

MEETING: CABINET
DATE: Thursday 5th December, 2013
TIME: 10.00 am
VENUE: Town Hall, Southport

Member

Councillor

Councillor P. Dowd (Chair)
Councillor Cummins
Councillor Fairclough
Councillor Hardy
Councillor Maher
Councillor Moncur
Councillor Tweed

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

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

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

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

We endeavour to provide a reasonable number of full agendas, including reports at the meeting. If you wish to ensure that you have a copy to refer to at the meeting, please can you print off your own copy of the agenda pack prior to the meeting.

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AGENDA

Items marked with an * involve key decisions

<u>Item No.</u>	<u>Subject/Author(s)</u>	<u>Wards Affected</u>	
1.	Apologies for Absence		
2.	Declarations of Interest Members 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 Minutes of the meeting held on 7 November 2013		(Pages 5 - 10)
* 4.	Employment Development and Development of Local Town Centres and Economies Working Group Final Report Report of the Director of Corporate Services Councillor McKinley, the Chair of the Employment Development and Development of Local Town Centres and Economies Working Group will attend to outline the content and recommendations set out in the report	All Wards	(Pages 11 - 16)
* 5.	Extension of Public Health Contracts and Procurement of Infection Control Service Report of the Director of Public Health	All Wards	(Pages 17 - 30)
6.	Welfare Reform Update Report of the Welfare Reform Member Reference Group	All Wards	(Pages 31 - 42)

* 7.	Local Council Tax Reduction Scheme 2014/2015, Change to Council Tax Discount for Unoccupied Properties from 1st April 2014 and updating the Council Tax Base 2014/15 Report of the Head of Corporate Finance and ICT	All Wards	(Pages 43 - 90)
8.	2013/14 Budget Update Report of the Head of Corporate Finance and ICT	All Wards	(Pages 91 - 108)
* 9.	Revenue Budget 2014/15 and Medium Term Financial Plan 2015/16 and 2016/17 Report of the Head of Corporate Finance and ICT	All Wards	(Pages 109 - 120)
10.	Library Review - Alternative Library Proposals 2nd Gateway Assessments Report of the Director of Older People	Ainsdale; Blundellsands; Molyneux; Victoria	(Pages 121 - 134)
* 11.	The REECH Project (Energy Efficiency and Renewable Energies in Social and Low Income Housing) - Interim Changes Report of the Director of Built Environment	All Wards	(Pages 135 - 138)
* 12.	Southport Business Improvement District Report of the Director of Built Environment	Cambridge; Dukes	(Pages 139 - 146)
* 13.	The Atkinson - Procurement Proposals for the Fit Out of the Museum Galleries Report of the Director of Built Environment	Ainsdale; Birkdale; Cambridge; Dukes; Kew; Meols; Norwood	(Pages 147 - 154)
* 14.	Strategic Asset Management Plan Report of the Director of Built Environment	All Wards	(Pages 155 - 174)
* 15.	The Mersey Forest Plan Report of the Director of Built Environment	All Wards	(Pages 175 - 178)

THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON TUESDAY 19 NOVEMBER, 2013. MINUTE NO's 61 AND 62 ARE NOT SUBJECT TO "CALL - IN."

CABINET

MEETING HELD AT THE TOWN HALL, BOOTLE ON THURSDAY 7TH NOVEMBER, 2013

PRESENT: Councillor P. Dowd (in the Chair)
Councillors Cummins, Fairclough, Hardy, Maher and
Tweed

ALSO PRESENT: Councillors Blackburn, Dorgan and Hubbard

57. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Moncur.

58. DECLARATIONS OF INTEREST

No declarations of interest were received.

59. MINUTES OF PREVIOUS MEETING

Decision Made:

That the minutes of the Cabinet meeting held on 10 October 2013 be confirmed as a correct record.

60. 2013/14 BUDGET UPDATE

The Cabinet considered the report of the Head of Finance and ICT which provided details of the progress made on the achievement of the approved savings for 2013-2015 and a forecast of the collection rates for Council Tax and Business Rates in 2013/14.

Decision Made:

That:

- (1) the progress to date on the achievement of the approved budget savings be noted;
- (2) the Cabinet Member for Older People and Health be given delegated authority to determine the level of discretion applied and the application of the subsidies saving option (D1.38) referred to in Paragraph 2.3 of the report;

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- (3) it be noted that earmarked reserves would be utilised in 2013/14 should other savings not be achieved, elsewhere in the budget, to bridge the current budget gap, set out in the report; and
- (4) the current position on the collection rates of Council Tax and Business Rates be noted.

Reasons for Decision:

To ensure that the Cabinet is informed of the latest position on the achievement of savings for the current financial year and to facilitate the achievement of the savings targets for 2014/15. To ensure the effective implementation of the Adult Non-residential Services Subsidies saving option (D1.38) and to provide an update on the forecast outturn position on collection of Council Tax and Business Rates.

Alternative Options Considered and Rejected:

None

61. CAPITAL ALLOCATIONS 2013/14

The Cabinet considered the report of the Head of Corporate Finance and ICT which provided details of the latest capital projects that had been recommended for inclusion within the Capital Investment Plan for 2013/14 by the Strategic Capital Investment Group. The report also provided details of a proposal for the Council to grant delegated authority to the Cabinet to approve self financing schemes for inclusion in the Capital Investment Plan.

Decision Made:

That:

- (1) the Council be recommended to approve the proposed capital schemes, detailed in paragraphs 2 to 5 of the report for inclusion in the Capital Investment Plan.
- (2) it be noted that the scheme referred to in paragraph 7 of the report, to relocate the South Area Social Work Team to St. Peter's House, Bootle would be funded from Adult Social Care Transformation resources;
- (3) the Director of Street Scene be given delegated authority to procure refuse containers, as set out in paragraph 3.2 of the report; and
- (4) the Council be recommended to give delegated authority to the Cabinet to approve self financing capital schemes in the Capital Investment Plan, as outlined in paragraph 9 of the report.

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Reasons for Decision:

To enable provide Members to consider the recommendations of the Strategic Capital Investment Group with regard to the inclusion of schemes in the Capital Investment Plan.

Alternative Options Considered and Rejected:

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

62. RE-ADOPTION OF THE LOCAL GOVERNMENT (MISCELLANEOUS PROVISIONS) ACT 1976

Further to Minute No. 9 of the meeting of the Licensing and Regulatory Urgent Referrals Committee held on 6 November 2013, the Cabinet considered the report of the Head of Corporate Legal Services which provided details of the proposal to re-adopt the provisions of Part II of the Local Government (Miscellaneous Provisions) Act 1976 within the Borough of Sefton.

Decision Made:

That:

- (1) the recommendation of the Licensing and Regulatory Urgent Referrals Committee be endorsed and the Council be recommended to give delegated authority to the Head of Corporate Legal Services to provide notice, in accordance with Section 45 of Part II of the Local Government (Miscellaneous Provisions) Act 1976, ('the Act') of the Council's intention to pass a resolution to re-adopt the provisions of Part II of the Act in relation to the Council's administrative area, with effect from 7 February 2014, subject to no adverse comments being received in relation to that notice; and
- (2) if such adverse comments are received, this matter be referred back to the Licensing and Regulatory Committee and that Council be advised.

Reasons for Decision:

A recent judgment had been made regarding decisions to prosecute under Part II of the Act. A local authority had been successfully challenged where it could not demonstrate that the prescribed notice procedure had been followed in its adoption of the Act some 35 years previously.

The re- adoption Part II of the Act was proposed for the purposes of clarification for the future, without prejudice to the Council's previous

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adoption made pursuant to the Act, and to ensure certainty in any enforcement action taken under the Act.

Generally, Cabinet is not involved in matters pertaining to licensing. However, this re-adoption is not determination, approval, consent and licence or registration concerning a licence, permission and therefore falls to be considered by the Council's Executive.

Alternative Options Considered and Rejected:

No, failure to re-adopt the Legislation may result in uncertainty in the Council's ability to take enforcement action.

63. PETERHOUSE SCHOOL, SOUTHPORT GOVERNING BODY - CHANGE IN COUNCIL'S APPOINTED REPRESENTATIVE

The Cabinet considered the report of the Director of Corporate Services seeking approval to a proposed change in the Council's representation on the Governing Body for Peterhouse School, Southport for the remainder of the 2013/14 Municipal Year.

Decision Made:

That Councillor Lappin be appointed as the Council's representative on the Governing Body for Peterhouse School, Southport for the remainder of the 2013/14 Municipal Year in place of Councillor Moncur.

Reasons for Decision:

The Cabinet has delegated powers to approve the Council's representatives to serve on Outside Bodies.

Alternative Options Considered and Rejected:

None

64. JAMES HORRIGAN COURT EXTRA CARE HOUSING SCHEME

The Cabinet considered the report of the Director of Older People on the proposed tender exercise to be undertaken for the provision of a Personal Care Support Services at the James Horrigan Court Extra Care Housing Scheme

Decision Made:

That:

- (1) the Director of Older People be authorised to conduct an OJEU Part B Open Procedure tender exercise for a new contract to run for a

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period of three years from 1 April 2014, with the option of two further one-year extensions;

- (2) the basis of the evaluation of tenders, as set out in paragraph 2.2 of the report be approved; and
- (3) the Cabinet Member for Older People and Health be authorised to accept the highest scoring Tender in accordance with the approved basis of evaluation.

Reasons for Decision:

The contract was currently held by Arena Housing who had served notice on the Council and the Council had agreed with Arena Housing that the contract would expire on 31 March 2014.

The Tender exercise would need to follow an OJEU Open Procedure and as part of the process, approval was required for the Cabinet Member to be given delegated authority to award the Contract at the end of the Tender process.

Alternative Options Considered and Rejected:

None. The existing provider had decided to cease delivery of the Services and served notice upon the Council in accordance with the termination provisions of the contract.

65. SOUTHPORT THEATRE AND CONVENTION CENTRE

The Cabinet considered the report of the Director of Built Environment which provided details of the European Union Open Procurement Procedure, which had been undertaken in order to procure a contract for the operational management of Southport Theatre and Conference Centre (STCC) for a 10 year period from 1 April 2014.

Decision Made:

That:

- (1) Subject to contract, the tender submitted by HQ Theatres be accepted as being the tender achieving the highest Price/Quality score in respect of the operation of the Southport Theatre and Conference Centre for a period of 10 years from 1 April 2014;
- (2) the Head of Corporate Legal Services be requested to draw up appropriate Lease and Management Agreements with the successful tenderer; and

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- (3) the appropriate officers work with and support the successful tenderer in order to facilitate the successful transition to the new operational arrangements.

Reasons for Decision:

The Company recommended for the award of the operational tender for the STCC was a clear winner with the highest score in each category of the scored assessment criteria.

Alternative Options Considered and Rejected:

The only real alternative was an in-house operation of the STCC but the Council's resources were insufficient to respond to an Invitation To Tender at this time.

66. ORRELL SCHOOL PHASE 3 HOUSING DEVELOPMENT

The Cabinet considered the report of the Director of Built Environment approval to dispose of the Orrell School Phase 3 site to Riverside Housing for the construction of new housing for affordable rent.

Decision Made:

That approval be given to the disposal of the Orrell School Phase 3 site to Riverside Housing on the terms and for the reasons outlined in Appendix I of the report for the construction of 12no. 1 bedroom 2 person flats and 6no. 2 bedroom 4 person houses for affordable rent.

Reasons for Decision:

The site had been acquired as part of the former Housing Market Renewal programme by agreement and under Compulsory Purchase powers for residential development. The scheme was the final phase of planned residential development on the site.

Alternative Options Considered and Rejected:

The site was Compulsory Purchased by the Council in order to redevelop with new housing. There are no viable alternative options other than to leave the site undeveloped which would be contrary to the express purpose of the CPO and aims of the Housing Market Renewal Programme.

As an area currently undergoing significant regeneration the low value of residential accommodation in the area, and increased development costs limits the value of the land to the point where a market led scheme would likely be unviable.

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Report to: Overview and Scrutiny Committee (Regeneration and Environmental Services) **Date of Meeting:** 12 November 2013

Cabinet

5 December 2013

Subject: Employment Development and Development of Local Town Centres and Economies Working Group

Employment Development Final Report

Report of: Director of Corporate Services

Wards Affected: All

Is this a Key Decision? Yes

Is it included in the Forward Plan? Yes

Exempt/Confidential No

Purpose/Summary

To formally present the final report of the Employment Development and Development of Local Town Centres and Economies Working Group in relation to the Employment Development element of the review.

Recommendation(s)

- (1) That the Overview and Scrutiny Committee (Regeneration and Environmental Services) notes the recommendations of the Working Group as set out (a)-(q) below and commends the same to Cabinet;
- (a) It be noted that the Employment Development and Development of Local Town Centres and Economies Working Group actively supports and confirms the value of the proposed Member Reference Group for Jobs and Prosperity and requests that update reports on the work of the Member Reference Group are submitted to the Overview and Scrutiny Committee (Regeneration and Environmental Services).
- (b) It be noted that the Employment Development and Development of Local Town Centres and Economies Working Group welcomes a holistic, authority-wide high-level strategy/policy that enables all Council assets to be organised in an effective way to contribute to regeneration and reduce the potential for 'silo working' thereby identifying regeneration as a cross-cutting theme across all Council activity, and requests Director of Built Environment to bring forward a Place-Based Regeneration policy for members to consider.
- (c) Further to (b) above, the Director of Built Environment and the Director of Corporate Services be requested to develop a Social Value Policy, underpinning the exercise of all the Council's powers including procurement, regulation and employment which will authorise specific obligations to be placed on providers relating to local jobs, skills and supply, and work toward publishing a set of ethical business statements that demonstrate the Council's commitment.

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- (d) That the Director of Built Environment be requested to include a high-level employment, skills and local supply objective within the Local Plan to provide justification for specific conditions and policies relating to the maximisation of local benefit from proposals for development and change of use.
- (e) That the Director of Built Environment makes detailed investigation (with external expert assistance as necessary) on how to embed detailed obligations and operational targets and compliance regimes, proportional to the task, within planning consents and development agreements.
- (f) That the Director of Built Environment be requested to work through the Sefton Employment and Skills Partners Group to align all partners' employer engagement to ensure that all businesses across the Borough are given comparable opportunities to achieve our shared Employment, Education and Training objectives.
- (g) That the Council, a representative of Hugh Baird College, Southport College and other Further Education providers within the Borough be invited to update the Committee annually on the progress of their proactive work in reducing NEETs in the Borough, including the use of all available evidence to identify NEET hotspots, preparation of intervention targets to reduce numbers in these areas, together with agreed robust systems for monitoring and evaluating the impact of joint interventions; and progress with other prevention/diversion measures including studio schools.
- (h) That the Sefton Employment & Skills Partners Group be invited to develop a holistic approach to the education, training and employment needs of young people in transition from school to work, and bring forward a strategy and plan for tackling youth disengagement and long-term youth unemployment.
- (i) That the Director of Older People, in consultation with the Director of Built Environment, be requested to advise how Adult Community Learning can help to extend Digital Inclusion to hard-to-reach groups and to maximising opportunities for individuals to be trained up, ready for employment.
- (j) That the Head of Corporate Finance and ICT be requested to develop an integrated Strategy for Digital Inclusion.
- (k) It be noted that the Employment Development and Development of Local Town Centres and Economies Working Group recognises the excellent work already being undertaken by the "Family Comes First" Team in Sefton and that an annual report be submitted to the Overview and Scrutiny Committee (Regeneration and Environmental Services) to update on the Team's progress in supporting Sefton's families.
- (l) That the Sefton Employment & Skills Partners Group be requested to maximise employment opportunities in relation to future and emerging growth sectors such as the SuperPort, Visitor Economy, Knowledge Economy and Low Carbon Economy.

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- (m) That the Liverpool City Region, Local Enterprise Partnership be requested to customise its employment and skill forecasts to match Sefton’s specific needs and to inform the work of the Sefton Employment & Skills partners.
- (n) It be noted that the Employment Development and Development of Local Town Centres and Economies Working Group commends the excellent work undertaken by Sefton@Work and InvestSefton in attracting new business to Sefton, supporting existing businesses already operating in Sefton and the day-to-day guidance, support and advice available to the residents of Sefton.
- (o) That the Director of Built Environment be requested to submit a six-monthly Performance Monitoring report to the Overview and Scrutiny (Regeneration and Environmental Services) Committee, reporting progress made against each of the recommendations as set out in this report.
- (p) That the Cabinet Member for Regeneration and Tourism be requested to develop an action/implementation plan for each of the agreed recommendations, including timescales and milestones for completion.
- (q) That the Head of Corporate Commissioning and Neighbourhood Co-ordination be requested to submit six monthly monitoring reports to the Overview and Scrutiny Committee (Performance and Corporate Services) and the Overview and Scrutiny Committee (Regeneration and Environmental Services) in relation to the impact on Sefton’s Community of the Welfare Reform.
- (2) That the Cabinet approves the recommendations of the Working Group as set out above (a)-(q).

