes, it is proposed that two funds, of £1m each, be established: -
 - i) A revenue based Community Transition Fund aimed at creating capacity to reduce the reliance on Council resources and services. It is proposed that this fund will be created as identified in paragraph 1.4 above and
 - ii) A Capital Priorities Fund aimed at assisting the development of town centres across the Borough, youth employment and local economy (see paragraph 1.4).
- 4.5 A further report on the detail on the use of these reserves will be brought to a future Cabinet meeting.

Part 5 Robustness and Risk

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- 5.1 The Council continues to regularly review strategic and operational risks and put in place measures to manage those risks. However it must be stressed that reductions in the Council's budget of the level required by Government cannot be achieved in a risk free environment. There will be significant risk associated with the budget options, which will be mitigated where possible. It must be recognised that in some circumstances it may be very difficult to mitigate all aspects of risk. In those circumstances steps will be taken to ensure they are identified and managed within the limited resources available.
- 5.2 This report identifies the need to utilise £2.84m of reserves in order to balance the budget and create the above Transition Funds. This will reduce the capacity of the Council to cover any shortfall in the achievement of the proposed two year saving options, or to meet unforeseen future financial demands on the authority.
- 5.3 All options contained in the annexes of this report have been risk assessed by the relevant senior officers with mitigating actions identified where possible. These risks have been assessed and will be managed in the light of new financial forecasts. Council is asked to note and take account of the risks and mitigating actions outlined in making its decisions.
- 5.4 Officers continue to monitor risks and issues, escalating significant risks and issues to Cabinet as appropriate.
- 5.5 The Head of Finance and ICT's statutory report on the proposed budget is included elsewhere on today's agenda. This comments on the overall financial position of the Council and the robustness of the budget proposals over the next two years.

Part 6 Conclusion

- 6.1 This report represents the final stage in an extremely challenging financial planning process. It identifies how the Council can achieve its required savings of £50.8m over the next two years. This combined savings will have a significant impact on Sefton communities and the Council and follow on from £64m savings identified in the previous two years.
- 6.2 The savings are required as a result of a significant real terms reduction in Government funding coupled with a growing elderly population. They represent the Council's contribution to the Government's austerity measures.
- 6.3 The Council has a legal responsibility to approve a balanced budget and the options within this report enable this requirement to be met. The options are presented after extensive consultation and engagement. Annex A sets out the status for each option. The Council will continue to work with communities and partners to reshape the Council, to concentrate on agreed priorities and to make the very best use of the available resources.
- 6.4 Whilst the majority of this report focuses on savings, there are proposals to create two very important investment funds. Firstly a fund that supports the building of community capacity and resilience to facilitate greater involvement in local service delivery. This will be a major focus for the Council over the next two years and beyond. It is recognised that this will take time and facilitation across all partners but some dialogue has already started in areas such as libraries, football facilities, parks and economy. The Council is

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looking to establish a Community Resilience Transition Fund which will support this development. Secondly a capital priorities fund which will enable capital investment in key priority areas. Further reports will be presented on the operation of this fund assuming the budget is approved.

- 6.5 This report represents a major milestone in the budget setting process with Council being requested to set the final budget and two year plan. However this is only the beginning of a significant change programme to ensure that the policy changes and savings are implemented and achieved. Cabinet will receive regular reports throughout the year, monitoring progress towards the achievement of the savings and identifying corrective action should a shortfall be identified.

Annex A- Budget Savings Summary 2013/14 and 2014/15

Ref	Service Area	Option				Status
			TOTAL	TOTAL	OVERALL TOTAL	
			£'000	£'000	£'000	

Strategic Management

STRATEGIC MANAGEMENT						
	Senior Management	Restructure	150	0	150	Cabinet on 13th September 2012 Recommended Option for Approval
Para 4	Subscriptions	Local Government Association membership	-45	0	-45	Cabinet on 31st January 2013 Recommended Option for Approval
Para 4	Subscriptions	North West Employers membership	-25	0	-25	Cabinet on 31st January 2013 Recommended Option for Approval

Corporate Commissioning

CORPORATE COMMISSIONING AND NEIGHBOURHOODS						
C11.2		Improved procurement of council wide communications activity	25	75	100	Option Approved by Council - 22nd November 2012
E3.1		Integration of Communications	95	45	140	Option Approved by Council - 22nd November 2012 (£0.100m) / Cabinet on 31st January 2013 Recommended Option for Approval (D1.21 £0.040m)
E3.2		Review of Civic Support	60	0	60	Option Approved by Council - 22nd November 2012
E3.3		Cessation of Room Bookings Service (linked to review of Civic Support)	20	0	20	Option Approved by Council - 22nd November 2012

F4.1		Area Committee Budgets	100	0	100	Option Approved by Council - 22nd November 2012
F4.3		Double rating - reduction in line with Council grounds maintenance contracts	33	0	33	Cabinet on 31st January 2013 Recommended Option for Approval
D1.27		Corporate Commissioning & Neighbourhood Coordination (CCNC) Service - rationalise service	140	60	200	Cabinet on 14th February 2013 Recommended Option for Approval
Para 3.6, includes previous option D1.29		Double Rating - cessation (2014/15)	30	150	180	Cabinet on 31st January 2013 Recommended Option for Approval Officers are continuing to work with Parish Councils should significant issues arise Council Officers will advise Members accordingly.
Para 4.3		Democratic Services - Stop servicing all non-member meetings and those non-standing committees without decision-making powers(officer meetings, taxi drivers annual meeting, area partnerships, etc)	38	13	51	Cabinet on 31st January 2013 Recommended Option for Approval
D1.10		Budget re-alignment - members allowances as agreed by July 2012 Council	147	0	147	Cabinet on 13th December 2012 Recommended Option for Approval
Para 4.3		Area Committees - Reduce from 7 to 3	15	5	20	Cabinet on 31st January 2013 Recommended Option for Approval
Para 4.3	Neighbourhoods (SEE ALSO Economy)	Withdraw financial support from Southport's Christmas Lights and Christmas Trees across the Borough	10	0	10	Cabinet on 31st January 2013 Recommended Option for Approval

Corporate Services

CORPORATE SERVICES						
C12.1		Learning and Development	80	50	130	Option Approved by Council - 22nd November 2012 (£0.080m) / Cabinet on 31st January 2013 Recommended Option for Approval (£0.050m)
C12.2		Increased housing benefit grant from reduced error rates	250	250	500	Option Approved by Council - 22nd November 2012
C12.3		Reduced external audit, recoverable VAT fees & improved cash management pension costs	500	800	1,300	Option Approved by Council - 22nd November 2012
C12.4		Printing and publications	20	0	20	Option Approved by Council - 22nd November 2012
E4.1		Learning and Development	75	75	150	Option Approved by Council - 22nd November 2012
E4.2		Review of Corporate Support Services	248	114	362	Option Approved by Council - 22nd November 2012
E4.3		Review of risk management inc externally commissioned services	80	0	80	Option Approved by Council - 22nd November 2012
D1.11		Risk Management (Insurance)	25	25	50	Cabinet on 13th December 2012 Recommended Option for Approval
D1.12		Procurement. ICT and financial support	25	25	50	Cabinet on 13th December 2012 Recommended Option for Approval

Built Environment

PLANNING						
C1.1	Building Control	Vacancy and mini restructure	20	0	20	Option Approved by Council - 22nd November 2012
C1.2	Land Searches	Right size budget land searches income	35	0	35	Option Approved by Council - 22nd November 2012
C1.3	Planning DC	Commissioned technical advice	28	0	28	Option Approved by Council - 22nd November 2012
C1.4	Planning DC	Pre-application advice – charge	6	0	6	Option Approved by Council - 22nd November 2012
C1.5	Planning DC	Increase planning application fee	50	0	50	Option Approved by Council - 22nd November 2012
C1.6	Planning DC	Consultancy	12	0	12	Option Approved by Council - 22nd November 2012

ENVIRONMENT						
C2.1	Environmental Health	Reduced services and supplies	55	0	55	Option Approved by Council - 22nd November 2012
C2.2	Environmental Health	Reduced Eco Centre Costs	15	0	15	Option Approved by Council - 22nd November 2012
C2.3	Licensing (taxi etc)	Licensing reserve (one off)	240	-240	0	Option Approved by Council - 22nd November 2012
D1.20	Environment	Trading Standards - staff restructuring	30	20	50	Cabinet on 31st January 2013 Recommended Option for Approval
D1.30	Built Environment	Pest Control - introduction of a charge	20	10	30	Cabinet on 31st January 2013 Recommended Option for Approval

INVESTMENT PROGRAMME						
C3.3	Contracted Services	Defer re-instatement of highway management funding for a further two years	800	0	800	Option Approved by Council - 22nd November 2012 (for 2013/2014) / Cabinet on 14th February 2013 Recommended Option for Approval (for 2014/2015)
C3.4	Network Management	Highway development control income target	40	0	40	Option Approved by Council - 22nd November 2012
Para 3.4	Parking	Strategic Review of Car Parking	0	300	300	Cabinet on 31st January 2013 Recommended Option for Approval
	Street Lighting	Review of lighting options	15	49	64	To be considered by Cabinet on 28th February 2012
C3.2	Home Improvements	Housing Improvement Agency service brought in house	37	0	37	Cabinet on 31st January 2013 Recommended Option for Approval
Para 4.3	Investment and Infrastructure	Investment & Infrastructure - Increase income from Network Management	38	12	50	Cabinet on 31st January 2013 Recommended Option for Approval
C3.1	Infrastructure	Re-integration, re-commission and restructuring of services - Built Environment	0	500	500	Cabinet on 31st January 2013 Recommended Option for Approval

ECONOMIC DEVELOPMENT AND TOURISM						
C4.1	Economic Development and Tourism – Cost of Service	Economic Development Redesign	0	67	67	Option Approved by Council - 22nd November 2012
D1.8	Economy	To relocate staff from The Investment Centre, to Magdalen House	36	12	48	Cabinet on 13th December 2012 Recommended Option for Approval

D1.9	Economy	Budget re-alignment of salaries to be funded from grants, contracts and reserves	0	116	116	Cabinet on 13th December 2012 Recommended Option for Approval
D1.25	Economy	Re-financing the Mersey Forest subscription to make a saving on the revenue budget; accept voluntary reduction in working hours from two staff; and make further savings in supplies and services.	51	0	51	Cabinet on 14th February 2013 Recommended Option for Approval
Para 4.3	Economy	Southport Theatre Complex (Tender or In-house management)	0	100	100	Cabinet on 31st January 2013 Recommended Option for Approval
Para 4.3	Economy (SEE ALSO Neighbourhoods)	Withdraw financial support from Southport's Christmas Lights and Christmas Trees across the Borough	20	0	20	Cabinet on 31st January 2013 Recommended Option for Approval

Street Scene

LANDSCAPE SERVICES

C5.1	Grounds Maintenance including Grass Cutting	Contractors indexation/eff. discounts FYE	50	50	100	Option Approved by Council - 22nd November 2012
C5.2	Parks including Nursery and net of frontline)	Fernery/aviary shop	10	0	10	Option Approved by Council - 22nd November 2012
C5.3	Cemeteries and Crematoria	Restructure staffing on Cemeteries and Crematoria	15	0	15	Option Approved by Council - 22nd November 2012
C5.4	Parks (including nursery and net of frontline)	Further changes to Parks Management and standards in parks	50	50	100	Option Approved by Council - 22nd November 2012

F1.2	Grounds Maintenance including Grass Cutting	Recharging grounds maintenance/utility costs for adult football/sports users/bowlers	85	0	85	Cabinet on 31st January 2013 Recommended Option for Approval
F1.4	Cemeteries and Crematoria	Increase burial and cremation charges	400	0	400	Cabinet on 31st January 2013 Recommended Option for Approval
F1.5	Parks and Greenspaces	Increase Fees - allotments	0	40	40	Cabinet on 13th December 2012 Recommended Option for Approval
Para 4.5	Street Scene	Landscape -Co-ordination of voluntary work in parks (transition)	0	175	175	Considered by Cabinet 31st January 2013 Recommended for approval

INDIRECT SERVICES

C6.1	Commercial Waste and Skips	Commercial waste increased income	100	0	100	Option Approved by Council - 22nd November 2012
C6.2	Public Conveniences	Public conveniences reviewed for efficiency savings	20	20	40	Option Approved by Council - 22nd November 2012
C6.3	School Crossings	Review crossing service and transport costs	40	0	40	Option Approved by Council - 22nd November 2012
C6.4	Catering	Other catering activity (income target)	100	0	100	Option Approved by Council - 22nd November 2012
C6.5	Vehicle Management and maintenance	MOT testing (income target)	50	0	50	Option Approved by Council - 22nd November 2012
C6.6	Security Force	Careline Service / Security Force (income target)	125	75	200	Option Approved by Council - 22nd November 2012
C6.7	Recycling	Rephase cardboard recycling to August 2014	1,000	-600	400	Option Approved by Council - 22nd November 2012
C6.8	Recycling	Right size recycling budget following new contract	200	0	200	Option Approved by Council - 22nd November 2012

E1.1	Cleansing	Review of Cleansing Services	100	200	300	Option Approved by Council - 22nd November 2012
F2.1	Street Cleansing	Bulky Items Collection Service - Restructure Crews and introduce charge for bulky items	150	60	210	Option Approved by Council - 22nd November 2012
D1.19	Street Scene	Building Cleaning - change frequency of office cleaning	50	50	100	Cabinet on 31st January 2013 Recommended Option for Approval
D1.24	Street Scene	Cleansing - Cease provision of free Plastic Sacks, excluding premises with difficult access	60	0	60	Cabinet on 14th February 2013 Recommended Option for Approval
D1.32	Street Scene	Public Conveniences increase charges	40	0	40	Cabinet on 14th February 2013 and to be considered by Cabinet on 28 th February 2013
D1.33	Street Scene	Cleansing Service - Re-organisation of workload and work patterns	25	25	50	Cabinet on 14th February 2013 Recommended Option for Approval
Para 4	Street Scene	Cleansing - Charge for Green Waste collections - A 2014/15 / 2015/16 proposal for an opt-in charge	0	1,000	1,000	Cabinet on 31st January 2013 Recommended Option for Approval

People

LEARNING AND SUPPORT						
C7.1		Complementary Education Improved use of technology (EOTAS)	100	0	100	Option Approved by Council - 22nd November 2012
C7.2		Pupil Attendance – teaching element	65	0	65	Option Approved by Council - 22nd November 2012
C7.3		Pupil attendance and welfare – school absence prevention and action	60	0	60	Option Approved by Council - 22nd November 2012
C7.4		Speech and Language Therapy	95	0	95	Option Approved by Council - 22nd November 2012
C7.5		School Improvement Team	50	0	50	Option Approved by Council - 22nd November 2012

E2.2		Admissions efficiencies	40	0	40	Option Approved by Council - 22nd November 2012
E2.3		Educational Psychology Team Restructure	50	0	50	Option Approved by Council - 22nd November 2012
D1.3		Statutory Provision Budget Re-alignment	9	0	9	Cabinet on 13th December 2012 Recommended Option for Approval
D1.4		Budget re-alignment Welfare and Pupil Attendance - Teaching elements to Dedicated Schools Grant	25	0	25	Cabinet on 13th December 2012 Recommended Option for Approval
D1.5		School Admission, Appeals and Student Support - Reduction in administration costs (supplies and services)	19	0	19	Cabinet on 13th December 2012 Recommended Option for Approval
D1.6		Connexions - Budget re-alignment	60	0	60	Cabinet on 13th December 2012 Recommended Option for Approval
D1.18		Reduce School Targeted Intervention	0	260	260	Cabinet on 31st January 2013 Recommended Option for Approval
Para 4.3		To effect a further saving from the retained element of the Connexions Grant	0	400	400	Cabinet on 31st January 2013 Recommended Option for Approval

CHILDREN'S SOCIAL CARE

E2.1		Review of the commissioning of all residential care beds	400	600	1,000	Cabinet on 13th December 2012 Recommended Option for Approval
D1.7		Social Care Commissioned Services - travel efficiencies	0	100	100	Cabinet on 13th December 2012 Recommended Option for Approval

D1.17		Social Care - Central Management Costs and Support Costs - restructure / realign	100	0	100	Cabinet on 31st January 2013 Recommended Option for Approval
Para 4.3		Review pathway of support for children with additional needs to increase effectiveness and efficiency	0	400	400	Cabinet on 31st January 2013 Recommended Option for Approval Officers are continuing to work with and listen to service users. Equality implications are currently being assessed and should significant issues arise Council Officers will advise Members accordingly.

EARLY INTERVENTION AND PREVENTION

C8.1		Reduce Connexions post in YOS	24	0	24	Option Approved by Council - 22nd November 2012
C8.2		Delete sessional worker posts	54	0	54	Option Approved by Council - 22nd November 2012
C8.3		Delete parenting co-ordinator post	43	0	43	Option Approved by Council - 22nd November 2012
C8.4		Data support for the Children Centre Management System	28	0	28	Option Approved by Council - 22nd November 2012
C8.5		Re-organisation of disabled children database workload	20	0	20	Option Approved by Council - 22nd November 2012
E2.4		EIP Service restructure	140	192	332	Option Approved by Council - 22nd November 2012
D1.1		Integrated Youth Support (Targeted Youth Support & Strengthening Families Team) & Reduce YOS Budget Re-alignment	92	0	92	Cabinet on 13th December 2012 Recommended Option for Approval
D1.2		Offset Substance Misuse work from DAT Public Health budget -re-alignment	124	0	124	Cabinet on 13th December 2012 Recommended Option for Approval

D1.16		Healthy Schools - Transfer function of co-ordination and consultant roles to schools	35	25	60	Cabinet on 31st January 2013 Recommended Option for Approval
D1.23		Aiming High - Review of Integrated Short Breaks - Budget realignment	55	0	55	Cabinet on 14th February 2013 Recommended Option for Approval

ADULT SOCIAL CARE						
C9.1		Drug Service Single point of assessment	224	0	224	Option Approved by Council - 22nd November 2012
C9.2		Adult Social Care Budget Re-alignment	120	0	120	Option Approved by Council - 22nd November 2012
E2.6		Central Support	0	350	350	Option Approved by Council - 22nd November 2012
E2.7		Reduced social workers	135	135	270	Option Approved by Council - 22nd November 2012
D1.14		Assessment & Care Management Teams - Reconfigure teams / skill mix	0	208	208	Cabinet on 31st January 2013 Recommended Option for Approval
D1.15		Reconfiguration of the Supporting People commissioning team.	125	61	186	Cabinet on 31st January 2013 Recommended Option for Approval
F1.6		Community Meals- Migrating users to alternative providers.	138	62	200	Cabinet on 31st January 2013 Recommended Option for Approval

New Option (Options F3.2, D1.39 and D1.41 should now be considered as one option and updated information is described in section (ii) of annex D.)		Day care and respite provision	1,200	4,790	5,990	Cabinet on 31st January 2013 Recommended Option for Approval Officers are continuing to work with and listen to service users. Equality implications are currently being assessed and should significant issues arise Council Officers will advise Members accordingly.
D1.35		Section 117 After Care Funding	0	200	200	Cabinet on 31st January 2013 Recommended Option for Approval
D1.36		NHS Continuing Health Care Funding	0	400	400	Cabinet on 31st January 2013 Recommended Option for Approval
D1.37		Assistive Technology - Increase use of equipment to ensure users are able to remain in their homes with minimal outside support	0	200	200	Cabinet on 31st January 2013 Recommended Option for Approval
D1.38		Social Care- Subsidies- Increase client contributions for a range of non-residential services	244	320	564	Cabinet on 31st January 2013 Recommended Option for Approval
D1.40		Recover surplus / unspent direct payment funds at regular and earlier intervals and cease the first year one-off workplace insurance payment	752	0	752	Cabinet on 31st January 2013 Recommended Option for Approval

D1.42		Revise Re-enablement model. Investment of one-off payment of £900,000 from Health will enable more users to go through a re-enablement process, thereby reducing levels of admission to short & long term care	0	1,200	1,200	Cabinet on 31st January 2013 Recommended Option for Approval
D1.43		Further incremental reductions in housing related support	0	500	500	Cabinet on 31st January 2013 Recommended Option for Approval Officers are continuing to work with and listen to service users. Equality implications are currently being assessed and should significant issues arise Council Officers will advise Members accordingly.

PUBLIC HEALTH						
D1.13		Integration Efficiencies	600	537	1,137	Cabinet on 13th December 2012 Recommended Option for Approval
Para 4.3		Public Health Substance Mis-Use - Reduce service specification	0	500	500	Cabinet on 31st January 2013 Recommended Option for Approval
Para 4.3		Public Health integration	0	100	100	Cabinet on 31st January 2013 Recommended Option for Approval

HEALTH AND WELLBEING						
C10.1		Leisure operations –Improved Membership retention	200	0	200	Option Approved by Council - 22nd November 2012
C10.2		Eze Fitness contract – terminate	55	18	73	Option Approved by Council - 22nd November 2012
C10.3		Leisure operations – increase in income	150	0	150	Option Approved by Council - 22nd November 2012

C10.4		Reduce supplies and services budget	23	0	23	Option Approved by Council - 22nd November 2012
C10.5		Reduce revenue growth for utility charges	200	0	200	Option Approved by Council - 22nd November 2012
E2.5		Review all management arrangements	320	-125	195	Option Approved by Council - 22nd November 2012
D1.22		Crosby Civic Hall - pilot external arrangements, with option of closure if unsuccessful	46	0	46	Cabinet on 13th December 2012 Recommended Option for Approval
Para 4.3		Management fee reduction - Formby Pool Contract	50	0	50	Cabinet on 31st January 2013 Recommended Option for Approval
Cabinet Report		Libraries - Review of Service	150	250	400	Cabinet on 14th February 2013, further information requested for 28 th February Cabinet, to be considered at Cabinet (28 th February 2013)
Para 4.5		Local History and Volunteers (transition)	0	40	40	Considered by Cabinet 31st January 2013 Officers are continuing to work with and listen to service users. Equality implications are currently being assessed and should significant issues arise Council Officers will advise Members accordingly.

Authority Wide Savings / Financing Options

Para 3.5 includes F3.1, F3.3, F4.2 & D1.28	Commissioning	Review of Commissioning - reducing funding support to community groups	679	261	940	Considered by Cabinet 31st January 2013 and 14 th February 2013 Cabinet. Recommended option for approval.
C12.5		Cash limit general non-pay budgets in 2013/2014 and 2014/2015 (retains £0.5m excessive inflation provision in each year and retains inflation for specific contracts)	3,218	3,250	6,468	Option Approved by Council - 22nd November 2012
Para 4		NHS Support for Social Care	1,488	260	1,748	Option Approved by Cabinet 31st January 2013
Para 3.3	Terms & Conditions	Freezing increments for 2 years	1,500	1,500	3,000	Agreed by Cabinet on 31st January 2013. Proposed amendments to the Pay Policy as set out in 3.4 and for the pay policy to be published. Council.
Para 4.3	Council	Council Tax -100% on empty properties from month 2	0	400	400	Cabinet on 31st January 2013 Recommended Option for Approval
Para 4	Business Rates	Small Business Rates Relief - S31 Grant	1,171	0	1,171	Option Approved by Cabinet 31st January 2013
Para 4	Levies		1,180	0	1,180	Option Approved by Cabinet 31st January 2013
Para 4	Levies	To get total 2 year reduction to £4m	0	2,189	2,189	Option Approved by Cabinet 31st January 2013
Para 4	Transport Authority	Recharge	631	0	631	Option Approved by Cabinet 31st January 2013
Para 4	Disabled Facilities Grants	Capitalisation	0	1,000	1,000	Option Approved by Cabinet 31st January 2013
Para 4	Council Tax	Council Tax Freeze Grant	1,180	0	1,180	To be included in Framework Budget to be recommended to Budget Council.

Para 4	Council Tax	Council Tax Increase	0	1,408	1,408	To be included in Framework Budget to be recommended to Budget Council.
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Integration

I1.1	Commissioning, Business Intelligence and data		125	125	250	Option Approved by Council - 22nd November 2012
I1.2	Learning & development, Training, Professional Training and CPD		250	250	500	Option Approved by Council - 22nd November 2012
I1.3	Financial Assessments		0	250	250	Option Approved by Council - 22nd November 2012
I1.4	Customer Access Points		0	250	250	Option Approved by Council - 22nd November 2012

		Use of One-Off Resources to Support the Budget	843	-843	0	To be included in Framework Budget to be recommended to Budget Council.
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25,000 25,800 50,800

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<p>Service Description: Communications (Integration of Communications Staff) All communications/marketing officers within the authority are currently being integrated under one management structure to create a core function to service the entire Council.</p>
<p>It is proposed to continue with consultation with a view to implementing the following change – That the agreed reduction of the number of staff working under the new integrated service could achieve further savings of around £40k in 2014/15 given the agreed structure and absence of pay protection after that period.</p>
<p>Rationale for service change proposal – As the new Communications Strategy will deliver a comprehensive and targeted communications, marketing and advertising function for the entire council. Activity will be co-ordinated in such a way which will lead to a reduction in the number of people currently delivering activity in service-areas. As the integration is not yet complete it has been difficult for the true efficiencies to be revealed but the previous estimate of £100k could produce a further £40k should the revised draft structure drive further savings in year two of implementation.</p> <p>The structure has been drawn up to reflect a reduction in staffing costs and initial figures show that the additional £40k could be achieved in 2014/15 without further staff reductions. This structure has been shared with the unions and the communications staff involved in the process and any potential for VR/VER or changes to working practices is being explored ahead of compulsory redundancies. The true achievable savings will not be confirmed until the structure is populated.</p>
<p>The following activity will change, stop or significantly reduce – Reduced capacity to market and advertise some council services – although potential mitigation through new working methods and tighter co-ordination and prioritisation of activity.</p>
<p>Impact of Service Change – Service Users – Potential reduction in the amount of information available about council services. Partners – Potential reduction in the amount of information available about Council services. Potential loss of co-promotion/management of joint projects. Council – Potential reduction in the amount of information available about council services, potential impact on income streams because of reduced marketing activity.</p>
<p>Communications, Consultations & Engagement –</p> <p>Type Inform <input checked="" type="checkbox"/> Consult (Internal) <input checked="" type="checkbox"/> Partnership <input type="checkbox"/></p> <p>Proposed Timeline: 6 months Consultation is ongoing in accordance with HR procedures. Implementation: (April 1, 2013)</p> <p>Updates on the integration process have been ongoing with staff and there have been several meetings with service-managers and direct face-to-face updates on the process with the staff concerned. Several updates have been provided at the regular union update meetings and individual union and employee issues have been responded to. Frequent email updates have also been sent to staff and any queries responded to. The job descriptions have been finalised and circulated and assimilations, where appropriate, have been completed. Interviews are being arranged for the remaining posts. Detailed discussions with HR colleagues have taken place and they are supporting the process.</p>
<p>Public Sector Equality Duty – The Quality Assurance group in looking at this option is satisfied that there is no impact on service users. Officers continue to comply with HR policies and procedures. This will include regular HR monitoring reports to Corporate Services.</p>
<p>Legislation Considered – Statutory guidance on public/legal notices etc. The 2011 Government Guidelines for Local Authority Publicity.</p>
<p>Risks & Mitigating Actions – Loss of information streams for residents, partners etc – mitigated by looking at delivering communications activity in a different way – e.g. digital by default. Risk of under achieving potential saving as further work is needed to identify all funding streams for existing staff. Saving may already be identified elsewhere in service areas. Potential loss of income for some service areas due to any reduction in marketing activity, however such income</p>

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generators would be a prioritised area of activity within the new arrangements. The £40k is in addition to the £100k already approved by November 2012 Council; however it will not put further staff at risk. The true achievable savings will not be confirmed until the structure is populated and therefore the £40k is an estimate.