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 Working Group has made a number of recommendations that require approval by the Overview & Scrutiny Committee (Regeneration and Environmental Services) and the Cabinet.

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What will it cost and how will it be financed?

There are no financial implications arising for the Council as a direct result of this report.

Implications: N/A

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: N/A

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT has been consulted and notes that the contents of the report indicate that there are no direct financial implications for the Council (FD 2616)

The Head of Legal Services has been consulted and has no comments on this report as there are no legal implications arising from the contents of this report. (LD1921:).

The Director of Young People and Families has been consulted on the recommendations contained within this report.

The training providers named within the final report have been advised of the proposals via receipt of the final report.

Are there any other options available for consideration? The Cabinet could refuse approval of the recommendations.

Implementation Date for the Decision

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

Contact Officer: Ruth Harrison

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Email: ruth.harrison@sefton.gov.uk

Background Papers:

There are no background papers available for inspection.

BACKGROUND:

The Overview and Scrutiny Committee (Regeneration and Environmental Services) established the Employment Development and Development of Local Town Centres and Economies Working Group. The group has undertaken a review on issues surrounding employment development within the Borough and its final report can be accessed following the link below:-

<http://modgov.sefton.gov.uk/moderngov/documents/s49910/Final%20Report%20-%20Employment%20Development%20Review%20-%20October%202013.pdf>

The Overview and Scrutiny Committees are requested to support the recommendations and commend them to the Cabinet for approval.

The Cabinet is requested to approve the recommendations.

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Report to: Cabinet	Date of Meeting: 5 December 2013
Subject: Extention of Public Health Contracts and Procurement of Infection Control Service	
Report of: Director of Public Health	Wards Affected: All
Is this a Key Decision? Yes	Is it included in the Forward Plan? Yes
Exempt/Confidential	No

Purpose/Summary

1. To seek Cabinet approval to waive Contracts Procedure Rules and authorise a 6 month extension of the existing Smoking Cessation contract. This would be an extension of 6 months from the 1st April 2014 to the current contract with Liverpool Community Health. The cost of full 6 month extension would be £258,041.
2. To waive Contracts Procedure Rules and authorise a 12 month extension of the existing BreastStart Contract. This would be an extension of 12 months from 1st April 2014 to the current contract with Netherton Feelgood Factory. Cost of full 12 month extension would be £191,000.
3. To waive Contracts Procedure Rules and authorise a 12 month extension of the existing NHS Health Check contracts (a mandatory public health function) and the Nicotine Replacement Treatment (NRT)/varenicline medication for smoking cessation. This would be an extension of 12 months from 1st April 2014 to the current GP and Pharmacy contracts without contract amendments. These are individual contracts with GP Practices and Pharmacies. Cost of full 12 month extension to include all current contracts would be £939,000.
4. To seek approval for a three month contract extension and the procurement of the Infection Control Service with relevant approvals for the tender exercise.

Recommendation(s)

1. That Cabinet agrees to waive Contracts Procedure Rules and authorises the 6 month extension of the Smoking Cessation contract to enable the review to be completed.
2. That Cabinet agrees to waive Contracts Procedure Rules and authorises the 12 month extension of the BreastStart Contract to enable the review to be completed.
3. That Cabinet agrees to waive Contracts Procedure Rules and authorises the 12 month extension of the NHS Health Check Contracts and the Nicotine Replacement Treatment (NRT)/varenicline medication to enable the review and procurement process to be completed.
4. That Cabinet agrees to waive Contracts Procedure Rules and authorises the three month extension of the Infection Control Contract to enable the procurement

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process to be completed and implement the revised specification.

5. That Cabinet authorise the Director of Public Health to conduct OJEU Open Procedure tender exercises for the new contract for the Infection Control Service to run for a period of three years, with the option of two further one-year extensions for each service.
6. That Cabinet approve the basis of evaluation of tenders as set out below
7. That Cabinet authorises the Director of Public Health to accept the Highest Scoring Tender in accordance with the approved basis of evaluation and to report on the outcome to the Cabinet Member for Older People and Health
8. That Cabinet authorises the Director of Public Health to have delegated authority to award the contract on completion of the tender process.

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:

1. Recommendation is requested as the current contract is due to expire on the 31st March 2014 and that the contract is within the scope of the Lifestyle Thematic Review.
2. This recommendation is requested as the current contract is due to expire on the 31st March 2014 and a review of breastfeeding support is required to understand the needs of Sefton's population.
3. This recommendation is requested as the current contract is due to expire on the 31st March 2014 and providing a 12 month contract extension would allow for market stability. Additionally the NRT and varenicline element of the contracts are linked into the review of Lifestyle services and the LCH Smoking Cessation contract extension. The 12 month contract extension would allow the current reviews and audits and procurement exercise to be completed.
4. This recommendation is requested as the current contract is due to expire on 31st March 2014 and a three month extension would be required to allow for the procurement activity and to implement the revised specification.

What will it cost and how will it be financed?

(A) Revenue Costs

1. The cost of the contract extensions will be met from within the Public Health budget allocated for this purpose.

There would be no additional in year costs with regard to the council extending the current contract for infection control. The cost of full 6 month extension for Smoking Cessation would be £258,041.

Recognising the uncertainty of future funding, the renewed contract paperwork makes it clear that the price agreed for the contract is subject to the ongoing availability of sufficient funding and that in the event that during the contract period the Local Authority does not have sufficient funds to cover the price of the contract the Contractor will develop and agree a contract variation with the Commissioner such that the contract price remains within the funding available.

2. Cost of the full 12 month extension for BreastStart would be £191,000
3. Cost of the full 12 month extension to include all current contracts for General Practice and Pharmacy would be £939,000
4. With regard to the cost of the new infection control contracts, this will be met from within the Public Health budget allocated for this purpose. The current contract value is £143,000 per annum, the ceiling price for the Tender will be £91,000.

This revised cost has been accurately developed to ensure that all areas of need are delivered. The specification includes the provision of policy development and

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review, outbreak management, contact tracing, audit, advice and support, MRSA decolonisation and training. This will be delivered to GP and dental practices, residential homes, prisons and other areas as identified by any qualified provider' (AQP) status.

The cost of the infection control contract extension would be £35,750 and this would be contained within the existing budget allocated for Infection Control.

(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	
1. Risk of a possible challenge from an aggrieved provider who has not been given an opportunity to tender/quote for the work/services comprising the extension.	
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:

By extending the current contracts time will be made available to ensure that recommendations are consulted upon and procurement activities where appropriate have sufficient time to be completed. This will ensure that impact on service users will be mitigated.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance 1.(FD2657/13), 2 (FD2658/13), 3. (FD2659/13), 4. (FD2660/13)and Head of Corporate Legal Services 1.(LD1962/13,) 2 (LD1963/13), 3. (LD1964/13), 4(LD1965/13) have been consulted and any comments have been incorporated into the report.

Smoking Cessation

The communications approach aims to support the aims and objectives of the commissioned service reviews through communicating key messages to stakeholders.

It sets out how Public Health will communicate to stakeholders to create awareness of the reviews and encourage communication, engagement and consultation.

Public Health is undergoing three large reviews and two tender processes which will incorporate current commissioned activity. The three areas under review are:

- Healthy lifestyles services
- Healthy weight services
- Adult and young people's substance misuse services

The reviews will enable Sefton Council to have an understanding of what the commissioned contracts provide and potential cost savings.

The Public Health team undertook activities to gather information and test proposals. Activities included:

- Pre registration of potential respondents and stakeholders
- Contacting through letter, e mail and fax potential respondents to determine how they would like to be informed and how often
- Internal meetings within Public Health Team to discuss consultation engagement and communication
- Sought advice and help from the Public Engagement and Consultation Team
- Completed desktop literature review
- Submitted project proposal to the Public Engagement and Consultation Panel

There are four groups:

1. Service providers – these include: Liverpool Community Health Trust NHS, Healthy Living Centres, Sefton Council and Sefton CVS
2. Service users – these include: clients and the general public
3. Wider Stakeholders – these include: CCGs and Councillors
4. Gaps – those who are not using the services – these include: residents who have mental health problems, learning disabilities, men and young people

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BreastStart

It was identified in the Maternity Sefton Liaison Committee (MLSC) Annual Action plan (2012) that Sefton needed to evaluate the improvements made (if any) and local satisfaction of current provision of services. A questionnaire has been developed by Sefton's Maternity Task group, comprising of mothers living in Sefton as well as parents from the CVS , staff from public health and staff from the local NHS Trusts.

Parents who have had a baby between 12 June 2011 and 12 December 2013 are invited to give their views through the questionnaire which is available across Sefton in, GP clinics and children's centres.

Further consultation will be undertaken within the review of the services and identification of needs.

How Public Health will engage and consult

From stakeholder feedback, research to establish the best practice to engage and consult and advice from the Public Engagement and Consultation Team, the Public Health Team have established the following methods of engagement and consultation.

- One to one interviews/meetings
- E-consult online survey
- Focus groups
- CCG locality meetings
- E- bulletin
- Press releases
- Internal workshops

General Practice and Pharmacy contracts:

Currently the services are undergoing review and audit. This consultation includes CCG's and other health providers. This will inform Public Health of the available service options.

Infection Control

Planned consultation with Stakeholders, at a Stakeholder Event to be held at Bootle Town Hall in December 2013. This event will present the Commissioner's vision for future services in Sefton. The session will also engage stakeholders to help develop/confirm the outcomes sought.

Are there any other options available for consideration?

Public Health are reviewing the options for the contracts at this time with legal, procurement and senior officers working to ensure that the extension times have been reduced at much as possible to avoid unsettling providers and service users.

Implementation Date for the Decision

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

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Background Papers:

There are no background papers available for inspection.

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Smoking

1. Historically, NHS Sefton had commissioned a number of services to address key lifestyle issues such as overweight and obesity, smoking, mental health and wellbeing and alcohol. These programmes were often developed in isolation from each other, largely due to the funding streams that were attached to each priority lifestyle area. The transfer of responsibility for public health from NHS into local authority provided an opportunity to review current service provision in association with National Guidance to assist in looking for new opportunities in service delivery, albeit at a time of funding constraints.
2. There is a duty to ensure that the commissioning of services to address lifestyle risks achieves value for money and there is a clear responsibility to maximise health outcomes within available budgets. Health inequalities in Sefton have been apparent for many years. Despite significant investment in services to support improvements in health, health inequalities still remain. The persistence of health inequalities suggests that either there are other issues leading to poor health outcomes or the current services are not being accessed properly.
3. Available evidence suggests that many people have multiple lifestyle risk patterns. The 2010 Lifestyle Survey for Sefton found that 9.5% of adult residents (this equates to 20,000 people) exhibited three or more unhealthy behaviours. The evidence would suggest that there is a need to move away from the commissioning of services to address single health issues and move towards a more integrated holistic approach that can address multiple needs. This would support and build on the understanding that people's lifestyle choices are the result of many factors and so by responding to need in a more holistic way this could strengthen and better support people to make the necessary changes that will lead to improvements in their health by making it easier for people to access information, advice, support and activities to change to healthier behaviours through the development of an integrated wellness service for Sefton. The current service is subject to the outcome of the Lifestyle Review and its recommendations.
4. Currently the contract is with Liverpool Community Health and is due to expire on 31st March 2014. The service delivers smoking cessation clinics borough wide, engages and supports the smoking cessation champions and provides the support and quality assurance for the pharmacy NRT and Level 2 Smoking cessation offer. The provider also administers the Patient Group Directive (PDG) and the training for the PGD for varenicline which is part of the pharmacy smoking cessation offer.
5. Cabinet is asked to approve a 6 month contract extension to allow the review to be completed and that the cost of a six month extension would be £258,041.

BreastStart

1. Currently the provision is contracted with Netherton Feelgood Factory; this contract delivers Sefton's breastfeeding peer support programme, antenatal workshops, breastfeeding sessions, post natal home visits and telephone support for breastfeeding support. A key element of the contract is ensuring that contact is made with every mother prior to them being discharged from hospital. Additionally volunteers are trained to deliver the peer support programme. The service is also charged with promoting breastfeeding friendly organisations as part of the Baby Friendly Initiative Award (BFI).
2. A review of breastfeeding support is required to understand the needs of Sefton's population. This will ensure that the future commissioned service truly supports the identified needs. Following a review there could be the possibility of integrating the provision into a reduced number of contracts and providers. This review and future commissioning would require 12 months to complete.
3. The qualitative research of the current provision carried out on behalf of Sefton and Knowsley in 2012/13 was very positive, and therefore the risk of continuing with the current contract for a further 12 months is minimal.
4. Public Health has argued successfully for the City Region Child Poverty Commission to promote this concept across Merseyside as one of the only NICE approved interventions along with BFI.
5. Therefore an extension of the current contract is requested to allow a review to happen and allow sufficient time for the tender process to enable a new service to start 1 April 2015.
6. The capacity of the organisation to engage in a procurement activity prior to September 2014 would be minimal, due to other contracts with more risk, higher value and poor performance being prioritised

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GP and Pharmacy contracts (NRT/NHS Health Checks)

- 1 This request is for an extension of 12 months to the current GP and Pharmacy contracts without contract amendments. These contracts are a range of individual contracts with each GP Practice and Pharmacy. The total cost of the full 12 month extension which includes all the individual current contracts would be £939,000. The contracts provide the NHS Health Checks and the Nicotine Replacement Treatment (NRT) / varenicline medication for smoking cessation.
1. The current provision is performing well; it is meeting targets and has a good geographical coverage across the borough. A 12 month contract extension would allow for market stability during this period of review.
2. A number of audits and reviews are either currently or due to be undertaken. These include Sefton Public Health's clinical audit tool which it is currently piloting. The results of which will be available by January 2014. The Cheshire and Merseyside Collaborative Service are reviewing NHS Health Checks looking at the pros and cons of commissioning on a larger footprint. This review will not be completed prior to March 2014. Public Health England launched their NHS Health Check implementation review and action plan in July 2013, we are awaiting the recommendations
3. The NRT and varenicline element of the contracts are linked into the review of Lifestyle services and the LCH Smoking Cessation contract extension.
4. The capacity of the organisation to engage in a procurement activity prior to September 2014 would be minimal, due to other contracts with more risk, higher value and poor performance being prioritised
5. That Cabinet agrees to waive Contracts Procedure Rules and authorises a 12 month extension of the existing NHS Health Check Contracts (a mandatory public health function) and the Nicotine Replacement Treatment (NRT) / varenicline medication for smoking cessation.

Infection Control

1. The aim of the community infection prevention and control service is to promote infection prevention and control standards within primary and social care providers. The service provides root cause analysis, education, advice and audit support. The service also responds to cases, clusters and outbreaks of communicable disease within the community, in partnership where necessary and following agreed protocols.
2. Currently Liverpool Community Health (LCH) hold the contract for providing Sefton's Infection Control. Historically the cost of LCH's own infection control has been built into the contract cost and this has meant that currently Sefton Public Health is not getting full value for money.
3. The current contract is due to expire on the 31st March 2014. Public health recommends that the procurement process starts immediately as there is no added benefit of waiting. A three month contract extension would be required to complete the procurement and implement the revised specification
4. It is intended that the outcomes achieved by the new contract/service will include the following:
 - Active promotion of service to primary and social care providers so that they all know how to contact the service and how to participate in good infection prevention and control practices.
 - Facilitate access of primary and social care providers to infection control tools and best practice guidance.
 - Support delivery of key infection control advice for the public, including seasonally appropriate infection control messages, e.g. flu and norovirus, through primary and social care providers, other LCH services and other key stakeholders in the community, utilising a range of resources, including websites, advice leaflets, presentations, on-screen information systems in waiting areas as well as verbal and written advice.
 - Provision of infection control advice to emergency-planning, resilience and response agendas as required.
 - Contact with all patients diagnosed with community-acquired C difficile and MRSA (or their carers) to provide information and offer of home visit as required to advise on self-care to reduce the risk of repeat infection.
 - Provision of opportunity for provider and patient input in developing education and advisory services.

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Infection Control Procurement Process

1. A full open procurement process will be engaged in order to award the contracts, with the contract being advertised using an e-procurement portal "The Chest". Submissions will be invited from Sole Contractors, Prime Contractors with sub-contracted third parties providing some of the service or consortia of agencies working in partnership and exercising effective "end-to-end" accountability for all elements of the service.
2. The tender exercise will follow an OJEU Part B Open Procedure. Approval is requested for Chief Officer delegated authority to award the contract on completion of the tender process.
3. The new contract will run for a period of three full years from 1st July 2014, with the option of two further one-year extensions. This is due to the national based service specifications and creating stability within these services models.
4. Recognising the uncertainty of future funding, in particular the uncertainty over the Public Health budget allocation from central government beyond the second year, the Invitation to Tender makes it clear that the price agreed for the contract is subject to the ongoing availability of sufficient funding and that in the event that during the contract period the Local Authority does not have sufficient funds to cover the price of the contract the Contractor will develop and agree a contract variation with the Commissioner such that the contract price remains within the funding available.
5. Bids will be evaluated according to a number of standard criteria, cost, quality measures and an interview. The Standard Criteria will produce a Pass or Fail assessment, with only those passing being fully assessed. In the full assessment cost will account for 30%, quality will account for 60% and the interview will account for 10% of the overall score. Only those bidders within 10% of the leading bidder following the cost and quality assessment will be taken forward to interview.
6. The Standard Criteria and Quality Measures will include:

Standard criteria:

- Past experience / evidence of technical experience
- Financial viability
- Appropriate Insurance
- Equality submission
- Health and safety performance
- Evidence of professional conduct

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Quality measures:

- Nature of service model/service configuration proposed
 - Engagement of service users with service/treatment
 - Staff involvement in service design, delivery and performance monitoring
 - Clinical and information governance
 - Engagement/integration with local agencies/stakeholders
 - Service governance and leadership
 - Planning & performance management
 - Forecasted levels of service activity and outputs
 - Added Social Value
 - Implementation plans
7. The evaluation will be conducted by officers from: Commissioning, Public Health, Finance, CCG's and Clinical lead. A service user will also be involved in the interview process. Support and moderation will be undertaken by officers in Corporate Procurement. The officers involved will score each section against agreed criteria, with scores then being added into the overall bid scoring.

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Report to: Cabinet

Date of Meeting: 5 December 2013

Subject: Welfare Reform Update

Report of: Welfare Reform Member Reference Group **Wards Affected:** All

Is this a Key Decision? No

Is it included in the Forward Plan? No

Exempt/Confidential No

Purpose/Summary

At its meeting of 31st January 2013, Cabinet approved a partnership Welfare Reform Action Plan to seek to mitigate on a limited basis, the impact of the changes on local community and requested that progress reports be brought back to the Cabinet on a six monthly basis. This report provides the second six monthly progress. The first progress report presented to Cabinet on 18th July 2013 provided considerable detail on progress which is updated in this report on the work of the Member led Welfare Reform Reference Group.. The Reference Group which sets the direction for welfare reform mitigation which encompasses the:

- (1) Impact of implementation of Welfare Reform legislation so far.
- (2) Work that partners and the Council are doing collectively around mitigation of impact where possible.
- (3) Preparation work for further Welfare Reform legislation impacts.

Recommendation(s)

It is recommended that:

- (1) the continuing energy and commitment from partners and within the Council to mitigate the impact wherever possible is noted and encouraged.
- (2) the considerable progress to date on key Partnership Action Plan themes as set out in Section 2 is noted.
- (3) the update on Emergency Limited Assistance Scheme (ELAS) as set out in Section 2 is noted.
- (4) the emerging issues and proposed mitigation measures are understood and endorsed by Members.
- (5) that the Cabinet extended its thanks and deep appreciation of the sterling work and commitment of volunteers across the Borough delivering support to those in need.

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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	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		

Reasons for the Recommendation:

- (i) Ensure that the Council are fully aware of the emerging impact of Welfare Reform.
- (ii) Enable the Council to focus efforts and capacity in the most appropriate ways to try and mitigate the impact of Welfare Reform wherever possible.
- (iii) To put into place any mitigating actions if possible and work with partners to do so.

What will it cost and how will it be financed?

(A) Revenue Costs

Existing officer and partner time is the major resource. The use of the pump priming resource element of the Emergency Limited Assistance Scheme as approved by Cabinet on 31st January 2013 is also supporting some of the infrastructure that is needed to mitigate the impact wherever possible.

(B) Capital Costs

N/a.

Implications:

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

Legal – Welfare Reform Act 2012 and S1 Localism Act 2011		
Human Resources		
Equality		
1.	No Equality Implication	<input type="checkbox"/>
2.	Equality Implications identified and mitigated	<input type="checkbox"/>
3.	Equality Implication identified and risk remains	<input checked="" type="checkbox"/>

Impact on Service Delivery: The partner Action Plan has been put into place and the Welfare Reform Reference Group established to mitigate wherever possible the impacts of Welfare Reform. However, it remains clear that even with partner engagement, the Council will only ever be able to make a marginal impact.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD2679) confirms that costs other than that of officers time are being funded from the Social Fund, which is government funding for 2013/14 and 2014/15, and Head of Corporate Legal Services (LD.1984) has been consulted and has no comments on the report

Are there any other options available for consideration?

The proposed mitigation measures have been developed in partnership with key organisations such as JobCentre Plus, Citizens Advice Bureau, One Vision Housing and the voluntary, community and faith sector. Various options have been discussed and suggested at the vibrant and well attended partner workshops as well as an internal workshop. All of these have been considered for deliverability and viability. The options put forward are those that are considered to have a practical and realistic outcome.

Implementation Date for the Decision

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

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Background Papers:

None

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1. BACKGROUND

- 1.1.1 This report sets out further progress in terms of mitigation, reflection on the impact of some legislation now in place and how the Council and partners are planning actions as the reforms take further effect

2. CURRENT POSITION AND FUTURE MITIGATION PLANS

- 2.1 Notable progress against the key themes in the Welfare Reform Action Plan are as follows:

- 2.2 Foodbanks.

- 2.2.1 Sefton now has four fully operational foodbanks. Up to mid November 4,102 people have been fed which equates to 2,543 adults and 1,559 children. The greatest level of demand has been in the South of the Borough where 2,706 have been fed.

- 2.2.2 All foodbanks have been working collaboratively and redistributing food to South Sefton. The recent Harvest Festival collection for the foodbanks in schools and churches brought in 3 tonnes of food alone.

- 2.2.3 Due to the increased demand on South Sefton Foodbank as evidenced by the figures above the Cabinet Member Reference group have committed further resources to support the infrastructure of St Leonards. This commitment will enable a further two years of sustainability for the organisation and support the South Sefton Foodbank.

- 2.2.4 St Leonards Youth and Community Centre, the hub for anti-poverty work in South Sefton is currently putting together a lottery bid to enable it to cope with the demands of the community. The Council, One Vision Housing and Sefton CVS are supporting St Leonards with this, whilst also looking at what wider anti-poverty measures can be developed to address deprivation in the most vulnerable communities.

- 2.2.5 A celebration meal and event took place with 68 foodbank volunteers in attendance at St Leonards Youth and Community Centre on 21 November 2013. Cabinet Members, Ward Members and Council officers helped with the preparation and delivery of the event as a small token of appreciation for the fantastic work being undertaken.

- 2.2.6 The foodbank network across Sefton currently has 250 volunteers. The volunteers who give up their time to support the foodbanks across the borough are providing invaluable support to some of our most vulnerable individuals and families. It cannot be

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underestimated the impact that this generosity has on the well-being of our residents and communities.

2.2.7 There will be a national foodbank collection at Tesco on 29 and 30 November 2013. This again will be supported by Council officers and the volunteers.

2.2.8 Work is ongoing to raise the profile of foodbanks. The Council intranet page has been updated with a Festive Friday initiative to encourage staff and Councillors to donate items in high demand. Council papers also carry the request for foodbank items.

2.3 Furniture Recycling

2.3.1 Helping Hand continue to provide an excellent community based service in terms of crisis packages. Working with One Vision Housing and the Council, they have secured additional premises and are now able to receive unwanted items of furniture from OVH.

2.3.2 The Council has facilitated conversations between Helping Hand and other Registered Social Landlords including Riverside, Plus Dane, Adactus, Pierhead and Liverpool Housing Trust.

2.3.3 The Cabinet Member Reference group has agreed to support infrastructure costs of Helping Hand for a further year due to the excellent partnership work already undertaken and the demand on their service being high from our most vulnerable residents and communities.

2.3.4 Helping Hand is also a distribution centre for the Crosby Area Foodbank.

2.4 Community Kitchens

2.4.1 A mapping service of existing services has taken place and gaps in provision have been identified. A standalone kitchen will be sourced and available to be lent out to community centres or groups who do not have the facility to hold cooking classes on their premises.

2.4.2 There has also been discussion around developing a “ministry of food” style shop in the Strand, which would be used as a drop in facility for people to access information on nutrition and simple cooking classes.

2.4.3 A workshop is being planned for early 2014 to train volunteers and build their confidence in giving cooking classes and advice.

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2.5 Welfare Reform Workshop

- 2.5.1 A welfare reform workshop was held in September which was again well attended. The focus was on finding out about volunteer experiences of the impact of Welfare Reform and also beginning conversations around digital inclusion.
- 2.5.2 Two films have been produced by Citizens Advice Bureau and the Young Advisors reflecting volunteer experiences which were shown at the event. They were incredibly powerful and attendees were then asked to reflect on their feelings after watching them, the issues that were presenting in their communities and the tangible things as organisations that we could do. In particular, the implications on staff, partners and volunteers personal resilience in dealing with individuals and families coping with complex and difficult individual and personal circumstances.
- 2.5.3 A session on digital inclusion followed and a draft action plan to be discussed further with partners had been developed. This is attached at Appendix A. It should be noted that this is a huge area of development and will take time to implement. As a Council, Members of the Welfare Reform Reference Group are keen to ensure that all main Council facilities are WIFI accessible for residents. This is being progressed and Cabinet will be updated as and when it becomes operational.

2.6 Financial Inclusion

- 2.6.1 Work is ongoing to develop affordable alternatives to payday loans and encourage effective money management. These discussions are at an early stage and are being led by One Vision Housing. The Council has made a commitment to pay people on a Friday when payday falls on a Sunday to prevent people from taking out loans. The block on payday loan sites being accessible from Council ICT systems continues.
- 2.6.2 A successful illegal money lending event took place in Birkdale. Sharky the Shark the symbol of the national Illegal Money Lending Team (IMLT) attended Farnborough Road Children's Centre in Birkdale during half-term to raise awareness of the risks of loan sharks and illegal money lending.
- 2.6.3 At the half-term session, Sharky spent time with both staff and children at the Fun4Kidz half-term play session to oversee a colouring competition that the children undertook. Leaflets and drink-mats were also given out to parents providing details of the service that the Illegal Money Lending Team can provide to get people out of the problem they may be experiencing because of loan sharks.
- 2.6.4 Following a number of events across Sefton, the Illegal Money Lending Team are now working with Sefton's first two cases and are targeting a known Loan Shark. Sefton are planning further Loan

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Shark awareness days for other affected areas in Sefton, including an appearance of Sharky at planned markets in Bootle and Netherton to hand out IMLT leaflets.

2.7 Emergency Limited Assistance

- 2.7.1 5132 applications have been received from 1 April 2013 until 3 November 2013. 60% of these have been approved. 1,433 foodbank vouchers and 1,311 paypoint vouchers for electricity and gas “top ups” have been issued. 248 referrals have been made to Helping Hand for crisis packages. 78% of all applications have come from South Sefton with 75% being from people aged between 16 and 45 years old. 28% come from Linacre ward.
- 2.7.2 The Welfare Reform Members Reference Group have made limited contingency arrangements for Christmas cover and the impact of cold weather. These have been made in the context of budget constraints and Christmas shutdown arrangements.
- 2.7.3 The Emergency Limited Assistance scheme priorities for expenditure have been discussed and agreed by Members. This is in recognition of the emerging impact of Welfare Reform and the increased demand on the infrastructure support to deliver against this. This has committed all resource within ELAS up to March 2015.

2.8 Targeted work for those families most affected by the Benefits Cap

- 2.8.1 Fifty-two families have been identified as being most affected by the Benefits Cap. A small group has been established which provides access to advice and guidance and support for these families. Some have accessed Discretionary Housing Payments, debt management advice from Arvato, CAB and Registered Social Landlords and employment and training support. The number has been less than expected, although it's a rolling number and more may or may not be affected over time. The principle of flagging up who may be most affected and offering support is an ongoing commitment.

3 Next Steps

The above sets out a snapshot of activity undertaken and a further report will be submitted to Cabinet in July 2014. This will be an annual report and will include the foodbanks and Helping Hand which will have been in operation for a year.

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Appendix A

Sefton's Digital Inclusion Action Plan

What is Digital Inclusion?

Where people are directly or indirectly excluded from using digital technology to improve their life chances in the places where they live.

The Sefton Digital Inclusion Action Plan fits Sefton's Health & Wellbeing Strategy promoting training/volunteering for all ages/abilities [Sefton MBC, 2013]; Sefton's Strategic Needs Assessment in improving skills, training, volunteering, employment opportunities and service accessibility [Sefton MBC, 2012]; Sefton's Economic Strategy in developing skills and abilities [Sefton MBC, 2012]; Sefton's Local Economic Assessment (LEA) by addressing 'the low skills equilibrium' [SQW 'Sefton LEA' 2011]; and Sefton's Strategy for Older Citizens boosting financial security, communications, social ties, participation and engagement [Sefton Partnership for Older Citizens].

Regionally the project complements the Liverpool City Region's (LCR) Skills for Growth strategy closing ICT skill gaps [LCR, 2013]; LCR's aim of reducing poverty, helping families make good financial choices and optimising job opportunities [Child & Poverty Needs Assessment Refresh (ibid)]; and LCR employment, education, skills, training and social inclusion priorities within the European Structural Funding Programmes 2014-20.

Understanding the problem - Local Context

The Linacre, Derby, St. Oswald, Litherland, Ford, Church, Victoria and Netherton & Orrell wards (the Bootle Parliamentary Constituency) are significantly worse than the England average for income deprivation, unemployment, people with limiting long-term illness or disability, and older people in deprivation. 46% of Lower Super Output areas are in the most deprived 10% in the country (3 are in the most deprived 1%); employment in skilled trades has fallen by 45%. South Sefton's residents have lower than average levels of aspiration and educational attainment.

- 33% of UK households do not own a PC
- Of those who are not online, 77% are not working
- Internet use by people with a disability at 41%, is about half that of non-disabled people (78%)
- People in households in the highest income category are more than twice as likely to use the internet as the lowest income category (99% versus 43%)

Why is Digital Inclusion important?

Non-users are being increasingly marginalised as the public, private and third sectors move towards 'digital by default' service delivery.

Rapid technological change also means increasing amounts of learning is now required for non-IT users. Hence digital benefits are not being shared equally by all members of society.

Direct benefits of Digital Inclusion

Social inclusion means people are engaged in community and digital lives, and that they have opportunities for training and employment. They can also take advantage of reduced costs for goods and services that are only available online, access to information, services, goods and opportunities.

Digital Inclusion also provides increased employability by providing core skill for number of employers.

Digital Inclusion Vision for Sefton

Sefton's Action Plan will reduce lack of access to digital media to enable people to gain lifelong, transferable skills that will enable and enrich Sefton residents' lives.

To improve residents:

- Access to computer equipment or internet connections;
- Attitude towards and perceptions of the internet and its relevance in everyday life;
- Skills, confidence and capability to use online services

Action for Digital Inclusion – what are we going to do?

Sefton Council and 3tC combined to deliver a partner focussed workshop session that explored what is already being done, where the gaps are and how those gaps can be filled. The below action plan has helped to be formulated from the feedback received from partners at this event.

A 5-step process for moving forward with Sefton's Digital Inclusion Action Plan:

- 1 Convene stakeholders
- 2 Develop an understanding of what is being done & gaps
- 3 Create an Action Plan
- 4 Implement the Plan
- 5 Evaluate and revise

Problem	Solution - Action	Outcome
Where are Digital Exclusion hot-spots in Sefton?	Map areas of internet usage in Sefton. Understanding digital exclusion and the demographics around the issue	
Strong lead to ensure that the Action Plan is delivered and partner agencies are and remain on-board.	List main agencies involved in delivering the agenda 3tC act as the main co-ordinator around the agenda, helping to publicise what courses, training, equipment is available within the community.	
Need to offer more than just IT support & facilitate access to online facilities More and more being asked of Community Centres and CAB at breaking point	Reinforce libraries, community-based organisations, and city/county managers as local leaders in facilitating digitally inclusive communities	
Training and support required to the areas that need it	Map training & support packages provided by partners within areas that need it. Asking all partners to link into 3tC, to promote and publicise	
Public access needs increasing, particularly at weekends	Opportunity for more internet cafes, or, better use of existing facilities/premises	
1:1 interaction required	Volunteer students at new Hugh Baird centre 3tC provide support Making use of resources such as Parenting 2000 bus	
Worry that agency may be held accountable if they have provided	Clarification sought on issue.	

support to complete an on-line application form	Disclaimer signed by applicant before IT support begins at a centre Map where support available ranging from general to specialist	
Rural areas – poor to no access to internet	High speed internet scheme being introduced over next few years for rural areas	
Lack of access by some groups to laptops and computers		
Increase the ability to determine and address local needs through effective engagement with the community;		
Equip participants to initiate or augment digital inclusion efforts in each community.		
Asset map – the availability or access to facilities that offer online provision? Also tied into this is risk management (eg if community centres currently have equipment but it may become obsolete in the short term what are we building in to ensure resilience against this?		
Wi-fi strategy e.g. – wi-fi being provided in public buildings (Council and Partners) so that people who may have smart phones (but can't afford to		

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use them) can make use of them		
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Report to: Cabinet

Date of Meeting: 5th December 2013

Subject: Local Council Tax Reduction Scheme 2014/2015, Change to Council Tax Discount for Unoccupied Properties from 1st April 2014 and updating the Council Tax Base 2014/15

Report of: 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

This report seeks to –

- A. Provide Cabinet with a review of the current Council Tax Reduction Scheme and to consider whether the scheme should be revised or replaced with another scheme for 2014/15.
- B. Consider a revised scheme which uprates the applicable amounts and personal allowances for non-pensioner claimants.
- C. Recommend to Cabinet to progress the Council Tax technical change discount for unoccupied properties from 1st April 2014.
- D. Provide Cabinet with an updated Council Tax Base for both Sefton Council and for each Parish Area for 2014/15.