	<p>Saving 2014/15 (#): £ 40,000 Full / Part Year</p> <p>Potential Staff at Risk: TBC note that where changes and/or savings cannot be achieved through deletion of vacant posts, VR or VER then there may be a need for compulsory redundancies arising from this proposal</p> <p>Net posts 0 but posts may need to be changed from treatment officers to enforcement officers in order to address failure to treat amongst those unwilling to pay.</p>
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<p>Service Description: Double Rating (This is a combined option F4.3 and D1.29)</p> <p>F4.3 To reduce funding to Town Council/Parishes in 2013/14 for double rating in line with council grounds maintenance contracts.</p> <p>D1.29 To further reduce double rating allocations to Parish/Town Councils by £30,000 in 2013/14, and for double rating allocations to be removed completely in 2014/15.</p> <p>Categorisation: Double rating allocations are made to four Parish/Town Councils within Sefton East Area Parishes area to in order to support their responsibility for maintaining parks and/or open spaces for land owned by them, or leased from Sefton MBC. These ex-gratia payments commenced in 1976/77 and were based upon acreage.</p>
<p>It is proposed to implement the following change –</p> <p>F4.3- In 2013/14 to implement the reduction in double rating by £33,000.</p> <p>D1.29</p> <p>(1) In 2013/14, to reduce double rating allocations to Parish/Town councils by £30,000 (2) In 2014/15, to completely remove double rating allocations from Parish/Town Councils.</p>
<p>Rationale for service change proposal –</p> <p>In terms of proposal D1.29 (1) above, the proposed reduction is in line with reductions within the council’s landscape service. In terms of proposal (2) the worsened council budgetary position, as a consequence of the recent Local Government Settlement, has meant a further review of services against key criteria. Double rating allocations to Parish/Town Councils fall within a non-statutory service, and have therefore been identified as a potential saving option.</p>
<p>The following activity will change, stop or significantly reduce –</p> <p>It will become increasingly difficult for Parish/Town Councils currently in receipt of double rating, to maintain parks and/or open spaces either owned by them, or leased from Sefton MBC. Service standards and maintenance for parks and open spaces will require review, and are likely to be reduced in order to reflect what resources are available to the Parish/Town Council.</p>
<p>Impact of Service Change –</p> <p>Service Users – Service users may become less satisfied with the quality of parks, open spaces and sporting/recreational facilities.</p> <p>Partners – N/a</p> <p>Council – The potential to “hand back” the leases could be a complex proposition which breaks down into three basic scenarios for both the Council and the Parish Councils;</p> <ol style="list-style-type: none">1. At the natural expiry of the lease term, the Parish can decide not to renew the lease so the land and property reverts to the Council. At this point the Council will seek to ensure that the land/buildings have been returned in repair as required under the lease. If not the Council would make a claim for dilapidations and usually this manifests into a financial settlement payable to the Council. However each lease would need to be checked and assessed separately. It then falls to the landlord to manage and maintain the land/building.2. Break Options – sometimes leases contain break options which permit a service of notice to terminate the lease before the natural expiry date. There are usually conditions that need to be met before the break is effective, but these would be specified in the lease document. If the break is successfully executed, the lease will terminate on the relevant break date. As per 1 there might be a dilapidations issue to resolve and the Council has to manage/maintain the

land/building.

3. Early Surrender – the Parish can seek to negotiate the early termination of the lease, but acquiescence to this would be at the sole discretion of the Council and on terms satisfactory to the Council. The Council would not normally accept an early surrender if it meant taking on additional financial liabilities or releasing the tenant from onerous liabilities which it would then have to meet. If the Council were to consider this course of action a receiving department would have to be found that had the management capacity and financial wherewithal to take on the relevant repairing and maintenance liabilities of the land/buildings.

Communications, Consultations & Engagement –

Type Inform Consult (External) Consult (Internal) Engage

Proposed Timeline Consultation and Engagement is currently on going as part of the process Implementation: April 2013 and April 2014

Public Sector Equality Duty – A Full Equality Impact Assessment will be undertaken should Members agree that the proposed option be taken forward. This will be reported when the final decision is made.

Legislation Considered – Double rating allocations are non-statutory.

Risks & Mitigating Actions – There is no legal requirement for the council to provide double rating allocations. Please see impact of Service Change Section for further detail.

2012/13 Service Budget:
£229,000 + £33,000

Staffing: N/a

Other Resources used: -

Saving 2013/14 (#): £63k

Additional Saving 2014/15 (#): £150k

Staff at Risk: Potential number unknown, but likely to include staff with responsibility for grounds maintenance within Parish/Town Council.

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Service Description: Reduction in Corporate Commissioning and Neighbourhood Coordination (CCNC) Service	
It is proposed to implement the following change – To rationalise service delivery and reduce costs by £200,000	
Rationale for service change proposal – To reduce costs	
<p>The following activity will change, stop or significantly reduce –</p> <p>Direct management support to the service will be reduced through VER/VR and voluntary reduced hours.</p> <p>Specialist equalities support will cease, unless there is a need for expert support which would be assessed on a case by case basis</p> <p>Operating costs for neighbourhood activities will be reduced</p> <p>Strategic support for neighbourhood activities relating to Parish/Town Councils and town/village centres will be reduced</p>	
<p>Impact of Service Change – There will be consequences on service delivery and support for Councillors, residents and communities.</p> <p>Service Users – A reduction in support for Parish and Town Councillors. Parish and Town Councils strategic liaison will be reduced. Council –Financial saving.</p>	
<p>Communications, Consultations & Engagement –</p> <p>Type Inform <input checked="" type="checkbox"/> Consult (External) <input type="checkbox"/> Consult (Internal) <input checked="" type="checkbox"/> Page <input checked="" type="checkbox"/></p> <p>Partnership <input checked="" type="checkbox"/></p> <p>Service meetings have taken place with all staff to ask for views on savings options. Unions have been consulted about the option. Parish and Town Councils have been consulted and informed the reconfiguration of the reduced support that they would receive</p>	
<p>Public Sector Equality Duty – The Quality Assurance Group recognises that in relation to “Cease specialist equalities support” this is the end of a project. There will be no impact to service users as management responsibilities have been distributed between the existing management team and therefore no impact assessment is required. The Quality Assurance group recognises there are no equality implications.</p>	
<p>Legislation Considered – Crime and Disorder Act 1996 Equality Act 2010</p>	
<p>Risks & Mitigating Actions – Consultation has taken place with staff and partners to minimise risks of implementation.</p>	
<p>2012/13 Service Budget:£1.1m</p> <p>Staffing:</p> <p>Other Resources used: -</p>	<p>Saving 2013/14 (#): £140,000</p> <p>Saving 2014/15 £60,000</p> <p>Indicative Number of Staff at Risk: Savings achieved through VER/VR and voluntary reduced hours</p>

<p>Service Description: Democratic Services Reduce governance structure of the Council and frequency of meetings and restructure democratic services to meet reduced structure. NB This option is also linked to the option relating to a reduction in the number of Area Committees.</p>
<p>It is proposed to implement the following change – Stop servicing all non-member meetings and those non-standing committees without decision-making powers(officer meetings, taxi drivers annual meeting, area partnerships, etc) Reduce frequency of meetings for example Cabinet 14 to 10, Area Committees each meeting from 5/6 meetings per year to 4, Licensing and Regulatory Committee (6 meetings to 4) This option will also consider current Overview and Scrutiny arrangements</p>
<p>Rationale for service change proposal – The option will facilitate a leaner decision making process. It will also reflect the Council’s reduced resources, release capacity so as to facilitate the changing role of the Council in the future.</p>
<p>The following activity will change, stop or significantly reduce – The number of formal decision-making meetings will significantly reduce.</p>
<p>Impact of Service Change –</p> <p>Service Users – None</p> <p>Partners – None</p> <p>Council – There will be less formal decision making meetings and therefore agendas for remaining meetings may increase in business.</p> <p>The responsibility for meetings no longer serviced by democratic services would need to be transferred to service departments.</p>
<p>Communications, Consultations & Engagement –</p> <p>Type Inform <input checked="" type="checkbox"/> Consult (External) <input type="checkbox"/> Consult (Internal) <input checked="" type="checkbox"/> Page <input checked="" type="checkbox"/></p> <p>Partnership <input type="checkbox"/></p> <p>Proposed Timeline The revised calendar of meetings can be implemented for the start of the 2013/14 Municipal Year and the resultant restructure implemented for June 2013.</p> <p>Implementation: The calendar of meetings for Cabinet is a matter for the Leader of the Council to determine. The calendar of meetings is a matter for full Council to determine. Changes to the Constitution would be required to implement the new structure and this would also be a matter for the full Council.</p> <p>Staff briefings have taken place on 21st January 2013 and Trade Unions have been fully engaged.</p>
<p>Public Sector Equality Duty – The Quality Assurance group in looking at this proposal recognises that it is an organisational change and is satisfied that there will be no change to the community. As a consequence there will be no equality implication to this change. Officers will continue to comply with HR policies and procedures. This will include regular HR monitoring reports to Corporate Services.</p>
<p>Legislation Considered – Local Government Act 1972, Local Government and Public Involvement in Health Act 2007, Localism Act 2011</p>
<p>Risks & Mitigating Actions –</p>

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There is a risk that the remaining Cabinet meetings may contain a large number of items and there is an increased risk of urgent decisions being required outside of the Cabinet timetable.

There is also a risk that a reduced timetable may mean that additional meetings are called which would reduce the savings that are made. The Constitution currently allows for any 5 Members to call on the Mayor to arrange a special Council meeting and any two Members can call a special Overview and Scrutiny Committee meeting. Consideration may need to be given to this.

As resource would be focussed on meeting the Council's statutory requirements,
As Democratic Service staff also assist with elections during peak times, arrangements would need to be made with other Council departments to release staff during those peak periods.

<p>2012/13 Service Budget: £386,750</p> <p>Staffing: 10.09FTE (across Democratic Services as a whole)</p> <p>Other Resources used:</p>	<p>Saving 2013/14: £38,000 Saving 2014/15 £13,000 Indicative Number of Staff at Risk: 1.5 fte</p> <p>Staffing savings would be 1-FTE (£41k) if all of option taken, Additional savings in SRA allowances could be realised dependant on the outcome of the review of overview and scrutiny</p>
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<p>Service Description: Reduce number of Area Committees To reduce the number of Area Committees from 7 to 3</p>	
<p>It is proposed to implement the following change – To reduce the number of Area Committees from 7 to 3</p>	
<p>Rationale for service change proposal – this will result in a reduction in the cost of democracy and maintain a balanced approach which recognises the geography of the borough and allow councillors and members of the public to access this forum.</p>	
<p>The following activity will change, stop or significantly reduce – The number of Area Committees across the Borough will be reduced by reconfiguring the area covered by each bearing in mind the legislative requirements set out below.</p>	
<p>Impact of Service Change –</p> <p>Service Users – There may be greater distances for service users to travel to attend their Area Committee</p> <p>Partners – There may be greater distances for service users to travel to attend their Area Committee</p> <p>Council – Agendas for meetings will cover a larger geographic area which may have conflicting priorities which could result in limited resources being more effectively targeted</p>	
<p>Communications, Consultations & Engagement – Type Inform <input type="checkbox"/> Consult <input checked="" type="checkbox"/> Engage <input type="checkbox"/> Partnership <input type="checkbox"/></p> <p>Proposed Timeline This could be implemented for the start of the Municipal Year in May 2013.</p>	
<p>Public Sector Equality Duty – The Quality Assurance group in looking at this proposal recognises that it is an organisational change. Whilst there may be more travel involved for members of the public, if this presents particular problems, they still have the option of meeting/contacting with their local councillor to put their views forward. Where the change affects staff, officers will continue to comply with HR policies and procedures. This will include regular HR monitoring reports to Corporate Services.</p>	
<p>Legislation Considered - Local Government Act 2000, Part II, s18 (5) requires that where executive functions are delegated to Area Committees, each Area Committee covers no more than 2/5 of the Borough both in terms of area and population.</p>	
<p>Risks & Mitigating Actions – Venues could alternate to allow equal opportunity to access the meetings</p>	
<p>2012/13 Service Budget: £386,750</p> <p>Staffing: 10.5</p>	<p>Saving 2013/14: £15,000</p> <p>Saving 2014/15: £5,000 Full Year</p> <p>Indicative Number of Staff at Risk: 0.5</p>

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<p>Service Description: Support for Christmas Tree Displays For a number of years Sefton MBC has installed and decorated 11 Christmas trees in 11 specified sites throughout the borough. The Council has also contributed and supported Christmas celebrations throughout the borough.</p>	
<p>It is proposed to continue consultation and engagement and implement the following change It is proposed to cease the councils support for the installation and decoration of 11 Christmas trees within the borough and to cease its financial contributions for Christmas celebrations throughout the borough.</p>	
<p>Rationale for service change proposal The cost of installing and decorating 11 Christmas trees within the borough is now at an unsustainable amount circa £19,000. The projected budget shortfall is £7,000 which equates to a % rise on the original budget held (£10,200). Economic Development and Tourism also hold an £8,000 Christmas light support fund along with a £12,000 Christmas lights budget for Southport. In previous years Bootle, Crosby and Maghull has also benefited from this funding, both of these funds will no longer be available due to budget reductions.</p>	
<p>The following activity will change, stop or significantly reduce The Council will no longer supply, install and maintain the 11 Christmas trees and provide financial support throughout the borough for Christmas celebrations.</p>	
<p>Impact of Service Change –</p> <p>Service Users – None identified.</p> <p>Partners – None identified.</p> <p>Council – If the proposal is accepted this may result in negative press against the council. Mitigations will need to be put into place to explain the decision to our residents and businesses.</p>	
<p>Communications, Consultations & Engagement –</p> <p>Type Inform <input checked="" type="checkbox"/> Consult (External) <input type="checkbox"/> Consult (Internal) <input type="checkbox"/> Page <input type="checkbox"/></p> <p>Partnership <input type="checkbox"/></p> <p>Proposed Timeline: Immediate on approval Implementation: Immediate on approval</p>	
<p>Public Sector Equality Duty The QAG recognises that whilst community Christmas lights and trees are part of the cultural landscape, it also recognises that people, businesses and communities can put up their own decorations etc (in line with public safety regulations) but the Council can no longer afford to fund this provision. This is now in line with other religious festivities.</p>	
<p>Legislation Considered There are no statutory or legislative requirements on the Council to provide Christmas trees.</p>	
<p>Risks & Mitigating Actions Communications will need to be put into place to explain the decision to our residents and businesses.</p>	
<p>2012/13 Service Budget: £30,200 (In year saving)</p>	<p>Saving 2013/14 (#): £30,000</p>

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<p>Service Description: Finance , ICT and procurement Categorisation: Further streamlining of processes The Finance and ICT teams are undertaking a further reconfiguration of processes for handling data and reporting.</p>	
<p>It is proposed to implement the following change – The changes in automation of these processes will reduce running costs and staffing time. The service believes that a saving of £50,000 full year effect is achievable.</p>	
<p>Rationale for service change proposal –The current financial system requires system changes to be actioned by March 2014. In preparation for this some early changes can be made which will streamline the processes and systems within the Council.</p>	
<p>The following activity will change, stop or significantly reduce – Reduced software and operational costs</p>	
<p>Impact of Service Change - Service Users –none Partners – none Council – process will require streamlining in areas of high claim levels to minimise additional workload</p>	
<p>Communications, Consultations & Engagement – Type Inform Consult <input type="checkbox"/> gage Pa <input type="checkbox"/> ship <input type="checkbox"/> <input type="checkbox"/></p>	
<p>Public Sector Equality Duty – Quality Assurance Group has considered this proposal and recognises there are no equality implications.</p>	
<p>Legislation Considered – N/A</p>	
<p>Risks & Mitigating Actions – Detailed process changes will be risk assessed by audit</p>	
<p>2012/13 Service Budget: £</p>	<p>Saving 2013/14 (#): £ 25,000</p>
<p>Staffing:</p>	<p>Part Year</p>
<p>Other Resources used:</p>	<p>Additional Saving 2014/15 (#): £ 25,000 Part Year</p>
<p>Staff at Risk: 0</p>	

<p>Service Description: Environment-Trading Standards Improve integration of service delivery within Trading Standards and Licensing Section</p>	
<p>It is proposed to implement the following change – Restructure and reallocation of roles and responsibilities.</p>	
<p>Rationale for service change proposal – Opportunity for greater service efficiency</p>	
<p>The following activity will change, stop or significantly reduce – Change to licence application process and multi role enforcement duties for officers</p>	
<p>Impact of Service Change – Service Users – None Partners – None</p> <p>Council – Internal operations, restructure, reallocation of duties and deployment of staff, reduction in established posts.</p>	
<p>Communications, Consultations & Engagement –</p> <p>Type Consult (Internal) <input checked="" type="checkbox"/></p> <p>Consultation with staff at risk continued following HR processes. Trade Unions fully engaged.</p>	
<p>Public Sector Equality Duty – The Quality Assurance group in looking at this proposal recognises that it is a change to team structures and is satisfied that there is no change to service delivery for service users. Officers will comply with HR policies and procedures. This will include regular HR monitoring reports to Corporate Services.</p>	
<p>Legislation Considered - Licensing Act 2003, Trading Standards legislation</p>	
<p>Risks & Mitigating Actions – Limit to integration due to legislative constraints on use of fee income and discharge of related regulatory activities. New legislation around Licensing Act awaited – detail may bring constraints.</p>	
<p>2012/13 Service Budget: £</p> <p>Staffing:</p> <p>Other Resources used:</p>	<p>Saving 2013/14 (#): £ 30k Part Year</p> <p>Additional Saving 2014/15 (#): £ 20k Full year</p> <p>Indicative Number of Staff at Risk: 2 note that where changes and/or savings cannot be achieved through deletion of vacant posts, VR or VER then there may be a need for compulsory redundancies arising from this option</p>

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<p>Service Description: Pest Control The Council has a duty under the Prevention of Damage by Pests Act 1949 to take such steps as necessary to make sure, so far as is practicable, that the district is kept free from rats and mice. In order to carry out this duty the Council has powers to enforce owners and occupiers of land to keep their land free from rats and mice. Currently discharged by free public health pest treatment service (circa 5000 pa). There is the option to charge for treatment.</p>								
<p>It is proposed to introduce a free service for households on benefit and charged service for others A treatment service would be available to all, there would still be significant take up of treatment requiring some cost contribution (for those not on benefits). Assuming a £20 charge with 20% drop off rate of those required to pay.</p> <p>Assume 4.5 pest control officers and 0.5 enforcement officers. (Estimated net cost £149,000) (assuming £20 charge) (Net Saving £35,000)</p> <p>It is important to note that as the need to identify further opportunities for savings increases it may be necessary to consider developing a model for the service based upon full cost recovery, thus rendering the service 'cost neutral', by reducing the subsidy.</p>								
<p>Rationale for service change proposal – Local authorities can and do subsidise services. A significant number of councils have closed pest control departments over the past two years. The Council can no longer afford to provide the current level of subsidy to this discretionary service.</p>								
<p>The following activity will change, stop or significantly reduce – Change to the policy for subsidising services as detailed above. This option would change the dynamics and balance between treatment demand and enforcement requirement and costs cannot be predicted with any certainty at this stage.</p>								
<p>Impact of Service Change –</p> <p>Service Users – Residents may be requested to pay for treatment or be subject to enforcement action. Residents may choose not to use the Council service and would have access to locally advertised Pest Control companies.</p> <p>Partners – Sewer baiting programme funded by United Utilities (UU) may be affected.</p> <p>Council – Estate management may need to provide alternative commercial pest control treatment contracts. Fees would be collected on line and via normal banking processes.</p>								
<p>Communications, Consultations & Engagement – the current budget plan consultation included principles relating to the introduction of charges, including Pest Control Type Inform <input checked="" type="checkbox"/> Consult (Internal) <input checked="" type="checkbox"/></p>								
<p>Pest Control Charging Feedback from Consultation</p> <p>Consultation was carried out with pest control treatment service users when they made an appointment for treatment via the Sefton Contact Centre. At the end of the service request call the customer was asked:- “Sefton Council are faced with budget cuts and are considering charging for this service in the future. Can you advise what you would be willing to pay in the future”. From those willing to give a response, the contact centre recorded an amount if stated, or if not, read through a list of amounts starting at 0 and increasing in £5 increments. The survey ran from 11th September to 4th October 2012.</p>								
	£0	£5	£10	£15	£20	£25	Stated	
Rats	11	1	2	1	3	3	£18 x1	
Mice	9	1	6	2	2	1		

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Cockroaches	1							
Bedbugs								
Fleas	3	2	5	1	2	4		
Total	24	4	13	4	7	4	1	57

In addition to the above the public were also consulted as part of the budget setting surveys. Of those responding through e-consult 49% agreed that this service should be fully funded by those people using the service without any contribution from council tax payers, 33% disagreed and 17% neither agreed or disagreed. For those responding to the telephone survey 34% agreed that this service should be fully funded by those people using the service without any contribution from council tax payers, 59% disagreed and 7% neither agreed or disagreed.

Public Sector Equality Duty – See below

Legislation Considered – Prevention of Damage by Pest Act 1949 – Duty to keep borough free of rats and mice. Duty to keep own land free of vermin.

Risks & Mitigating Actions –

There is a risk that pest control becomes less effective and the borough may see a rise in vermin and public health pests with consequent public health implications. The Council's statutory pest control duties, such as the use of enforcement powers to deal with infestation issues, are not affected by this option. The Council would also continue to provide advice and information to the public on pest control matters.

The impact will be highest in the most deprived areas where currently over 50% of service users live. 43% of service users are on Council administered benefits.

2012/13 Service Budget:

£184,000

Staffing: 5

Other Resources used: UU

Sewer baiting contribution

Saving 2013/14 (#):

£ 20,000 Part Year

Additional Saving 2014/15 (#): £ 10,000 Full Year

Staff at Risk: 0 Net posts 0 but posts may need to be changed from treatment officers to enforcement officers in order to address failure to treat amongst those unwilling to pay.

Equality Analysis Report

Details of proposal: Charging fees for Pest control.

The Council has a duty under the Prevention of Damage by Pests Act 1949 to take such steps as necessary to make sure, so far as is practicable, that the district is kept free from rats and mice. In order to carry out this duty the Council has powers to enforce owners and occupiers of land to keep their land free from rats and mice.

Currently it offers a free service and now it wishes to charge a basic call out fee.

Ramifications of Proposal:

Is there a consequence to 'Threshold': Yes

Is there a consequence to 'Capacity': No

If 'Yes' give details

A treatment service would be available to all, there would still be significant take up of treatment requiring some cost contribution (for those not on benefits) of a £20 charge with 20% drop off rate of those required to pay.

Are there any protected characteristics that will be disproportionately affected in comparison to others?

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The charging of a call out fee is targeted at all – however the fee would be linked to income/benefit levels.

As such individuals on low incomes (people dependent on disability benefits, income support such as single parents, pensioners in receipt of pension allowance, and those on job seekers allowance) would not be charged.

Therefore there is no disproportionate impact on any particular protected characteristic as mitigation is in place

Consultation.

As part of public consultation on budget planning it was noted that:

Residents agreed that Pest Control (34%) should be fully paid for by service users and without any contribution from council tax payers.

Is there evidence that the Public Sector Equality Duties will continue to be met?

The service will be delivering in line with the Equality Act 2010. Charges will be based on ability to pay linked to welfare benefits. The PSED will continue to be met.

What actions will follow if proposal accepted by Cabinet & Council?

1. Inform public
2. Identify process for income testing

Monitor take up and efficiency of service

<p>Service Description: Deferment of return of highway management funding £800k for further 2 years</p>
<p>It is proposed to commence consultation on/implement the following change – No consultation required. The temporary reduction in budget has previously been through the consultation process</p>
<p>Rationale for service change proposal – The Council is under a statutory duty (sections 41 and 58 of Highways Act 1980) to ensure a safe highway network. Cessation is not a realistic option as it would likely result in damage to life and limb leading to claims against the authority and potential corporate manslaughter charges. Extension of this temporary reduction does carry the risk of short and long-term implications in terms of deteriorating condition of the highways and related infrastructure, with increased risk of accident and injury on the highway. In addition, there is a further risk that failure to repair in a timely manner can result in far greater expenditure to achieve the same outcome later as the infrastructure may have deteriorated to the extent that more significant works (and funding) are required. Disruption to use of the highway network has an associated detrimental economic impact. Hence the proposal to defer reinstatement of the budget will help towards the savings targets on a temporary basis but the number of risks mean this would only be for a manageable for a short period and would require a corresponding subsequent significant reinvestment in the highway network infrastructure</p>
<p>The following activity will change, stop or significantly reduce – This would require a continued restructure of the Highway Works Programme. Implementation of the current £800k reduction has delivered by: ceasing footway/carrageway reconstructions; ceasing carrageway "plane & inlay" resurfacing; removing landscaping/flowerbeds on roundabouts; and reductions to arboriculture database and maintenance. Previous re-profiling of the reduced budget will be continued, with more emphasis placed on reactive minor repairs and less substantial slurry sealing, surface dressing and micro asphalt treatments. Such an approach will help to maintain the integrity of the highway network on a short term basis but is not a long term option. More substantial proactive maintenance and replacement works will therefore not be undertaken and more emphasis will be given to more costly and less effective reactive works</p>
<p>Impact of Service Change – Service Users – Disruption to use of the highway network and deterioration of the highways network would affect movement of individuals, private business and other service delivery (e.g. refuse collection, community services, emergency services, public transport etc.) with associated detrimental economic impact. Partners – These are works contracts, reduction of the budget would impact upon contractors and would have some implications for level of design and supervision work undertaken by Capita Symonds. Council – Significantly increased reputational risk - corporate complaints increased by 43% last year following a rise of 70% the previous year.</p>
<p>Communications, Consultations & Engagement – Type Inform <input type="checkbox"/> Consult (External) <input type="checkbox"/> Consult (Internal) <input type="checkbox"/> Engage <input type="checkbox"/> Partnership <input type="checkbox"/> Saving already implemented and would therefore continue</p>
<p>Public Sector Equality Duty – Previously undertaken when budget initially reduced it was identified that any obstruction or difficulty in relation to disability access would be prioritised within the financial constraints.</p>
<p>Legislation Considered – Highways Act 1980</p>
<p>Risks & Mitigating Actions – This temporary reduction does carry the risk of short and long-term implications in terms of deteriorating condition of the highways and related infrastructure, with increased risk of accident and injury on the highway. The budget is currently insufficient, continued non investment would put a significant strain on the demand budget & therefore increased highway risks and liability claims, potential increase in numbers of payouts & insurance premium. Also increase to inspector work load and associated</p>

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accuracy risks.

The reduced budget means we have to target small reactive works as opposed to the more financially efficient proactive repairs. There will continue to be a deterioration of the highways and infrastructure. Failure to maintain in a timely manner increases the need for more substantial future funding to return network to a manageable state of repair.

Disruption to use of the highway network has an associated detrimental economic impact and a reputation impact. The reputational risk is significant with corporate complaints in this area increasing since the reduction in budget was agreed.

This continued temporary reduction will result in more significant maintenance costs in future years as more significant investment will be required to re-establish a suitable highway condition.

Previous Budget reductions as table below:

Budget Analysis	2011/12	2012/13	2013/14	2014/15	2015/16
Previous Permanent Reduction 1	£200,000	Ongoing	Ongoing	Ongoing	Ongoing
Previous Permanent Reduction 2		£50,000	Ongoing	Ongoing	Ongoing
Previous Temporary Reduction 1	£800,000	£800,000	£800,000 Deferment of return of budget for one year	£800,000 Deferment of return of budget for one year under consideration	£0 reduction (return of budget)
Previous Temporary Reduction 2		£400,000	£400,000	£400,000	£0 reduction (return of budget)
Total	£1,000,000	£1,450,000	£1,450,000	£1,450,000 or £650,000	£250,000

2012/13 Service Budget:
£6428850

Saving 2014/15 (#): £ 800,000
Investment Required: 0
Staff at Risk: Nil

<p>Service Description: Street Lighting Savings in energy due to selective switching off of street lights on A565 and A59 which will generate a saving of based on existing tariffs.</p>		
<p>It is proposed to implement the following change – Substantial consultation has been undertaken with over 500 responses Selected alternate street lights on rural sections of A565 and A59 (excluding junctions) will be switched off between 20:00 hrs and 06:00 hrs. Signs will be erected at key locations to advise the highway user</p>		
<p>Rationale for service change proposal – Cost saving initiative pilot study to gauge impact and customer perception with a view to possible extension should conditions permit</p>		
<p>The following activity will change, stop or significantly reduce – Alternate street lights will be turned off at selected times. Review impacts on the previously reduced night scouting scheme. (see consultation report for further information)</p>		
<p>Impact of Service Change – Service Users – To be reviewed following implementation Partners – None Council – Reduced spend on energy based on existing tariffs. Possible reputational risk</p>		
<p>Communications, Consultations & Engagement – Type (please specify) Inform <input type="checkbox"/> Consult <input checked="" type="checkbox"/> Engage <input type="checkbox"/> Partnership <input type="checkbox"/> Consultation completed and results reported to Cabinet</p>		
<p>Public Sector Equality Duty –See Equality Analysis Report below</p>		
<p>Legislation Considered – <i>Highways Act 1980.</i></p>		
<p>Risks & Mitigating Actions – <i>Potentials risks to be monitored and considered during initial period of implementation. Any mitigating actions becoming apparent will be reported through the political process.</i></p>		
<p>2012/13 Service Budget: £</p> <p>Staffing:</p> <p>Other Resources used:</p>	<p>Saving 2013/14: £ 15,000</p> <p>Additional Saving 2014/15: £49,000</p> <p>Investment Required: £ Offset</p> <p>Staff at Risk: Nil</p> <p>*Savings based on current tariffs subject to change</p>	<p>Full Year</p> <p>Full Year</p>

Equality Analysis Report	Reference: Street Lighting
<p>Details of proposal:</p> <p>Reduction in street lighting to save costs.</p> <p>Sefton currently has 31,500 street lights, 1,100 illuminated bollards and 1,963 illuminated traffic signs. These account for 30% of the Councils electricity bill and 23% of baseline carbon emissions. In terms of saving energy costs and reducing carbon emissions taking action on street lighting is a priority.</p>	

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Sefton's Carbon Management Plan has a target to reduce energy costs and emissions of green house gases by 25% by the year 2016. Current deficit reduction plans imposed by central Government make finding savings in terms of energy costs imperative. As a result, consultation was undertaken in order to ascertain the views of the communities of Sefton on a range of options related to securing energy cost savings while continuing to provide street lighting that meets the needs of our communities.