The report contains a number of Annexes listed below for ease of reference:

Annex A: Sefton MBC Local Council Tax Reduction Scheme 2014/15

Annex B: Council Tax Base Report 2014/15

Recommendation(s)

1. To authorise Head of Corporate Finance & ICT to publish and consult upon the draft revised Council Tax Reduction Scheme for 2014/15 (see Annex A) and to report the outcome of the consultation to Cabinet on the 16th January 2014.
2. That Cabinet delegate consideration of any minor changes in legislation/guidance in relation to the Council Tax Reduction Scheme 2014/15 to the Head of Corporate Finance & ICT in consultation with the Leader of the Council, and that any significant changes in such legislation/guidance and any further recommendations are reported to the Cabinet meeting on 16th January 2014.
3. Cabinet recommends that Council approves the change to the discount for empty and unoccupied properties to take effect from 1st April 2014 as set out in paragraph 4
4. Cabinet recommends that Council approves a budget of £150,000 for exceptional hardship payments in 2014/15.
5. The Cabinet recommends that Council approves the Tax Base for Sefton Council and for each Parish Area for 2014/15 as set out in Annex B.

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6. Cabinet recommends that Council approves the payment of grants to the parish councils in 2014/15 to compensate them for the cost of the Council Tax Reduction Scheme as set out in Annex B

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 Recommendations:

Local Council Tax Reduction Scheme

By law each financial year the Council must consider whether to revise or replace its Local Council Tax Reduction Scheme. Any revision must be made by 31 January in the preceding financial year to that which it is to take effect.

The 2013/14 local scheme has only been in operation since April 2013 and the objectives of the scheme and its impact continue to be monitored and evaluated. Any decision to revise or replace the scheme would require compliance with statutory provisions in accordance with The Local Government Finance Act 2012 (Chapter 17), schedule 4.

Each year state benefits for working age people are increased by the Government. These increases, because they would result in a higher income for anyone receiving benefits, would subsequently result in a reduction in the amount of means-tested council tax reduction received unless the applicable amounts and personal allowances are also increased. This increase is referred to as uprating and a small revision is required to the existing scheme from 2014/15 and the Council is required by law to publish and consult on this proposed change.

The proposed revisions to the Council Tax Reduction Scheme ensures that those householders on the lowest incomes are not adversely affected by the Government annual uprating of state benefits.

Change to Council Tax Discount for Empty Property

The Council at its meeting held on 28th February 2013 agreed a budget proposal for 2014/15 which requires a change to council tax charges for vacant properties (unoccupied and substantially unfurnished) from the 1st April 2014.

Council Tax Base

In accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 1992, as amended, the Council is required to set a tax base for both Sefton and for each Parish Area for 2014/15. This can only be achieved once the Local Council

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Tax Reduction Scheme and change to council tax discount for vacant properties have been approved.

What will it cost and how will it be financed?

(A) Revenue Costs

Local Council Tax Reduction Scheme: The proposal to up-rate the amounts used to calculate the level of support in the 2014/15 local Council Tax Reduction Scheme is expected to be cost neutral. As the uprating will be mainly in-line with the Government's proposed changes to pensions and benefits it is not expected to increase the level of claimants eligible for council tax support in 2014/15.

Change to Council Tax Discount: The proposed removal of the 50% discount on homes that have been empty and substantially unfurnished for between 2 and 6 months is expected to increase the council tax income by £780,000 in 2014/15. Sefton's share of this amount is £659,000 (84.4%). The Indicative Budget for 2014/15 approved by Council on 28 February 2013 assumed additional income of £400,000 as a result of this change, so there will be a need to approve further savings of at least £400,000 in 2014/15 if this change is not approved.

Exceptional Hardship Fund: The proposal to make the Exceptional Hardship Fund a permanent feature of the Council's Budget will cost £150,000. It is proposed to fund this budget from the increase in council tax income resulting from the removal the discount on empty (and substantially unfurnished) homes.

Council Tax Base: The Council's tax base has increased by 475.8 Band D equivalent properties. This will lead to an increase in Sefton's share of forecast council tax income of £602,000 in 2014/15. This includes the impact of removing the 50% discount highlighted above. This is £202,000 higher than assumed in the Indicative Budget for 2014/15, before allowing for any increase in Sefton's Band D Tax rate.

Parish Funding: The proposed grant funding for Parish Areas to compensate them for the cost of the Council Tax Reduction Scheme is £118,116. This amount is already included in the Indicative Budget for 2014/15, so there is no additional revenue budget implication.

Summary of Revenue Costs	2014/15		
	Indicative Budget £000	Proposals £000	Variation £000
Council Tax Reduction Scheme Up-rating	0	0	0
Changes to Council Tax Discounts	-400	-659	-259
Other Changes in the Tax Base	0	57	57
Exceptional Hardship Fund	0	150	150
Parish Funding	118	118	0
Total	-282	-334	-52

(B) Capital Costs

No capital costs are planned for this change in system.

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Implications:

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

Legal comments

By Section 5 of Schedule 1A of the Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012) for each financial year each billing authority must

- a. Consider whether to revise its Council Tax Reduction Scheme or to replace it with another scheme
- b. Make any revision to its scheme, or any replacement scheme, no later than 31st January in the financial year preceding that for which the revision or replacement is to have effect.
- c. If any revision to a scheme, or any replacement scheme, has the effect of reducing or removing a reduction to which any class of person is entitled, the revision or replacement must include such transitional provision relating to that reduction or removal as the authority thinks fit.
- d. Before revising its scheme or making a replacement scheme, an authority must:
 - i. Consult any major precepting authority which has power to issue a precept to it.
 - ii. Publish a draft scheme in such manner as it thinks fit and
 - iii. Consult other such persons as it considers are likely to have an interest in the operation of the scheme.

Human Resources None

1. No Equality Implication at this time
2. Equality Implications identified and mitigated
3. Equality Implication identified and risk remains

Y

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT (FD 2665) and Head of Corporate Legal Services (LD 1970) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

Not to revise the 2013/14 Council Tax Reduction Scheme in line with Department for Work and Pensions annual uprating for state benefits, applicable amounts and personal allowances. This would mean non-pensioner claimants would see a reduction in the amount of means-tested council tax reduction and will not match the applicable amounts and personal allowances for Housing Benefit calculation.

Implementation Date for the Decision

Following the expiry of the "call-in" period for the Cabinet decision.

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Background Papers: None

1 Introduction/Background

1.1 Local Council Tax Reduction Scheme

- 1.1.1. The Government abolished Council Tax Benefit (CTB) from the 1 April 2013 and Councils had to replace this with a local scheme which had to be approved and adopted by 31st January 2013 as prescribed within the Local Government Finance Act 2012.
- 1.1.2. The Government protected pensioners and the level of support received by pensioners did not reduce by the introduction of the local scheme.
- 1.1.3. Following public consultation between August and October 2012, Sefton Council's Local Council Tax Reduction Scheme 2013/14 was approved and adopted by Council on 24th January 2013.
- 1.1.4. For each financial year, the Council must consider whether to revise its scheme or replace it with another scheme. The scheme must be approved and adopted no later than the 31st January in the preceding financial year.
- 1.1.5 **The proposed revisions to the Council Tax Reduction Scheme ensures that those householders on the lowest incomes are not adversely affected by the Government annual uprating of state benefits.**

1.2 Council Tax Technical Change

- 1.2.1. At its meeting on 24 January 2013 the Council approved a small number of technical changes to council tax discounts and exemptions in order to meet the funding requirements of the Council Tax Reduction Scheme and to encourage owners of empty properties to bring them back into use more quickly. These changes took effect on 1 April 2013 and were expected to deliver an increase in council tax income of £1.530m. This report provides a review of the impact of the technical changes based on information available at the end of October 2013.
- 1.2.2. At its budget meeting on the 28 February the Council approved an indicative budget for 2014/15 that assumed a further technical change to council tax discounts that was expected to increase the Council's share of council tax income by £0.4m. This report progresses the formal approval process for this change and provides an updated forecast of the financial implications.

1.3 Setting the Council Tax Base

- 1.3.1. The Council is required to calculate its own tax base along with a tax base for each parish council within its area and have them approved by 31 January 2014.
- 1.3.2. The tax base is normally reported to Cabinet for approval. However, the tax base calculation is affected by the changes to the council tax reduction scheme and the technical change to council tax discounts proposed in this report. These need to be agreed before the tax base can be formally approved. As there is no Cabinet meeting scheduled for the end of January 2014 it has been necessary to add the tax base to this report in order to comply with statutory regulations.

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2. Review of the Scheme Approved for 2013

2.1. Local Council Tax Reduction Scheme Review

2.1.1. The Council is under a statutory duty to review its scheme annually. At the time of writing this report, we are only part of the way through the financial year. Therefore, the review is based on available data for the first seven months (April to October). The focus of the review centres on the following fundamental areas which include:

- Claimant caseload
- Prescribed requirement regulations
- Impact on the most vulnerable claimants.
- Review of scheme principles
- Local Scheme – review of feature changes made to Government national scheme
- Appeals / Disputes
- Council Tax Exception Hardship fund - discretionary provision
- Financial implications for the Council

2.2. **Claimant caseload** – the table below shows the caseload in comparison to previous year.

Year	Pensioner Claimants	Working Age Claimants	Total
October 2012	15,723	17,814	33,537
October 2013	14,901	16,552	31,453

The working age caseload can be split further:

Vulnerable – identified from non-passported claims	26
Employed	3,080
Working Age Other	13,446
Total	16,552

2.3. **Prescribed Requirements regulations** – Statement of intent on up-rating for pensioners on council tax support

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- 2.3.1. To ensure that this protection is maintained, the Government intends to amend the Prescribed Requirements Regulations to up-rate the allowances, premia and non-dependent deductions for pensioners for 2014-15. They will be amended again to up-rate for 2015-16.

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2.4. Impact on the most vulnerable claimants

2.4.1. The scheme implemented for 2013-14 minimised the impact on vulnerable claimants as much as possible. The mitigating actions include:

- Provision of an Exceptional Hardship Fund – see paragraph 2.8
- Maintenance of core aspects of the Government Default scheme that provides additional assistance where there are children, disability and caring responsibilities.
- Council tax collection – 12 month instalment payments offered to council tax payers.
- Enforcement action – processes were reviewed and court costs were minimised to external charges only. Also customers are sign posted for debt advice and appointments can be arranged with Citizen Advice Bureau for advice on budgeting skills. In addition before cases are referred for bailiff enforcement action which would incur associated statutory costs, cases are dealt with under a separate debt recovery process to ensure the debt does not increase.

2.5. Review of scheme principles

2013/14 local Council Tax Reduction Scheme was based on 5 principles and is summarised below:

Principle	(CTRS) Scheme working for non-pensioner claimants?
The Council will continue to support work incentives	Yes – rules based on the Government default scheme regarding the treatment of earnings from employment is in place under the 2013/14 scheme.
The Council will continue to recognise the additional needs of our most vulnerable residents.	<p>Yes – the Council have retained the carer premium for those eligible for Carer’s Allowance; and, the various disability premiums for those in receipt of Disability Living Allowance, Attendance Allowance, Long Term Incapacity Benefit, Severe Disablement Allowance and other qualifying benefits.</p> <p>Procedures were reviewed for the collection of non-payment of council tax to ensure non-disproportionate impact on the most vulnerable households. Also financial budgeting skills and advice being is made available to all claimants.</p> <p>The Council Tax Exceptional Hardship Fund – is available with fair and transparent criteria for awards.</p>
The Council will continue to recognise the additional needs of families with children	Yes – Child Benefit and Child Maintenance payments are not taken into account when calculating the income for CTRS. Also the Council continue to award the Disabled Child premium and disregard child care costs as administered under the government default scheme.
The Council supports households staying together to make better use of housing in Sefton and reduce homelessness.	<p>Yes - The amount of council tax reduction when other adults live in the household has been reduced.</p> <p>This is known as a non-dependant deduction.</p>

The Council will continue to have due regard to the Armed Forces Covenant	Yes – War Disablement and War Widows pensions in calculating CTRS, including any Armed Forces compensation in accordance with the covenant is ignored.
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2.6. Local Scheme - review of feature changes made to Government scheme 2013

The local scheme was based on the Government prescribed Default scheme from April 2013 with a number of modifications for non-pensioner claimants – see table below;

Feature	Sefton local Council Tax Reduction Scheme (CTRS) 01.04.2013 – 31.03.2014	2013/14 review of non-pensioner modifications <u>Monitoring results @ 31.10.2013</u>
1	Reduce council tax eligible liability to 80%. All non-pensioner claimants will have to pay 20% of their council tax bill.	80% liability calculation - £3.3m saving within forecast Non pensioner claimants 16,552
2	Do not grant a Council Tax Reduction to a non-pensioner claimant who has capital/ savings above £6,000.	85 claimants were affected by the change, and 13 claims are now back in payment.
3	Remove entitlement to non-pensioner claimants to council tax second adult rebate	179 claims were affected by the change, and 13 claimants now qualify for CTRS The change simplifies the scheme and aligns to rules for Universal Credit. Claimants on low income can apply for the Council Tax Reduction scheme
4	Introduction of flat rate deduction for non-dependants – for working age claimants.	
	flat rate deductions for non-dependants for working age claimants:- <ul style="list-style-type: none"> • £2.00 per week for non- working non-dependants • £2.00 per week for non-dependant in remunerative work with a gross income of less than £183 per week. • £5.00 per week to apply to all working age working no dependants. (there are no deductions if the non-dependant is in receipt of Income Support, Income -based Job Seekers Allowance, Income Related Employment and Support	<p>Note: There are no non- dependant deductions for Council Tax Benefit if the claimant or partner</p> <p>-</p> <p><i>Is blind or has recently regained their sight or, receives the care component of disability living allowance payable at any rate or receives attendance allowance payable at any rate.</i></p> <p>Cost implication – currently indicating a cost of £60K which is within forecast.</p> <p>There has been anecdotal evidence that the flat rate deductions have supported non-dependant adults staying in the family home, or moving back to the family home. However, the impact of the Housing Benefit reductions in the social rented sector for under-occupied households (“bedroom tax”) has also resulted in non-dependants moving back into the family home to help minimise Housing Benefit cuts. This factor makes it difficult to quantify the exact impact of the flat rate non-dependant deduction in the CTRS.</p>

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	Allowance, or Pension Credit	
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2.7. Appeals /Disputes

- There have been 174 appeals/disputes regarding the local Council Tax Reduction Scheme since April 2013. The majority of these were received between April-July when 130 appeals were submitted. Out of the 174 only 1 appeal has been submitted to the Valuation Tribunal Service which relates to a matter not concerning the design of scheme.
- Matters raised in the appeal process included some of the following comments:
 - why am I paying more this year ?
 - Why do I have to pay if on Income Support/ Job Seekers Allowance etc?
 - I cannot afford to pay anything
- Where payment difficulty has been identified claimants have been invited to apply for a Council Tax Exceptional Hardship Payment.

2.8. Council Tax Exceptional Hardship Fund

- 2.8.1. As part of the proposals to mitigate against potential issues for vulnerable claimants the Council set aside £143,000 for the exceptional hardship fund which is administrated within agreed policy and procedures.
- 2.8.2. The following is a brief summary of how the fund has been operating up until 31 October 2013:
- 1,758 requests for council tax hardship fund received.
 - 963 claimants received an award
 - 622 claims refused
 - 173 to be processed.
- 2.8.3. At that time £18,602.74 (13% of the total budget) remained unallocated. The fund is on target to be used in full by the year end.

2.9. Financial implications

- 2.9.1 The Council Tax Reduction Scheme approved in January 2013 was expected to generate savings of £3.130m against total forecast council tax benefit expenditure of £27.960m. This amount needed to be uplifted by £0.150m to take account of increases in council tax charges by the Police and Crime Commissioner, the Fire and Rescue Service and Parish Councils in 2013/14, giving a net budgeted scheme cost of £24.980m. The latest forecast expenditure on council tax reduction scheme discounts in 2013/14 is £23.620m, based on information at 25 October 2013. This is a saving of £1.360m which is due to a reduction in the number claimants during 2013.
- 2.9.2. The Council Tax Base also included an additional provision of approximately £0.800m for non-payment of council tax now charged to CTRS claimants. The latest budget monitoring forecast includes a provision of £1.200m based on the level of debt outstanding on CTRS accounts in October 2013. This is £0.400m higher than the budget.