The issue of street lighting can be an emotive issue as they are clearly linked to issues of safety and criminal deterrence.

Ramifications of Proposal:

Give details:

Is there a consequence to 'Threshold': Yes

Is there a consequence to 'Capacity': Yes

If 'Yes' give details

There will be a number of options continued to be explored looking at times and location where street lighting can be turned off or reduced.

Three proposals were put forward to the public:

- **Proposal 1: Replace existing bulbs with Light Emitting Diode (LED) lighting:**

83.82% (435) "Strongly agree" or "Agree" with this proposal.

- **Proposal 2: Replace existing bulbs with energy efficient bulbs:**

69.17% (359) "Strongly agree" or "Agree" with this proposal.

- **Proposal 3: Switching off street lights, in areas where it would be safe to do so, between midnight and 6am:**

52.02% (270) "Strongly disagree" or "Disagree" with this proposal.

Are there any protected characteristics that will be disproportionately affected in comparison to others?

Proposal 1 & 2 will not affect anyone in a disproportional manner as the lighting will remain – the type of equipment will differ.

Proposal 3 has drawn concerns from the public, and presents an emotive issue. In general there could be a disproportionate impact if the scheme starts to extend in to 'work and social time' should this to happen and where street lighting is reduced or diminished in locations such as schools this could adversely affect children and parents (predominantly female) travelling to and from school. This raises safety issues.

Disability: Lower street lighting will affect visually disabled people/pedestrians and people with mobility problems (dimly lit areas can cause trips/falls etc.)

Mitigation:

Careful consideration will be given to areas assessed for reduced lighting or early switch off as to ensure there will be minimum impact. Full account of local amenities will be given and disability access to such amenities.

The current proposal looks at switching off between 12 midnight and 6am. This should not affect school runs or community safety.

Consultation.

Full consultation has taken place with residents. See full report.

Is there evidence that the Public Sector Equality Duties will continue to be met?

Currently the suggestion is to pilot the reduction in lighting in rural areas with low density traffic between 12 midnight and 6am. As each pilot is created attention to how it affects people will be made and reported to senior officers/council.

The current proposal meets the public sector equality duties.

What actions will follow if proposal accepted by cabinet & Council?

- 1. Continue to develop pilot**
- 2. Continue to establish the effects before reducing lighting.**

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<p>Service Description: Home Improvement Agency Services, reorganisation & internalisation</p> <p>The Home Improvement Agency Services have been out-sourced and are currently provided by Mears Ltd, and CVS for part of the handyperson service in the north. The Agency provides 3 services on behalf of the Council;</p> <ul style="list-style-type: none">- implementation of Disabled Facility Grants for clients, Major Adaptations (statutory service)- management of Minor Adaptations (statutory service)- Handyperson services (complementary service) <p>DFG Services are CAPITAL funded, while Minor Adaptations and Handyperson services are Revenue funded from Adult Social Care.</p>
<p>It is proposed to implement the following change –</p> <p>To consider the option of ceasing the Handyperson services and bringing the remaining Home Improvement agency services [major and minor adaptations services] in-house.</p>
<p>Rationale for service change proposal –</p> <p>We have recently been through a (OJEU) procurement exercise, and received tenders from 4 companies. In terms of minor adaptations and handyperson services the tender costs exceed available budgets. Consequently, it is necessary to consider ceasing the funding for the Handyperson service, which is not a mandatory service. Upon receipt of tender information it became apparent that there may be a more effective and less costly way of providing the statutory services in-house.</p> <p>The major benefit to the Council in this option is to reduce the overall costs in providing its statutory services and it will also allow greater flexibility to review these services without being bound by a three year contract term. In the event of a reduction in funding in any area the Council would be better placed to review and reduce services as and when required.</p> <p>Synergies with existing internal services may reduce overall operating costs for the retained agency services.</p>
<p>The following activity will change, stop or significantly reduce –</p> <p>There should be no change in activity levels, or service to DFG clients, or Minor Adaptations clients. In fact if the higher level of cash savings can be achieved, the savings will allow the council more of its resources to spend on providing major and minor adaptations works</p> <p>Given the budget position compared to the costs of running all of the existing services, it is felt likely that funding for the Handyperson service will need to cease, as this is a non-statutory service.</p>
<p>Impact of Service Change –</p> <p>Service Users – Should see little change in the range and scale of DFG service. In fact dealing with one organisation rather than 2, as at present would be far simpler.</p> <p>Services to deliver minor adaptations will be kept to the same level, though customers would deal with a Council service rather than external one.</p> <p>The Handyperson service may reduce or cease in the absence of any Council budget provision</p> <p>Partners – NA</p> <p>Council – Mears provide a combined service, managing DFGs (core service) for the Built Environment Department, along with minor adaptations and handy person services (complimentary services) for Adult Social Care. CVS provide part of the handyperson service in the north. Major and Minor adaptations services would be managed within the Council, within the Built Environment Dept.</p>
<p>Communications, Consultations & Engagement –</p> <p>Type Inform <input type="checkbox"/> Consult (External) <input type="checkbox"/> nsult (Internal) <input checked="" type="checkbox"/> Engage <input checked="" type="checkbox"/></p> <p>Partnership <input type="checkbox"/></p> <p>Providers have been fully engaged in this process. TUPE provisions would need to be applied to</p>

bring external staff in-house, and mobilise services.

Public Sector Equality Duty- The Quality Assurance group in looking at this proposal recognises that it is an organisational change to team structures and is satisfied that there is no change to service delivery for service users except those in receipt of the non mandatory handyperson services. Service users will be able to source similar services through local tradesman and traditional nationally recognised companies. Officers will comply with procurement and HR policies and procedures. This will include regular monitoring reports to Corporate Services.

Legislation Considered -

Housing Grants, Construction and Regeneration Act 1996 [for DFGs],
Transfer of Undertaking (Protection of Employment Regulations 2006) TUPE.
Chronically Sick and Disabled Persons Act, 1970

Risks & Mitigating Actions –

Unfortunately, it is apparent that any option to retain the non-statutory Handyperson service (by either awarding the contract or opting for an in-house provision) is unaffordable within existing budgets, as costs associated with the other two statutory elements of the service exceed available budgets. This is likely to result in the cessation of the Handyperson service, which has been in operation for a considerable number of years.

There will be staffing liabilities and possibly redundancy implications if the council pursues this option, due to TUPE arrangements.

Existing staff may prefer not to transfer under TUPE rights. –the Council would benefit from key staff coming in-house to set up and run the services.

The Council will encounter contractual issues and risks associated with managing the agencies current nominated contractor list. Whilst there is no direct contractual link with the Council, additional demands for assistance and advice may be generated via clients of the service if things go wrong.

The risks are not significant but can incur considerable officer time in order to resolve.

DFGs and Minor Adaptations are mandatory services, However, if a service review led to the need for fewer staff due to efficiencies, then there may be a need for some redundancies during 2013-14.

Loss of the Handyperson service may cost the Council more money in the long term, where people suffer from falls etc, which may have been avoided through this preventative service, this is however extremely difficult to quantify in actual terms.

Cost analysis of Service Lots against most advantageous tender, current budget position and internalization costs / savings

Table 1A – Major Adaptations (mainly Capital Funded)

	Budget (over 3 years)	Tendered Cost (over 3 years)	(Cost) over budget (3 years)
Lot 1 (Major Adaptations DFGs)	£547,500 Capital / Revenue	£670,500	(£123,000)

Table 1B – Minor Adaptations (Revenue Funded)

	Budget (over 3 years)	Tendered Cost (over 3 years)	(Cost) / Saving over budget (3 years)
Lot 2 (Minor Adaptations)	£204,300	£546,381	(£342,081)
Lot 3 (Handyperson)	£144,000	£99,375	£44,675
Total Budget shortfall (capital & revenue) if contract awarded			(£420,406)

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Upon receipt of tender information it became apparent that a £420,406 gap existed between the actual tender costs and the combined capital and revenue budget resources available. Following on from this, officers then explored if it would be more effective and less costly to provide these services in-house.

Officers estimated the costs associated with bringing all 3 services in house. It became clear that even by internalising these services we could not sustain them all, as the actual budget gap for all 3 Lots equated to £73,475. The majority of this stems from a revenue funding shortfall.

Unfortunately, it is now apparent that any option to retain the non-statutory Handyperson service (by either awarding the contract or opting for an in-house provision) is unaffordable within existing budgets, as costs associated with the other two statutory elements of the service exceed available budgets. This is likely to result in the cessation of the Handyperson service, which has been in operation for a considerable number of years. Loss of this service may cost the Council more money in the long term where people suffer from falls etc, which may have been avoided through this preventative service, this is however extremely difficult to quantify in actual terms. The Handyperson service is also currently part funded by £19,000 Public Health funding, on the basis it supports the falls prevention agenda, this funding would not be available for delivery of the statutory services.

Notwithstanding the above fact, internalising the other two services and discontinuing the Handyperson service, could save the Council an estimated £230,723 (comprising £117,124 capital and £113,599 revenue) over the 3 year contract period as shown in the table below. This option represents a total saving of £651,179 against the actual tendered costs for all three services which were shown in Table 1A and 1B. In ceasing the Handyperson service the Council would be able to fully fund the Minor Adaptation service and also generate a revenue saving.

Table 2A – Major Adaptations (mainly Capital Funded)

3 years	Budget (over 3 years)	Internal Cost (including on-costs and redundancy) over 3 years	In-house Capital Saving over budget (3 years)
Lot 1 (Major Adaptations DFGs)	£547,500 Capital / Revenue	£430,376	£117,124

Table 2B – Minor Adaptations (Revenue Funded)

3 years	Budget (over 3 years)	Internal Cost (including on-costs) over 3 years	In-house Revenue Saving over budget (3 years)
Lot 2 (Minor Adapts)	£348,300 Revenue	£234,701	£113,599

The above revenue budget funds all staffing and installation costs of the minor adaptations service, whilst the material and equipment costs are funded from a separate Adult Social Care budget.

NB. The Internal cost calculations are based on delivering the services as they are currently configured, and at existing staff levels.

It is relatively clear that an overall saving can be achieved through internalising the major and minor adaptations service rather than awarding the contract, provided that the handypersons service is discontinued. It is acknowledged that the estimated achievable savings are broadly equally apportioned between capital and revenue budgets.

Progress	The decision was taken by Cabinet on the 8 th of November. A meeting was held with Mears management on the 9 th of November, to explain the Councils position and way forward. Similar meeting was later held with CVS. Letters were served on both Mears and CVS on the 29 th of November, to formally notify them of our intention to internalise the Major Adaptations and Minor
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	<p>Adaptations services , and to cease the Handyperson services. There has been an ongoing dialogue and exchange of information with Mears, regarding staff TUPE since December, which is still ongoing. Officers have been to visit and meet the Mears TUPE staff on the 15th of January. Plans are progressing to bring the staff and Adaptations services in house, with effect from the 1st of March 2013. The Handyperson services will cease from 28th of February 2013.</p>	
<p>2012/13 Service Budget: £</p> <p>Staffing: External staff would TUPE in-house</p> <p>Other Resources used: Accommodation, IT, telephones and central support services would be required. In-house Budget estimates include a 57% on-cost to reflect this.</p>	<p>Saving 2013/14 (#): £37,000 (£39k capital) Investment Required: £0 Year?: n-a Staff at Risk: 0</p>	

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Service Description: Increase Highways Network Management Income

Increased income target of £50K in Highways Network Management, phased as an additional £38k in 2013/14 and £12k in 2014/15

It is proposed to implement the following change –

Network Management currently has an income target of £400k. This income is based on the following sources:

- Utility sample inspection
- Utility defect inspections
- Utility prolonged occupation of the highway
- Utility administrative errors
- Street Works Licenses
- Licensing of skips
- Licensing of scaffolding
- Licensing of hoardings
- Licensing of open air cafés
- Licensing of Cranes

Other than the utility sample inspections, all other sources of income are speculative, based on either requirements for licenses, or errors and poor performance by utility companies. Further strategies have either been approved by Cabinet or are in the process of development. These are currently:

- Licensing of builders materials (approved)
- Licensing of developers containers (under development)
- Licensing of advertising A-Boards (under development)

Achievement of the income target is based on staff availability and the increased target will be a further stretch on resources. The increase will not be achievable without additional resources being allocated to this task and an increased focus on the licensing activity.

Rationale for service change proposal –

The Council is empowered to levy charges and fines to works promoters (statutory undertakers) in accordance with the New Roads and Street Works Act 1991 (as amended by Traffic Management Act 2004) and also to levy further charges for licensing in accordance with Highways Act 1980. These charges have not increased for two years.

Whilst these activities generate income for the Council to cover the costs of delivering the service, the underlying benefit is the Council's enhanced ability, through this initiative to comply with the statutory network management duty by maximising the availability of the highway network to users.

The following activity will change, stop or significantly reduce –

With some refocusing of resource, the additional initiatives detailed above will be implemented without detriment to other areas of service provision.

Impact of Service Change –

Service Users – More control of activities and increased charges will provide further incentives to work in an efficient manner to reduce individual costs so the service user will benefit from a more accessible highway network

Partners – None

Council – Income targets, whilst speculative, will be potentially more achievable with this

initiative in place.	
Communications, Consultations & Engagement –	
Type Inform <input checked="" type="checkbox"/> Consult (External) <input type="checkbox"/> Consult (Internal) <input type="checkbox"/> Engage <input type="checkbox"/> Partnership <input type="checkbox"/>	
Proposed Timeline: 1 st March 2013 for return of staff to allow for set up arrangements to be implemented Implementation: 1 st April 2013	
Public Sector Equality Duty – The Quality Assurance Group is satisfied that this is a tendering exercise to achieve a saving process and as such has no equality implications to this action.	
Legislation Considered – Highways Act 1980, New Roads and Street Works Act 1991 (as amended by Traffic Management Act 2004)	
Risks & Mitigating Actions – The increased target is arbitrary and imposed rather than proposed. All income is speculative and officers use their best endeavours to achieve targets based on the fundamental network management duty to manage activity and maximise availability of the highway network. The income relies on the activity of utility companies, along with developers and other third parties who require licenses to operate on the highway. The income is monitored and reported through financial analysis systems on a monthly basis, however certain elements are somewhat seasonal so a consistent income stream is not achievable.	
2012/13 Service Budget: Staffing: Other Resources used:	Additional Income 2013/14: £38,000 Full Year Additional Income 2014/15: £12,000 Full Year Staff at Risk: 0

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<p>Service Description: Re-integration, re-commission and restructuring of externalised services-Built Environment Restructure of Investment Programmes and Infrastructure Division and services following the termination of Capita Symonds contract and the reintegration/ re-commissioning of services from October 2013.</p>	
<p>It is proposed to commence consultation on/implement the following change – Unless otherwise agreed the services within the Capita Symonds contract return in October 2013. The time then required for the restructuring/re-commissioning exercise and any statutory consultation and notice periods required suggest that it is unlikely that any significant saving could be achieved during the 2013/14 financial year. Implementation of saving would be 2014/15.</p>	
<p>Rationale for service change proposal – Discussions on the basis for the reintegration of Capita Symonds' staff into the Council and/or re-commissioning of services are still in their infancy, however an assessment of the likely workload in 2013/14 has indicated that an overall saving is likely to be in region of £500,000, but this could alter following detailed review.</p>	
<p>The following activity will change, stop or significantly reduce – Discussions on the basis for the reintegration of Capita Symonds' staff into the Council and/or re-commissioning of services are still in their infancy. Implications in relation to services and staff will be assessed should members agree the proposed option be taken forward.</p>	
<p>Impact of Service Change – Service Users – The Council will continue to meet statutory requirements, the re-commissioning of services will seek to ensure value for money is obtained. As the work commissioned is variable services users will be considered as part of any potential change Partners – see above Council – Reorganised team</p>	
<p>Communications, Consultations & Engagement – Type Inform <input type="checkbox"/> Consult (External) <input type="checkbox"/> Consult (Internal) X Engage <input checked="" type="checkbox"/></p> <p>Proposed Timeline <i>complete Sept 2013</i> Implementation: <i>complete March 2014</i></p> <ul style="list-style-type: none"> • Regular team meetings have taken place with Sefton Council staff • Regular meetings have taken place with Capita senior management teams • Direct Consultation between Sefton Council staff and Capita staff has taken place in January 2013, with a view to implementation in October 2013. 	
<p>Public Sector Equality Duty – The Quality Assurance group in looking at this proposal recognises that it is a change to team structures and is satisfied that there is no change to service delivery for service users. Officers will comply with procurement and HR policies and procedures. This will include regular monitoring reports to Corporate Services.</p>	
<p>Legislation Considered – N/A</p>	
<p>Risks & Mitigating Actions – Discussions on the basis for the reintegration of Capita Symonds' staff into the Council and/or re-commissioning of services are still in their infancy, however an assessment of the likely workload in 2013/14 has indicated that an overall saving is likely to be in region of £500,000, but this could alter following detailed review. Risk implications will be assessed should members agree the proposed option be taken forward. This will be reported when final recommendations are brought for a decision.</p>	
<p>2012/13 Service Budget: £ £ 1,919,000 (Capita Core Fee) £ 613,000 (SMBC) Staffing: 120 approx (Capita) 14 approx (SMBC)</p>	<p>Saving 2014/15 (#): £500k Full Year</p> <p>Indicative Number of Staff at Risk: not known at the present time as work ongoing to determine requirements is not yet complete. If changes and/or savings cannot be achieved through deletion of vacant posts, VR or VER then there may be a need for compulsory redundancies arising from this option</p>

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<p>Service Description: Relocation of Economic Development to Magdalen House To relocate 35 staff of the Council's Economic Development Service from The Investment Centre, Stanley Road, Bootle to Magdalen House, Trinity Road, Bootle, and make a saving of £48,000 in rent in 2013/14 and subsequent years.</p>	
<p>It is proposed to implement the following change No external consultation required. The proposal can be implemented from the start of the financial year 2013/14 (exact date tbc).</p>	
<p>Rationale for service change proposal To reduce the running costs of the Council, and to reduce the level of accommodation leased from private landlords in line with the Council's Accommodation Strategy.</p>	
<p>The following activity will change, stop or significantly reduce There will be no change in service levels attributable to the relocation. There will be a higher level of occupation in Magdalen House which will increase the efficiency of the Council's property-related spend and services.</p>	
<p>Impact of Service Change Service Users – None, Partners – None Council – Saving on rent (utility costs will be transferred to Magdalen House)</p>	
<p>Communications, Consultations & Engagement Type Inform <input checked="" type="checkbox"/> Consult (External) Consult (Internal) Engage Partnership <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Proposed Timeline Consultation with staff will commence immediately after the proposal is accepted Implementation: Space planning and relocation planning to be completed late in financial year 2012/13, and move in early 2013/14.</p>	
<p>Public Sector Equality Duty The Quality Assurance group in looking at this proposal recognises that it is a change in location and is satisfied that there is no change to service delivery for service users. As a consequence there will be no equality implication to this change. Officers will comply with HR policies and procedures.</p>	
<p>Legislation Considered N/a</p>	
<p>Risks & Mitigating Actions This proposal takes into account the implications of relocation for the viability of South Sefton Development Trust (the Council is an anchor tenant). The Trust now has a higher occupation rate for the Investment Centre than when the Economic Development team moved in (November 2008), so the financial risk to the Trust is believed to be manageable with the real possibility of a market re-let.</p>	
<p>2012/13 Service Budget: £110,000 (controllable revenue budget)</p> <p>Staffing: 89</p> <p>Other Resources used: Revenue expenditure 12/13 = £2.34m Capital expenditure 12/13 = £5.11m</p>	<p>Saving 2013/14 (#): £36,000 Saving 2014/15 £12,000 Full Year Staff at Risk: 0</p> <p>Costs of moving, fitting out and furniture will be met from within existing reserves in Economy & Tourism</p> <p>Dilapidation charges on TIC will be met corporately.</p>

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<p>Service Description: Economy & Tourism</p> <p>It is proposed to commence consultation on the following change</p> <p>Economic Development delivers on the Council's objectives for jobs and prosperity. It employs 55 people and is planning to spend £2.2 million in 2012/13. Cabinet decided that from April 2011 it should be funded from grants, contracts and reserves, from which the Council secured revenue saving of £748,000 in 2012/13 and subsequent years.</p> <p>As a consequence of further Cabinet decisions to restructure the former Planning & Economic Regeneration Dept, and to revise senior management responsibilities from July 2011, the revenue budget was amended to include a contribution to Economic Development of £251,800 in the 12/13 financial year and subsequent years.</p> <p>This contribution pays for</p> <ul style="list-style-type: none">• £45,094 for supplies and services transferred from Planning & Economic Regeneration Dept to Economic Development. This code is currently over-programmed, with liabilities assigned to it of £32,803 (subscription to Liverpool City Region Local Enterprise Partnership), and £18,609 for a subscription to Mersey Forest (2 years remaining of a 5 year legal agreement, that started April 2010) – a total of £51,412.• The combined salary cost for this service of £206k <p>It is proposed that for 13/14, a saving of £51,000 is made by Re-financing the Mersey Forest subscription to make a saving on the revenue budget; accept voluntary reduction in working hours from two staff; and make further savings in supplies and services.</p>
<p>Rationale for service change proposal</p> <ol style="list-style-type: none">1. Mersey Forest provides a valuable service to the borough, and as a partnership between the city region local authorities is the most cost effective way of delivering pan-Merseyside projects. It is financed 80% from grants and contracts, with the balance recharged to the local authorities. By recovering the subscription cost from alternative sources, it is possible to offer up an £18k saving, while retaining intact the five year Partnership Agreement which ends 2015.2. Saving of £27k by accepting voluntary reduction of working hours by 2 Business Investment Officers3. Saving of £6k from economies in supplies and services. <p>A £51k reduction in funding will protect for 13/14:</p> <ul style="list-style-type: none">• Subscription to the LEP (of which Sefton is a founding member)• Head of Economy & Tourism post (which was confirmed in the 2011 senior management review, and is needed to protect the Council's client-side interest in the ED service)• Salary cover for staff who meet the business case. Specifically, the Environmental Regeneration Manager will lead on a £10m+ regeneration investment into south Sefton associated with port expansion and the 2 part-time Business Investment Officers will help lever in £1.2m of grant associated with InvestSefton's Mersey Business Support project.
<p>The following activity will change, stop or significantly reduce –Reduced capacity in Business Support Project, but compatible with delivery of contracted outputs.</p>
<p>Impact of Service Change Service Users – None identified Partners – None identified Council – financial saving</p>

<p>Communications, Consultations & Engagement –</p> <p>Type Inform <input checked="" type="checkbox"/> Consult (External) <input type="checkbox"/> Consult (Internal) <input checked="" type="checkbox"/> Engage <input type="checkbox"/></p> <p>Proposed Timeline: Immediate Staff briefings have taken place with affected staff 1-1 meetings have taken place Discussions have taken place with Mersey Forest on 21st November 2012, with email correspondence on 23rd November 2012, 18th January 2013 and 31st January 2013</p> <p>Implementation: With immediate effect following approval.</p>			
<p>Public Sector Equality Duty The Quality Assurance Group recognises this as a renegotiation of a service contract, whilst it may have implications on environmental management issues, these are not connected to the PSED</p>			
<p>Legislation Considered The Council has no statutory or legislative duty to provide these services.</p>			
<p>Risks & Mitigating Actions Discussions have taken place with Mersey Forest and affected staff to minimise risks in implementation.</p>			
<p>2012/13 Service Budget: £251k</p> <p>Staffing: 55 (excl. Tourism)</p> <p>Other Resources used: £2.2m (external funding)</p>	<p>Saving 2013/14 (#): £ 51k</p> <p>Investment Required: £0</p> <p>Staff at Risk: 0</p>	<p>Full Year</p>	

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<p>Service Description: Southport Theatre and Convention Centre (STCC) The Council own the recently (2008) refurbished STCC conference and theatre venue which is presently operated under a management agreement and lease arrangement by Ambassador Theatre Group. The agreement has come to term and an Invitation To Tender is live at this time (Feb 13) seeking to secure an operational partner for the next 10yrs.</p>	
<p>It is proposed to implement the following change – Securing of an operator for the STCC for a term of 10 yrs.</p>	
<p>Rationale for service change proposal – Existing agreement has come to term.</p>	
<p>The following activity will change, stop or significantly reduce – It is expected that the securing of a new operational arrangement will allow efficiencies to be captured that are reflected in a reduced cost to the Council with minimal impact on service delivery.</p>	
<p>Impact of Service Change –</p> <p>Service Users – Minimal Partners – Minimal Council – A revenue saving to the Council</p>	
<p>Communications, Consultations & Engagement –</p> <p>Type Inform <input type="checkbox"/> Consult (External) <input type="checkbox"/> Consult (Internal) <input type="checkbox"/> Engage <input checked="" type="checkbox"/> Partnership <input type="checkbox"/></p> <p>Proposed Timeline ITT is live with expectation of completion by Summer 13 for commencement at beginning of 14/15 financial year. Implementation: April 14</p>	
<p>Public Sector Equality Duty – The Quality Assurance group in looking at this proposal recognises that it is a technical change to specification/renegotiated contract and is satisfied that there is no notable expected change to service delivery for service users. As a consequence there will be no equality implication to this change.</p>	
<p>Legislation Considered - There are no statutory or legislative requirements on the Council to provide a conference and theatre venue.</p>	
<p>Risks & Mitigating Actions – ITT is through an EU open tendered process and therefore market tested</p>	
<p>2012/13 Service Budget: £</p> <p>Staffing: N/A</p> <p>Other Resources used:</p>	<p>Saving 2013/14 (#): £ 0 Additional Saving 2014/15 (#): £ 100K Full Year Staff at Risk: 0</p>

Service Description: Parks and Greenspaces Service: Sports users fees and charges

As part of its wider integrated responsibilities, the Parks and Greenspaces Service manages several 'paid-for' facilities which are managed for the individual use of certain users or groups of users. This is effectively providing facilities for people's exclusive use, unlike the wider park facilities, which are open to everyone.

The 'paid-for' facilities include:

- Formal football pitches (adult and Junior)
- Cricket wickets
- Formal Rugby pitches (adult and Junior)
- Bowling greens
- Croquet lawns

The income in 11/12 to the Council from fees and charges for these services was £64K (for all sport, including juniors). As part of the 12/13 savings this was to be increased by 65k in 12/13 and a further 20k in 13/14 (for adult sport and allotments only).

The current costs incurred for providing these facilities are circa £290K (for all sport, including juniors).

It is proposed to implement the following change – All users of paid-for facilities except juniors, to fund the full actual costs of grounds maintenance and utilities associated with their use of the facilities (in place of existing fees and charges and utility costs).

Rationale for service change proposal – To achieve the savings overall, and try to minimise the effect on the wider Sefton community as much as possible.

The following activity will change, stop or significantly reduce –

Maintenance of adult sports pitches will cease, unless the users / user groups fund the full costs of grounds maintenance (and utilities) associated with their use of the facilities.

Costs will be calculated from the costed bill of quantities in the Grounds Maintenance contract and from the actual bills from utility companies.

Any pitches / greens which are taken out of use will be returned to general park use and maintained to the appropriate grass standard.

The table below summarises the anticipated average cost to the users (in place of existing fees and charges and utilities costs 12/13).

	No of (adult) facilities (n.b. this varies each season)	Approx. number of (adult) users (2012/13) (n.b. this varies each season)	Current actual costs for providing facility (adults only) (This is a guide only based on averages, each user group will be consulted about their specific charges, which vary depending on facilities used at each site)
			See note 1
Baseball	1	20	Total: £2k Grounds maintenance: £2,000 per diamond
Bowling greens:	17	1,000	Total: £82k (across the borough) Grounds maintenance: £4,200 average per green Utilities: average £600 per pavilion (where applicable)

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Cricket wickets	1	40	Total: £1,800 (across the borough) Grounds maintenance: £1,800 Pavilion cleansing: (not applicable – provided by others) Utilities: (not applicable – provided by others)
Croquet lawns:	2 (9 courts)	100	n/a the club now maintain their own facilities
Football pitches	50	2,500	Total: £95k (across the borough) Grounds maintenance: £1,650 per pitch Pavilion cleansing: £1,550 per pavilion (where applicable) Utilities: average £1,250 per pavilion (where applicable)
Rugby pitches	2	35	Total: £2,000 at these facilities Grounds maintenance: £1,000 per pitch Pavilion cleansing: (not applicable – provided by others) Utilities: (not applicable – provided by others)

Note 1.

In most instances, individual users, teams and pitch lettings are not managed by the Council, but via management agreements with sports leagues/ associations. Therefore it is difficult to predict accurately what the cost implications will be to the individual or team. However, as a guide only, based on averages and with caveats stated:

Baseball: This increase would result in a charge per player of £100 per year (about £2 per week for a 26 week playing season)

Bowling: For a bowler who plays in a club with 50 players, this would increase the charge to £96 per year (under £3 per week) for a 34 week playing season

Cricket: this increase would result in a charge per player of £45 per year (under £2 per week over a 24 week playing season)

Football: assuming a team use a pitch which is used about half of the time (i.e. 4 out of 8 sessions each weekend); who share use of the pavilion, and book one half pitch, this would mean a charge of £1,100 per team per year (about £30 per week spread across a 38 week season availability, and therefore about £2 per week per player for a team with 15 players).

Rugby: This increase would result in a charge of about £55 per player per year, about £1.50 per week based on a 38 week playing season

Note 2.

The fees/charges levied on individual users by sports leagues/ associations may be higher than this to cover their other costs and aspirations.

Note 3.

It is likely that an open book approach will need to be adopted in the future where actual costs are passed on, with the addition of an agreed management fee for the league/ association

Impact of Service Change –

Service Users – Previously use of facilities was heavily subsidised by the Council and users generally paid only a small proportion of the actual costs associated with their activity. The 12/13 savings round has already increased their costs. The proposed further increases in income will mean that users will have to pay more for their sports / hobbies.

Partners – Income from facilities is in many cases obtained via management agreements with Leagues, Bowling Clubs etc. These partners would need to be involved in the agreements and management of the increased charges.

NB It may be that the leagues/ associations in question will wish to raise fees and charges to

<p>users above and beyond those described above in order to continue generating their own income</p> <p>Council – New agreements are already being drawn up with users/ user groups to ensure that the payment of the increased charges are formally agreed. Should this further increase be agreed, a further amendment of legal agreements would be required.</p>			
<p>Communications, Consultations & Engagement –</p> <p>Type Inform <input checked="" type="checkbox"/> Consult <input type="checkbox"/> Engage <input type="checkbox"/> Partnership <input type="checkbox"/></p> <p>There is no requirement for consultation on this option as public consultation took place as part of the 2012/13 budget setting process. At the Council meeting on 22nd November it was agreed to defer Option F1.2 (Grounds Maintenance – Recharging grounds maintenance / utility costs for adult football/sports users / bowlers) until the consultation process on Option F1.3 (Grounds Maintenance - Recharging grounds maintenance / utility costs for organised junior sports activities) is concluded and a report is submitted to the Council.</p> <p>10 meetings have also been held with organisations such as New Victoria Cricket Club, Southport Croquet Club and Bootle Stadium Community Group. See full details within Equality Analysis Report below.</p>			
<p>Public Sector Equality Duty – See assessment below</p>			
<p>Legislation Considered – N/A</p>			
<p>Risks & Mitigating Actions –</p> <p>Risk: Users may refuse to pay for grounds maintenance charges Mitigating Action: Formal agreements to be put in place</p> <p>Risk: Significant number of users may stop using the facilities Mitigating Action: Sports facilities to be rationalised accordingly. Working group already set up with the Sports Council, CVS and other departments to help clubs mitigate impacts/ seek alternatives</p> <p>Risk: The managing agents who currently administer activities may fold Mitigation: a further charge may need to be levied to fund additional officer time to administer the remaining sports.</p>			
<p>2012/13 Service Budget: £290k</p> <p>Staffing: n/a</p> <p>Other Resources used:</p>	<p>Saving 2013/14:</p>	<p>£ 85,000</p>	<p>Full Year</p>
<p>Indicative Number of Staff at Risk: 0</p>			

<p>Equality Analysis Report Reference:F1.2 Sports Ground Maintenance (Adults)</p>
<p>Details of proposal:</p> <p>As part of its wider integrated responsibilities, the Parks and Greenspaces Service manages several ‘paid-for’ facilities which are managed for the individual use of certain users or groups of users. This is effectively providing facilities for people’s exclusive use, unlike the wider park facilities, which are open to everyone.</p> <p>The ‘paid-for’ facilities include:</p> <ul style="list-style-type: none"> • Formal football pitches (adult and Junior) • Cricket wickets • Formal Rugby pitches (adult and Junior)

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- Bowling greens
- Croquet lawns

The income in 11/12 to the Council from fees and charges for these services was £64K (for all sport, including juniors). As part of the 12/13 savings this was to be increased by 65k in 12/13 and a further 20k in 13/14 (for adult sport and allotments only).

The current costs incurred for providing these facilities are circa £290K (for all sport, including juniors).

All users of paid-for facilities to fund the full actual costs of grounds maintenance and utilities associated with their use of the facilities (in place of existing fees and charges and utility costs). Formal facilities would be withdrawn if costs are not met.

Ramifications of Proposal:

Is there a consequence to 'Threshold': Yes

Is there a consequence to 'Capacity': No

The cost of ground maintenance and utilities will be passed on to facility users thus increasing the cost of using these facilities.

Equality Analysis report was submitted to cabinet in February 2012 in relation to previous cost increases on sport facilities. This analysis report draws on that and comments on the above proposal.

The previous Equality Analysis report identified community concerns but correctly assessed there to be no discrimination at play.

The Council notes that the increase in charges may mean people giving up their sports activities on purely financial grounds, and regrets that it cannot continue to subsidise the cost when there are other urgent budget requirements.

Are there any protected characteristics that will be disproportionately affected in comparison to others?

Previous Equality Analysis recognised trends in service use such as Older People using bowling greens, Croquet lawns and young adults playing football and rugby etc.

The cost increase goes across all sports facilities, whilst it is unfortunate that groups are facing higher fees to keep using the facilities, it's not discriminatory to increase the fees.

Consultation

Extensive consultation took place during the period October 2011- January 2012 on the changes to charges and was reported to Cabinet and Council in February 2012 and this proposal draws on previous findings and links to that consultation.

Sefton Sports Connect

A new group called Sefton Sports Connect has been developed, led by the Parks and Greenspace Service, to assist clubs and offer alternatives to simply paying more or folding. This group includes partners from Sefton Sports Council, Council for Voluntary Services (CVS), and other council departments (Sports Development, Energy team, and Education). This group has met eight times to date since Feb 2012.

The Sports Connect group has developed a package of options open to sports clubs and leagues in order to help them to become more sustainable and to continue operating after the cost increases.

The options include:

- Lowering maintenance specifications
- Reducing utility costs
- Seeking external funding
- Rationalising / sharing facilities
- Self management / contribution to management etc.

Two workshop sessions were arranged to discuss this information with sports users, clubs etc (4th and 26th Sept). Both were well attended (circa 120 representatives in total).

Further Discussions with Stakeholders

Running alongside the 'Sefton Sports Connect' development work, several meetings have been held with individual Clubs, Leagues etc to discuss their own arrangements and potential ways forward.

Football: a total of 11 meetings have been held with the following stakeholders, either individually or in different combinations:

- Southport and District Football League
- Crosby and District Football League
- Liverpool County FA,
- Football Association,
- Sports England
- Hesketh Casuals

Bowling: a total of 18 meetings have been held with the following clubs / organisations:

- Kings Gardens Bowling Club
- Botanic Gardens Bowling Club
- Promenade Bowling Club
- Duke St Park Bowling Club
- Moorside Park Bowling Club
- Derby Park Bowling Club
- The Crescent Bowlers
- Hatton Hill Bowling Club
- Sefton CVS

Others: 10 meetings have been held with organisations such as New Victoria Cricket Club, Southport Croquet Club and Bootle Stadium Community Group.

Results of Pro-Active Work (To date)

As a result of the extensive work done to try to mitigate the impacts of increased charges, several user groups are considering different options:

Football:

- Southport and Formby Amateur Football League are considering different options, including pitch rationalisation and potential for future self management of buildings
- Crosby and District Football League are considering self management of Buckley Hill pavilion, reducing number of pitches and sites they play from
- Hesketh Casuals Football club are developing a model whereby volunteers undertake the extra over works relating to football provision
- The County Football Association, Sports England etc are offering to work pro-actively with

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the Council and the leagues, clubs and teams, to try and manage the changes, using examples of best practice from other Local Authorities, with the aim of making the sport more sustainable and self-sufficient.

It has been reported that 6 teams / clubs have disbanded as a result of the increased charges in 2012/13.

Bowling:

The following clubs are considering taking on self management of their greens/ offering volunteer support to maintain standards

- Moorside Park Bowling Club,
- Crescent Bowling Club,
- Kings Gardens Bowling Club,
- Promenade Bowling club
- Botanic Gardens Bowling Club

Other Clubs, including Hatton Hill Bowling Club are looking at reduced standards.

Sefton CVS are investigating the feasibility of running a project to share maintenance equipment (e.g. mowers) between Clubs who are interested in self-management.

Derby Park and Bedford Park Bowling Clubs have stated that they may disband and no longer use the facilities.

Cricket:

New Victoria Cricket Club are developing a model whereby the Council retains land ownership, and undertake day to day maintenance and management, but volunteers undertake the extra over works relating to cricket provision.

Croquet

- Southport Croquet Club took on full management of their site from 1.4.12.

Multi sport:

- Bootle Stadium Community Sports Group/ Crosby Stuarts Football Club/ Trojans baseball club are developing a model and ongoing discussions about self management/ developing built facilities.

- If the proposed increased are agreed, all sports users groups will be informed of their proposed fee increase for 13/14 this will be followed by more detailed information is it becomes available (as utilities costs are clarified based on actual bills for 12/13)

Standard Council procedures will be observed in the instances where the Council is required to inform the public

Is there evidence that the Public Sector Equality Duties will continue to be met?

Yes – this service will be delivered in line with the Equality Act 2010 by ensuring facilities are usable and accessible.

What actions will follow if proposal accepted by Cabinet & Council?

- Notify users of increased charges
- Monitor any reduction or difficult with service use.

Service Description: Increase charges for burial and cremation service

The section manages the burial and cremation service in Sefton, which is delivered at four cemeteries and two crematoria.

It is proposed to implement the following change –

- ❑ To increase the charge for burials, cremations and associated services. The increase in charges would be above the rate of inflation and will generate £400,000.
- ❑ The current charges for the main services are:
 - Cremation £600
 - Interment (1/ 2 coffins deep) £600
 - Interment (3/4 coffins deep) £675 and £715 (respectively)
 - Purchase of a grave (resident) £750

Current fees charged locally by similar burial and cremation authorities:

	Sefton 2012/3	Liverpool 2012/3	Wirral 2012/3	St. Helens 2012/3
Cremation	£600	£674	£575	£479
Interment (1/2)	£600	£662	£575	£583
Interment (3/4)	£675 & £715	£662	£575	£583
Grave purchase	£750	£811	£865	£751

(The table includes some calculated or averaged charges)

- ❑ Charges could be raised by approximately 17 to 25%, with smaller increases for the interments of 3 and 4 coffins deep, to give new charges of:
 - Cremation £750
 - Interment (all depths) £750
 - Purchase of a grave (resident) £900

Rationale for service change proposal – To cover the forecast level of required capital investment

The following activity will change, stop or significantly reduce – Burial, cremation and related service charges will increase.

Impact of Service Change –

Service Users – will have to pay more for burials and cremations.

Partners – funeral directors may pass on the increases to their clients so there would be no impact on them.

Council – It is possible that service users may consider using other service providers which may affect the overall amount of income generated from this proposal.

Communications, Consultations & Engagement –

Type Inform Consult Engage Partnership

Proposed Timeline: April 2013

Consultation and engagement took place during October 2011-January 2012 on the changes to charges which were reported to Cabinet and Council in February 2012. At the Council meeting on 22nd November, it was agreed that further consultation on this proposal takes place from 6th December until 7th January 2013.

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Public Sector Equality Duty – See assessment below			
Legislation Considered - N/A			
Risks & Mitigating Actions –There will be a risk that some customers may use services offered by neighbouring authorities. This has been allowed for in the income estimate.			
2012/13 Service Budget: - £0.94m	Saving 2013/14 (#):	£400,000	Full Year
Staffing: 15	Investment Required: £0		
Other Resources used:	Indicative Number of Staff at Risk: none		

<p>Equality Analysis Report Reference: F1.4 Cremations and Burials</p>
<p>Details of proposal:</p> <p>To increase the charge for burials, cremations and associated services. The increase in charges would be above the rate of inflation and generate an additional income in the region of £400,000.</p> <p>The current charges for the main services are:</p> <ul style="list-style-type: none"> ○ Cremation - £600 ○ Interment (1/ 2 coffins deep) - £600 ○ Interment (3/4 coffins deep) - £675 and £715 (respectively) ○ Purchase of a grave (resident) - £750 <p>Currently Sefton's prices are in the upper quartile of those charged locally but are not the most expensive on Merseyside.</p> <p>The proposed increase could lead to charges which would equal the current most expensive on Merseyside.</p> <p>An Equality Analysis report was submitted to Cabinet in February 2012 in relation to previous cost increases for burial, cremations and associated services. This analysis report draws on previous findings and is commenting on the above proposal.</p>
<p>Ramifications of Proposal:</p> <p>Is there a consequence to 'Threshold': Yes Is there a consequence to 'Capacity': No</p> <p>The threshold will change as costs to all residents will increase if the proposal to increase the charges to clients of the Cemeteries and Crematoria service is accepted.</p>
<p>Are there any protected characteristics that will be disproportionately affected in comparison to others?</p> <p>Although there are concerns expressed by particular groups and faith groups coming from the consultation, there is no evidence of a disproportionate effect on any one protected characteristics above and beyond the others.</p> <p>The Council recognises that the concerns raised from the consultation relate to poverty and low income at the time of death - but this in itself is not definitively linked to having a particular protected characteristic.</p>

The Council notes that currently there is 'social fund' available to cover basic funeral expenses and regrets that it can no longer subsidise costs related to burial to the level it has in the past.

Consultation

Consultation and engagement took place during October 2011-January 2012 on the changes to charges which were reported to Cabinet and Council in February 2012. At the Council meeting on 22nd November, Landscape Services was asked run a more extensive consultation on these increases, and this ran from 6th December until 7th January 2013.

Comments were received from the Funeral Director's Forum, The Southport Hebrew Congregation, and one member of the public. A report titled: "Struggling to live, not being able to afford to die" was received from the Area Dean of Bootle.

Some attendees at the Funeral Directors' Forum felt the proposed price increases were too high and the general consensus was against a large increase.

The Southport Hebrew Congregation, which represents 105 members of the public, was also against the increases, saying:

- The average age of their congregation is 73, and therefore of limited income
- They are tied in to using the Jewish burial area and cannot move to another, cheaper site
- They believe it is morally repugnant to make profit from funerals and cremations
- Such high charges will mean that their burial fund would be unable to pay, leading to them having to use reserves and ultimately sell their synagogue
- They also believe that each sector of society should pay their fair share, such as the "absurdly low charges for football pitches (*compared with other parts of the country)."
- They suggested:
 - "Sefton Council should ensure that all charges made (parking etc.) should at least be set at a rate to cover the cost of those services and reflect the market rate"

The Area Dean of Bootle said that:

- 17% of people struggle to afford a funeral
- Some funeral directors now demand 100% payment up front
- The length of time it takes to settle probate means that the estate of the deceased cannot be used to pay for funerals
- The requirement for older people to pay for their long term care means that there is reduced funds available to pay for funerals in their estate
- The Social Fund does not fully cover funeral costs
- 9% of people have to sell belongings to be able to pay for a funeral
- Local authorities may be forced to pick up the cost of more funerals under public health funeral arrangements.

Feedback from sole member of the public who responded also reflected the concerns stated by the Southport Hebrew Congregation and the Dean of Bootle.

Feedback received by the council from Sefton Partnership for Older Citizens (SPOC) did not specifically address the proposed increase in burial and cremation charges. They did say that:

- Consideration should [also] be given to those least able to afford the higher costs (some of whom will be older citizens) who may then be much more likely to require services in the longer run which are more expensive to provide."

The staff have been made aware and kept informed of the proposals to raise the charges.

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Standard Council procedures will be observed in the instances where the Council is required to inform the public.

Is there evidence that the Public Sector Equality Duties will continue to be met?

Yes: The service will continue to be delivered in line with the Equality Act.

Mitigation action is in place connected to those who are too poor to pay.

What actions will follow if proposal accepted by Cabinet & Council?

Notify communities & funeral providers of new pricing policy.

Letters to individual funeral directors

- Letters to the Southport Hebrew Congregation, and the Southport Mosque and Cultural Centre
- Notices displayed at all cemeteries and crematoria, cremation service offices, waiting rooms and the offices of the Registrar for Births, Deaths and Marriages
- An updated fees and charges list that accompanies application forms

These will all be issued by the end of March 2013.

Monitor progress

Service Description: Allotments Parks and Greenspaces Service: Subsidies to Allotment users' fees and charges

As part of its wider integrated responsibilities, the Parks and Greenspaces Service manages several 'paid-for' facilities which are managed for the individual use of certain users or groups of users. This is effectively providing facilities for people's exclusive use, unlike the wider park facilities, which are open to everyone.

The 'paid for' facilities include 13 allotment sites.

The income in 2012/13 to the Council from fees and charges for these services was £29K (for all allotments). As part of the 2012/13 savings, the costs of utilities were also charged to each site (total 18K).

Users currently pay £36 for a full sized plot, plus utility costs. Comparative costs for Council allotment rents across neighbouring and other north-west Councils currently range from £21.50 to £140.00 per annum for a large plot, with an average (across 15 nearby local authorities) of approximately £51. Some Councils make an additional charge for water and others offer concessions for senior citizens, unemployed or disabled. The national average cost in 2011 was £43 (source - briefing note from Association for Public Service Excellence, March 2011). However, many other Local Authorities are currently reviewing their allotment rents and pricing policy.

In essence despite these increased charges for the use of allotments, these remain a subsidised service. A subsidy under these proposals will remain.

It is proposed to implement the following change – Increase allotment fees and charges by an average of £40 per plot per year (depending on plot size). Reduce the subsidy for allotments by £40,000 per year.

Rationale for service change proposal – The Council can no longer afford to provide the current range and level of subsidy.

The following activity will change, stop or significantly reduce –

Allotment rents will be increased by an average of £40 per plot per year (depending on plot sizes)

The table below summarises the anticipated average cost to the users (in place of existing fees and charges and utilities costs 2012/13).

	No of facilities	Approx. number of users (2012/13)	Current actual costs for providing facility (This is a guide only based on averages, each user group will be consulted about their specific charges, which vary depending on facilities used at each site)
			See note 1
Allotments	14 sites (currently c. 840 plots +300 half plots)	1100	Users currently pay £36 for a full size plot, with utilities added separately. This proposal would increase this to £76 for a full size plot, with utilities added separately

Note 1. In some instances the relationship with individual users is via agreements with Allotment Associations. The fees/charges levied on individual users by the associations may be higher than

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this to cover their other costs and aspirations. It is likely that an open book approach will need to be adopted in the future where actual costs are passed on, with the addition of an agreed management fee for the association.

Note 2. It should be noted that associations retain a portion of the fee's they collect. As such, although existing plot fees are, for example, £36 for a full size plot, which the income to the Council is only £25 per plot amounting to £12k (total). The increased charges will apply to all allotment holders, whether the agreement is directly with the Council, or with a Management Association.

Impact of Service Change –

Service Users – Previously use of facilities was heavily subsidised by the Council and users generally paid only a small proportion of the actual costs associated with their activity. The 2012/13 savings round has already increased costs. Therefore the proposed further increases in income will mean that users are paying significantly more than they are currently.

It should be noted that there is a waiting list for allotments of roughly 150% of the plots available. It is possible that waiting lists might reduce in light of increased costs.

Partners – Income from facilities is in many cases obtained via management agreements with associations etc. These partners would need to be involved in the agreements and management of the increased charges.

NB It may be that the associations in question will wish to raise fees and charges to users above and beyond those described above in order to continue generating their own income. This would be outside of Council control.

Council – New agreements are already being drawn up with users/ user groups to ensure that the payment of utility charges is formally agreed. Should a further increase in plot charges be agreed, 12 months notice of this increase and a further amendment of legal agreements would be required.

NSALG have offered to meet the Council to explore if ways can be found to improve the allotment service, without increasing rents. The Council already works closely with the NSALG, and will continue to do so.

NSALG also make comment on the Council's decision not to consult on the proposed rental increases but to inform. As extensive consultation took place last year regarding allotment and sports user fee/charge increases and burial/cremation increases, the Quality Assurance Group and the Consultation & Engagement Panel of the 21st September confirmed that there was no requirement for additional consultation on this option as the extensive 2012/13 budget options consultation had already taken place. The Equalities Impact Assessment also identifies that consultation took place during the period October 2011- January 2012 on the changes to charges and was reported to Cabinet and Council in February 2012 and this proposal draws on those previous findings and links to that consultation, this is in line with government guidance on not over consulting and the Consultation and Engagement Panel agreed with the approach.

Communications, Consultations & Engagement –

Type Inform Consult Engage Partnership

Proposed Timeline:

- An allotment forum was held on 24th April 2012, with invitee's from all Associations and sites in the borough. This discussed and explained the impact of savings that had been taken to date and discussed ways forwards for groups to minimise their outgoings/ take on self management (At least one Allotment Association is considering full self management)

- Between October and November 2012, site notices were posted at all sites to inform allotment holders of the proposed increase in charges.
- An ongoing dialogue takes place with the regional representative of the National Association of Allotment and Leisure Gardeners (NSALG). In particular, specific meetings have taken place on 18th April and 20th Sept 2012. Representations from the NSALG, whose concerns were set out in detail, were considered by Cabinet on 13th December 2012 as these had been received shortly before the Cabinet meeting on 8th November 2012.
- As extensive consultation took place last year regarding allotment and sports user fee/charge increases, the Quality Assurance Group and the Consultation & Engagement Panel of the 21st September confirmed that there was no requirement for additional consultation on this option as the extensive 2012/13 budget options consultation had already taken place.
- Four emails have been received: three from individual tenants at Sherwood Road, and Queensway Road allotments, Crosby; and Gardner Avenue, Bootle, complaining about the proposed increase, and one from Birkdale Irrigation Allotment Society asking for further information. A further letter has been received from a tenant at Queensway Allotments which states that this person believes that the change may be unlawful under the Allotment Act and requests that this be brought to Members attention.
- If agreed at the Council meeting on 28th February, letters will be sent to all allotment associations or tenants to inform them of the increase that will apply from April 2014 onwards.

Standard Council procedures will be observed in the instances where the Council is required to inform the public

Public Sector Equality Duty – See assessment below

Legislation Considered - Section 10 of the Allotments Act 1950 means that allotments can be let at a such rent as a tenant may be reasonably expected to pay for land if let for such use on the terms on which it is in fact let.

Allotment Act and case law suggests that increases in allotment fees should only be made in line with those for other recreational facilities. Relevant case law is (Harwood v Borough of Reigate & Banstead) [1982] 43P&CR 336

In the Harwood case, the High Court found that rent increases for allotments must be in line with increases in charges for other recreational amenities provided by the Council and that allotment charges should not be raised in isolation as this would be discriminatory unless there were very special circumstances relating to allotments.

In essence, Sefton's change option F1.5, proposes a rental increase (for a full size 300yd plot), from £36 in 2013/14 to £76 in 2014/15. This represents an increase from £31 in 2011/12 to £76 in 2014/15 (three year period).

Fee increases are also being applied/have been proposed for other recreational activities provided by the Council (bowling, football, cricket and rugby). Some of these are currently deferred following the Council meeting in November 2012. These proposed increases are on the basis that the users will pay for the Grounds Maintenance costs associated with their facility (Change Proposal F1.2). The actual costs which the user will pay depends on many variables, such as how the Management Associations / Leagues etc choose to apportion the costs, whether they agree to a reduction in standards or reduce the number of pitches etc.

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The predicted increase in costs for all of the recreational activities concerned are significantly higher than the proposed increase in allotment rents.

It is therefore clear that in its proposals to increase allotment charges, the Council is not contravening the principles established in the Harwood case as the proposed increase in allotment charges is not disproportionate to anticipated increases in charges for other recreational amenities such as bowling, football, cricket and rugby which are proposed to be increased by substantially higher percentages. Should there be any implications which adversely affect the proportionality of this option then this will be brought to Members attention accordingly.

Risks & Mitigating Actions –Risk: Users may refuse to pay additional charges
Mitigating Action: Formal agreements to be put in place

As Cabinet are aware the National Allotment Society (NSALG) has written to the Council, voicing its concerns about the proposed increase in allotment fees and charges. The Allotment Act and case law suggests that increases in allotment fees should only be made in line with those for other recreational facilities. Relevant case law is (Harwood v Borough of Reigate & Banstead) [1982] 43P&CR 336.

Officers have further reviewed option F1.5 alongside other options relating to potential increases in fees for other recreational facilities and established that the option to increase is not disproportionate.

2012/13 Service Budget: c £52,000 Staffing: n/a Other Resources used:	Saving 2014/15: £ 40,000 Investment Required: £ 0 Staff at Risk: 0	Full Year
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Equality Analysis Report

Reference: F1.5 Allotments

Details of proposal

As part of its wider integrated responsibilities, the Parks and Greenspaces Service manages several 'paid-for' facilities which are managed for the individual use of certain users or groups of users. This is effectively providing facilities for people's exclusive use, unlike the wider park facilities, which are open to everyone.

The 'paid for' facilities include 13 allotment sites. The income in 12/13 to the Council from FEES AND CHARGES for these services was £29K (for all allotments). As part of the 12/13 savings , the costs of utilities were also charged to each site (total 18K). Increase allotment fees and charges by an average of £40 per plot per year (depending on plot size). Increase the income from allotments fee's and charges by £40,000 per year.

Ramifications of Proposal:

Is there a consequence to 'Threshold': Yes

Is there a consequence to 'Capacity': No

Cost of running an allotment will go up for the user. This will affect those who cannot afford to pay more.

Are there any protected characteristics that will be disproportionately affected in comparison to others?

Allotments are available to use by any users, regardless of sex, gender, age, disability, sexuality, religion and or belief.

Age and Gender

Sefton Council research, reported to Cabinet and Council Feb2012, shows that allotment users are predominately older males. This is by chance (older males choosing to use allotments) rather than designed (council only allowing older males to use allotments).

As such, whilst there is a 'disproportionate impact' on this group it is not causally linked to Council's policy on the allocation of allotments, therefore whilst it is unfortunate that this group is facing higher fees to keep using the allotments, it's not discriminatory to increase the fees.

The allotment provision is not an essential front line service.

Disability.

Council is mindful of its need to make reasonable adjustments for people with disability. Whilst there is an expectation that people with a disability, if allotment users, would be expected to pay the increase alongside other users – in circumstances where the physical activity of being out in the open and working an allotments can be medically demonstrated to be part of a disabled person's therapy and treatment and there is a clear financial incapacity to pay the increase than concessions can be applied for.

The Council notes that the increase in charges may mean people giving up their allotments on purely financial grounds, and regrets that it cannot continue to subsidise the cost when there are other urgent budget requirements.

Consultation

Consultation took place between 20th November 2011 and 16th January 2012, and included the following groups:

- "In Bloom" groups
- Allotment users
- Bowlers
- Equal Voice CEN
- Football League Committees – north and south
- Formal sports pitch clubs and users
- Friends of Parks
- General Park users
- Parents Forum – north, central and south
- Public – via drop-in sessions and electronic questionnaires
- Sefton Access Forum CEN
- Sefton Croquet Club
- Sefton CVS
- Sefton Sports Council
- Southport Flower Show Ltd
- Young Advisers CEN

A full consultation report has been prepared and is available.

Is there evidence that the Public Sector Equality Duties will continue to be met?

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Yes:

- The policy of who can use allotments is inclusive and non discriminatory under the equality act 2010
- The cost increase is not designed to hit any one particular protected characteristic
- The demographic of allotment users is circumstantial
- Reasonable adjustment for disabled users are in place
- The overriding need to reduce council spending is prior to the need of the user cohort, as allotment provision is not an essential front line service.

What actions will follow if proposal accepted by Cabinet & council?

- Inform allotment users of impending changes.