- 2.9.3. The forecast net scheme saving is therefore £0.960m. However, it should be noted that the number of claimants is changing daily and that the level of non-payment could increase as the year progresses, so there is still a significant level of uncertainty around this forecast.

2.10. Summary of local Council Tax reduction scheme review

- 2.10.1 The monitoring and evaluating activity being undertaken shows that the local scheme is working and fulfilling the principles of the scheme.

2.11. Council Tax Technical changes review

- 2.11.1 As part of the proposals to bridge the funding shortfall on the council tax reduction scheme the Council approved a small number of changes to council tax discounts and exemptions. These changes were forecast to deliver an increase in council tax income of £1.520m.

- 2.11.2. We are only part way through the first year of implementing the changes so it is not possible to fully assess their success in delivering the required additional income. However, the following table provides a comparison of the budgeted council tax income against the forecast position at the end of October 2013:

	<u>Technical Changes</u>	Budgeted Income 2013/14 £	Updated Forecast 2013/14 £	Variation £
B1	Reducing the discount from 10% to 0% for second homes and any other furnished properties not occupied as a main home.	-70,000	-57,000	13,000
B2	Removing the 6 month Class C exemption for vacant properties (unoccupied and substantially unfurnished). Introducing a 100% discount for 1 month and reducing the discount to 50% for the following 5 months.	-780,000	-781,000	-1,000
B3	Charging a premium of 50% on properties unoccupied longer than 2 years.	-450,000	-333,000	117,000
B4	Removing the 12 month Class A exemption for properties undergoing major structural repair / alteration. Introducing a 50% discount for up to 12 months when a property is in need of or undergoing major repair / alteration.	-230,000	-215,000	15,000
	Total	-1,530,000	-1,386,000	144,000

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- 2.11.3. The shortfall in council tax income is largely due to a reduction in the number of properties subject to the empty homes premium. This is because a significant number of long-term empty homes have been brought back into use during the year.

3. Proposed draft local Council Tax Reduction Scheme 2014/15

- 3.1. The scheme so far addresses the reduction in funding available and has been formulated to minimise the detrimental effect on the most vulnerable.
- 3.2. It is proposed to update state benefits for non-pensioner claimants in line with Department for Work & Pensions (DWP) uprating which was confirmed in the 'Welfare Benefits Uprating Act 2013' and enacted in March 2013. In addition to uprate the applicable amounts and personal allowances using DWP rates. This will ensure non-pensioner claimants are not adversely affected by annual uprating. To achieve this in 2014/15, minor adjustments are required to the scheme following limited consultation.
- 3.3. Except for annual uprating the scheme should continue to run as at present for 2014/15 taking into account the annual uprating for pensioners and any other statutory requirements. The scheme will be continue to be monitored and evaluated. This will allow a more comprehensive review to be undertaken in early 2014/15 when more comparative data will be available before recommending options for 2015/16. This will include any required consultation to be undertaken during the summer /autumn of 2014.
- 3.4. See Annex A for proposed 2014/15 Sefton local Council Tax Reduction Draft Scheme.

4. Proposed Council Tax Technical Change 2014/15

- 4.1. Section 11 of the Local Government Finance Act 2012, Chapter 17 allows Billing Authorities the power to determine the council tax discounts given on certain prescribed classes of dwelling in their area.
- 4.2. At its budget meeting on 28 February 2013 the Council approved an indicative budget for 2014/15 that included additional income of £0.4m achieved by the removal of the current 50% council tax discount on dwellings that are empty and substantially unfurnished for two to six months.
- 4.3. The latest council tax forecast indicates that the removal of this discount will increase gross council tax income by £0.780m in 2014/15. Sefton's share of this amount is £0.659m (84.4%). The remaining income is paid to the Police and Crime Commissioner, the Fire and Rescue Service, and Parish Councils.
- 4.4. The aim of the proposed change is to help keep down the overall level of Council Tax for our residents by increasing the council tax base and to make best use of housing stock by encouraging owners to bring empty properties into use more quickly.
- 4.5. The removal of council tax exemptions for certain classes of empty properties and their replacement with locally determined discounts was consulted on as part of the council tax reduction scheme proposals undertaken in 2012. An equalities assessment was also undertaken during 2012. Details of the consultation responses and equalities analysis was reported to Council on 24 January 2013.

- 4.6. The proposed change does not affect the 100% discount given in the first month that a dwelling becomes unoccupied. So registered social landlords, private landlords, and owner occupiers will still benefit from a reasonable period free from paying council tax within which to bring their properties into occupation.
- 4.7. Owners of vacant properties requiring, or undergoing, major structural repair will also continue to be able to claim a 50% discount for up to twelve months. So the proposed change should not discourage owners from making improvements to their properties.
- 4.8. There is no discretionary power for Councils to change:
- The rules around other empty properties being exempt from council tax, for example where the owner has died or in a nursing home.
 - The rules around other occupied properties being allowed an exemption or discount from council tax for example, where certain occupants are students, carers or severely mentally impaired.
- 4.9. The Council is required to formally approve any change to local council tax discounts. This report seeks to formally recommend the approval of the removal of the current '50% discount on dwellings that are empty and substantially unfurnished for two to six months' with effect from 1 April 2014.
- 4.10 Additional budget savings of at least £0.4m will have to be identified in 2014/15 if this change is not approved.

4.11 Informing stakeholders of the proposed council tax technical change

- 4.11.1 **Stakeholders have been informed of** charging 100% from month 2 for empty properties to take effect from 1st April 201. This includes:
- Registered Social Landlord liaison meetings
 - Landlord event
 - Fliers to landlords.

5. Exceptional Hardship Fund 2014/15 and beyond

- 5.1. The cost of the Council Tax Exceptional Hardship Fund was met from one-off funding in 2013/14. This funding will cease in 2014/15 and the Council will be unable to address individual hardship cases if an extension is not agreed for 2014/15 and beyond. It is therefore proposed to make the Exceptional Hardship Fund a permanent feature of the Council's Budget at a cost of £150,000. It is proposed to fund this budget from the increase in council tax income resulting from the removal the discount on empty (and substantially unfurnished) homes.

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6. Proposed Council Tax base for 2014/15:

6.1. The Council in its capacity as the local billing authority is required to set the council tax base for 2014/15 for both Sefton and for each Parish Area no later than 31 January 2014. Details of the proposed tax base for each of these bodies is provided in Annex B of this report along with a brief explanation of the reason for any changes from the previous year.

6.2. The following table shows the tax base proposed for Sefton Council and each Parish Area for 2014/15:

Area	Tax Base 2014/15
Metropolitan Borough of Sefton	76,992.00
Parish of Aintree Village	1,972.24
Parish of Formby	8,877.62
Parish of Hightown	839.36
Parish of Ince Blundell	157.78
Parish of Little Altcar	261.79
Parish of Lydiate	1,976.84
Parish of Maghull	6,335.30
Parish of Melling	953.97
Parish of Sefton	228.65
Parish of Thornton	735.83

7. Compensating Parish Areas for Loss of Council Tax Income

7.1. The council tax income that parish areas can generate was reduced in April 2013 as a result of the introduction of the local council tax support scheme. The Government built funding into Sefton's Settlement Funding Assessment in order to provide Parish Areas with compensation for this loss of council tax income. How much, if any of this funding is to be passed on to Parish Council's has been left to Council's to decide in discussion with the parishes. In 2013/14 the Council provided Parish Areas with a grant of £118,116 to bridge this funding gap. It is proposed that the same amount is paid to each Parish Area in 2014/15 in order to prove stability of funding. Further detail is provided in Annex B of this report.

Annex A



LOCAL COUNCIL TAX REDUCTION DRAFT SCHEME 2014-2015

The Council propose to continue with the 2013/14 Local Council Tax Reduction Scheme subject to the following recommended revisions:

Pensioners – the Council will revise the 2013/14 Local Council Tax Reduction scheme to take account the annual uprating for allowances, premia , non-dependant deductions and any other statutory requirements in accordance with the Government’s Statement of intent dated 6 September 2013 for 2014 to 2015.

Non-Pensioners – the Council will revise the 2013/14 Local Council Tax Reduction scheme to take account the annual uprating for state benefits in accordance with the Department for Works and Pensions Welfare Benefits Uprating Act 2013, and enacted March 2013 for 2014 to 2015. The Council will also uprate applicable amounts and personal allowances in line with Housing Benefit uprating for 2014/15.

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LOCAL COUNCIL TAX REDUCTION SCHEME 2013-2014

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Glossary of Terms

Applicable Amount

Means the combination of allowances and premiums used to determine a claimant's basic living needs and against which their income is compared for the purposes of the means test performed.

Couple

Means

(a) a man and a woman who are married to each other and are members of the same household;

(b) a man and a woman who are not married to each other but are living together as husband and wife;

(c) two people of the same sex who are civil partners of each other and are members of the same household; or

(d) two people of the same sex who are not civil partners of each other but are living together as if they were civil partners,

and for the purposes of paragraph (d), two people of the same sex are to be regarded as living together as if they were civil partners if, but only if, they would be regarded as living together as husband and wife were they instead two people of the opposite sex

CTB

Means Council Tax Benefit, (i.e. the existing national scheme)

CTR

Means Council Tax Reduction, (i.e. the Council's proposed local scheme)

Excess Income

Means the amount by which a claimant's weekly income exceeds their applicable amount.

Non-Dependant

A non-dependant is a person who is living with the claimant but who is not dependent upon them, and not living in their home on a commercial basis, (i.e. as a joint tenant or sub tenant). Non-dependants generally include an adult son or daughter, a mother or father, friend, etc of the claimant.

Pensioner

A pensioner is a person who has attained the qualifying age for State Pension Credit

Regulations

The original statutory instruments, schedules and regulations referred to in this document are:

The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, Statutory Instrument 2012 No.2885 (This is referred to throughout this document as Statutory Instrument 2012 / 2885 and can be accessed at:

<http://www.legislation.gov.uk/ukSI/2012/2885/contents/made><http://www.legislation.gov.uk/ukSI/2006/215/contents/made>)

The Council Tax Reduction Schemes (Default Scheme) (England) Regulations 2012, Statutory Instrument 2012 No.2886 (This is referred to throughout this document as Statutory Instrument 2012 / 2886 and can be accessed at:

<http://www.legislation.gov.uk/ukSI/2012/2886/contents/made>)

1.0 Introduction

In April 2013, Council Tax Benefit, the current means of helping people on low incomes meet their Council Tax obligations, will be replaced by Sefton Council's Local Council Tax Reduction Scheme 2013-2014 (hereafter referred to as the Local Scheme 2013-2014).

Statutory Instrument 2012 / 2885 prescribes that a person who has attained the qualifying age for state pension credit is excluded from the effects of the Local Scheme 2013-2014, as they are subject to a national framework of rules and eligibility. Persons who have not attained the qualifying age for state pension credit are not, however, covered by this national framework and are therefore subject to the provisions of the Local Scheme 2013-2014.

This document sets out the provisions of the Local Scheme 2013-2014 and should be read in conjunction with Statutory Instrument 2012 / 2885 and Statutory Instrument 2012 / 2886.

The Local Scheme 2013 - 2014 takes into account the results of the Council's consultation exercise conducted between 6 August and 29 October 2012 and must be approved by the Council no later than 31 January 2013. After that date, the Local Scheme 2013 - 2014 applies for the whole of the following financial year and can only be changed in response to statutory provisions that have precedence over it.

The Council is required to publish details of the Local Scheme 2013 - 2014 and some of the contents of this document are unavoidably technical in detail. A Glossary of Terms has therefore been included on page three and examples of how the proposals may affect entitlement in comparison to the existing Council Tax Benefit scheme are provided on our web site: www.sefton.gov.uk/counciltax.

2.0 Prescribed Requirements Regulations

Statutory Instrument 2012 / 2885 outline the matters that the Local Scheme 2013 -14 must include. There are two elements to these requirements: those that will affect all claimants; and, those that apply only to pensioners.

In the main, the provisions that apply exclusively to pensioners fall under Regulation 14(2) and are set out in Schedules 1 to 6. Provisions for all applicants fall under Regulation 15(1) and are set out in Schedules 7 and 8.¹ Where these matters appear in the main body of this document they are mandatory elements.

2.1 Persons from Abroad

Regulations 12 and 13 prescribe those persons to be treated as not being in Great Britain and therefore excluded from receiving a Local Council Tax Reduction as:

- Foreign nationals with limited immigration status
- Individuals subject to immigration control as defined by Section 115 of the Immigration and Asylum Act 1999
- Non economically active European Economic Area (EEA) individuals who are not exercising EU treaty rights
- EEA nationals, who fall into the categories, set out in Regulation 12(4).

2.2 Refugees

¹ The exception to this rule is paragraph 6 in Schedule 8 which applies to pensioners alone.

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As long as their status has not been revoked, the following persons will be exempt from the habitual residence test and therefore entitled to apply for a Council Tax Reduction because they have been granted:

- recognised refugee status
- humanitarian protection
- discretionary or exceptional leave to remain in the country outside of the immigration rules

Pension Age Claimants

3.0 Classes of persons who are entitled to a reduction under the scheme

Statutory Instrument 2012/ 2885, Schedule 1, paragraphs 2 to 4 describe the three main classes of pensioners entitled to a reduction under the Local Scheme 2013 - 2014. In all classes, individuals must not be prescribed as excluded from the Local Scheme 2013 - 2014 within Regulations 12 and 13, such as those persons outlined in the “prescribed requirements” section above. The following are the classes identified in Schedule 1:

Class A

The individual must:

- . have attained the qualifying age for state pension credit,
- . be liable to pay Council Tax in respect of a dwelling in which they are resident
- . be somebody in respect of whom a maximum Council Tax Reduction amount can be calculated
- . be a person in respect of whom a day in which s/he is liable to pay Council Tax falls within a week in respect of which the person’s income does not exceed their applicable amount (as defined in Statutory Instrument 2012 / 2885 Schedule 1, paragraph 6 and Schedule 2),
- . have applied for the scheme.

The individual must not be someone with a partner of working age in receipt of Income Support, income-based Jobseeker’s Allowance or income-related Employment and Support Allowance.

The individual or couple must not have capital or savings above £16,000.

Class B

The individual must:

- . have attained the qualifying age for state pension credit,
- . be liable to pay Council Tax in respect of a dwelling in which they are resident
- . be somebody in respect of whom a maximum Council Tax Reduction amount can be calculated,
- . be a person in respect of whom a day in which s/he is liable to pay Council Tax falls within a week in respect of which the person’s income is greater than their applicable amount (as defined in Statutory Instrument 2012 / 2885 Schedule 1, paragraph 6 and Schedule 2),
- . have applied for the scheme,
- . be a person for whom amount X exceeds amount Y, where amount X is the appropriate maximum Council Tax liability in their case and amount Y is a prescribed percentage (20%) of the difference between their income in respect of the week in which the day falls and the appropriate applicable amount (Living needs) in their case.

The individual must not be someone with a partner of working age in receipt of Income Support, income-based Jobseeker’s Allowance or income-related Employment and Support Allowance.

The individual or couple must not have capital or savings above £16,000.

Class C

The individual must:

- . have attained the qualifying age for state pension credit,
- . be liable to pay Council Tax in respect of a dwelling in which they are resident
- . be somebody in respect of whom a maximum Council Tax Reduction amount can be calculated,

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- . have applied for a scheme,
- . be somebody who has at least one second adult living with them who is not their partner, not somebody who pays rent, and who is on a prescribed low wage and / or prescribed benefit, as set out in Statutory Instrument 2012/ 2885, Schedule 3.

The individual must not be someone with a partner of working age in receipt of Income Support, income-based Jobseeker's Allowance or income-related Employment and Support Allowance.

4.0 The reduction to which persons in each class are to be entitled

4.1 Class A Reduction

If an individual matches the criteria in Class A, including that income is less than their applicable amount (Living needs) in their case, that person qualifies for 100% reduction on their Council Tax liability, less any non-dependant deductions (see paragraph 4.4 below).

Statutory Instrument 2012/ 2885 Schedule 1, paragraph 13 requires that an individual in receipt of state pension credit guarantee credit will have their income and capital disregarded. This means that the individual's income will automatically be less than their applicable amount (Living needs) and they will qualify for a 100% Council Tax Reduction, less any non-dependant deductions.

Where a person has been awarded only the savings credit element of state pension credit, Statutory Instrument 2012/ 2885 Schedule 1, paragraph 14 define the way in which this is to be treated for the purposes of the Local Scheme 2013 - 2014.

4.2 Class B Reduction

If an individual matches the criteria in Class B, it will mean that their income is greater than their applicable amount (Living needs). They will receive a 100% Council Tax Reduction on their Council Tax liability less any non-dependant deductions and a deduction of 20% of the difference between their weekly income and applicable amount.