<p>Service Description: Building Cleaning – Change of frequency in office cleaning</p> <p>The Building Cleaning Section currently operates across a number of contract areas. The ‘core’ contracts relate to the cleaning functions undertaken at a range of Council owned and operated buildings, facilities and services. In addition, cleaning contracts are operated at a large number of schools and work premises.</p> <p>This proposal <u>only</u> relates to ‘core’ contracts at Council buildings and facilities as described above, which also include Town Halls and Civic Buildings.</p> <p>This ‘core’ contract currently employs some 83 staff operating at 46 sites.</p> <p>The cost of providing this service is currently £648k per annum (includes £114k from Civic Building cleansing service transferred to Building Cleaning Section during 2011/12).</p>
<p>It is proposed to commence consultation on/implement the following change –</p> <p>It is proposed to reduce the cleaning operation across all sites to make an additional saving of £100,000.</p> <p>Cleaning will be undertaken in areas where there are health & safety implications, such as toilets, kitchen/mess facilities, stairs, entrances/exits, etc. However, cleaning operations will be greatly reduced in areas which are deemed ‘non essential’. This does not mean that cleaning will stop in these areas, but frequencies will be greatly reduced in order to reduce the overall time spent cleaning in any given facility.</p>
<p>Rationale for service change proposal – The regular cleaning of any workplace is obviously a very important function, and in addition to providing a pleasant environment, it also provides safeguards against a number of potential hazards including slips and trips and infection and bacteria control.</p> <p>However, there are also a number of functions which can be further reduced such as wiping, polishing, emptying waste bins, hoovering, etc.</p> <p>By reducing the time spent on some of the non-essential tasks it is envisaged that there will be a further reduction in the amount of hours spent cleaning at each location.</p>
<p>The following activity will change, stop or significantly reduce – The type of functions that would be further reduced would be those considered non-essential. All contracts are being reviewed to establish where such reductions can take place whilst keeping any Health & Safety related risks to an absolute minimum. There will be a significant and noticeable reduction in the levels of perceived cleanliness at all sites, whilst maintaining minimum standards in those areas deemed to pose a potential Health & Safety risk.</p>
<p>Impact of Service Change –</p> <p>Service Users - There will be less cleaning in offices, corridors and other non-essential areas.</p> <p>Partners - N/A</p> <p>Council – There will be a perceived and noticeable decline in general cleanliness in certain areas. High risk areas will be targeted in order to maintain high standards of risk control. A previous savings proposal has seen the reduction in frequency of cleaning operations at sites up to some 40%. At sites or facilities where there is only one or a small number of cleaners this may necessitate a negotiated reduction in working hours. At sites or facilities with larger numbers of cleaners this may result in the deletion of one or more posts and subsequent redundancy.</p> <p>A previous savings proposal has seen the amount of cleaning undertaken at ‘core’ facilities reduce by an average of 30%. This has proved difficult to quantify as the Building Cleaning Service raises a Journal Transfer against a budget code provided by the budget holder for that particular service area. Therefore, the saving remains at the budget source and needs to be vired accordingly from a</p>

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<p>wide range of cost centres.</p> <p>In order for this proposal to be effective it is proposed to transfer <u>ALL</u> remaining building cleaning budgets from their current location to be managed by the Building Cleaning Section. Cleaning rotas and functions will then be devised across all service areas and facilities to exactly reflect the 'corporate' budget available, taking into account the need to meet minimum Health & Safety standards.</p>	
<p>Communications, Consultations & Engagement – Type Inform <input checked="" type="checkbox"/> Consult <input checked="" type="checkbox"/> The staff who work in the buildings and would be affected if this saving proposal is approved are aware of the impact this may have in relation to staffing levels and/or terms and conditions (hours of work) which would be subject to the actual method of achieving the saving following further discussion/negotiation.</p>	
<p>Public Sector Equality Duty – The Quality Assurance group in looking at this proposal recognises that it is a change to working practices. This will result in longer gaps between cleaning and removal of office rubbish. We have to ensure that all passage ways and appropriate office equipment is kept clear for use for all staff including those with disability or mobility problems. The rescheduling of the rotas will be mindful so to ensure that employees with disabilities or mobility problems do not suffer any detriment.</p>	
<p>Legislation Considered - Health & Safety at Work Act 1974</p>	
<p>Risks & Mitigating Actions– If workplaces are not regularly cleaned there is a risk that germs and bacteria could pose a threat to employees. In addition, cleansing of stairs, rails, corridors, etc, reduce the risk of accident from trips and falls. Cleaning also reduces dust and other irritants which can cause respiratory problems for employees. Work schedules will be prioritised to reduce the risk.</p>	
<p>2012/13 Service Budget: £648,000 Staffing: 83 Other Resources used:</p>	<p>Saving 2013/14: £50,000 Full Year Saving 2014/15: £50,000 Full Year Indicative Number of Staff at Risk: There is 83 staff that are all potentially affected by this saving proposal. Where changes and/or savings cannot be achieved through deletion of vacant posts, VR or VER then there may be a need for compulsory redundancies arising from this option. This option may require a reduction in the hours of some posts as opposed to redundancy</p>

_Service Description: Cleansing Services - Provision of Plastic Refuse Sacks

Free clear plastic refuse sacks are currently provided twice a year to approx 17,000 premises within the borough, with a total of 120 sacks issued to each premise per year. These premises are provided with a sack collection service as a wheelie-bin storage and collection service is not considered to be appropriate (restricted access/type of building/limited storage etc)

It is proposed to implement the following change –

It is proposed to cease provision of free sacks to approx 16,000 premises. This does not include those premises which are currently identified as 'difficult to access', which accounts for some 1,000 properties.

Currently only plastic sacks provided by Sefton Council are collected from the approx 16,000 identified premises. Removal of free sack provision would require all bagged waste placed out for collection to be removed from outside households that receive a sack collection service. It would therefore not be possible to control this as has previously been done so by limiting the quantity of Council supplied bags, and only collecting such bags.

In 2009/10 there was 71,500 tonnes of residual waste collected in Sefton.

In 2010/11 there was 74,500 tonnes of residual waste collected in Sefton.

The removal of the provision of free plastic sacks may increase the overall amount of residual waste collected from these premises and therefore the total disposed of in a year. This may result in an increase of the levy paid by the Council to the Merseyside Recycling and Waste Authority (MRWA). Please see 'Risks & Mitigating Actions' for further information. However, should this occur, the increase in tonnage may be offset by a reduction in the amount of fly-tipped (bagged/side) waste removed from the areas where a sack service is provided.

Rationale for service change proposal – There is currently a large amount of fly tipping in alleyways to the rear of properties in receipt of free plastic sacks as only sacks issued by Sefton Council are collected from the front of the premises. Therefore, when householders have no 'Sefton issued' plastic sacks available, a significant amount of excess waste is 'fly tipped', predominantly in rear entries.

By collecting all sacks presented it is expected that fly tipping will decrease.

There is a saving of £60,000 by not issuing free plastic sacks.

The following activity will change, stop or significantly reduce – Plastic sacks will no longer be provided free of charge. Residents will therefore need to provide their own bags for presenting rubbish to be collected.

It is expected that by collecting all rubbish presented outside properties there will be an increase in the amount of residual waste collected.

Impact of Service Change –

Service Users - Plastic sacks will no longer be provided free of charge, service users will have to provide their own plastic bags/method of containment.

Partners – N/A

Council – There will be immediate annual revenue saving of £60,000 by not issuing sacks.

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Communications, Consultations & Engagement –

Type Inform Consult Engage Partnership

Residents were consulted on the proposal to cease the provision of free plastic refuse sacks and ask households to buy their own sacks from retailers. In return, any type of sack up to a standard 70 litre refuse sack, and any number of sacks per property, would be collected.

In addition to this, there would be an enhanced waste recycling service for households, who receive the weekly plastic sack refuse collection service as a result of grant funding obtained by Sefton Council.

Three options were proposed to residents receiving the service during the consultation:

- Option A – Keep the existing free of charge but limited sack service
- Option B – the Council makes available plastic refuse sacks, that can be purchased and collected by residents and continues to collect a limited quantity (2 per week) of only Council approved plastic sacks each week; or,
- Option C – households provide and use their own type of plastic sacks/bags and the Council agrees to collect all plastic sacks/bags of residual waste placed out for collection.

Consultation feedback was received from 57 of the 1,400 householders contacted, 53 online via eConsult, the council's consultation system, and four by email or letter.

The consultation shows that:

- Nearly two thirds of respondents were in favour of Option C, full report is attached as a background document.

Public Sector Equality Duty – The Quality Assurance group in looking at this proposal recognises that it is a change in provision. Following consultation the most favoured option is for residents to provide their own 'bin bags' within the parameters stated by the Council, if this option is approved it is considered that there would be no detrimental impact on any protected characteristic.

Legislation Considered – Within the Environmental Protection Act 1990 there is no requirement to provide plastic sacks free of charge to households.

Risks & Mitigating Actions– There is a risk that if all rubbish presented is collected there could be an increase in the amount of residual waste collected, however, this additional rubbish would more than likely be largely composed of rubbish which had previously been fly tipped. Therefore this may reduce the amount of fly tipped waste which would have a beneficial impact upon cleanliness within sack collection areas.

The Council will, following a successful bid for funding, add cardboard and plastic bottles to weekly recycling collections for the premises affected by this change. This should divert more waste from the residual waste stream to the recycling collections.

There is a potential Health & Safety risk in the way refuse may be presented for collection by households if clear plastic sacks are not used. Instruction will need to be given to all affected households as to what is and is not acceptable in terms of rubbish containment when presenting for collection. Risk assessments of the operational collection process will need to be re-visited to take into account the variable nature of containment (bags) used by households that will continue to receive the sack collection service.

2012/13 Service Budget:

£60,000 (provision of plastic sacks)

Staffing: None

Saving 2013/14 (#):

£60,000

Full Year

Investment Required:

None

Staff at Risk:

None

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Whilst this is less than the saving of £52k per year which would be generated from ceasing to provide public toilets there are potential (unquantifiable) environmental and economic benefits associated with continuing to provide such facilities.

The following activity will change, stop or significantly reduce – The overall subsidy provided by the Council for the public convenience service will reduce.

Impact of Service Change –

Service Users - If residents and visitors require the use of a toilet when away from their home they can access such provision via public sector facilities however this will be, in the majority of locations, at an increased cost. Visitors will still be able to make use of alternative private sector facilities should they choose to do so however the Council will not promote or direct the public to 'free to use' facilities in private premises.

Partners - Sefton Council currently has an agreement with Arriva to operate a toilet in Southport and a toilet in Crosby for the exclusive use of Arriva Drivers. These toilets are attached to existing Council facilities. Arriva have been consulted as a stakeholder and would prefer the current arrangement to remain in place. Therefore the Council would continue to receive a significant annual financial contribution towards the cost of operating these facilities which can be used to offset the overall subsidy provided by the Council.

Council – The five 'Danfo' units are subject to prudential borrowing and therefore costs of £78k per year would still be incurred until 2016. 'Mothballing' (NNDR/other) costs would also still be incurred if the facilities were closed. Rather than close all facilities this alternative proposal aims to reduce the overall level of subsidy provided by the Council for the provision of this service.

Communications, Consultations & Engagement –

Type Inform Consult Engage Partnership

The consultation on the proposal to close all public toilets in Sefton ran from 19th December 2012 until 1st February 2013. The following provides an overview of consultation on this saving option; General themes arising from the consultation are the potential negative impacts for:

- Older people
- Disabled people
- Families with young children
- Tourism
- Local businesses

Some respondents indicated that:

- Increasing charges for the use of public conveniences may be preferred to the complete closure of all sites, especially where private sector facilities are not readily available.
- In some cases, where there are a larger number of private sector facilities available, a small number of people have said these would be preferred instead of public conveniences if cleanliness, physical access and free use can be guaranteed.
- Use of certain private sector facilities, such as public houses, has been identified as being unsuitable for older females and people with young children.

Public Sector Equality Duty –See EAR below

Legislation Considered: Section 87 of the Public Health Act 1936, local authorities may provide sanitary conveniences [including lavatories] in proper and convenient locations; this is a discretionary power and not a duty.

Risks & Mitigating Actions– There is a risk that increasing the price to use facilities and/or

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introducing at charge at other (currently free-to-use) facilities may deter or decrease usage which would affect income and the overall saving identified. However public opinion favoured the provision and availability of pay-to-use public conveniences rather than none at all. The availability of public toilets should not adversely affect visitor numbers to a variety of tourist destinations across the Borough.

It may be possible to reduce the overall number of facilities in areas where usage is low and would produce low income. This may therefore result in the future closure of some of the 'older' facilities however any decisions of this nature would be considered by the Cabinet Member for Communities and Environment in relation to the overall costs of the service and performance in relation to the saving target of £40,000. It is unclear at this stage whether any interest would be generated if such facilities were to be offered for purchase for an alternative use.

2012/13 Service Budget: £92,000	Saving 2013/14 (#): £40,000	Full Year
Staffing: None	Investment Required: None	
Other Resources used:	Staff at Risk: None	

Equality Analysis Report

Committee paper code: Annex

Details of proposal: The Council currently operates a number of public toilets across the Borough. It is proposed to:

- Increase charges for use
- Reduce the budget for repair
- Consider reducing the number of facilities.

Ramifications of Proposal:

Is there a consequence to 'Threshold': yes

Is there a consequence to 'Capacity': yes

In some instances there will be either an increase in charge or a charge applied where previously it was free.

It may be the case that some facilities will be closed over time, based on either: lack of use or the facility being beyond repair.

Mitigation:

Alongside 'public conveniences' there are also private provisions, whether in the form of other public buildings (e.g. town halls) or other service providers, (e.g. super stores with public facilities) where the public can access toilets.

Are there any protected characteristics that will be disproportionately affected in comparison to others?

Whilst some people may need public toilets more than others, especially pregnant women, people with medical conditions – which may include some people with disabilities.

The proposal will not have any impact on these more than others as the service is continuing. Where closure is concerned people within the area will be notified and there will be 'signposting' to the nearest convenience – this may include pointing towards other public buildings or private facilities such as super stores.

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Consultation.

The consultation on the proposals to **close all public toilets** ran in Sefton from 19th December 2012 until February 2013. The following provides an overview:

Concerns were raised over the needs of;

Older people

Disabled people

Families with young children

Tourism

Local business

Instead of closing all the facilities some respondents recommended:

1. Increasing charges
2. Use private facilities (stores/pubs/cafe etc)

Is there evidence that the Public Sector Equality Duties will continue to be met?

Yes: The public toilet provisions will continue.

What actions will follow if proposal accepted by cabinet & Council?

- Develop charging process
- Monitor outcomes
- Identify potential closures
- Identify network of 'private' facilities if public facilities due to close.

<p>Service Description: Cleansing Service</p> <p>The Rapid Response Teams are responsible for responding to Requests for Service in relation to fly-tipping removal, graffiti removal, oil spillages, and collection of dead animals from the highway and responding to clean ups following road traffic accidents. Any tree branches that are fallen are also collected, as is fallen debris from vehicles. The Rapid Response Team also thoroughly clean subways on a rolling programme. All cenotaphs are currently cleaned prior to Remembrance Sunday.</p>
<p>It is proposed to implement the following change –</p> <p>It is proposed to review the operation of the Rapid Response function in response to the wider Cleansing Services Review to produce further economies of scale as per the detail below. This can only take place once the full impact of the planned reduction of 15 cleansing services posts in April 2013 is assessed. Therefore, this proposal will be designed to take effect from September 2013 (Quarter 3)</p>
<p>Rationale for service change proposal – This reduction will result in a saving of £25,000 from September 2013 to March 2014, rising to £50,000 for the period 2014/15.</p>
<p>The following activity will change, stop or significantly reduce – The review will affect the time available to respond to requests for graffiti removal. The current response times are 48 hours for offensive graffiti and 28 days for non-offensive graffiti. The anticipated response times will be significantly higher following the review and would increase to 56 days for non-offensive graffiti. At this stage it is envisaged that offensive graffiti should still be able to be removed within current timescales. Response to road traffic accidents and oil spillages are dealt with as a priority. At the current time, crews are pulled from graffiti duty to respond to other more pressing incidents, as they arise, so increasing the time it takes for graffiti to be removed. Dependant upon the amount of accidents/incidents in any given period, there may be further impacts upon time available to remove graffiti within the time period above.</p> <p>Certain functions currently undertaken via the Rapid Response Teams will be transferred to the newly formed night time operation, such as certain subway underpass cleansing regimes and fly tipping monitoring. This will allow for the planned reduction in the amount of resource directed to the Rapid Response Service.</p>
<p>Impact of Service Change –</p> <p>Service Users – By decreasing the ability to respond and provide services within shorter periods of time, areas may appear more unkempt where graffiti/fly tipping is not removed quickly.</p> <p>Partners – removal of graffiti by the Probation Service’s “Pay Back” scheme will not be affected by this proposal.</p> <p>Council – Complaints to Elected Members may increase and there may well be a delay in responding to lower priority incidents. There will also be a detrimental environmental affect due to a perceived lowering of standards.</p>
<p>Communications, Consultations & Engagement –</p> <p>Type Inform <input checked="" type="checkbox"/> Consult <input checked="" type="checkbox"/> Engage <input type="checkbox"/> Partnership <input type="checkbox"/></p> <p>Proposed Timeline Reduce service levels by September 2013</p> <p>There are currently three Rapid Response Teams operating across the Borough with a total of six staff. This proposal will reduce the service by one team. There are no staffing implications as the two affected operatives will be utilised elsewhere within the service following the removal of fifteen posts from the as part of a separate savings proposal. All staff are aware of the proposal and unions have been consulted accordingly.</p>
<p>Public Sector Equality Duty – There are no proposed changes which will affect or disadvantage</p>

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<p>any individual or specific group with protected characteristics. Any changes proposed will affect all residents equally across the Borough. In relation to any graffiti which is based on spreading 'hate crime' – this will be prioritised.</p>	
<p>Legislation Considered – The requirements of the Environmental Protection Act 1990 have been considered in the development of this proposal</p>	
<p>Risks & Mitigating Actions – There is a risk that levels of cleanliness across the Borough will be noticeably poorer, especially in relation to graffiti removal. During the implementation phase of the previously agreed Cleansing Review in 2013/14, additional resource will be allocated via the 'Rapid Response' services to allow areas of concern to be dealt with. However, it is expected that service delivery patterns will be established and area support mechanisms identified by September 2013, allowing for a further reorganisation and reduction in cleansing frequencies for graffiti removal, thereby providing an additional saving.</p>	
<p>2012/13 Service Budget: £150,000</p> <p>Staffing: 6</p>	<p>Saving 2013/14 (#): £ 25,000 Part Year (from Q3)</p> <p>Additional Saving 2014/15 (#): £ 25,,000 Full Year</p> <p>Staff at Risk: 0</p>

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Service Description: School Admissions, Appeals and Student Support Team provides management and administration of Sefton's school admissions service.		
It is proposed to implement the following change – Reduction in administration costs (supplies and services)		
Rationale for service change proposal –Further online application reducing costs		
The following activity will change, stop or significantly reduce – Online application and printing of admission information		
Impact of Service Change – Service Users – None Partners – None Council – None		
Communications, Consultations & Engagement – Type Inform <input data-bbox="405 524 477 591" type="checkbox"/> X		
Public Sector Equality Duty – The Quality Assurance group in looking at this proposal recognises that it is a change to working practices and is satisfied that there is no change to service delivery for service users. As a consequence there will be no equality implication to this change.		
Legislation Considered – School Standards and Framework Act 1998 School Admissions Code and School Admission Appeals Code Education Act 1996 – Education and Inspections Act 2006 -		
Risks & Mitigating Actions – NA		
2012/13 Service Budget:	Saving 2013/14 (#): £19,000	Full Year
Staffing:	Staff at Risk: 0	
Other Resources used:		

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<p>Service Description Schools Targeted Intervention and Improvement Team</p> <p>LAs are responsible for taking a strategic role in supporting schools to improve and for monitoring schools' progress in responding to the challenges that are raised by the LA School Standards And Effectiveness Advisers (SSEAs) and Ofsted in their evaluation of schools. The team ensures that the LA fulfils its statutory duties in relation to:</p> <ul style="list-style-type: none">• KS1 and KS2 statutory assessment• intervention in schools causing concern, including writing statements and action plans required by the DfE for failing schools; and• acting as the Appropriate Body for Newly Qualified Teachers. <p>It is also a requirement that SSEAs meet with Ofsted inspectors during school inspections. The LA is responsible for designing, commissioning and brokering an appropriate support package for schools. The LA should also monitor the progress and success of this intervention.</p>
<p>It is proposed to commence consultation on the following change option –</p> <p>Reduced support to Schools or to deliver service in a different way, i.e. increased brokerage, service level agreements with schools.</p>
<p>Rationale for service change proposal – This element of the service is non-statutory, although the team ensures that 11 statutory duties and two Ofsted requirements are met. Schools are able to build on the current successes of supporting less successful schools, although this is limited capacity for this at the moment.</p>
<p>The following activity will change, stop or significantly reduce – Reduced monitoring and challenge by SSEAs and reduced intensive support from the Intervention Officers in schools causing concern and those at risk of failing. There will be increased resilience in schools utilising existing networks.</p>
<p>Impact of Service Change –</p> <p>Service Users - Schools could be required to find alternative provision in place of for SSEAs and intervention officers</p> <p>Partners – None</p> <p>Council – None</p>
<p>Communications, Consultations & Engagement –</p> <p>Type Inform <input checked="" type="checkbox"/> Consult (External) <input type="checkbox"/> Consult (Internal) <input checked="" type="checkbox"/> Engage <input type="checkbox"/></p> <p>23/01/13 –Informed staff of the proposed reduction to the budget 23/01/13 –Consultation with schools by meeting the Secretary of the Primary Head Teachers Association. 28/01/13 – informed the Sefton Learning Partnerships Group (HT leads of all of Sefton's schools' networks/clusters, where it was agreed that a representative group of HTs should meet with the LA to discuss SLAs.</p> <p>Engagement will continue throughout the implementation period with for example:</p> <ul style="list-style-type: none">- Continued discussions and engagement with all schools- Meeting representative group of Head Teachers to plan for Service Level Agreements.
<p>Public Sector Equality Duty – The Quality Assurance group in looking at this proposal recognises that it is reduced Council intervention and is satisfied that there is no change to service delivery for service users as schools will be required to source this support. As a consequence there will be no equality implication to this change. Officers will continue to comply with HR policies and procedures. This will include regular HR monitoring reports to Corporate Services.</p>
<p>Legislation Considered – DfE Statutory Duties: 57, 70. 71. 72. 73. 74. 107, 160, 200, 201 Education and Inspections Act 2006</p>

Risks & Mitigating Actions –

- An increase in the number of schools judged inadequate or requiring improvement by Ofsted, which in turn would affect our national rankings (reputational risk) and could potentially trigger an Ofsted inspection of LA school improvement services (Ofsted announcement 16/01/13).
- Schools can, and do, change very quickly (e.g. significant changes in staffing, leadership, governors) and the risk could be that the LA cannot respond quickly enough to secure improvements.
- The loss of ‘intelligence’ about our schools: the LA would not know its schools well enough. LAs need to know how all of its schools are performing and this information is vital for interviews with inspectors during school inspections, which are required by Ofsted.
- Should the LA need to broker services, it would not be possible to have the same levels of accountability and quality assurance of external ‘advisers’, brokered in as required.
- If the service no longer supported Head teacher appointments, Governors would not have access to expertise and advice which is crucial to appointing the best senior leaders in our schools.
- The funding for this service will come via the Education Services Grant with effect from April 2013 and schools may feel that if the Council can not provide a service they will seek to become academies which mean that they will receive the grant directly. In this event there would be a direct reduction in Council funding of £116 per pupil (or £25k for each one form entry primary school which becomes an academy) – this will then impact on other Council services.

Mitigated by schools support network and brokerage service for schools as necessary

	<p>Saving 2014/15 (#): £260,000 Year</p> <p>Indicative Number of Staff at Risk: up to 5 note that where changes and/or savings cannot be achieved through deletion of vacant posts, VR or VER then there may be a need for compulsory redundancies arising from this option</p>
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<p>Service Description Connexions The Merseyside Authorities have a contractual arrangement with the Greater Merseyside Connexions Service to provide information, advice and guidance to young people through schools and other engagement mechanisms, particularly for vulnerable groups. The contract ceases on the 31st March 2014.</p>									
<p>It is proposed to commence consultation on the following change option – To effect a further saving from the retained element of the Connexions Grant.</p>									
<p>Rationale for service change proposal – To redefine the service provided in terms of information, advice and guidance to young people in context of required legislation.</p>									
<p>The following activity will change, stop or significantly reduce – The current contract with Merseyside Connexions Partnership ceases in March 2014</p> <p>Focus to be kept on the defined vulnerable groups rather than the broader definition of those vulnerable of becoming Not in Education Employment or Training (NEET).</p>									
<p>Impact of Service Change – Service Users - None directly as this is flexible enhanced activity funding Partners – Potential staff losses for Connexions Council – None</p>									
<p>Communications, Consultations & Engagement –</p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;">Type Inform</td> <td style="text-align: center;">Consult (External)</td> <td style="text-align: center;">Consult (Internal)</td> <td style="text-align: center;">Engage</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> </table>		Type Inform	Consult (External)	Consult (Internal)	Engage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Type Inform	Consult (External)	Consult (Internal)	Engage						
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>						
<p>Public Sector Equality Duty – The Quality Assurance Group is satisfied that this is a recommissioning retendering process and equality implications will be built into the service specification.</p>									
<p>Legislation Considered – 2008 Education and Skills Act. Apprenticeship, Skills and Learning Act 2009.</p>									
<p>Risks & Mitigating Actions – Potential lack of progression of certain vulnerable groups, without focused support, in to Education, Employment or Training (EET).</p> <p>Potential not to be able to effectively track those at NEET to focus intervention.</p>									
<p>2012/13 Service Budget: £1.2m</p>	<p>Saving 2014/15 (#): £400,000 Indicative Number of Staff at Risk: 0</p>								

<p>Service Description: Children’s Social Care Reduction in the use of Children’s residential care beds and increase in the number of foster care places for adolescents. Implementation of Early Help models of service delivery to reduce (over time) the numbers of children entering costly social care services.</p>				
<p>It is proposed to implement the following change Review of the commissioning of all residential care beds both in-house and commissioned from a 3rd party to reduce the absolute number of residential beds by 11 by 2013 to bring Sefton more in line with statistical neighbours.</p> <p>Seek permission to create three additional social worker posts from the existing placements budget approx. £150,000 to accelerate the recruitment of new foster carers for adolescents to ensure that by 2014/15 the majority of adolescents are placed in foster care and not significantly more expensive residential care. The cost of these posts to be realised from the placements budget.</p>				
<p>Rationale for service change proposal – The overall reduction of residential care beds will produce a cashable saving, to be determined, by the end of 2013/14 financial year, assuming the absolute number of care places does not rise above the current 410.</p> <p>With agreed additional social work posts in the fostering service the emphasis will shift to recruiting carers for adolescents.</p> <p>If by 2015 the number of children in care has fallen in line with statistical neighbours then we can expect to realise further savings by also assessing the commissioned packages of care at optimum and efficient levels.</p> <p>On the current trajectory this number will not reduce without a shift in the way we work. If we are to support families earlier in their difficulties care must be taken to ensure sufficient resource within early intervention services to prevent increased referrals to children’s social care where intervention costs are higher at each stage of the process.</p>				
<p>The following activity will change, stop or significantly reduce – There will be a positive drive to reduce the number of young people placed in residential provision. It will always be the case that residential care is the correct, preferred option for some children so it cannot be assumed that numbers can continue to shift until there are no residential beds.</p>				
<p>Impact of Service Change – Service Users – Positive impact for young people who have increased chance of family life. Partners – N/A Council – Potential closure of one Care Home resulting in a reduction in costs (mothball costs to be retained) and improved Ofsted profile.</p>				
<p>Communications, Consultations & Engagement –</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">Type Inform</td> <td style="width: 10%; text-align: center;"><input checked="" type="checkbox"/></td> <td style="width: 50%;">Consult</td> <td style="width: 10%; text-align: center;"><input checked="" type="checkbox"/></td> </tr> </table> <p>Internal consultation with workforce in accordance with HR procedures</p> <p>Proposed Timeline: Consultation on residential services commissioning completed by December 2012. Council needs to agree a strategy for early intervention that is agreed by Cabinet, the Children’s Trust Board, Local Safeguarding Children Board to ensure a shared understanding and commitment from partner agencies. Agreed strategy December 2012. Implementation plan including disestablishment and re- establishment of reconstructed generic workforce April 2013</p>	Type Inform	<input checked="" type="checkbox"/>	Consult	<input checked="" type="checkbox"/>
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<p>Workforce continues to be informed and consulted through a series of meetings and workshops covering the option and its relationship to early intervention service redesign. This includes a meeting on 14th February 2013</p> <p>Standard Council procedures will be observed in the instances where the Council are required to inform the public</p>	
<p>Public Sector Equality Duty – The Quality Assurance group in looking at this proposal recognises that it is a technical change and is satisfied that service user needs will continue to be met. Each service user is subject to regular assessment and this assessment meets the requirements of the Equalities Act 2010</p> <p>Officers continue to comply with HR policies and procedures. This will include regular HR monitoring reports to Corporate Services.</p>	
<p>Legislation Considered – Ofsted Inspection of child protection including early help provision.</p>	
<p>Risks & Mitigating Actions – Early intervention identifies children as yet, 'below the radar' who need to enter into child protection or looked after provision. Mitigation – recruitment of three additional Social Workers.</p>	
<p>2012/13 Service Budget: £ 12,272, 600 (placements only)</p>	<p>Saving 2013/14: £400k Additional Saving 2014/15: £600k Indicative Number of Staff at Risk: 18 note that where changes and/or savings cannot be achieved through deletion of vacant posts, VR or VER then there may be a need for compulsory redundancies arising from this proposal</p>

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<p>Children's Social Care Commissioned Services A range of services commissioned to provide and/or to support vulnerable children.</p>	
<p>It is proposed to implement the following change –To review the way the Council commissions travel (vehicle hire, leasing and taxis), Special Guardianship Order payments and residents orders.</p>	
<p>Rationale for service change proposal –It is anticipated that savings are achievable through efficiencies and re-commissioning.</p>	
<p>The following activity will change, stop or significantly reduce – Business as usual re-commissioning</p>	
<p>Impact of Service Change – Service Users – None Partners – None Council – None</p>	
<p>Communications, Consultations & Engagement – Type Inform <input data-bbox="352 602 426 669" type="checkbox"/> X</p>	
<p>Public Sector Equality Duty – The Quality Assurance group in looking at this proposal recognises that it is a change of sourcing arrangements and is satisfied that there is no change to service delivery for service users. As a consequence there will be no equality implication to this change.</p>	
<p>Legislation Considered – Children's Act 1989</p>	
<p>Risks & Mitigating Actions – None</p>	
<p>2012/13 Service Budget: £273,000 Staffing: Other Resources used:</p>	<p>Saving 2014/15 (#): £100,000 Full Year Staff at Risk:0</p>

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<p>Service Description Children's Social Care Central Management & Support Costs</p> <ul style="list-style-type: none"> - Assessment - Independent Reviewing Officers - Child Protection Plans and Children in Need - Children in Care - Support costs - Legal costs 	
<p>It is proposed to commence consultation on the following change option – A restructure and a re-alignment of duties to posts.</p>	
<p>Rationale for service change proposal – Re-engineering of Children's Social Care Management will produce efficiencies</p>	
<p>The following activity will change, stop or significantly reduce –Shape and design of Children's Social Care will change. The role of assistant team manager will cease as will the role of children's policy officer. These posts will be replaced by advanced and lead practitioner and a quality assurance officer. The role of resource manager will cease and the post will contribute to savings.</p>	
<p>Impact of Service Change – Service Users – None Partners – None Council – None</p>	
<p>Communications, Consultations & Engagement – Type Consult (Internal) <input checked="" type="checkbox"/></p> <p>Workshops with all staff held on 5/6 September and 19th September. To date two newsletters (October & December 2012) have been issued. Assistant Team Managers with TU representation met on 8/01/2013, team managers on 14/01/2013 and social workers on 8/09 January 2013.</p> <p>Ongoing interviews with staff</p>	
<p>Public Sector Equality Duty – The Quality Assurance group in looking at this proposal recognises that it is an organisational change and is satisfied that there will be little change to service delivery for service users. As a consequence there will be no equality implication to this change. Officers will continue to comply with HR policies and procedures. This will include regular HR monitoring reports to Corporate Services.</p>	
<p>Legislation Considered – Children Act 1989</p>	
<p>Risks & Mitigating Actions – The Council will need to maximise leadership for remaining staff in order to deliver the significant social care change agenda whilst reducing cost. Capacity to support inspections and improve quality - All statutory responsibilities will continue to be met. Restructure may identify skills gap which will be addressed through an agreed training programme. Pressure on case supervision and quality assurance will be mitigated by prioritisation of caseloads and implementation of the new Integrated Children's System.</p>	
	<p>Saving 2013/14: £100,000 Year Indicative Number of Staff at Risk: up to 3 note that where changes and/or savings cannot be achieved through deletion of vacant posts, VR or VER then there may be a need for compulsory redundancies arising from this option, although at this stage this is not anticipated.</p>

Service Description: Support packages for Children with Additional Needs	
It is proposed to continue with consultation with a view to implementing the following change To review the support packages and services offered to children with additional needs, to ensure the support is meeting their needs effectively and efficiency.	
Rationale for service change proposal – To rationalise and redesign the overall service linking this with the current children with additional needs pathway review, with a view to creating the right level of support at the right time that will enhance and improve long term outcomes for the child and provide efficiencies.	
The following activity is anticipated will change: A scoping exercise will be undertaken to look at ensuring that the best support is offered to children within the context of a £3.1m budget. This will include a review on the most effective commissioning of respite care arrangements and a re-tender of care services provided to children to ensure that they are as cost effective as possible. Assessed need will continue to be met. Where possible support will be provided to children within the family setting.	
Impact of Service Change: Service Users – Revised offer that better meets their needs. Partners – Potential impact on externally commissioned activities. Council – Potential impact on internally commissioned activities.	
Communications, Consultations & Engagement – Type Inform <input checked="" type="checkbox"/> Consult <input checked="" type="checkbox"/>	
Consultation and Engagement will be undertaken as part of the implementation process.	
Public Sector Equality Duty – This option will be subject to appropriate consultation, engagement and information processes. The Council will continue to work with and listen to service users. Equality implications are currently being assessed in light of this ongoing consultation, should significant issues arise between now and Budget Council Officers will advise Members accordingly	
Legislation Considered Ofsted Inspection of child protection including early help provision. Statutory provision from April 2011 to provide a range of short breaks – no guidance or case law. The Children’s Act 1989.	
Risks & Mitigating Actions – Parents/Carers maybe concerned to changes on care packages, this will be mitigated by ensuring offer and communication is transparent and is informed by child/young person and parent engagement. This will require both the pathway and individual cases to be reviewed.	
2012/13 Service Budget: £ 3.1m	Saving 2014/15: £400,000 Investment Required: This will require one off capital investment from the Aiming High for Disabled Children grant. Indicative Number of Staff at Risk: to be determined. Note that where changes and/or savings cannot be achieved through deletion of vacant posts, VR or VER then there may be a need for compulsory redundancies arising from this option

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<p>Service Description Healthy Schools This function ensures the on-going improvement, development and promotion of physical and emotional health by providing accessible and relevant information and equipping pupils with the understanding, skills and attitudes to make informed decisions about their health.</p>	
<p>It is proposed to implement the following change option – Transfer the function of co-ordination and consultant roles to schools</p>	
<p>Rationale for service change proposal – This is not a statutory function and because of successful initiative launches and monitoring this is now embedded within schools to take forward without coordination by the Council</p>	
<p>The following activity will change, stop or significantly reduce – Co-ordination, monitoring and promotion of healthy schools and Personal, Social and Health Education agenda in accordance with national policies. Schools will be expected to provide this service themselves.</p>	
<p>Impact of Service Change –</p> <p>Service Users none schools will be expected to provide this function to pupils Partners – None Council – None</p>	
<p>Communications, Consultations & Engagement –</p> <p>Type Inform <input checked="" type="checkbox"/> Consult (External) <input type="checkbox"/> Consult (Internal) <input checked="" type="checkbox"/> Engage <input type="checkbox"/></p> <p>A series of staff consultations have been held, on the following dates: 30/11/2012, 04/12/2012, 06/12/2012, and also 22/01/2013. The Trade Unions have been engaged throughout the process.</p> <p>A meeting with primary head teachers has taken place on 29/01/2013, and a meeting with secondary head teachers to inform is scheduled for March 2013.</p>	
<p>Public Sector Equality Duty – The Quality Assurance group in looking at this proposal recognises that it is a change to staffing and process and is satisfied that there is no change to service delivery for service users. Officers will continue to comply with HR policies and procedures. This will include regular HR monitoring reports to Corporate Services.</p>	
<p>Legislation Considered – None</p>	
<p>Risks & Mitigating Actions – Schools may not carry forward the Healthy Schools agenda. Public Health may continue to provide some support through a re-negotiated service level agreement for school health services</p>	
<p>2012/13 Service Budget: £60,200</p> <p>Staffing: 2</p>	<p>Saving 2013/14:: £35,100 Year Saving 2014/15 £25,100 Indicative Number of Staff at Risk: up to 2 note that where changes and/or savings cannot be achieved through deletion of vacant posts, VR or VER then there may be a need for compulsory redundancies arising from this option</p>

<p>Service Description Care Management Teams (Adults) Care Management teams consist of social work, occupational therapy and unqualified staff who review and organise care and support for vulnerable adults.</p>	
<p>It is proposed to continue with consultation on the following change option – A reconfiguration of frontline adult social care teams to a model of larger generic assessment and review teams</p>	
<p>Rationale for service change proposal – To create a more effective, efficient and integrated social care process. To move away from a specialism model of delivery to a multi-disciplinary model. Also to utilise the benefits of a new and improved service database (Integrated Adults System).</p>	
<p>The following activity will change, stop or significantly reduce – A reduction in the size of current teams and a review of skill mix.</p>	
<p>Impact of Service Change –</p> <p>Service Users – Generic teams would provide multi-disciplinary support for all service user groups. co-locating and joining up teams will achieve service improvements and efficiencies in terms of minimising duplication and confusion in customer contact points. Partners – Change will require updating of process and contact information Council – This is a significant culture shift for Adult Services Social Work Teams. Training for IAS to continue throughout the reconfiguration period. Reduction in current leased accommodation</p>	
<p>Communications, Consultations & Engagement –</p> <p>Type Consult (Internal) <input checked="" type="checkbox"/></p> <p>Meetings with staff commenced in October 2012. Two workshops have been held to explore new structures and processes. Issues regarding reconfiguration are discussed with staff at regular Leadership meetings and regular reconfigurations meetings continue to take place with Team Managers and Care Management staff. Meetings with staff - 9/10/12, 10/10/12, 6/11/12, 7/12/12, 20/12/12, 8/1/13 Workshops - 25/10/12 & 11/12/12</p>	
<p>Public Sector Equality Duty – The Quality Assurance group in looking at this proposal recognises that it is an organisational change and is satisfied that the changes to service delivery seek to improve processes for service users. As a consequence there will be no equality implication to this change. Officers will comply with HR policies and procedures.</p>	
<p>Legislation Considered – None</p>	
<p>Risks & Mitigating Actions – If staffing reductions are outweighed by increasing demographic pressures, resource will be prioritised for those people with greatest and most complex need.</p> <p>The employee mix in the proposed care management model will ensure that there is a core specialist group to deal with sensitive cases.</p> <p>Increase in Social Work supervision and monitoring. Mitigated by prioritisation of cases. The implementation of the new Integrated Adults System (IAS) database will assist to streamline current processes and procedures, enabling a more efficient and effective way of working. Potential for inconsistency of case workers as integrated teams will be multi disciplinary; this may have a potential impact on users who wish to maintain their current social worker. Better shared information via IAS will enable more effective caseload management and the distribution of case sharing will continue to be sensitive to the needs of the user.</p>	
	<p>Saving 2014/15 (#): £208,000 Year Indicative Number of Staff at Risk: Up to 10 note that where changes and/or savings cannot be achieved through deletion of vacant posts, VR or VER then there may be a need for compulsory redundancies arising from this option</p>

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<p>Service Description Housing Related Support (Supporting People Commissioning team) The Supporting People currently team commission and monitor services providing low level housing related support to vulnerable adults.</p>	
<p>It is proposed to commence consultation on the following change option – To reconfigure the commissioning of housing related support services with other commissioning activity and reduce the number of staff /posts employed for this purpose.</p>	
<p>Rationale for service change proposal – Funding for the commissioning of housing related support services was provided through the ring fenced Supporting People grant. This funding is no longer a ring-fenced budget. Incremental reductions in housing related funding and integration of commissioning activities have reduced the requirement for commissioning/contractual functions.</p>	
<p>The following activity will change, stop or significantly reduce – Bespoke Supporting People commissioning function.</p>	
<p>Impact of Service Change –</p> <p>Service Users – None</p> <p>Partners – Probation Service – the team work closely with this service to provide housing related support to ex offenders. This function will continue via the wider commissioning team.</p> <p>Council – A reduction in human resources for the commissioning and contracting function</p>	
<p>Communications, Consultations & Engagement –</p> <p>Type Consult (Internal) <input checked="" type="checkbox"/></p> <p>5/12/2012 – Union Consultation Meeting 5/12/2012- Briefing with Supporting People Team 16/01/2013 – Trade Union Consultation Meeting</p>	
<p>Public Sector Equality Duty – The Quality Assurance group in looking at this proposal recognises that it is an organisational change and is satisfied that the changes to service delivery seek to improve processes for service users. As a consequence there will be no equality implication to this change. Officers will comply with HR policies and procedures.</p>	
<p>Legislation Considered – None</p>	
<p>Risks & Mitigating Actions – A reconfiguration of duties and activity within an integrated commissioning and contracts function will assist in mitigating the loss of staff.</p>	
<p>Staffing: 9 posts</p>	<p>Saving 2013/14 (#): £125,000 Additional Saving 2014/15 (#): £61,000 Indicative Number of Staff at Risk: 9 note that where changes and/or savings cannot be achieved through deletion of vacant posts, VR or VER then there may be a need for compulsory redundancies arising from this option</p>

<p>Service Description Community Meals- Migrating users to alternate providers The provision of Community Meals Service to 332 vulnerable adults (as at November 2012). This service is provided by Sefton New Directions, Women's Royal Voluntary Services (WRVS) and in partnership with the Place and People Directorates.</p>								
<p>Liaison with current service users will continue on the following change – To introduce a more cost effective, streamlined model for Community Meals which will enable Sefton residents to access a range of meal options.</p>								
<p>Rationale for service change proposal – There has been a fall in demand for the service in recent years and it is anticipated that this trend will continue. Sefton saw a 21% reduction in the number of clients having meals delivered between the end of year 2009/10 and end of year 2011/12 figures. Nationally there was an average fall of 45.5% in the number of clients having meals delivered between over the same period.</p> <p>The majority of Local Authorities have moved away from a direct meals service and towards arrangements with external providers for the supply of hot and re-heatable meals.</p> <p>In recent years the market associated with this area of service delivery has expanded to include major supermarket and specialist meal delivery. These types of solutions are available widely at reasonable cost and can be accessed on-line and via the telephone.</p> <p>The saving breakdown is as follows:</p> <table style="width: 100%; border: none;"> <tr> <td style="padding-left: 20px;">Adult Social Care Saving</td> <td style="text-align: right;">-£247,000</td> </tr> <tr> <td style="padding-left: 20px;">Vehicle Maintenance Loss of Income</td> <td style="text-align: right;">+£18,000</td> </tr> <tr> <td style="padding-left: 20px;">Catering Net Loss of Income</td> <td style="text-align: right;"><u>+£29,000</u></td> </tr> <tr> <td style="padding-left: 20px;">Net Saving</td> <td style="text-align: right;">-£200,000</td> </tr> </table>	Adult Social Care Saving	-£247,000	Vehicle Maintenance Loss of Income	+£18,000	Catering Net Loss of Income	<u>+£29,000</u>	Net Saving	-£200,000
Adult Social Care Saving	-£247,000							
Vehicle Maintenance Loss of Income	+£18,000							
Catering Net Loss of Income	<u>+£29,000</u>							
Net Saving	-£200,000							
<p>The following activity will change – Sefton residents will be signposted to a variety of alternative solutions. The Council will no longer co-ordinate or commission this activity. Current services users (332 as at November 2012) will be assisted in sourcing alternative solutions.</p>								
<p>Impact of Service Change –</p> <p>Service Users – The assessment of need of an individual who is eligible under Fair Access to Care must take account of their need for nutrition and meal provision and in line with current procedures this will be included in their care/support plan. The Council will ensure that the range of available choices is discussed with the individual and a suitable arrangement put in place for them to access community meals from a variety of providers. The current service users will be supported in the transition arrangements, for those who qualify under the Chronically Sick & Disabled Persons Act 1970 or the National Assistance Act 1948 the Council will ensure that an appropriate solution is sourced. For all other service users they will have the opportunity to select the best arrangement for their individual circumstances.</p> <p>Partners – Changes to the service currently provided through Sefton New Directions would be managed through the appropriate contractual arrangements. The alternative approach may impact upon the current Service Level Agreement that Sefton New Directions have with Women's Royal Voluntary Service, who assist in the delivery of meals.</p> <p>Council – The alternative approach will have an impact on the Council's Catering and Vehicle Management services (including the termination of lease arrangements). The Council will ensure that comprehensive information is available to the public on the range of providers through, for example local press, Sefton website, One Stop Shops and Contact Centre.</p>								
<p>Communications, Consultations & Engagement –</p> <table style="width: 100%; border: none;"> <tr> <td style="padding: 5px;">Type Inform (Partners)</td> <td style="text-align: center; border: 1px solid black; width: 40px; height: 30px; margin: 0 auto;">X</td> <td style="padding: 5px;">Consult (Internal)</td> <td style="text-align: center; border: 1px solid black; width: 40px; height: 30px; margin: 0 auto;">X</td> <td style="padding: 5px;">Page (Clients)</td> <td style="text-align: center; border: 1px solid black; width: 40px; height: 30px; margin: 0 auto;">X</td> </tr> </table> <p>In January 2013 a questionnaire was sent out to 433 current service users regarding the provision of Community Meals also known as Meals on Wheels. The questionnaire included both service users and also family members who were involved with requesting these services on behalf of relatives. The closing date was 5th February 2013 and the offer of telephone contact was suggested to those unable to complete the form.</p> <p>Responses received as at 12th February are 143 (33%) and the respondents varied in age with the average age being 80+, although some service users are younger and there are also people over 100.</p>	Type Inform (Partners)	X	Consult (Internal)	X	Page (Clients)	X		
Type Inform (Partners)	X	Consult (Internal)	X	Page (Clients)	X			

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The questionnaire posed a number of questions around how many meals the service user ordered and whether they were hot or frozen and also whether they had access to a microwave or freezer. Respondents were also asked if they bought ready meals from other sources and if so where. Good value for money and dietary requirements were also queried as well as whether assistance with daily living was required and if so who offered this assistance. The final question was over what the service user considered a fair price.

From the responses received to date 20 people no longer require the service (14%) and from those that do they usually have on average 4 meals a week from the service. 33 respondents (23%) buy ready meals from other retail outlets on none delivery days or for other meals such as the evening meals. Retail outlets include Marks & Spencer's, Tesco, Wiltshire Farm foods, Morrison's, Iceland. Many people, however, rely on assistance from family, friends and neighbours with some family members expressing concern if hot meals were not provided due to lack of mobility of the service user or the inability to prepare meals due to mental health issues.

All except 2 (1%) felt the meals were good value for money although the variety of the meals and whether the option of not having a pudding for a reduced cost was queried. Those that had dietary requirements in the main said they were catered for and these included low sugar, low fat and soft food for a client with cancer.

Dialogue will continue with those who did not participate in the consultation to ensure that they are advised of the changes to the service delivery and options available for them.

Public Sector Equality Duty – This option is still subject to appropriate consultation, engagement and information processes. The Council will continue to work with and listen to service users. Equality implications are currently being assessed in light of this ongoing consultation, should significant issues arise between now and Budget Council Officers will advise Members accordingly.

Legislation Considered – A number of pieces of legislation need to be considered in this issue. Section 29 of the National Assistance Act 1948, Section 2 of the Chronically Sick and Disabled Persons Act 1970 and Section 45 of the Health Services and Public Health Act 1968. The Council has a duty to provide welfare services for the disabled etc where they have an assessed need. This can include access to a meals service. How the service should be provided is entirely a matter for the Council, provided that the service meets the Service Users assessed needs.

Risks & Mitigating Actions – Any alternative service model will still be required to meet service user needs and comply with care/support plans. There is now greater choice available for people to access affordable meals, including supermarkets who deliver ready meals to the door and specialist companies who deliver affordable meals that meet all dietary requirements, such as the nationally advertised Wiltshire Farm Foods providing meals from £2.95 with free delivery. It is to be noted that this alternative model may result in a reduction in cost for the service users. No subsidy is provided for these alternatives to the home delivered hot meal service. The Council will ensure that comprehensive information is available to the public on the range of providers of this service.

2012/13 Service Budget: (see saving breakdown)

Staffing: 3

Other Resources used: leased vehicles

Saving 2013/14 (#): £138,000

Saving 2014/15 £62,00

Indicative Number of Staff at Risk: 3 note that where changes and/or savings cannot be achieved through deletion of vacant posts, VR or VER then there may be a need for compulsory redundancies arising from this option

Equality Analysis Report Community Meals.

Details of proposal: The Council has a statutory duty and a power to provide access to meals. There is no duty or power to subsidise the cost of those meals. Nor is there a duty or power for the Council to directly provide those meals.

Currently the recipient of the meal **and** the Council jointly pay for each meal delivered (Council is paying for the current 'meals on wheels' infrastructure and delivery services). The recipient pays between £3-4 per meal.

Alternate suppliers have been found due to the growing market in this sector (led by leading supermarkets) which means meals can be provided and delivered to the door for the cost that the recipient pays. This would allow the Council to make a saving by not having pay for the infrastructure.

Officers will contact current recipients and help them to explore and utilise the alternatives.

Ramifications of Proposal:

Is there a consequence to 'Threshold': NO

Is there a consequence to 'Capacity': No

Those in receipt of 'meals on wheels' fall in to two broad groups. (1) Those that have been assessed under FACS and have an identified need which must be met. And (2) those that have been 'referred' to meals on wheels via family/ friends/ advisory services etc.

Those recipients that are covered by a FACS assessment will continue to have their needs met (via an alternative supplier) and be monitored as part of their assessment.

Those in receipt of meals on wheels (via referral) will be able to continue with an alternate supplier of equal quality without additional costs should they choose to do so.

Are there any protected characteristics that will be disproportionately affected in comparison to others?

Sefton data (see below) shows that 'meals on wheels' type services are used by the elderly (71 years of age+) with a high proportion of disability and mobility issues. As such they are a very vulnerable group.

Any withdrawal of service will affect these groups disproportionately. Council has only the duty to 'signpost' to meal on wheels type services (unless the recipient is assessed under FACS as a need) Alternate operators would provide a service, but officers need to ensure that the current recipients fully understand what is happening and can access the new service. Officers need to allow for people's age and levels of understand when putting the new proposals forward to recipients.

Gender	Proportion
Female	61.9%
Male	38.1%
Grand Total	100.0%

Ethnicity	Proportion
White - British	99.7%
White - Irish	0.3%
Grand Total	100.0%

Client Category	Proportion
Dementia	4.3%
Frailty/temporary illness	34.0%
Learning disability	0.3%
Mental health	3.4%
Other vulnerable person	4.9%
Physical disability	44.8%
Sensory Disability-Deafblind	0.9%
Sensory Disability-Dual sensory loss	0.9%
Sensory Disability-Hearing impairment	1.5%
Sensory Disability-Visual impairment	4.6%
Grand Total	100.0%

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Age Group	Proportion	
31-40	0.3%	
41-50	0.3%	
51-60	1.5%	
61-70	5.2%	
71-80	19.5%	
80+	73.2%	

Consultation & Information Each recipient's situation (with their carer if appropriate) will be reviewed, informed of and assisted with their choices.

Is there evidence that the Public Sector Equality Duties will continue to be met?

Ensuring that there are 'meals on wheels' type providers enables older people and people with disabilities/mobility problems to stay in their own home and reduces the need for hospitalisation and residential care.

As such it is advancing the opportunities of this group.

Sefton data shows that the recipients are reflective of the older community demography.

The fact that the new service providers will provide to anyone (without the need of a referral), may mean we see a widening of usage to different age ranges.

The Council in making this change continues to meet PSED

What actions will follow if proposal accepted by Cabinet & Council?

1. Inform and support current service users as to the choices on offer.
2. Contact Centre and Social Care processes and website processes will be updated
3. Monitor performance and feedback.

Service Description : Day Care and Respite provision

This option is an amalgamation of option F3.2 (September 2012 cabinet Day Care pilot) and option D1.39 remodel day care and D1.41 reduce respite offer (both December 2012 Cabinet)

Day Care and respite provision provides care for a person away from the person's home. The purpose of day care and respite - as part of Community Care – is to tackle that social isolation and assistance with personal care and support. Day care and respite care offers benefits both to the people who receive it and to any carers who look after them. The Council also provides a specialist transport service for service users.

Activities based at Day Centres are currently based on the traditional model. Such provision will not necessarily suit/meet the needs of today's aging population and is unlikely to meet the aspirations of future service users. In September 2012, Cabinet authorised a pilot in day care services where different locations and activities were offered to current service users. This resulted in increased use of existing Council facilities. Building on this Cabinet in December 2012 approved consultation on further options associated with day care and also respite provision. Considering these options in the round the Council has the opportunity to shape services to meet need and is seeking to develop holistic solutions to health and wellbeing which embrace the full range of local services, including voluntary, community and faith sector, health, social care, arts and culture, wellbeing, parks and green spaces, education, assistive technology and employment.

Future solutions will have the explicit intent of making best use of existing and developing community offers, universal services, reducing reliance on outdated services and of building individual and community resilience whilst continuing to support those with the greatest need.

It is proposed to continue with consultation on the following change option –

- Remodelled day opportunities and respite (including proposal to close day centres)
- The service will be focussed on maximising usage of available resources

**Rationale for service change proposal –
Day Care**

In the future day opportunities will be shaped by how best to meet assessed needs and made more appropriate to people who use them. It is anticipated that demand for more traditional day services, which are often provided from a day centre, will reduce as a greater number of people choose from a wider range of activities and services. New day opportunities will enable service users to re-learn skills they may have lost through illness or disability or to learn new skills they need to cope with changing circumstances.

The pilot sought to establish the feasibility of providing day opportunities through alternative methods other than the traditional day centre model. The pilot has demonstrated the suitability of an alternative model and has achieved most of its objectives including demonstrating that it is possible for service users to have access to and benefit from a wide range of inclusive activities at modern, stimulating and motivating settings.

A remodelled service could include opportunities such as those provided under the pilot project and more. This will result in the utilisation of an alternative approach to all day opportunities and any associated transport provided by the Council. This may also mean the closure of a number of day centres. Before any decisions are made to close day centres, the Council will need to satisfy itself that the current service users needs can be met by any new/proposed arrangements.

Further evidence to assist in considering this option is the feedback from the Joint Strategic Needs Assessment consultation. This demonstrated that it is clear that access to universal services and

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enabling self care is a key element to improving the health and wellbeing of our community especially those with learning and physical disabilities. This consultation has also confirmed that independent travel is valued and greater access to independent travel training would be welcomed.

In addition the pilot consultation feedback indicated that the use of alternative venues is preferable to the current day care and respite models and that there is the potential to make alternative use of community and Council assets to improve outcomes and reduce longer term financial impact on the Council. The Council now intends to build on this approach to improve short break planning, shift the balance towards preventative support, independent travel where suitable and to personalise support to improve outcomes for service users and carers. Future assessments for care will focus on enabling service users without high levels of care and support needs to be more self reliant. Service Users and their carers will be signposted to alternative universal services in the community.

The approach to the pilot was to utilise existing Council facilities and services, in this case leisure centres, in conjunction with an existing partner, Sefton New Directions. The pilot has demonstrated the suitability of an alternative model and has achieved most of its objectives including demonstrating that it is possible for service users to have access to and benefit from a wide range of inclusive activities at modern, stimulating and motivating settings. Over 90% of service users viewed use of the leisure centres as being a positive experience. Service users were motivated and encouraged by their change in environment and wider range of activities. In addition to proving a meaningful alternative to traditional day care, encouraging feedback has been received on the impact of the pilot upon day service users' physical and mental wellbeing.

Whilst service user feedback was positive, the sustainability of operating the pilot model would not deliver the ongoing savings projected without significant change to transport and financial models, workforce development and infrastructural investment.

At present respite provision provides day and overnight relief to carers based on a traditional model of care within traditional settings of care. The Council is seeking to move service users towards greater independence by transforming day opportunities and its provision of respite.

The common factor of these options is not which service is being provided but their purpose and effective outcomes. In other words, the determining factor is not where a service is provided but that what is provided has the most beneficial effect on assessed needs.

The following activity will change, stop or significantly reduce –

- The use traditional day care facilities, that may include the closure of a number of day centres
- Use of existing and developing community offers, universal services, reducing reliance on outdated services and of building individual and community resilience whilst continuing to support those with the greatest need.
- A change in transport and routes. Further details will emerge following the completion of an adult transport remodelling exercise.
- Depending on the alternative solution, current day care facilities and property will be reviewed regarding future use.

Impact of Service Change –

Service Users – Alternative opportunities for current day care service users and a possible reduction in available days for short break respite.

Partners – Care providers will need to review their provision and new provision will be commissioned. This will impact on all existing partners

Council –Specialist Transport - The impact of any reduction in adult transport needs to be considered against any potential additional cost to the remaining service for children and young people. Further information will be available following the remodelling exercise currently being undertaken. Evidence suggests that the numbers attending traditional day centres will fall and the Council will, therefore, need to consider its estate.