4.3 Class C Reduction

The Class C reduction is known as the alternative maximum Council Tax reduction or second adult rebate. This may be awarded in respect of a second adult sharing the household who would normally be expected to contribute towards the Council Tax bill but who cannot afford to do so, based on their low income as indicated by prescribed low wages bands or prescribed working-age benefit indicators.

This reduction will be awarded at 25%, 15%, 7.5% or 100% of the Council Tax liability, depending upon individual circumstances as identified in Statutory Instrument 2012/ 2885 Schedule 3.

4.4 Non-Dependant Deductions

A reduction amount is arrived at after a downward adjustment has been made to take into account non-dependant adults that normally reside in the dwelling and who would be expected to make a contribution toward Council Tax liability. Deductions for such non-dependant adults will be calculated and applied in accordance with Statutory Instrument 2012/ 2885 Schedule 1, paragraph 8.

4.5 Determination of Class and Award

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Determination of the class an individual is put into and the reduction they will receive will be determined in two ways:

1. In respect of Class A and Class B, through means testing according to the rules and criteria prescribed by Statutory Instrument 2012/ 2885, Regulation 14(2).
2. Through application of the rules for the calculation of Class C under Statutory Instrument 2012/ 2885, Schedule 3.

4.6 Means Test for Class A and Class B

The means test is defined within Statutory Instrument 2012/ 2885 and is based on a comparison of income and a living allowance (applicable amount). The way in which these elements are defined and evaluated for the pension credit age scheme is set out below.

4.7 Living Allowance (Applicable Amount)

The individual's living allowance or applicable amount will be made up of four elements. These will be:

1. A personal allowance in respect of the applicant,
2. An amount in respect of any child or young person who is part of their family,
3. A family premium element (where the applicant is part of a family of which at least one member is a child or young person), and
4. Any premium amount (set out in regulations) that is applicable to the individual.

The elements and method of calculation for the applicable amount (Living needs) are set out in Statutory Instrument 2012/ 2885 Schedule 1, paragraph 6 and Schedule 2.

4.8 Calculation of Income and Capital

Income and capital will be calculated for a person who has reached the qualifying age for state pension credit in line with the provisions of Statutory Instrument 2012/ 2885, Schedule 1, paragraphs 11 to 37. The income and capital of a claimant's partner or partners in the case of a polygamous marriage will be treated as income of the claimant.

Income or capital of any child or young person will not be treated as income or capital of the claimant. The regulations allow the Council to treat the income or capital of a non-dependant as if it were the income or capital of the applicant in a case where it appears to the Council that the two have entered into arrangements to take advantage of the scheme; with the exception of those on Income Support, income-based Jobseeker's Allowance and income-related Employment and Support Allowance.

4.9 Income and capital for those on state pension credit

There is special treatment of income and capital for those in receipt of state pension credit.

For those in receipt of the guarantee credit element of state pension credit, the whole of their income and capital will be disregarded meaning that they will automatically qualify under Class A for a 100% Council Tax Reduction on their Council Tax liability less any non-dependant deductions.

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For those in receipt of the savings credit element of state pension credit, the Council will use the Secretary of State's assessment of the income and capital of the individual, and adjust this to take into account income from this benefit and any other relevant requirements (as set out in Statutory Instrument 2012/ 2885 Schedule 1, paragraph 14).

4.10 Calculation of income where a person is not in receipt of state pension credit

For those who have reached the qualifying age for state pension credit, but are not in receipt of this benefit themselves, provisions relating to income, its calculation on a weekly basis, what is to be regarded as income and what is to be disregarded as income are prescribed by Statutory Instrument 2012/ 2885 Schedule 1, paragraphs 15 to 37. In particular, earnings of employed earners and earnings of self-employed earners will be taken into account as set out in these paragraphs.

Statutory Instrument 2012/ 2885 also list a number of elements and amounts which should not be taken into account in the calculation of earnings.

Amounts to be disregarded from the weekly earnings of a claimant who has attained the eligible age for state pension credit are set out in Statutory Instrument 2012/ 2885 Schedule 4.

Amounts to be disregarded in terms of income other than earnings for those who have reached the eligible age for state pension-credit are set out in Statutory Instrument 2012/ 2885 Schedule 5. Treatment of other income (in relation to which the applicant has a right) will be calculated according to the rules prescribed by Statutory Instrument 2012/ 2885 Schedule 1, paragraphs 22 and 23.

Statutory Instrument 2012/ 2885, Schedule 5, paragraph 1, allows for £10 to be disregarded from weekly war widow's pension, war widower's pension, war disablement pension and certain other guaranteed income payments including, for example, those made under the Armed Forces and Reserve Forces Compensation Scheme.

The Local Scheme 2013 - 2014 continues previous local arrangements whereby the remainder of any weekly war widow's pension, war widower's or war disablement pension are disregarded in full in the assessment of a claimant's income.

4.11 Income and wider welfare changes

In relation to income, wider welfare changes mean that new benefits will be introduced in place of those received by persons who are not pensioners.

Despite these changes being mainly to benefits for non-pensioners, they may have relevance for individuals living with a person of pension credit age and consequently, it may be taken into consideration in the assessment of a Council Tax Reduction.

New applicants will be migrated onto these new benefits over time, so both benefits will co-exist for a number of years (for example, the Universal Credit migration will take place over four years). The Local Scheme 2013 - 2014 will therefore abide by the prescriptions outlined in Statutory Instrument 2012/ 2885 or other statutory provisions that take precedence.

5.0 Calculation of capital

5.1 Calculation of capital where a person is not in receipt of state pension credit

Provisions relating to capital – for example:

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- the capital savings limit of £16,000 (after which individuals will not be eligible for Council Tax reductions);
- what is to be regarded as capital;
- what is to be disregarded as capital; and,
- other capital calculations.

will operate in accordance with Statutory Instrument 2012/ 2885, Schedule 1, paragraphs 31 to 37. Amounts to be disregarded as capital are set out under Statutory Instrument 2012/ 2885, Schedule 6.

5.2 Notional capital

Individuals may be treated as possessing capital of which they have deprived themselves for the purposes of securing Council Tax reductions. This notional capital (of which the individual is treated as being in possession) will be reduced over time to reflect payment of additional Council Tax liabilities incurred.

Notional capital excludes the value of any holding in a company where the applicant is the sole owner or partner (or where they hold an analogous position), but will include an amount of capital equal to the value (or their share of the value) of the capital of such a company. This notional capital (which the individual is treated as possessing) will be reduced over time to reflect payment of additional Council Tax liabilities incurred.

5.3 Tariff income on capital

Once an amount of capital is calculated, net of any amounts to be disregarded, this will be treated as if it is an income of £1 for every £500 (or part of £500) in excess of £10,000 but not exceeding £16,000. This amount of tariff income will be added to the initial income calculation to give a total income amount.

5.4 Calculation of Reduction

Once the total income amount has been calculated, it will be compared with the living allowance / applicable amount, to determine whether the individual falls into Class A (income does not exceed applicable amount) or Class B (income greater than applicable amount).

Persons in Class A will receive 100% Council Tax Reduction against their Council Tax liability, net of any Council Tax discounts under the Local Government Finance Act 1992) and less non-dependant deductions under Statutory Instrument 2012/ 2885 Schedule 1, paragraph 8.

Persons in Class B will receive 100% Council Tax Reduction against their Council Tax liability, net of any Council Tax discounts, less non-dependant deductions and less 20% of the difference between their income and applicable amount.

Where a person of pension credit age is not jointly liable for Council Tax with a second adult (or adults), but lives with a second adult (or adults) who is not their partner and does not pay rent in respect of the dwelling, they may fall under Class C, if conditions set out in Statutory Instrument 2012/ 2885, Schedule 3 are met.

The following table sets out the reductions that, according to individual circumstances, may be applied to maximum daily Council Tax liability (after discounts). The alternative maximum Council Tax Reduction is calculated in relation to the income and circumstances of the second adult – the applicant's income and capital is not taken into account.

	Alternative maximum Council Tax
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Second adult	Reduction (net of discounts) due in respect of a day
a) The second adult (or all second adults) are in receipt of Income Support, income-related Employment and Support Allowance, state pension credit or income-based Jobseeker's Allowance.	25%
b) Where the gross income or aggregate gross income of any second adult(s) – disregarding benefits mentioned above - is: (i) less than £180.00 per week; (ii) not less than £180.00 but less than £235.00 per week.	(i) 15% (ii) 7.5%
c) If the dwelling is occupied by a full-time student(s) and a second adult/adults on state pension credit, income-based Jobseeker's Allowance, income-related Employment and Support Allowance or Income Support.	100%

If it appears to the Council that the claimant is entitled to a Class C reduction at the same time as means tested Class A or Class B Council Tax Reduction, a comparison of the two reductions will be made. The claimant will then be awarded the greater reduction of the two.

6.0 Extended reductions

Statutory Instrument 2012/ 2885, Schedule 1, paragraph 43 prescribes that an individual who is:

- (i) approaching pension credit eligible age, *and* who is
- (ii) in receipt of a local Council Tax Reduction and not in receipt of working age benefits (Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance), *or*
- (iii) whose partner has claimed state pension credit, will continue to receive an extended reduction of their localised Council Tax Reduction for a prescribed period of four weeks, whilst they or their partner apply for the state pension credit eligible age scheme.

From the point at which the person already in receipt of a Council Tax Reduction reaches the eligible age for pension credit they will, for the prescribed extended reduction period of four weeks, be entitled to whatever award is greater – the Local Scheme 2013 – 2014 reduction for working age claimants or the reduction under the national framework of rules and eligibility for those of state pension credit eligible age.

6.1 Extended reductions – qualifying contributory benefits – i.e. severe disablement allowance; incapacity benefit; or contributory employment and support allowance

Statutory Instrument 2012/ 2885, Schedule 1, paragraphs 38 to 42 set out that a person in receipt of one of the above benefits, who ceases to receive that benefit because they have returned to work, increased their earnings or increased their hours (and where that improvement in their situation is expected to last five weeks or more), will continue to receive a Council Tax Reduction calculated as if they were still in receipt of these benefits

for four weeks (where the resulting reduction amount is greater than the reduction amount taking into account their loss of these benefits).

If a pension credit age person moves from Sefton to the area of a new Local Authority, in the period from the Monday following the move to the point where entitlement to the qualifying benefit ceases (when the extended reduction rule applies), Sefton will pay the second billing authority or the individual their reduction amount for the extended period.

If the person applies for a Council Tax Reduction in the second Local Authority, the second authority will net off the reduction amount received from Sefton. Any balance of reduction award will be paid to the claimant (and the full amount will be paid to the claimant if there is no Council Tax liability in the second local authority). After the extended reduction period ends, Sefton's liability in relation to extended reductions will cease and the new authority's reduction will apply.

7.0 Applications

Statutory Instrument 2012/ 2885, Schedule 7, paragraphs 1 to 7 prescribe the procedure by which a person may apply for Council Tax Reduction:

A person may apply in writing using the Council's application form for that purpose and sending it to the address designated by the Council for that purpose. (See Contact Details on page 27)

A person may complete an application form for Council Tax Reduction online via the Council's website.

A person may complete an application form for Council Tax Reduction by telephone. An appointment to do this can be obtained by telephoning 0845 140 0845.

A person may apply for Council Tax Reduction by visiting a local One Stop Shop and completing an application online with a customer services advisor.

Any application form must be signed by the claimant and may also be signed by their partner if applicable and shall be supported by such information or evidence as is reasonably required to enable entitlement to be determined.

The Council shall not determine entitlement for an incomplete claim including one that is not signed until the relevant information, signature or both as appropriate is received. At all times, this should be provided within a period of one month from the date of the Council request or such longer period as may be reasonable in the circumstances.

A person who is in receipt of Council Tax Benefit immediately before 1 April 2013 is to be treated as having made an application for a reduction under the Local Scheme 2013 - 2014.

Where an individual has, prior to 1 April 2013, made an application for Council Tax Benefit which has not been determined by 1 April 2013, that individual is to be treated as having made an application for a reduction under the Local Scheme 2013 - 2014.

A claim for Council Tax Reduction may be amended or withdrawn in writing by the claimant at any time prior to the Council making a decision regarding entitlement.

The Council shall accept the withdrawal of an application where it has not yet made a decision concerning entitlement. This shall have effect on the same day that the notification was received by the Council.

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8.0 Entitlement

Statutory Instrument 2012/ 2885, Schedule 8, paragraph 6 prescribes that people of pension-credit eligible age will be able to backdate their applications by up to three months, provided they were entitled to pension-credit age reduction for all of the backdated period.

In all other cases, the start of entitlement to Council Tax Reduction for pensioners is covered by Statutory Instrument 2012/ 2885, Schedule 1 paragraph 45 and Statutory Instrument 2012/ 2885, Schedule 8, paragraph 5 governs the date on which a claim is to be treated as made.

If a claimant notifies the Council of an intention to claim Council Tax Reduction and submits their application form using one of the specified methods within one month of it being issued (or such longer period as may be reasonable in the circumstances), for example, the date of the claim shall be the date they notified their intention to claim. Any entitlement to Council Tax Reduction would then be awarded from the Monday following that date.

If a claimant applies for Council Tax Reduction within one month of the death or separation from their partner and the partner was in receipt of Council Tax Reduction at the time of their death or separation, the date of claim shall be the date of the death or separation in question and any entitlement to Council Tax Reduction shall be awarded from the Monday following the date of their claim.

A person treated as being in Great Britain can apply for Council Tax Reduction up to 13 weeks prior to an event that would entitle them to Council Tax Reduction.

A person treated as being in Great Britain can apply for Council Tax Reduction up to 8 weeks prior to becoming liable for Council Tax at their home.

Entitlement to a Council Tax Reduction may change or cease if there is a change of circumstances or be terminated if the claimant fails to respond to a request for information or evidence within one month or such longer period as may be considered reasonable in the circumstances.

9.0 Decisions

Statutory Instrument 2012/ 2885, Schedule 8, paragraphs 11 and 12 require the Council to notify the applicant in writing of its decision within 14 days from the date that all relevant information and evidence relating to the application has been received, or as soon as reasonably practicable thereafter. The written notification will include information on how an appeal can be made by the applicant.

10.0 Changes of circumstance

Statutory Instrument 2012/ 2885, Schedule 1, paragraph 46 sets out the dates from which various changes of circumstance are to take effect. In addition, paragraph 47 prescribes the dates from which changes of circumstance in relation to awards of state pension credit will be taken into account.

Statutory Instrument 2012/ 2885, Schedule 8, paragraph 9 prescribes that a relevant change of circumstances should be notified within a period of 21 days (including the day on which the change occurs).

11.0 Time and manner of granting relief and recoveries / over-payments

Matters relating to the payment of a reduction are prescribed by Statutory Instrument 2012/ 2885, Schedule 8, Paragraph 14 and those relating to overpayments by the Council Tax (Administration and Enforcement) Regulations 1992 (Statutory Instrument 1992/ 613).

Matters relating to the time and manner of granting reduction and dealing with under-payments will be as provided for in the prescribed scheme.

This will include payments to next of kin where a person in receipt of a Council Tax Reduction dies, allowing the billing authority to make payment of the reduction amount to their personal representative or next of kin.

Where the Council Tax Payer is entitled to an increase or decrease in their reductions following a reported change of circumstance, the Council can issue an amended Council Tax bill taking into account the increase or decrease in liability.

12.0 Department for Work and Pensions changes to State Pension Credit Age

The Department for Work and Pensions is intending to make changes to the way in which new applicants comprising couples of mixed age (i.e. where one member of the couple has attained state pension credit qualifying age and one has not) are treated for new applications. Currently, such couples would generally be treated under pension credit age regulations apart from a few exceptions.

It is anticipated that this new measure to be implemented by the Department for Work and Pensions at some point in the next two years will apply to *new* pension credit applications only. It is likely to mean that in future (from the point of change and for new applicants only) that it will not be possible for a couple to claim pension credit until both members have reached the qualifying age. It is anticipated that such couples will have access to Universal Credit, however, if they meet all the other eligibility criteria.

The Government proposes to align this change for new applicants to local Council Tax Reduction schemes on the same basis once it takes effect, so that Councils do not find themselves defining an individual in a mixed age couple differently from the way they are defined by the Department for Work and Pensions. It is the Government's intention that mixed age couples already applying for or receiving a pension-credit age Council Tax Reduction at the point of change (whether or not they are also receiving pension credit), will retain pension-credit age Council Tax Reduction whilst their entitlement continues.

13.0 Procedure by which a person can an appeal any decision of the authority which affects (a) the person's entitlement to a reduction under the Local Scheme 2013 - 2014 or (b), the amount of any reduction to which the person is entitled.

A claimant or a person acting on their behalf may appeal against the Council's decision concerning entitlement to a reduction under the Local Scheme 2013 - 2014 or the amount of a reduction by writing to the Council at its designated office specifying the nature of the appeal and the grounds on which the appeal is made.

The Council will consider the appeal and notify the applicant in writing of the outcome of their appeal and the reasons for the decision.

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Where the Council has considered the appeal and notified the applicant of the outcome in writing but they remain dissatisfied, or a response has not been given within a period of two months from the date of the written appeal, the applicant may further appeal to a Valuation Tribunal under section 16 of the 1992 Local Government Finance Act.

Where a response is not provided by the Council within two months of the appeal being made, any subsequent appeal to a Valuation Tribunal shall be made within four months of the date that the original appeal was sent to the Council.

The following specific matters shall not be the subject of an appeal under these provisions:

- The local CTR scheme provisions as set by the Council
- Any discretion applied to recover an overpayment of Council Tax Reduction
- Who to recover an overpayment of Council Tax Reduction from
- Suspending or restoring Council Tax Reduction
- Any decision to refuse the grant of a reduction under Section 13A(1)(c) of the Local Government Finance Act 1992

A claimant may also at any time in writing request the Council to review their entitlement to CTR or the amount of any reduction outside of the provisions for appeals detailed above.

14.0 Procedure by which a person can apply to the authority for a reduction under section 13A (1) (c).

A Council Tax Payer may apply for a reduction under Section 13A(1)(c)(a) of the Local Government Finance Act 1992. Such an application shall be made in writing to the Council at its designated office or by means of electronic communication and must give such details as are reasonable and necessary to enable the Council to properly consider the application. Such details should include but not be limited to the reason for the application, the circumstances and context in which the application is made and the period for which the application is made.

Local Council Tax Reduction Scheme for persons who are not pensioners

15.0 Introduction

The amount of support will be based upon individual circumstances and changes of circumstances will also be taken into account.

As well as the three classes of entitled persons that are covered by Statutory Instrument 2012 / 2885, there will be two classes for persons who are not pensioners and for each there will be a number of qualifying criteria.

In all cases, individuals must not be of a prescribed class exempted from support, such as a person from abroad with limited leave to remain as outlined previously in this document (paragraph 2.1, page 4).

In classes D and E below, the amount of a claimant's maximum Council Tax Reduction in respect of a day for which they are liable to pay Council Tax, shall be 80 per cent of the amount Q divided by R, less any deductions in respect of non-dependants, where:

- Q = the amount set by the Council as the Council Tax for the relevant financial year in respect of the dwelling in which they are a resident and for which they are liable, after any discount which may be appropriate to that dwelling under the Local Government Finance 1992 Act; and,
- R = the number of days in that financial year,

In calculating a person's maximum Council Tax Reduction any decrease in the amount that person is liable to pay as a consequence of any enactment made by or under the Local Government Finance Act 1992 such as Disabled Person's Relief, for example, shall also be taken into account.

Where a claimant is jointly and severally liable for Council Tax in respect of their home with one or more other persons but excepting any person residing with the claimant who is a student excluded from entitlement to local Council Tax Reduction, in determining the maximum Council Tax Reduction in their case, the amount Q shall be divided by the number of persons who are jointly and severally liable for that tax.

Where a claimant is jointly and severally liable for Council Tax in respect of a dwelling with only their partner, the paragraph immediately above shall not apply.

In any case where an extended reduction or an extended reduction (severe disablement allowance and incapacity benefit) has been allowed to a claimant, their entitlement shall be adjusted in such circumstances and by such an amount as defined within the Local Scheme 2013 - 2014.

Within the Local Scheme 2013 – 2014 set out below, a reference is made in Class E to a prescribed percentage of 20% where a claimant's weekly income exceeds their weekly applicable amount (Living needs).

Council Tax Reduction entitlement shall be calculated based upon a daily Council Tax liability. In line with Statutory Instrument 2012 / 2886, Paragraph 17, the prescribed percentage referred to within Sefton's scheme, particularly for Class E shall be 2 6/7 per cent (which equates to 20% in weekly terms and is referred to within our proposed scheme).

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15.1 Classes of persons who are entitled to a reduction under the scheme

Class D

The individual must:

- be a person who has not yet attained the qualifying age for state pension credit,
- be liable to pay Council Tax in respect of a dwelling in which they are resident,
- be somebody in respect of whom a maximum Council Tax Reduction amount can be calculated;
- have applied for the scheme;
- be a person in respect of whom a day in which they are liable to pay Council Tax falls within a week in respect of which the person's income does not exceed their applicable amount (Living needs).

The individual or couple must not have capital or savings above £6,000.

Class E

The individual must:

- be a person who has not yet attained the qualifying age for state pension credit,
- be liable to pay Council Tax in respect of a dwelling in which they are resident,
- be somebody in respect of whom a maximum Council Tax Reduction amount can be calculated,
- have applied for the scheme;
- be a person in respect of whom a day in which s/he is liable to pay Council Tax falls within a week in respect of which the person's income is greater than their applicable amount (Living needs as defined in Statutory Instrument 2012 / 2886, paragraphs 26 to 28),
- be a person for whom Class D is not fulfilled, but amount X exceeds amount Y, where amount X equals the appropriate maximum Council Tax liability in their case and amount Y equals a prescribed percentage (20%) of the difference between their income in respect of the week in which the day falls and the appropriate applicable amount in their case.

The individual or couple must not have capital or savings above £6,000.

The Local Scheme 2013 – 2014 does not include an alternative maximum Council Tax Reduction for persons who are not pensioners (called Class C on page 7).

16.0 Reductions attracted by classes: awards for persons who are not pensioners

16.1 Class D Reduction

If an individual matches the criteria in Class D, including that their income does not exceed their applicable amount (Living needs), that person qualifies for a maximum Council Tax Reduction entitlement equivalent to a maximum 80% of their weekly Council Tax liability (i.e. after discounts and any other relevant deductions) and after any relevant non-dependant deductions as described in 17.3 below.

An individual in receipt of Income Support, income-related Jobseeker's Allowance or income-related Employment and Support Allowance will have income and earnings counted as zero. The same shall apply to capital held that totals less than £6,000. This

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means that the individual's income will automatically be less than their applicable amount (Living needs), and they will qualify for a maximum Council Tax Reduction entitlement equivalent to a maximum 80% of their weekly Council Tax liability (i.e. after discounts and any other relevant deductions) and after any relevant non-dependant deductions as described in 17.3 below.

With the introduction of Universal Credit, which will start to replace income-related benefits for new applicants over a period of years from October 2013, the income and capital of people who receive Universal Credit will be treated in accordance with Statutory Instrument 2012 / 2886 paragraph 37.

16.2 Class E Reduction

If an individual matches the criteria in Class E, it will mean that the individual's income is greater than their applicable amount (Living needs). The maximum Council Tax Reduction for that person will be equivalent to a maximum 80% of their weekly Council Tax liability (i.e. after discounts and any other relevant deductions) and after any relevant non-dependant deductions, less 20% of the difference between their weekly income and applicable amount.

The Local Scheme 2013 - 2014 does not include an alternative maximum Council Tax Reduction for persons who are not pensioners.

16.3 Non-dependant deductions

Once a reduction amount is calculated, it is subject to a downward adjustment to take into account non-dependant adults that normally reside in the dwelling and who would be expected to contribute toward Council Tax liability.

Subject to the exceptions stated under Statutory Instrument 2012/ 2886, Paragraph 30 the weekly amounts of deductions to be applied in the Local Scheme 2013 – 2014 are:

Description of Deduction	Amount of Deduction
Non-dependant in receipt of Income Support, Income-based Jobseeker's Allowance, income-related Employment and Support Allowance, or Pension Credit	Nil
Non-dependant not in remunerative work	£2.00
Non-dependant in remunerative work with a gross income of less than £183 per week	£2.00
Non-dependant in remunerative work with a gross income of £183 per week or over	£5.00

16.4 Determination of class and award

Determination of the class the individual is put into, and the reduction they will receive, shall be determined in respect of Classes D and E through means testing.

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16.5 Means-test for Classes D and E

The means test compares income and a living allowance (known as the applicable amount). The way in which these elements will be defined and evaluated is explained in greater detail below.

16.6 Living allowance – the applicable amount

The individual's living allowance or applicable amount will be made up of four elements. These will be:

1. A personal allowance in respect of the applicant,
2. An amount in respect of any child or young person who is part of their family,
3. A family premium element (where the applicant is part of a family of which at least one member is a child or young person), and
4. Any premium amount (set out in regulations) that is applicable to the individual.

The elements and calculation method for the applicable amount (Living needs) will be as set out in Statutory Instrument 2012 / 2886, paragraphs 26 to 28.

17.0 Calculation of Income and capital

Income and capital will be calculated for a person who has not attained the qualifying age for state pension credit in line with existing provisions for Council Tax Benefit under Statutory Instrument 2012 / 2886 paragraphs 47 to 70 (excepting paragraph 68). The income and capital of a claimant's partner or partners in the case of a polygamous marriage will continue to be treated as that of the applicant.

Income or capital of any child or young person will not be treated as income or capital of the claimant.

The Council shall be permitted to treat the income or capital of a non-dependant as if it were the income or capital of the applicant in a case where it appears to the Council that the two have entered into arrangements to take advantage of the scheme.

Those on Income Support, income-based Jobseeker's Allowance and income-related Employment and Support Allowance are exempt from this rule.

There will be special treatment of income for those in receipt of Income Support, income-based Jobseeker's Allowance and income-related Employment and Support Allowance.

For those in receipt of these benefits, the whole of their income will be disregarded. Provided that capital held is less than £6,000, this shall also be disregarded. This will mean that they automatically qualify, under Class D, for a maximum 80% Council Tax Reduction on their Council Tax liability less any non-dependant deductions.

The income and capital of people who receive Universal Credit will be treated in accordance with Statutory Instrument 2012 / 2886 paragraph 37.

17.1 Calculation of income (including Earnings and Benefits)

War Pensions

Statutory Instrument 2012/ 2886, Schedule 8, paragraph 20, allows for £10 to be disregarded from weekly war widow's pension, war widower's pension, war disablement pension and

certain other guaranteed income payments including, for example, those made under the Armed Forces and Reserve Forces Compensation Scheme.

The Local Scheme 2013 - 2014 continues previous local arrangements whereby the remainder of any weekly war widow's pension, war widower's or war disablement pension are disregarded in full in the assessment of a claimant's income.

In General

Other provisions relating to income, its calculation on a weekly basis, what is to be regarded as income and what is to be disregarded as income will operate in line with Statutory Instrument 2012 / 2886, paragraphs 47 to 62. In particular, earnings of employed earners and earnings of self-employed earners (both net of tax and National Insurance contributions) will be taken into account as set out in the aforementioned paragraphs.

Amounts to be disregarded from an applicant's weekly earnings are set out in Statutory Instrument 2012 / 2886 Schedule 7.

Amounts to be disregarded in terms of income other than earnings are set out in Statutory Instrument 2012 / 2886 Schedule 8.

Treatment of other income (in relation to which the applicant has deprived themselves of) will be calculated according to Statutory Instrument 2012/ 2886, Paragraph 56.

17.2 Students

Statutory Instrument 2012 / 2886, paragraphs 73 to 86 describe the way in which students are to be treated under the Local Scheme 2013 - 2014. This will generally mean that full-time students and students who are not treated as being in Great Britain will be excluded from entitlement to Council Tax Reduction unless they meet one of the conditions specified within these paragraphs.

17.3 Calculation of capital where this is not disregarded

Other than the revised £6,000 capital and savings limit above which people will not qualify for CTR, the provisions relating to capital – including for example, what is to be regarded as capital and what is to be disregarded - will generally operate in line with Statutory Instrument 2012 / 2886, paragraphs 63 to 70 (excluding paragraph 68).

Amounts to be disregarded as capital in the Local Scheme 2013 - 2014 are defined in Statutory Instrument 2012 / 2886 Schedule 10.

There is also provision for certain elements of income to be treated as capital (for example, in relation to certain lump sum payments or tax arrears).

17.4 Notional capital

Individuals may be treated as possessing capital of which they have deprived themselves for the purposes of securing Council Tax reductions. This notional capital (of which the individual is treated as being in possession) will be reduced over time to reflect payment of additional Council Tax liabilities incurred.

Notional capital excludes the value of any holding in a company where the applicant is the sole owner or partner (or where they hold an analogous position), but will include an amount of capital equal to the value (or their share of the value of) the capital of such a

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company. This notional capital (which the individual is treated as possessing) will be reduced over time to reflect payment of additional Council Tax liabilities incurred

17.5 Tariff income

Tariff income for capital held does not apply to working age claims under the Local Scheme 2013 - 2014.

18.0 Calculation of Reductions

Once the total income amount has been calculated, it will be compared with the applicable amount (Living needs) to determine whether the individual falls into Class D (income does not exceed applicable amount) or Class E (income greater than applicable amount).

18.1 Calculation of Class D

Persons in Class D will receive a maximum 80% Council Tax Reduction for their Council Tax liability (net of any Council Tax discounts and reductions made by or under the Local Government Finance Act 1992) less any non-dependant deductions made as set out within the Local Scheme 2013 - 2014.

18.2 Calculation of Class E

Persons in Class E will receive a maximum 80% Council Tax Reduction entitlement for their Council Tax liability (net of any Council Tax discounts and reductions made by or under the Local Government Finance Act 1992) less any non-dependant deductions made as set out within the Local Scheme 2013 - 2014, less a deduction of 20% of the difference between their weekly income (net of any disregarded income) and applicable amount (Living needs).

19.0 Extended Reductions

Provisions concerning extended reductions for working age claimants Classes D and E are set out within Statutory Instrument 2012 / 2886, paragraphs 95 to 104:

19.1 Income Related Benefits

An applicant (or their partner) in receipt of:

- Employment and Support Allowance (Income-Related),
- Job Seeker's Allowance (Income-Based),
- Job Seeker's Allowance (Contribution-Based); or,
- Income Support

continuously for at least 26 weeks and who ceases to receive any of these benefits (other than Job Seeker's Allowance (Contribution-Based) because they have returned to work, increased their earnings or increased their hours (and where that improvement in their situation is expected to last five weeks or more), will continue to receive a Council Tax Reduction.

19.2 Qualifying Contributory Benefits

An applicant (or their partner) in receipt of

- Employment and Support Allowance (Contribution-Based);
- Incapacity Benefit;
- Severe Disablement Allowance; or,
- any combination of these

continuously for at least 26 weeks, who ceases to receive that benefit because they have returned to work, increased their earnings or increased their hours (and where that improvement in their situation is expected to last five weeks or more), will continue to receive a Council Tax Reduction.

In both 20.1 and 20.2 above, the extended reduction will be calculated as if they were still in receipt of these benefits for four weeks where the resulting reduction amount is greater than the reduction amount would be if it were re-calculated to take into account their loss of these benefits.

In both 20.1 and 20.2 above, if a person moves from Sefton to the area of a new Local Authority in the period from the Monday following the move to the point where entitlement to the qualifying benefit ceases (when the extended reduction rule applies), Sefton will pay the second billing authority or the individual their reduction amount for the extended period.

If the person applies for a Council Tax Reduction in the second Local Authority, the second authority will net off the reduction amount received from Sefton. Any balance of reduction award will be paid to the claimant (and the full amount will be paid to the claimant if there is no Council Tax liability in the second local authority).

After the extended reduction period, Sefton Council shall have no liability in respect of the claimant and the new Council's Council Tax Reduction scheme shall apply as appropriate.

20.0 Entitlement

Any entitlement to Council Tax Reduction for persons who are not pensioners shall normally be awarded from the Monday following the date of receipt of a claim. This follows Statutory Instrument 2012/ 2885, Schedule 8 paragraph 5 which governs the date on which a claim is to be treated as made.

If a claimant notifies the Council of an intention to claim Council Tax Reduction and submits their application form using one of the specified methods within one month of it being issued (or such longer period as may be reasonable in the circumstances), for example, the date of the claim shall be the date they notified their intention to claim. Any entitlement to Council Tax Reduction would then be awarded from the Monday following that date.

If a claimant applies for Council Tax Reduction within one month of the death or separation from their partner and the partner was in receipt of Council Tax Reduction at the time of their death or separation, the date of claim shall be the date of the death or separation in question and any entitlement to Council Tax Reduction shall be awarded from the Monday following the date of their claim.

A person treated as being in Great Britain can apply for Council Tax Reduction up to 13 weeks prior to an event that would entitle them to Council Tax Reduction.

A person treated as being in Great Britain can apply for Council Tax Reduction up to 8 weeks prior to becoming liable for Council Tax at their home.

Entitlement to a Council Tax Reduction may change or cease if there is a change of circumstances or be terminated if the claimant fails to respond to a request for information or evidence within one month or such longer period as may be considered reasonable in the circumstances.

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21.0 Decisions

Statutory Instrument 2012/ 2885, Schedule 8, paragraphs 11 and 12 require the Council to notify the applicant in writing of its decision within 14 days from the date that all relevant information and evidence relating to the application has been received, or as soon as reasonably practicable thereafter. The written notification will include information on how an appeal can be made by the applicant.