Communications, Consultations & Engagement –

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Type Inform	<input checked="" type="checkbox"/> Consult (External)	<input type="checkbox"/> Consult (Internal)	<input type="checkbox"/> Engage
<p>The pilot consultation feedback indicated that the use of alternative venues is preferable to the current day care and respite models and that there is the potential to make alternative use of community and Council assets to improve outcomes and reduce longer term financial impact on the Council. The Council now intends to build on this approach to improve short break planning, shift the balance towards preventative support, independent travel where suitable and to personalise support to improve outcomes both for carers and those with assessed care needs so developing a sustainable model for short term breaks.</p> <p>This option was within the expert stakeholder panel agenda and was one of the topics of discussion. The first of a number of expert stakeholder panels took place on 16th January 2013. This panel was specifically created to consult and engage with a wide variety of groups, forums and individuals involved in, or with an interest in, adult social care. Amongst other tasks this group is charged with:</p> <ul style="list-style-type: none"> • Fostering engagement in the programme within their own service area, • To encourage local ownership of the programme by informing their networks of the programme's aims, objectives and progress. • Where possible, to facilitate the engagement of appropriate community groups and interested lay leaders. • To review and evaluate the programme delivery and make recommendations, for future action, for consideration by the Steering Group. <p>To actively participate in e-network activities as and when required</p> <p>Officers will continue with Consultation and engagement processes as part of the implementation process with service users, families, carers, employees and trade unions.</p>			
<p>Public Sector Equality Duty – Equality implications will be assessed should Members agree the proposed option be taken forward. This will be reported when final recommendations are brought for a decision</p>			
<p>Legislation Considered – National Assistance Act 1948, Local Authority Circular (93)10 There is no statutory duty to provide care in a day centre. Case law is helpful in this regard in that it emphasises that the Authority should conduct assessments of current future service users to help determine provision to meet those assessed needs.</p>			
<p>Risks & Mitigating Actions –</p> <p>Any material change to a person's care package should follow a reassessment or review and revised care/support plans which should be confirmed in writing.</p> <p>Increasing dependency of service users currently accessing day care – the Council will signpost service users to universal services which will enable more accessible and inclusive opportunities. Analysis from pilot has shown this to be a preferable solution.</p> <p>Risk to the operation of the Specialist Transport Unit – the Council would remodel this service Challenge from service users and carers, mitigated by individual assessments and reviews</p>			
		<p>Saving 2013/14 = £1.2m Saving 2014/15 = £4.79m Indicative Number of Staff at Risk: tbc (transport) note that where changes and/or savings cannot be achieved through deletion of vacant posts, VR or VER then there may be a need for compulsory redundancies arising from this proposal</p>	

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<p>Service Description: Section 117 Funding Everyone with mental health needs is entitled to a community care assessment to establish what services they might need. However, section 117 goes much further than this and imposes a duty on health and social services to provide aftercare services to certain patients who have been detained under the Act. Health Services are required to fund the nursing element of care associated with diagnosed mental illness and Social Care are required to fund social care and community needs for example domiciliary care or support.</p>		
<p>It is proposed to implement the following change – To work with Health colleagues to undertake reviews of (currently) 240 service users who are subject to Section 117 aftercare funding.</p>		
<p>Rationale for service change proposal – At present service users who are subject to Section 117 aftercare do not have a financial assessment if they are in receipt of care following a Court ruling. This means that once a service user qualifies for Section 117 funding, the funding is rarely reduced or removed. This option will introduce a methodology for process to review each case on an individual basis.</p>		
<p>The following activity will change, stop or significantly reduce – The Council will pursue, with our Health colleagues, the identification of service users who receive 117 funding and request reviews to see if they still require this provision.</p>		
<p>Impact of Service Change –</p> <p>Service Users – Possible financial impact to the service user if reduced. However a full review would dictate the appropriateness of the continued funding e.g. mental health assessment advocates. Some service users may be impacted by the accumulative affect of the removal of subsidies and this option.</p> <p>Partners – Increased assessments and reviews carried out by partners in Merseycare Mental Health Trust.</p> <p>Council – Assessments and reviews carried out by staff seconded to Merseycare</p>		
<p>Communications, Consultations & Engagement –</p> <p>Partner – Initial discussions with Merseycare have taken place and will continue. Officers have plans in place to ensure that services users are engaged with about the change in approach and the Council will also ensure it continues to meet service users needs in accordance with any legal care planning processes.</p> <p>This option was within the expert stakeholder panel agenda and was one of the topics of discussion. The first of a number of expert stakeholder panels took place on 16th January 2013. This panel was specifically created to consult and engage with a wide variety of groups, forums and individuals involved in, or with an interest in, adult social care. Amongst other tasks this group is charged with:</p> <ul style="list-style-type: none"> • Fostering engagement in the programme within their own service area, • To encourage local ownership of the programme by informing their networks of the programme's aims, objectives and progress. • Where possible, to facilitate the engagement of appropriate community groups and interested lay leaders. • To review and evaluate the programme delivery and make recommendations, for future action, for consideration by the Steering Group. • To actively participate in e-network activities as and when required. 		
<p>Public Sector Equality Duty – <i>See Equality Analysis Report below</i></p>		
<p>Legislation Considered – Section 117 of the Mental Health Act 1983 - obliges councils and the NHS to provide aftercare services, including a care home place if that is needed, for people who have been discharged from hospital having been detained for treatment under the Mental Health Act 1983.</p>		
<p>Risks & Mitigating Actions – Service users may present legal challenge if funding withdrawn. This is mitigated by following policy and procedures for re-assessment</p>		
	<p>Saving 2014/15 (#): £200,000</p> <p>Investment Required: £ Nil</p> <p>Staff at Risk: Nil</p>	<p>Full Year</p>

Equality Analysis Report

Details of proposal: To work with the NHS to reassess those currently in receipt of funding under Section 117 with a view to seeing if their initial need is still relevant. The Council wishes to establish a process with the NHS.

Section 117 of **What is Section 117?**

the Mental Health Act 1983 (MHA) puts a legal duty on the NHS and social services to provide aftercare services free of charge to people who have been detained under certain sections of the MHA. The purpose of section 117 aftercare is to try to **prevent someone** needing to go back into hospital again. This means that services should meet someone's **immediate needs**, as well as supporting them to **gain skills to help them cope** with life outside of hospital. Aftercare services can be put in place to meet the following needs:

- Psychological needs
- Physical healthcare
- Daytime activities or employment
- Appropriate accommodation
- Needs arising from drug, alcohol or substance misuse
- Parenting needs
- Crisis planning
- Help with welfare benefits and managing money

The legal duty is on the Primary Care Trust (PCT) and the local social services authority, in the area where the person normally lived when they are admitted to hospital, to provide services under section 117 and to meet the cost of the aftercare.

The **service-user should be directly involved** in planning their aftercare. Any **carers** should also be involved as long as the service-user consents.

Discharge of section 117 aftercare

The duty to provide aftercare lasts **as long as someone is in need** of these services because of their mental health condition.

Aftercare should **not** be stopped just because:

- Of a discharged from specialist mental health services, such as a community mental health team
- a certain length of time has passed since leaving hospital
- recipient returns to hospital voluntarily or under section 2
- recipient is deprived of their liberty under the Mental Capacity Act 2005
- recipient is no longer on supervised community treatment or section 17 leave

Section 117 services only end when the section is formally discharged. The recipient has to be included in this process, along with anyone they would like to be involved (their GP or Specialist).

Ramifications of Proposal:

Is there a consequence to 'Threshold': NO

Is there a consequence to 'Capacity': No

Reviews of need under section 117 are part of the process. Recipients deemed to be still in need will

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continue to receive support.

The review process has to take account of the client's view and specialist evidence from advocates or medical officers overseeing the client's case.

Are there any protected characteristics that will be disproportionately affected in comparison to others?

S.117 and decisions to discharge patients from it should apply irrespective of ethnicity, gender, age, sexual orientation. However, it is acknowledged that patients from BME communities are more likely to be detained, and thus to be on S.117. This is a national phenomenon.

Consultation. Officers have put in place plans to undertake reviews of care packages with each service user to ensure compliance with all statutory duties.

Is there evidence that the Public Sector Equality Duties will continue to be met?

The case review process is already established. Officer will follow good practice and ensure that recipients fully understand the process and ramifications of the process. Officers will have full regard to the wishes of the recipient and their professional staff/support team.

The PSED will continue to be met by adopting this proposal.

What actions will follow if proposal accepted by Cabinet & Council?

1. Establish process and parameter for review with partners
2. Monitor outcomes and performance.

<p>Service Description: NHS Continuing Health Care Funding NHS continuing healthcare is a package of continuing care provided outside hospital, arranged and funded solely by the NHS, for people with ongoing healthcare needs.</p>
<p>It is proposed to prioritise and undertake reviews of service users currently in nursing care to ensure that they are supported appropriately.</p>
<p>Rationale for service change proposal – To be eligible for NHS continuing healthcare, the main or primary need for care must relate to the service users health.</p> <p>For example, people who are eligible are likely to:</p> <ul style="list-style-type: none"> • have a complex medical condition that requires a lot of care and support • need highly specialised nursing support <p>Someone nearing the end of their life is also likely to be eligible if they have a condition that is rapidly getting worse and may be terminal.</p> <p>Eligibility for NHS continuing healthcare does not depend on:</p> <ul style="list-style-type: none"> • a specific health condition, illness or diagnosis • who provides the care, or • where the care is provided <p>If the service user has a disability, or is diagnosed with a long-term illness or condition, this doesn't necessarily mean that they will be eligible for NHS continuing healthcare.</p>
<p>The following activity will change, stop or significantly reduce – It is forecast that some of these reviews will mean a number of LA funded cases will meet the eligibility criteria for CHC.</p>
<p>Impact of Service Change –</p> <p>Service Users – The impact on service users will be minimal, health professionals are required to undertake such reviews now and in doing so would seek to provide the most appropriate care where someone is eligible for care they are not required to make a contribution.</p> <p>Partners – Increased costs for Health</p> <p>Council – None</p>
<p>Communications, Consultations & Engagement –</p> <p>Partner – Initial discussions with Health took place in November and indications are of a positive nature. Further meetings to discuss methodology and process continued through December and will continue over the coming months.</p> <p>This option was within the expert stakeholder panel agenda and was one of the topics of discussion. The first of a number of expert stakeholder panels took place on 16th January 2013. This panel was specifically created to consult and engage with a wide variety of groups, forums and individuals involved in, or with an interest in, adult social care. Amongst other tasks this group is charged with:</p> <ul style="list-style-type: none"> • Fostering engagement in the programme within their own service area, • To encourage local ownership of the programme by informing their networks of the programme's aims, objectives and progress. • Where possible, to facilitate the engagement of appropriate community groups and interested lay leaders. • To review and evaluate the programme delivery and make recommendations, for future action, for consideration by the Steering Group. • To actively participate in e-network activities as and when required.
<p>Public Sector Equality Duty – The Quality Assurance Group (QAG) in looking at this proposal recognises that it is a change in the funding source; the policy and activity of supporting people with assessed need has not changed.</p>

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Legislation Considered – NHA Act 2006 and The NHS Continuing Healthcare (Responsibilities) Directions 2009	
Risks & Mitigating Actions – The Council and Health may not have the capacity to review CHC cases.	
2012/13 Service Budget:	Saving 2014/15 £400,000
Staffing:	Investment Required: £ Nil
Other Resources used:	Staff at Risk: Nil

<p>Service Description Assistive Technology Assistive Technology (AT) is the use of IT equipment that enables service users (vulnerable people) to remain in their own homes with minimal outside support for e.g. Lifeline pendants that are connected to the Careline service. This also includes waking nights and sleepovers: care staff visit service users' homes for the night hours and remain awake to provide monitoring and assistance if required.</p>
<p>It is proposed to implement the following change option – Review all services where assistive technology can be utilised as an alternative. This may result in increased use of assistive technology for example</p> <ul style="list-style-type: none"> • bed occupancy sensors that switch on a lamp when the person gets up, to reduce risk of falls (These sensors can also alert a carer that the person has got out of bed, and can trigger an alarm that they have not returned to bed.) • clocks which give the period of day as well as the time, to tell the person it is afternoon, for example, and not early morning • sensors to prevent floods from overflowing baths • smoke and carbon monoxide detectors • falls detectors, e.g. worn on a belt • epilepsy sensors on the mattress or chair to detect an episode • video phones • computer-based communication aids such as Type Talk
<p>Rationale for service change proposal – There is potential to further utilise assistive technology, thereby reducing the need for staff to be present throughout the night. It is important to note that the range of assistive technologies is wide and developing rapidly and the Council should seek to make best use of tested and robust solutions over the coming years. Such solutions are successfully deployed across the country with positive outcomes achieved for many service users and their families.</p> <p>What the Department of Health Use of Resources guide (DH 2009b) says on assistive technology</p> <p>“Following the Department of Health’s guidance Building Telecare in England and the Preventative Technology Grant arrangements (2006–08), local authorities are beginning to make wider use of assistive technologies to support people to remain in their own homes. This varies from simple call systems to alert a central point when a person has had an emergency, to using sensors to track key activities that may then trigger an alarm. Assistive technologies are widely used among older people. However, there are examples of local authorities using them to provide additional support for people living in the community who may receive floating support rather than have staff available 24 hours a day. Examples include people recovering from mental health problems, drugs or alcohol abuse and adults with moderate levels of learning disabilities living in the community.”</p>
<p>The following activity will change, stop or significantly reduce – Although this may mean the reduced physical presence on site throughout the night for some service users within supported living schemes receiving domiciliary care and support the Department of Health has identified “Assistive technology can provide efficiencies across the wider health and social care system arising from:</p> <ul style="list-style-type: none"> • better targeted timing and sizing of care packages and support • greater choice of care and support options • reduction in residential placements • crisis avoidance, meaning fewer A&E and hospital admissions
<p>Impact of Service Change – Service Users – Some service users and care support staff will require additional and further training in the use of various solutions.</p> <p>Partners – Potential changes and reductions to the current contracts for night care</p> <p>Council – The social care workforce will increasingly cut across many sectors and roles and may well see the development of further new ways of working, new types of workers and new roles. There will be a requirement to expand the range of equipment and services supplied by the Council’s Careline Teams. This will also require some investment in new technologies. The recent software and hardware upgrades have resulted in the Council not being tied to a single equipment supplier. As such, the Council can now test the market for the best solution to a variety of</p>

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scenarios from a number of different suppliers. It is expected that any such investment required in new technologies will be undertaken on an 'invest to save' basis, with the income generated from the delivery of new services generating sufficient surpluses to cover the cost of purchase.

Communications, Consultations & Engagement – Cabinet agreed the approach to this change option in December 2012. Since December 2012 Officers have plans in place to ensure that services users are engaged with about the change in approach and the Council will also ensure it continues to meet service users needs in accordance with any legal care planning processes. Plans also include operational tasks such as updating the Council website, Contact Centre and Social Care processes.

This option was within the expert stakeholder panel agenda and was one of the topics of discussion. The first of a number of expert stakeholder panels took place on 16th January 2013. This panel was specifically created to consult and engage with a wide variety of groups, forums and individuals involved in, or with an interest in, adult social care. Amongst other tasks this group is charged with:

- Fostering engagement in the programme within their own service area,
- To encourage local ownership of the programme by informing their networks of the programme's aims, objectives and progress.
- Where possible, to facilitate the engagement of appropriate community groups and interested lay leaders.
- To review and evaluate the programme delivery and make recommendations, for future action, for consideration by the Steering Group.
- To actively participate in e-network activities as and when required.

Public Sector Equality Duty – The Quality Assurance Group (QAG) in looking at this proposal recognises that it is a change in practice; the policy of supporting people with assessed need has not changed. However, the change means that recipients of services will be reviewed to see if there is a more cost effective technological solution to their support needs. The key component will be ensuring that assessed needs continue to be met. The QAG recognises that not all recipients will be suitable for assistive technology; in those cases where it is not suitable, the most efficient way of supporting their need will be maintained. The QAG recognises that the needs assessment process applied to the individual meets the Equality Act 2010 requirements. The QAG asks that the progress of this proposal is monitored and any issues that come from consultation are reported back.

Legislation Considered – NHS and Community Care Act 1990

Risks & Mitigating Actions –

- Care staff may not be onsite (depending on individual need), therefore not immediately available, however, support will still be readily accessible. The mitigation associated with this risk is described above i.e. service users will be given full training and quality assurance processes will be put in place.
- Potential to include new clauses in contracts regarding overnight emergencies.
- For many service users AT will be one element of their support package, which may also include regular visits by care staff and other workers
- Understanding the range of AT options available and communicating the benefits either to those who assess potential users of the service, or directly to the potential users and their families.

	<p>Saving 2014/15 (#): £200,000 Year</p> <p>Staff at Risk: Nil</p>
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Service Description Social Care Subsidies - Many clients currently contribute towards their care costs (where appropriate).

It is proposed to implement the following change option – Increase client charges for a range of non-residential services as follows:

- Currently clients contribute 80% of their disposable income toward their cost of care, this option will mean a change in Council policy so that 100% of disposable income is considered in the financial assessment process.
- An extra £16.00 per week allowance is deducted from income for disability related expenditure to those service users who receive Attendance Allowance (any rate) or the middle/high rate care component of Disability Living Allowance. Where expenditure is in excess of this amount then the actual expenditure will be will be allowed. It is proposed to reduce the minimum level of disability related expenditure to £11.00 per week. This option will mean a change in Council policy.
- Couples - disregard income buffer when assessing care needs for those clients not in receipt of Income Support/Pension Guarantee Credit. Sefton has allowed other clients, who are carers and not in receipt of these benefits, an additional allowance when calculating their contribution towards the services they receive. It is proposed to restrict this additional allowance to just those service users who receive the carer’s premium as part of their Income Support/Pension Guarantee Credit entitlement this is compliant with Dept of Health Fairer Charging guidance. The carer’s premium is paid to those carers receiving qualifying benefits. This option will mean a change in Council policy.

Rationale for service change proposal – Local Authorities can and do subsidise services. The Council can no longer afford to provide the current range and level of subsidy. The government’s “Fairer Charging” guidance will continue to be followed and all service users have a financial assessment.

This disposable income element of this option would bring Sefton in line with other Councils

Council	% Charge against disposable income
Blackpool	100
Bury	100
Cumbria	100
St Helen’s	100
Stockport	100
Tameside	100
Trafford	100

The following activity will change, stop or significantly reduce – Change to the policy for subsidising services as detailed above

Impact of Service Change – This option will increase the contributions made by some vulnerable and elderly people towards the cost of their care. The actual increase to individual client contributions could vary significantly based on personal financial circumstances and any changes to these circumstances that have occurred in the interim since the client’s finances were last assessed. The estimated cumulative impact of implementing the 3 proposed increases is:

- 1200 clients will be affected.
- the average increase will be approx £14.00 p/wk
- the highest increase will be £106.00 p/wk.
- changes will affect predominately those who are already paying a contribution. A small number (less than 100) will pay a contribution for the first time.

Partners –None

Council – may be an impact on the level of Council debt as clients may not pay the increased charge.

Communications, Consultations & Engagement –

Type Inform Consult (External & Partners) Engage

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This option was within the expert stakeholder panel agenda and was one of the topics of discussion. The first of a number of expert stakeholder panels took place on 16th January 2013. This panel was specifically created to consult and engage with a wide variety of groups, forums and individuals involved in, or with an interest in, adult social care. Amongst other tasks this group is charged with:

- Fostering engagement in the programme within their own service area,
- To encourage local ownership of the programme by informing their networks of the programme's aims, objectives and progress.
- Where possible, to facilitate the engagement of appropriate community groups and interested lay leaders.
- To review and evaluate the programme delivery and make recommendations, for future action, for consideration by the Steering Group.
- To actively participate in e-network activities as and when required.

A further meeting of the stakeholder panel took place on 13th February 2013. These meetings are ongoing on a monthly basis.

Following consultation as described above, officers are putting plans in place to ensure that services users are engaged with about the change in approach and the Council will also ensure it continues to meet service users needs in accordance with any legal care planning processes. Plans also include operational tasks such as updating the Council website, Contact Centre and Social Care processes.

Public Sector Equality Duty– This option is still subject to appropriate consultation, engagement and information processes. The Council will continue to work with and listen to service users. Equality implications are currently being assessed in light of this ongoing consultation, should significant issues arise between now and Budget Council Officers will advise Members accordingly.

Legislation Considered – Health and Social Services and Social Security Adjudications Act 1993 Policy Guidance:

Fairer Charging Policies for Home Care and other non-residential Social Services, 2003 - The Council has a discretionary power to levy charges (or contributions) towards the costs of Adult Non-Residential Care services, such as home care and day care. The Council can only do this as long as these contributions are in line with the Government's "Fair Access to Care Service" national guidance.

Risks & Mitigating Actions – Clients may refuse to pay increased charges and may cancel the services they receive and this may impact on their health and wellbeing. There is a potential risk to income generated as a result of the impact of Welfare Reform and the Council Tax Support Scheme that reduce the income of working age clients, as well as reduced income from clients who cancel services. The Welfare Rights team will ensure advice and assistance is offered to all clients. Discretion may need to be considered on an individual basis where the proposed increase is significantly above the average. The Financial Visiting Officers will be responsible for managing all appeals and presenting cases where discretion should be considered, they will also retain responsibility for all new assessments and for re-assessments.

In order to implement the proposed changes it will be necessary to defer realisation of £75,000 of the existing £200,000 staff savings in Option 2.8 Area Finance – Review of processes and staffing arrangements (incl FVOs) (This was agreed by Cabinet December 2012).

	<p>Part year saving 2013/14 : £244,000 Full year saving 2014/15: £320,000 Investment Required: £ Nil Staff at Risk: Nil</p>
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Service Description Direct Payment Recovery and Workplace Insurance (Adults)

A Direct Payment is money given to service users to enable them to buy and arrange their own care or support. Direct Payments are an alternative to receiving direct services like home care, day centres and residential care. Direct Payments enable users to take responsibility for arranging the services or support they require, managing their money, employing staff to provide their support.

If a service user receiving a Direct Payment employs their own Personal Assistant they are bound by all the laws that cover employment and would be responsible for things like payroll, workplace insurance, health and safety and recruitment.

Whilst there should be some support available from local councils for general direct payment administration, by accepting direct payments the user accepts responsibility for the arrangement and administration of their services. If employing staff directly this can include a considerable amount of employment administration, such as payroll and recruitment. To assist with this the Council currently provides a 'one off' payment of £150 to purchase Employers and Public Liability insurance for the first year only

It is proposed to implement the following change option – Recover surplus, unspent Direct Payment funds at regular and earlier intervals and cease the first year one off workplace insurance payment of £150.

Because service users receiving direct payments have greater flexibility to decide how to meet their needs and how much to pay for services they purchase, this can result in them receiving more money than they need to spend. An end-of –year reconciliation is done and surpluses are recovered, it is proposed to undertake this reconciliation more frequently and to proactively adjust the future direct payment rate.

Rationale for service change proposal – Early reconciliation of unspent Direct Payment funds to achieve better value for money. The Council is not legally required to pay for workplace insurance

The following activity will change, stop or significantly reduce – Current Direct Payments would be reassessed and potentially reduced throughout the year and the workplace insurance payments for new Direct Payments recipients will cease.

Impact of Service Change –

Service Users – Unspent funds will be recovered and needs re-assessed to ensure that service users are receiving appropriate levels of care and support. The workplace insurance will not impact on existing users but would not be payable to future users.

Partners – Unspent Direct Payment funds and workplace insurance processes are currently administered by the Carers Centre and their procedures would need to reflect this change if approved

Council – Unspent direct payment recovery will need to be administered by Finance in partnership with the Carers Centre.

Communications, Consultations & Engagement –

Type Inform Consult (External) Consult (Internal) Engage

Officers have plans in place to ensure that services users are engaged with about the change in approach and the Council will also ensure it continues to meet service users needs in accordance with any legal care planning processes.

This option was within the expert stakeholder panel agenda and was one of the topics of discussion. The first of a number of expert stakeholder panels took place on 16th January 2013. This panel was specifically created to consult and engage with a wide variety of groups, forums and individuals involved in, or with an interest in, adult social care. Amongst other tasks this group is charged with:

- Fostering engagement in the programme within their own service area,
- To encourage local ownership of the programme by informing their networks of the programme's aims, objectives and progress.
- Where possible, to facilitate the engagement of appropriate community groups and interested lay leaders.

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- To review and evaluate the programme delivery and make recommendations, for future action, for consideration by the Steering Group.
- To actively participate in e-network activities as and when required.

Public Sector Equality Duty – This option is still subject to appropriate consultation, engagement and information processes. The Council will continue to work with and listen to service users. Equality implications are currently being assessed in light of this ongoing consultation, should significant issues arise between now and Budget Council Officers will advise Members accordingly.

Legislation Considered – Health and Social Care Act 2001
 Dept. of Health Best Practice Guidance on Direct Payments, 2009.

Risks & Mitigating Actions – Service Users are assessed according to their individual needs. Direct payments should be sufficient to enable the recipient to lawfully secure a service of a standard that the Council considers appropriate to fulfil the need of the service to which the payment relates. In estimating the reasonable costs of securing the support required, the Council should include associated costs that are necessarily incurred in securing that provision.

	Saving 2013/14 (#): £752,000 Year Investment Required: £ Nil Staff at Risk: Nil
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<p>Service Description: Re-ablement Re-ablement is a means of promoting independence, providing personal care, help with daily living activities and other practical tasks. Re-ablement encourages service users to re-gain and develop the confidence and skills to carry out day to day activities. Another important aspect is that the service user continues to live at home.</p>
<p>It is proposed to – To obtain funding from the PCT and agree a model of re-ablement to enable more users to go through a re-ablement process, thereby reducing levels of admission to short & long term care.</p>
<p>Rationale for service change proposal – In 2011 the Department of Health allocated funding to PCTs to work with local authorities to devise a new and improved model of re-ablement which will contribute to the reduction in re-admissions to hospital and short term care and support adults to live at home</p> <p>The Council currently re-ables 35% of our clients who are eligible for a service upon hospital discharge (1816 as at November 2012), the new model suggests that this can be increased to 58% reducing the number of people who go on to have services with adult social care.</p> <p>Evidence shows that timely intervention of social care re-ablement, focusing on skills for daily living, can enable people to live more independently and reduce their need for ongoing homecare support. Homecare re-ablement complements the work of intermediate care services to help:</p> <ul style="list-style-type: none"> • maximise independence • minimise whole life cost of care. <p>The approach needs to ensure that the lowest appropriate level of intervention is provided set within an active and ongoing assessment process to balance risk against 'quality of life' for adults who need care. Other initiatives such as assistive technology services will also play a significant part in supporting people in their 'home', whether it be an individual residence, sheltered or extra care housing.</p>
<p>The following activity will change, stop or significantly reduce – The Council will develop a new re-ablement model and commission services accordingly. This may include a different approach to re-ablement that will motivate, encourage and empower service users to take control and have a more active role in their self care. The delivery of this model will seek to make best use of</p> <ul style="list-style-type: none"> • additional roles within the social care workforce including occupational therapists, healthcare staff, etc. • Increase the use of assistive technology • Commissioning of services that more appropriately supports adults upon discharge from hospital. • Working in partnership with Clinical Commissioning Groups <p>It is anticipated that this approach will enable more service users to go through a re-ablement process, therefore reducing hospital admissions and admissions to short-term nursing or residential care.</p>
<p>Impact of Service Change –</p> <p>Service Users – Positive impact that will help maintain or improve independence at home and in some cases without the need for Social Care</p> <p>Partners – Positive impact for acute hospital care and CCGs.</p> <p>Council – A number of studies have shown impressive results, both in personal and financial terms, following the increased use of assistive technologies in enabling people to stay in their homes for longer by being more self-sufficient. A wide range of interventions are currently being developed and assessed within the Council's Careline Services and will be ready for deployment by 2013/14. Further details of all of these proposed new services and solutions will be presented prior to their implementation by April 2013.</p>
<p>Communications, Consultations & Engagement –</p> <ul style="list-style-type: none"> • Receipt of £900,000 funding from PCT will commence upon Cabinet approval • Consultation with SND has commenced

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- Commissioning of new service will commence upon Council approval

Officers are putting plans in place to ensure that services users are engaged with about the change in approach and the Council will also ensure it continues to meet service users needs in accordance with any legal care planning processes.

This option was within the expert stakeholder panel agenda and was one of the topics of discussion. The first of a number of expert stakeholder panels took place on 16th January 2013. This panel was specifically created to consult and engage with a wide variety of groups, forums and individuals involved in, or with an interest in, adult social care. Amongst other tasks this group is charged with:

- Fostering engagement in the programme within their own service area,
- To encourage local ownership of the programme by informing their networks of the programme's aims, objectives and progress.
- Where possible, to facilitate the engagement of appropriate community groups and interested lay leaders.
- To review and evaluate the programme delivery and make recommendations, for future action, for consideration by the Steering Group.
- To actively participate in e-network activities as and when required.

Public Sector Equality Duty – The Quality Assurance Group (QAG) in looking at this proposal recognises that it is an update in clinical approach that is applied to the recipient; the policy of re-enabling people has not changed. The QAG recognises that the needs assessment process applied to the individual meets the Equality Act 2010 requirements. The QAG asks that the progress of this proposal is monitored and any issues that come from the change in approach are reported back.

Legislation Considered – Community Care (Delayed Discharges, etc) Act (Qualifying Services)(England) Regulations 2003
Best Practice Guidance - Intermediate Care - Halfway House: updated guidance for the NHS and local authorities, 2009

Risks & Mitigating Actions –

Based on the evidence arising from a number of studies undertaken into this area over recent years, there is little doubt that large savings are available and can be accrued following the introduction of a wider range of assistive living and telehealth technologies than those currently offered. However, because of the wider and more inclusive nature of such provision, additional or 'new' users are sometimes identified leading to higher baseline costs before any savings to existing budgets are achieved.

Initial amendments and trials will be concentrated on existing clients for whom the Council are currently responsible for subsidising by way of revenue support.

The utilisation of such new technologies also allows for the development of new opportunities and clients groups, and the adoption of a more commercial approach to these new markets. This may include clients in a wider geographical area outside of the Borough, as well as opportunities to work with new and alternative service suppliers on a regional and even national basis.

In order to take advantage of these opportunities the Council's Careline and Telehealth services have been relocated to work alongside Sefton Security in identifying increasing opportunities to recover costs from additional and potentially external sources and reduce the direct expenditure of the Council in these areas.

2012/13 Service Budget:	Saving 2014/15 (#): £1,200,000
Staffing:	Investment Required: £ Nil
Other Resources used:	Staff at Risk: Nil

Service Description Housing Related Support (Commissioning Budget)			
<p>Housing Related Support (previously Supporting People) was a Government run programme that funded services to help older people and others to live independently at home. Local Councils had responsibility for identifying what the local needs were, for funding the services to meet those needs, and making sure that the services were effective and of good quality. They had contracts with the organisations providing the services which specify the type of service to be provided. This once ring-fenced budget has now been integrated within the council's base budget and forms part of the Adults Community Care budget.</p>			
<p>It is proposed to commence consultation on the following change option – A further reduction of the budget for housing related support services</p>			
<p>Rationale for service change proposal – Incremental reductions in housing related funding have reduced the requirement for commissioning/contractual functions.</p>			
<p>The following activity will change, stop or significantly reduce – In the main, the housing related support services are commissioned discretionary services intended to meet low level support needs.</p>			
<p>Impact of Service Change – Service Users – Reduction or cessation of housing related support services Partners – reduction in funding to service providers. Council – A small number of services are commissioned within the Council, reductions to funding for those services could have human resource implications.</p>			
<p>Communications, Consultations & Engagement –</p> <p>Type Inform <input type="checkbox"/> Consult (External) <input type="checkbox"/> Consult (Internal) <input type="checkbox"/> Engage <input checked="" type="checkbox"/></p> <p>Extensive consultation has previously taken place</p> <p>Officers have plans in place to ensure that services users are engaged with about the change in approach and the Council will also ensure it continues to meet service users needs in accordance with any legal care planning processes.</p> <p>This option was within the expert stakeholder panel agenda and was one of the topics of discussion. The first of a number of expert stakeholder panels took place on 16th January 2013. This panel was specifically created to consult and engage with a wide variety of groups, forums and individuals involved in, or with an interest in, adult social care. Amongst other tasks this group is charged with:</p> <ul style="list-style-type: none"> • Fostering engagement in the programme within their own service area, • To encourage local ownership of the programme by informing their networks of the programme's aims, objectives and progress. • Where possible, to facilitate the engagement of appropriate community groups and interested lay leaders. • To review and evaluate the programme delivery and make recommendations, for future action, for consideration by the Steering Group. • To actively participate in e-network activities as and when required. <p>The Consultation and Engagement processes will continue as this option progresses to implementation.</p>			
<p>Public Sector Equality Duty – The Council's Quality Assurance Group (QAG) recognises that the homelessness and housing policies are being reviewed and once reviewed these will set out fresh funding priorities. QAG is satisfied that the new policies will meet the Equality Act 2010 and that the commissioning process will contain details in relation to service user and their diverse needs.</p>			
<p>Legislation Considered – None</p>			

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<p>Risks & Mitigating Actions – There is a potential that a reduction in funding for housing related support services will lead to negative impacts for the vulnerable people supported by the services, including those with protected characteristics of age, disability, gender and those in receipt of care packages for assessed care needs. Any impact will be mitigated as far as possible within care management practices.</p>	
<p>2012/13 Service Budget: £4.7m Staffing: N/A Other Resources used: Partner organisations commissioned to deliver current activity</p>	<p>Saving 2014/15 £500,000 Year Investment Required: £ Nil Staff at Risk: Nil</p>
<p>Service Description: Public Health Integration and Further Efficiencies From April 2013, the Council will be responsible for public health services, currently managed by Primary Care Trusts (PCTs) and for improving the health of the people in Sefton.</p>	
<p>It is proposed to implement the following change – The integration of Public Health within the Council, will identify an initial range of business efficiencies (e.g. releasing of vacancies, training programmes, commissioned services and infrastructure). Estimates from these integration related efficiencies, new ways of working and reviews indicate a potential saving of £1.137m. The Public Health Transition plan and status will be presented at January's Cabinet. Further reports will identify the prioritisation of Public Health specific grant activities.</p>	
<p>Rationale for service change proposal – Integration presents an opportunity to realise business efficiencies in both the corporate support and commissioning areas of the Council and Public Health.</p>	
<p>The following activity will change, stop or significantly reduce – Reduction and/or cessation of various corporate activities that can be integrated and are duplicated such as infrastructure, commissioned services and marketing programmes. Much of this involves a budget re-alignment.</p>	
<p>Impact of Service Change –</p> <p>Service Users – Services may be delivered in a different way</p> <p>Partners – Some activities will be commissioned differently</p> <p>Council – Integration of Public Health functions</p>	
<p>Communications, Consultations & Engagement –</p> <p>Type Inform Consult <input checked="" type="checkbox"/> Engage <input type="checkbox"/> Partners <input type="checkbox"/> <input type="checkbox"/></p> <p>Staff are engaged and informed according to HR procedures.</p>	
<p>Public Sector Equality Duty – The Quality Assurance group in looking at this proposal recognises that it is a change to working practices and is satisfied that there is no change to service delivery for service users. As a consequence there will be no equality implication to this change.</p>	
<p>Legislation Considered – Health and Social Care Act 2012</p>	
<p>Risks & Mitigating Actions – Capacity to integrate and maintain outcomes. Prioritisation and effective joint working will mitigate against this risk.</p>	
<p>2012/13 Service Budget: £</p> <p>Staffing:</p> <p>Other Resources used:</p>	<p>Saving 2013/14: £600k Saving 2014/15: £537K Staff at Risk: 0</p>

Service Description: Drugs and Alcohol Services (Public Health)		
The service provides specialist support, advice and community based treatment services for alcohol and substance misuse as well as the provision of a needle exchange service.		
It is proposed to implement the following change –		
Public Health budget and new contract to explicitly specify a more focussed and integrated drugs and alcohol service. Absorbing additional/peripheral service costs within the new “Community Treatment Service” tender specification and current primary Community Treatment Service costs.. Plus reducing/ceasing costs and services that stand outside the new “Community Treatment Service” tender specification This has been agreed by Health & well Being Board and Strategic Integrated Commissioning Group.		
Rationale for service change proposal –		
The Comprehensive Alcohol Needs Assessment identified the need for an integrated Drug and Alcohol service. It is proposed to absorb additional/peripheral service costs within a new tender specification and current primary community treatment service costs and will reduce/cease costs and services that stand outside the new Community Treatment Service tender specification.		
The following activity will change, stop or significantly reduce –		
Current separate drug treatment services will be replaced by new integrated service.		
Impact of Service Change –		
Service Users – Enhanced levels of support for alcohol mis-users, more recovery orientated service provision model.		
Partners – Current partners may not be re-commissioned		
Council – None		
Communications, Consultations & Engagement –		
Type Inform	<input checked="" type="checkbox"/>	
Public Sector Equality Duty – The Quality Assurance group in looking at this option recognises that it is related to a tender process and is satisfied that the new service/commissioning structure will continue to meet service user’s needs. Although there is a material change in how this service will be delivered (location and methodology) there will be no qualitative change to service delivery for service users. As a consequence there will be no equality implication to this change.		
Legislation Considered –		
The Medicines Act 1968 Crime and Disorder Act 1998 Drugs Act 2005		
Risks & Mitigating Actions –		
2012/13 Service Budget:	Saving 2014/15 (#): £500,000	Full Year
Staffing:	Investment Required: £ Nil	
Other Resources used:	Staff at Risk: Nil	

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<p>Service Description: Crosby Civic Hall</p> <p>It is proposed to implement the following change –</p> <p>To enter into an agreement for a Local Community Theatre Company to undertake a 3 month trial period to manage the Civic Hall on the Council's behalf from 2nd January to 31st March 2013. If in the view of both parties the trial period proves successful the Council will seek to enter into a short term contractual arrangement, whilst maintaining and protecting the Council's long term interest in the site.</p> <p>Should the trial period not be successful it is proposed to close the Crosby Civic Hall. The building will be completely closed and not available for any form of activity. The closure could also affect services to Crosby Library, which shares some utility services and other maintenance with this Civic Hall. This will require the building's energy and maintenance budget to be retained, thereby limiting the saving that could be achieved.</p> <p>There are clear linkages between the possible future use of the Civic Hall and the outcome of the current Library Review consultation. Whilst maintaining a Library in Crosby is included as part of the consultation (Option B) the location of that Library has not yet been determined (Civic Hall / College Road (Carnegie) / or other alternative locations) and as such this could have a direct bearing on the future viability of the community use of the Civic Hall. Additionally, tentative discussions have taken place at the request of developers interested in the Civic Hall site which may result in a firm proposal being made to the Council as part of the Library Review consultation. Any long term decision on the future use of the Civic Hall must be informed by the outcome of the Library Review, once known, and any potential 3rd party proposals.</p>
<p>Rationale for service change proposal –</p> <p>Following the consultation with user groups regarding the 2012/13 budget proposals to change the method of operation of the Civic Hall, it became increasingly evident that the proposed "latch key" option was unworkable as it would present too many risks to both the Council and independent hirers.</p> <p>Officers have over the past 7 months met with other parties interested in operating the Civic Hall. Up until the beginning of November 2012 Officers had not been able to reach an agreement acceptable to both parties to operate the Hall. Due to the continued uncertainty about the Civic Hall's future the number of bookings in 2012/13 has reduced significantly, and there is currently little programmed use of the building beyond December 2012, with a few provisional booking from April 2013. An in principle agreement has been reached with a Local Community Theatre Company who have indicated that they will be able to attract users back to the Hall, whilst they evaluate the operational, statutory and maintenance requirements to effectively operate the hall.</p>
<p>The following activity will change, stop or significantly reduce – During the trial period there will be no change in service as the Local Community Theatre Company will be "managing" on the Council's behalf. Should an agreement be reached for their continued management of the facility the building will remain open but operated by a third party.</p> <p>If the trial period is unsuccessful and the facility closes then all operations will cease including support to community groups using the centre in terms of a managed licensed bar, entertainment and security.</p> <p>In addition to service reductions the venue will not be available for meetings or Council events, any kind of hire for community or commercial purposes. The Hall is used for community consultation exercises, large community meetings, the local blood transfusion service, school speech days etc. and these will all have to find alternative venues.</p>
<p>Impact of Service Change –</p> <p>Service Users – None if the hall remains open following the trial period. It is also used by the Crosby Music Festival, a number of amateur theatre groups, dance and drama schools, local</p>

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<p>schools for events such as speech days, local groups such as Weight Watchers, commercial operators organising trade fairs etc.</p> <p>Partners – There are no external partners although any organisation expressing an interest in taking over the running of the Hall will be supported in examining that option.</p> <p>Council – Efficiency saving. Should the facility remain open following the trial period it is likely that the level of saving achievable could increase from the current £46,000 identified. If the facility were to close there are a number of provisional bookings from April 2013. As early notice as possible should be given to these hirers to allow them to find alternative venues. The building will require mothballing.</p>			
<p>Communications, Consultations & Engagement – Type Inform <input checked="" type="checkbox"/> Consult <input type="checkbox"/> Engage <input type="checkbox"/> Partnership <input type="checkbox"/></p>			
<p>Extensive consultation has already taken place with regard to the operation of Crosby Civic Hall</p>			
<p>Public Sector Equality Duty – The Quality Assurance group in looking at this proposal recognises that it is a change to management arrangements. Communications will be made with the new management group reminding them that they have to operate within the Equality Act.</p>			
<p>Legislation Considered - Local Government Act 1972. The building's entertainment license will be allowed to lapse.</p>			
<p>Risks & Mitigating Actions –</p> <ul style="list-style-type: none"> • The trial period is unsuccessful and the facility closes. • There are a number of other Halls and venues in the area which are accessible and available for community groups to hire. These include Maghull Town Hall, a number of community centres and church halls, and the Cultural Centre which is due to open in April 2013. • The professional arts programme will continue in the borough. Existing bookings will be honoured until December 2012. Notice will be given for bookings already made for after that date. • Any long term decision on the future use of the Civic Hall must be informed by the outcome of the Library Review, once known, and any potential 3rd party proposals. 			
<p>2012/13 Service Budget: £46,000 Staffing: 0</p>	<p>Saving 2013/14: Staff at Risk: 0</p>	<p>£ 46,000</p>	<p>Full Year</p>

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<p>Service Description: Sport & Recreation (Leisure Activity Review) – Formby Pool In discussions with Formby Pool Trust and Formby Land Trust to vary the existing 40 year contract, and identify savings for the Council.</p>	
<p>It is proposed to commence consultation on/implement the following change – Discussions have been on going with FLT and FPT to vary the contract to benefit both parties and allow for a reduction in annual subsidy from the Council.</p>	
<p>Rationale for service change proposal –This is part of the Leisure Activity Review. The varying of the contract can be achieved with the permission of all parties, the Council, FLT and FPT. Both partners are sympathetic to the Council’s current position and would like to assist, but not at the detriment of their operation.</p>	
<p>The following activity will change, stop or significantly reduce – FLT and FPT are prepared to accept a reduction (17%) in the Council’s agreed subsidy if the Council will agree to vary two aspects of the Contract. 1. That FPT be allowed to charge users at a rate 20% above the charges set by the Council. The current limit is 10%. The Council would benefit from this as an income share agreement would be put in place that grants the Council a percentage of additional income generated above a set target. Discussions on the level of this target are ongoing. 2. That the lease of operation for FPT is extended by a further 20 year term. Both The Council and FLT are pleased with the performance of FPT as the Centre Operator. The current lease has 4 years remaining, and an additional 20 would give FPT a 24 year lease period, which in business planning terms would allow them to develop a long term business strategy and potentially improve their credit rating for future investment into the facility.</p>	
<p>Impact of Service Change – Service Users – Maintain and improve the service operated by the current leaseholder. Partners – Greater certainty, improved flexibility and long term business stability. Council – Reduction in subsidy and income share from revenue generated above an agreed target.</p>	
<p>Communications, Consultations & Engagement – Type Inform <input checked="" type="checkbox"/> Consult <input type="checkbox"/> Page <input type="checkbox"/> Partnership <input type="checkbox"/></p>	
<p>Public Sector Equality Duty – The Quality Assurance group in looking at this proposal recognises that it is a change to commissioning arrangements and is satisfied that there is no change to service delivery for service users. As a consequence there will be no equality implication to this change.</p>	
<p>Legislation Considered - N/A</p>	
<p>Risks & Mitigating Actions – Concessions will still be applied in line with the Council’s offer via the Active Choices card (leisure passport scheme)</p>	
	<p>Saving 2013/14 (#): £ 50,000</p>

<p>Service Description Health & Wellbeing – Libraries – Local History Service</p>
<p>It is proposed to commence consultation on the following change option – To consider the transfer of the operation and delivery of the Local History Service for Sefton to the Voluntary Sector (Sefton CVS).</p>
<p>Rationale for service change proposal –</p> <p>The Local History Service is based at Crosby library. It provides a specialist unit for people researching local and family history service, and for more detailed specialist enquiries. Although based at Crosby it is a borough wide service providing specialist support and advice for all the libraries in Sefton. It houses the historical archives of Sefton Council. The annual number of local history enquiries = 12,500.</p> <p>It is considered that the service may be able to be delivered by the Voluntary sector given the spread of local history groups across the borough.</p>
<p>The following activity will change, stop or significantly reduce –</p> <p>If achievable the service would be provided by the voluntary sector as oppose to the Council. The service may continue to be delivered from Crosby Library initially, but likely with reduced hours. There will be a loss of specialist knowledge from the Council's professional staff.</p> <p>Every council has a statutory duty to maintain its historic records. Sefton Council is one of the few authorities without an Archive Service or any archivists. It therefore falls to the Local History service to fulfil this statutory role. The Local Government Act 1972 (s.224) requires local authorities to 'make proper arrangements with respect to any documents that belong to or are in the custody of the council of any of their officers' but does not oblige them to provide archive services.</p>
<p>Impact of Service Change –</p> <p>Service Users - The Local History Service is a highly valued, well used and a very localised service. The impacts are likely to be:-</p> <ul style="list-style-type: none"> • Significant reduction in the ability to provide access to information to members of the public • Loss of specialist knowledge, which is expected by the public • Reduced service provision of historic archives <p>Partners – A likely reduction in partnership working/reduction in services to all departments.</p> <ul style="list-style-type: none"> • Potential negative impacts particularly on Children's Services and schools as local history forms part of the national curriculum, if the voluntary sector cannot support schools. • Potential negative impact particularly on the Planning Department who require local historical information for development and conservation work. • Reduced service provision of departmental historic archives. • A potential reduced ability to provide council information to the public. • Overall delays in service to other council departments and loss of specialist knowledge.

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Council – The Local History section fulfils the council’s statutory responsibilities towards the council’s historic documents as laid down in the Local Government Act 1972.	
Communications, Consultations & Engagement – Type Inform <input type="checkbox"/> Consult (External) <input checked="" type="checkbox"/> Consult (Internal) <input checked="" type="checkbox"/> Engage <input type="checkbox"/> The Consultation and Engagement processes will continue as this option progresses to implementation.	
Public Sector Equality Duty – The transfer of responsibility for PSED will transfer with the service. When proposal is being considered Council will ensure duties will be clearly identified in the proposal.	
Legislation Considered – The Local Government Act 1972 (s.224)	
Risks & Mitigating Actions – The risks are the reduced level of service as outlined above. There will be protest from local history service groups who have already seen the service reduced significantly. There is a risk of not being able to fulfil the Council’s statutory obligation. There is a risk of a lack of specialist knowledge. Mitigating actions will be to work closely with Sefton CVS and local history groups/ societies, and investigate if/how they can deliver the service.	
2012/13 Service Budget: £44,000 Staffing: 4	Saving 2013/14 : Nil Additional Saving 2014/15 : £40,000 Investment Required: £ TBC Staff at Risk: 4 note that where changes and/or savings cannot be achieved through deletion of vacant posts, VR or VER then there may be a need for compulsory redundancies arising from this proposal

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Service Description: VCF Grants provided by the Council (F3.1, F3.3, F4.2, D1.28 Combined)

Grants to Voluntary, Community and Faith sector organisations related to option proposal Early Intervention and Prevention (£283,000), Adult Social Care (£295,575) and Corporate Commissioning Neighbourhood Coordination (£100,000) in financial year 13/14. A further £261,425 will be realised in financial year 14/15 through the completion of the Councils VCF Thematic option review.

It is proposed to implement the following change –

The following table shows the impacts upon the affected organisations. Primarily the reasons are a refocus upon service delivery, service efficiencies, reducing duplication and value for money.

Organisation	Value of Saving/Reduction	Reason for Reduction
Homestart Southport & Formby	£48,886	Early Intervention Service is being redesigned to: <ul style="list-style-type: none"> • focus on targeted work, not universal • reduce duplication • provide robust evidence of impact on reducing risks of harm to our most vulnerable groups of children
Homestart West Lancashire	£26,480	
May Logan Healthy Living Centre	£40,850	
Sefton Play Council	£40,000	
Queen's Road Neighbourhood Centre	£73,150	
Additional Savings 2013/14	£53,634	Service Efficiencies
Sefton Carers Centre - Hospital Link worker project	£64,550	Duplication with other services
Addaction Alcohol service	£6,525	Retender of service
Merseyside Partners	£7,000	Reduced need and value for money
Achieving People CVS	£37,500	Duplication with other providers
Additional Savings 2013/14	£180,000	Service Efficiencies
Benefiting Older Peoples Fund	£50,000	Focus on targeted work
Sefton CVS	£50,000	Service Efficiencies
Additional Savings 2014/15	£261,425	
Total Savings 2013/14 and 2014/15	£940,000	

Rationale for service change proposal –

To explore efficiencies from a range of providers in the VCF sector by analysing outcomes against the on-going prioritisation programme of the council.

The following activity will change, stop or significantly reduce –

Primarily the reasons are a refocus upon service delivery, service efficiencies, reducing duplication and value for money.

Impact of Service Change –

Service Users – There will be a reduction in available services to service users.

Partners – Potential reductions in grant funding may impact upon the VCF organisations ability to continue to provide services.

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Council – Potential reductions to the VCF sector may impact upon the Council’s continued good working relationship.

Communications, Consultations & Engagement –

Type Inform Consult (External) Consult (Internal) Engage
 Partnership

Extensive consultation has already taken place with the VCF sector regarding the Council’s budget position. There has been a coordinated approach ensuring that organisations were contacted by one named officer. This approach has enabled individual meetings to take place with all of the affected organisations. These discussions have included the impact on the organisations, the impact on service users and the mitigations required to ensure these are minimised. There will be on-going coordinated consultations with organisations under the VCF thematic review over the coming months where a prioritisation process will be undertaken against the councils priorities.

The Consultation and Engagement processes will continue as this option progresses to implementation.

Public Sector Equality Duty – Equality Impact Assessment below

Legislation Considered – There is no specific legislation in relation to this proposal

Risks & Mitigating Actions – There is no legal requirement on the Council to provide grant aid; however the VCF sector does provide valuable services the Council is unable to provide. There is a risk the Council could be challenged against reducing resources in the sector. This may be managed by ensuring any proposals to reduce funding have considered equality impacts. There is potential for a disintegration of the Council’s relationship with the VCF sector – this can be avoided by appropriate engagement about service changes and communication of decisions

2012/13 Service Budget: circa £3.8 million	Saving 2013/14 (#): £679k Full Year
Staffing: N/a	Additional Saving 2014/15 (#): £261k Full Year
Other Resources used: -	Additional Saving 2015/16 (#): £ Full / Part Year
	Investment Required: £ Year?:
	Staff at Risk: N/a

Equality Analysis Report

VCF Review

Details of proposal:

The following organisations will have their funding removed/reduced in 2013/14:

Organisation	Value of Saving/Reduction
Homestart Southport & Formby	£48,886
Homestart West Lancashire	£26,480
May Logan Healthy Living Centre	£40,850
Sefton Play Council	£40,000
Queen’s Road Neighbourhood Centre	£73,150

Sefton Carers Centre - Hospital Link worker project	£64,550
Addaction Alcohol service	£6,525
Merseyside Partners	£7,000
Achieving People CVS	£37,500
Sefton CVS	£50,000

Ramifications of Proposal:

Homestart Southport & Formby/Homestart West Lancashire/May Logan Healthy Living Centre/Sefton Play Council/Queens Road Neighbourhood Centre

Give details:

Is there a consequence to 'Threshold': YES

Is there a consequence to 'Capacity': YES

The Early Intervention Service is being redesigned to focus on targeted work, not universal provision.

Sefton Carers Centre – Hospital Link Worker Project

Give details:

Is there a consequence to 'Threshold': NO

Is there a consequence to 'Capacity': NO

There are sufficient Social work staff and Community care practitioners working in both acute hospitals who can carry out carers assessments and have the knowledge and skills to sign post carers to the centre, or to benefit advisers for an income maximisation check.

Addaction Alcohol Service

Give details:

Is there a consequence to 'Threshold': NO

Is there a consequence to 'Capacity': NO

This is a service joint funded by Public Health and is being re-tendered in September 2013. Funding is being reduced but will support the service until retendering takes place.

Merseyside Partners in Policy Making

Give details:

Is there a consequence to 'Threshold': NO

Is there a consequence to 'Capacity': NO

This organisation provides training courses for people with learning disabilities and their carers. These courses will in future be spot purchased as necessary with a lower level of core funding provided.

Achieving People CVS

Give details:

Is there a consequence to 'Threshold': NO

Is there a consequence to 'Capacity': NO

Agenda Item 14

If 'Yes' give details

Outcomes for this project have been low. Support for people who may have accessed this service is available from the Sefton at Work project and from disability support services at Jobcentre Plus.

Sefton CVS

Give details:

Is there a consequence to 'Threshold': NO

Is there a consequence to 'Capacity': NO

Savings will be achieved through efficiencies identified through consultation with the organisation.

Benefiting Older People Fund

Give details:

Is there a consequence to 'Threshold': NO

Is there a consequence to 'Capacity': No

If 'Yes' give details

The Benefiting Older Persons Fund does not provide a statutory service. It provides one off grants.

Are there any protected characteristics that will be disproportionately affected in comparison to others?

AGE

Families with young children may be affected by the reduction in Homestart funding in some areas as resources are targeted towards areas in greater need.

DISABILITY

People with disabilities and their carers may be affected by reductions in funding to Merseyside Partners in Policy Making and Achieving People.

Consultation

Extensive consultation has already taken place with the VCF sector regarding the Council's budget position. There has been a coordinated approach ensuring that organisations were contacted by one named officer. This approach has enabled individual meetings to take place with all of the affected organisations. These discussions have included the impact on the organisations, the impact on service users and the mitigations required to ensure these are minimised.

Is there evidence that the Public Sector Equality Duties will continue to be met?

YES

Although the reduction or removal of funding to the organisations listed may have the effect of reducing the services available there are a number of mitigating factors:

- i. There are other organisations offering similar services.
- ii. Services will continue to be provided but on a spot purchased basis
- iii. Services were subject to low take-up or low outcomes

What actions will follow if proposal accepted by cabinet & Council?

The organisations concerned will be given appropriate notice of the cessation/reduction of their

funding for 2013/14

Further consultation will take place with the organisations concerned regarding their role in the services provided by the Council and other partners in those areas.

Agenda Item 14

It is proposed to implement the following change – Increase the Council Tax charged from 50% to 100% on Class C properties empty for longer than one month.	
Rationale for service change proposal – to encourage empty homes to be brought back into usage more quickly.	
The following activity will change, stop or significantly reduce – the Council Tax on each empty property will become payable in full after only one month of the property being determined as empty	
Impact of Service Change	
Service Users – there will be a greater charge for some property owners holding vacant properties	
Communications, Consultations & Engagement – Extensive Consultation has already taken place as part of the Council Tax Reduction Scheme and technical reforms. The Consultation and Engagement processes will continue as this option progresses to implementation.	
Public Sector Equality Duty –will be considered as part of a review of the Council Tax Reduction Scheme for 2014/2015 and the technical reforms.	
Legislation Considered – Local Government Finance Act 2012	
Risks & Mitigating Actions	
Risk: Owners of the empty dwellings may refuse to pay - leading to an increase in the level of outstanding debt on the collection fund and increased compliance costs.	
Risk: Owners of the empty dwellings may take action to avoid paying the full council tax charge.	
Mitigating Action: Council Tax inspectors regularly investigate properties suspected of being unoccupied. Links have been set up between the Arvato Revenues Collection Team and the Department of Built Environment to share information on empty properties. This will help identify potential tax avoidance. An estimate of the compliance costs, losses due to avoidance, and non payment has built into the estimated net saving.	
	Saving 2014/15: £ 400,000 Full Year

COUNCIL – 28 FEBRUARY 2013

REPORT OF THE LEADER OF THE COUNCIL

COUNCIL CONSTITUTION – URGENCY AND CALL-IN PROVISIONS

I wish to report that the Chair of the relevant Overview and Scrutiny Committee gave his consent, under Rule 46 of the Overview and Scrutiny Procedure Rules set out in the Council Constitution to the following issues being dealt with, on the basis that the decisions could not be reasonably deferred, and not subject to call-in.

CABINET 31 JANUARY 2013

95. COUNCIL TAX BASE FOR 2013/14 AND NATIONAL NON-DOMESTIC RATES RETURN 1 2013-14

The Cabinet considered the report of the Head of Corporate Finance and ICT which sought approval to the submission of the National Non-Domestic Rates Return 1 for 2013/14 to the Department for Communities and Local Government. The report also sought approval of the Council Tax Base for the authority for 2013/14 which would be used to calculate the level of Council Tax in Sefton once the Council's budget for 2013/14 had been determined by the Council on 28 February 2013.

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

Decisions Made:

- (1) approval be given to the submission of the National Non-Domestic Rates Return 1 2013-14 as set out in Annex B of the report to the Department for Communities and Local Government;
- (2) that, in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 1992 as amended, the amount calculated by Sefton Council as the Council Tax Base for Sefton and for each Parish Area for 2013-14 shall be as follows:

In the Metropolitan Borough of Sefton	76,516.20
In the Parish of Aintree Village	1,953.05
In the Parish of Formby	8,756.63
In the Parish of Hightown	832.29
In the Parish of Ince Blundell	158.05
In the Parish of Little Altcar	262.31
In the Parish of Lydiate	1,951.38
In the Parish of Maghull	6,256.29
In the Parish of Melling	942.90

Agenda Item 17

In the Parish of Sefton	220.73
In the Parish of Thornton	725.13

- (3) approval be given to the following payments being made to Parish Councils in 2013/14 to compensate them for the cost of the Council Tax Reduction Scheme:

Parish	£
Aintree Village	12,972
Formby	3,070
Hightown	246
Ince Blundell	311
Little Altcar	226
Lydiate	19,959
Maghull	77,638
Melling	2,470
Sefton	721
Thornton	505
	118,118

- (4) It be noted that the Leader of the Council and the Chair of the Overview and Scrutiny Committee (Performance and Corporate Services) had given their consent under Rule 46 of the Overview and Scrutiny Procedure Rules, for the decision to be taken by the Cabinet at its meeting on 31 January 2013 on the Council Tax Base, to be treated as urgent and not subject to “call in”, because legislation requires local authorities to notify the Department for Communities and Local Government and precepting bodies of the Council Tax Base by no later than 31st January 2013.

Reasons for Decision:

The Council is required to set its Council Tax Bases for 2013/14 and approve its National Non-Domestic Rates Return 1 for submission to the Government by 31 January 2013.

Alternative Options Considered and Rejected:

None.