22.0 Changes of circumstance

Statutory Instrument 2012/ 2886, paragraph 107 sets out how various changes of circumstance are to be dealt with.

Statutory Instrument 2012/ 2885, Schedule 8, paragraph 9 prescribes that a relevant change of circumstances should be notified within a period of 21 days (including the day on which the change occurs).

23.0 Time and manner of granting reduction and recoveries / over-payments

Matters relating to the payment of a reduction are prescribed by Statutory Instrument 2012/ 2885, Schedule 8 Paragraph 14 and those relating to overpayments by the Council Tax (Administration and Enforcement) Regulations 1992 (Statutory Instrument 1992/ 613)..

Matters relating to the time and manner of granting reduction and dealing with under-payments will be as provided for in the prescribed scheme.

This will include payments to next of kin where a person in receipt of a Council Tax Reduction dies, allowing the billing authority to make payment of the reduction amount to their personal representative or next of kin.

Where the Council Tax Payer is entitled to an increase or decrease in their reductions following a reported change of circumstance, the Council can issue an amended Council Tax bill taking into account the increase or decrease in liability.

24.0 Wider welfare changes to benefits – Universal Credit and Personal Independence Payments

The Government intends to reflect any relevant changes to the welfare and benefits system in regulations. In particular, it is intended that Universal Credit will be introduced for some new and existing claimants from October 2013 and migration will take place over four years.

A number of benefits and tax credits (Income Support, income-based Jobseeker's Allowance, income-related Employment and Support Allowance, housing benefit, working tax credit and child tax credit and others mentioned in mentioned in Statutory Instrument 2012 / 2885 and 2886) are expected to be incorporated within Universal Credit.

The Local Scheme 2013-2014 will therefore calculate the income and capital of persons who are not pensioners and who receive Universal Credit in accordance with Statutory Instrument 2012 / 2886, Paragraph 37.

25.0 Annual Updates

The Local Government Finance Act 2012 stipulates that a local authority must, each financial year, '*consider whether to revise its scheme or replace it with another scheme*'. Any updates to the scheme as it relates to persons who are not pensioners

may therefore be considered no later than 31 January in the financial year preceding that for which the revision or replacement scheme is to have effect.

26.0 Other Requirements Reflected in the Scheme for Persons who are not Pensioners

Unless stated otherwise in this document, it is intended that other aspects of administration that may impact on the Council Tax Reduction award (particularly for the scheme for persons who are not pensioners) will continue.

This includes provision for backdating for persons who are not pensioners in line with Statutory Instrument 2012 / 2886, Paragraph 112.

27.0 Department for Work and Pensions changes to State Pension Credit Age

The Department for Work and Pensions is intending to make changes to the way in which new applicants comprising couples of mixed age (i.e. where one member of the couple has attained state pension credit qualifying age and one has not) are treated for new applications. Currently, such couples would generally be treated under pension credit age regulations, apart from a few exceptions.

It is anticipated that in future (from the point of change and for new pension credit applicants only) that it will not be possible for a couple to claim pension credit until both members have reached the qualifying age. It is anticipated that such couples will have access to Universal Credit, however, if they meet all the other eligibility criteria.

The Government proposes to align this change for new applicants to local Council Tax Reduction schemes on the same basis once it takes effect, so that Councils do not find themselves defining an individual in a mixed age couple differently from the way they are defined by the Department for Work and Pensions.

It is the Government's intention that mixed age couples already applying for or receiving a pension-credit age Council Tax Reduction at the point of change (whether or not they are also receiving pension credit), will retain pension credit age Council Tax Reduction whilst their entitlement continues.

28.0 Procedure by which a person may apply for a reduction under the Local Scheme 2013 - 2014

Statutory Instrument 2012/ 2885, Schedule 7, paragraphs 1 to 7 prescribe the procedure by which a person may apply for Council Tax Reduction:

A person may apply in writing using the Council's application form for that purpose and sending it to the address designated by the Council for that purpose. (See Contact Details on page 27)

A person may complete an application form for Council Tax Reduction online via the Council's website.

A person may complete an application form for Council Tax Reduction by telephone. An appointment to do this can be obtained by telephoning 0845 140 0845.

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A person may apply for Council Tax Reduction by visiting a local One Stop Shop and completing an application online with a customer services advisor.

Any application form must be signed by the claimant and may also be signed by their partner if applicable and shall be supported by such information or evidence as is reasonably required to enable entitlement to be determined.

The Council shall not determine entitlement for an incomplete claim including one that is not signed until the relevant information, signature or both as appropriate is received. At all times, this should be provided within a period of one month from the date of the Council request or such longer period as may be reasonable in the circumstances.

A person who is in receipt of Council Tax Benefit immediately before 1 April 2013 is to be treated as having made an application for a reduction under the Local Scheme 2013 - 2014.

Where an individual has, prior to 1 April 2013, made an application for Council Tax Benefit which has not been determined by 1 April 2013, that individual is to be treated as having made an application for a reduction under the Local Scheme 2013 - 2014.

A claim for Council Tax Reduction may be amended or withdrawn in writing by the claimant at any time prior to the Council making a decision regarding entitlement.

The Council shall accept the withdrawal of an application where it has not yet made a decision concerning entitlement. This shall have effect on the same day that the notification was received by the Council.

29.0 Procedure by which a person can appeal any decision of the authority which affects (a) the person's entitlement to a reduction under the Local Scheme 2013 - 2014 or (b), the amount of any reduction to which the person is entitled.

A claimant or a person acting on their behalf may appeal against the Council's decision concerning entitlement to a reduction under the Local Scheme 2013 - 2014 or the amount of a reduction by writing to the Council at its designated office specifying the nature of the appeal and the grounds on which the appeal is made.

The Council will consider the appeal and notify the applicant in writing of the outcome of their appeal and the reasons for the decision.

Where the Council has considered the appeal and notified the applicant of the outcome in writing but they remain dissatisfied, or a response has not been given within a period of two months from the date of the written appeal, the applicant may further appeal to a Valuation Tribunal under section 16 of the 1992 Local Government Finance Act. Where a response is not provided by the Council within two months of the appeal being made, any subsequent appeal to a Valuation Tribunal shall be made within four months of the date that the original appeal was sent to the Council.

The following specific matters shall not be the subject of an appeal under these provisions:

- The local CTR scheme provisions as set by the Council
- Any discretion applied to recover an overpayment of Council Tax Reduction
- Who to recover an overpayment of Council Tax Reduction from

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- Suspending or restoring Council Tax Reduction
- Any decision to refuse the grant of a reduction under Section 13A(1)(c) of the Local Government Finance Act 1992

A claimant may also at any time in writing request the Council to review their entitlement to CTR or the amount of any reduction outside of the provisions for appeals detailed above.

30.0 Procedure by which a person can apply to the authority for a reduction under section 13A (1) (c).

A Council Tax Payer may apply for a reduction under Section 13A(1)(c)(a) of the Local Government Finance Act 1992. Such an application shall be made in writing to the Council at its designated office or by means of electronic communication and must give such details as are reasonable and necessary to enable the Council to properly consider the application. Such details should include but not be limited to the reason for the application, the circumstances and context in which the application is made and the period for which the application is made.

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How to Contact Sefton

You can write to us at: **Sefton MBC, Benefits Section, PO Box 21, Bootle, L20 3US.**

You can phone: **0845 140 0845.** Lines are open Monday to Friday 8am to 6pm.

You can visit:

our website at www.sefton.gov.uk/counciltax

Bootle one stop shop

324-342 Stanley Road
Bootle
Liverpool
L20 3ET

Southport one stop shop

Cambridge Arcade
Southport
PR9 1DA

Office Opening times are Monday to Friday, 9am to 5pm

Sefton libraries

Ainsdale Library, Liverpool Avenue, Ainsdale, Southport, PR8 3NE **01704 577345**

Aintree Library, Altway, Aintree, L10 6LF **0151 526 8503**

Birkdale Library, 240-244 Liverpool Road, Birkdale, Southport, PR8 4PD **01704 567380**

Bootle Library, 220 Stanley Road, Bootle, L20 3EN **0151 934 5781**

Churchtown Library, Mill Lane, Churchtown, Southport PR9 7PL **01704 228678**

College Road (Carnegie) Library, College Road, Great Crosby, L23 3DP **0151 924 5287**

Crosby Library, Crosby Road North, Waterloo, Liverpool, L22 0LQ **0151 257 6400**

Formby Library, Duke Street, Formby, Liverpool, L37 4AN **01704 874177**

Litherland Library, Linacre Road, Litherland, L21 6NR **0151 928 1357**

Meadows (Maghull) Library, Hall Lane, Maghull, Liverpool, L31 7BB **0151 228 6727**

Netherton Library, Glovers Lane, Netherton, Liverpool, L30 3TL **0151 525 0607**

Orrell Library, Linacre Lane, Orrell, L20 6ES **0151 922 3843**

Southport Library, Lord Street, Southport, PR8 1DJ **0151 934 2118**

Each Library has different opening times. Please phone your preferred library for details.

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ANNEX B

SETTING THE COUNCIL TAX BASE FOR 2014/15

1. Setting the Council Tax Base

- 1.1 The Council Tax Base is the link between the Council's budget and the level of Council Tax. The tax base will be used to calculate the Council Tax in Sefton, once the Council's budget has been agreed. The Council is required to calculate the various Council Tax Bases and have them approved by the 31 January 2014.
- 1.2 The calculation of the Council Tax Base takes into account many factors such as the rate of new building and the trends in people living on their own (Sole Occupier Discount).
- 1.3 The tax base calculation assumes a collection rate of 96.5%, which reflects that fact that collection is proving challenging in the current economic climate and has deteriorated as a result of the requirement for council tax support claimants to pay at least 20% of their annual council tax liability.

2. Council Tax Base for Sefton Council in 2014/15

- 2.1 The new tax base for 2014/15 is 76,992.00 Band D equivalent dwellings for Sefton Metropolitan Borough Council, an increase of 475.8 in comparison with the tax base for 2013/14 that was 76,516.20. An analysis of the changes between the 2013/14 and 2014/15 tax base is provided in the table below:

Tax Base for Sefton Council	Band D Equivalents		
	2013/14	2014/15	Change
Dwellings on the Banding List	108,809.2	108,797.7	-11.5
Exemptions / Discounts etc			
Exempt Dwellings	-2,385.6	-2,611.6	-226.0
Disabled Persons Reductions	-143.7	-145.4	-1.7
Dwellings Subject to 25% Discount	-9,578.9	-9,581.6	-2.7
Dwellings Subject to 50% Discount	-907.7	-359.5	548.2
Dwellings Subject to 100% Discount	-215.2	-131.8	83.4
Net Additions / Deletions	51.7	241.8	190.1
MOD Properties	7.0	7.0	0
Premium			
Empty Homes Premium	308.6	221.9	-86.7
Council Tax Support Scheme (CTRS)			
Council Tax Support Scheme Discounts	-16,654.3	-16,654.3	0
Losses in Collection			
Collection Rate Adjustment	-2,774.9	-2,792.2	-17.3
Tax Base for Year	76,516.2	76,992.0	475.8

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2.2 The main reason for the changes in the tax base are:

Dwellings on the banding List: A number of properties in the Housing Market Renewal Area in the possession of in the Adactus Housing Association were removed from the Banding List in the year.

Exempt Dwellings: There has been an increase in the number of unoccupied dwellings owned by charities, and dwellings left empty by a deceased person.

Dwellings Subject to 50% Discount: The reduction in 2014/15 reflects the proposed removal of the discount currently available on empty (and substantially unfurnished) properties from month two to month six.

Dwellings Subject to 100% Discount: The number of vacant dwellings undergoing major repair works or structural alterations has reduced in 2013.

Net Additions / Deletions: The 2013/14 estimate included a significant number of deletions (260 properties). Fewer deletions are expected in 2014/15 (28 properties).

Empty Homes Premium: A number of long-term empty properties have been brought back into use during 2013.

Council Tax Reduction Scheme: The estimated level of discounts remains unchanged in 2014/15. This reflects the uncertainty about future growth in working age claimants.

Losses in Collection: The assumed collection rate of 96.5% remains unchanged. The increase in provision for non-payment on CTRS accounts has been offset by a reduction in the amount needed to manage any prior year debt at risk.

3. Council Tax Base in Parish Areas for 2014/15

3.1 There are also new tax base figures for each parish area in 2014/15. The following table provides details of the new tax base for each parish along with a comparison with current year:

Tax Base for Parish Areas	Band D Equivalents		
	2013/14	2014/15	Change
Parish of Aintree Village	1,953.05	1,972.24	19.19
Parish of Formby	8,756.63	8,877.62	120.99
Parish of Hightown	832.29	839.36	7.07
Parish of Ince Blundell	158.05	157.78	-0.27
Parish of Little Altcar	262.31	261.79	-0.52
Parish of Lydiate	1,951.38	1,976.84	25.46
Parish of Maghull	6,256.29	6,335.30	79.01
Parish of Melling	942.90	953.97	11.07
Parish of Sefton	220.73	228.65	7.92
Parish of Thornton	725.13	735.83	10.70

- 3.2 The increase in tax bases in most parish areas in 2014/15 is largely due to a fall in council tax reduction scheme costs and the proposed removal of the discount on empty (and substantially unfurnished) properties from month two to month six.

4. **Compensating Parish Areas for Loss of Council Tax Income**

- 4.1 The tax base in Parish Areas was reduced in April 2013 as a result of the introduction of the local council tax support scheme. The Government have built funding into Sefton's Settlement Funding Assessment in order to provide Parish Areas with compensation for the loss of council tax income as a result of this change. How much, if any of this funding is to be passed on to Parish Council's has been left to Council's to decide in discussion with the parishes.
- 4.2 The Government made the following comments on the funding for parish councils in their response to the consultation on council tax base and funding for local precepting authorities:

Certainty of Funding for Parish and Town Councils

B8. As there is not a mechanism for providing funding through the business rates retention system directly to parish and town councils the Government is providing the funding attributable to them to the billing authority. To enable this funding to reduce the local precepting authority's council tax requirement, and so potentially offset some or all of the costs of offering support, the billing authority will need to pass funding down to the local precepting authority.

B9. To support considerations over funding, the Government has published provisional funding allocations, setting out how much funding might be attributable to the local precepting authorities, based on its share of council tax in the billing authority area.

B10. This figure is intended as a starting point: Precisely how much funding should be passed down will depend on a number of factors, including the design of the scheme and the number of claimants in the local precepting authority area.

B11. In line with the localism agenda there will not be a legislative duty to pass down funding. Billing and local precepting authorities should be able to come to agreement on arrangements for passing down the funding attributable to the local precepting authority, reflecting the factors outlined above, and other relevant local circumstances.

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- 4.3 As part of the 2013/14 budget process it was agreed to pay the following amounts to each parish council in order to ensure that they were protected from the impact of the council tax reforms:

Parish Area	Grant £
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
	118,116

- 4.4 The total cost of £118,116 was built into the indicative budget for 2014/15 approved by Council on 28 February 2013. It is recommended that the same amount is paid to each of the Parish Council's in 2014/15 in order to provide stability of funding, with a review of this funding to be carried out as part of the 2015/16 budget process.

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Report to: Cabinet

Date of Meeting: 5 December 2013

Subject: 2013/14 Budget Update

Report of: Head of Corporate Finance & ICT

Wards Affected: All

Is this a Key Decision? No

Is it included in the Forward Plan? Yes

Exempt/Confidential No

Purpose/Summary

To inform Cabinet Members of the progress in achievement of the approved savings for 2013-2015, and other risks within the 2013/14 budget. In addition, a forecast on Council Tax and Business Rates collection is included.

Recommendation(s)

Cabinet is recommended to: -

- i) Note the progress to date on the achievement of approved savings for 2013-2015;
- ii) Note the potential impact on earmarked reserves in 2013/14 should other savings not be achieved, elsewhere in the budget, to bridge the current budget gap;
- iii) Note the wider budget pressures being experienced in the remainder of the Budget;
- iv) Note the forecast position on collection rates of Council Tax and Business Rates
- v) To approve the delegation of a further £200,000 of the Social Fund, in consultation with the Cabinet Member - Children, Schools, Families and Leisure, Cabinet Member - Older People and Health and Cabinet Member - Communities & Environment, to support initiatives enabling resilience and capacity in our communities in the context of the impact of Welfare Reform.

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 ensure Cabinet are informed of the latest position on the achievement of savings for the current financial year and to facilitate the achievement of the savings targets for 2014/15. To

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identify wider budget pressures being experienced elsewhere in the Budget. To provide an update on the forecast outturn position on collection of Council Tax and Business Rates.

What will it cost and how will it be financed?

(A) Revenue Costs

Any under-achievement of the agreed revenue savings for 2013/14 will need to be financed from within any under-spending identified within other areas of the 2013/14 and 2014/15 budgets, or from the Council's earmarked reserves. Any usage of reserves will reduce the amount available to support the phased introduction of savings in future years. The current position indicates that about £2m of reserves would be required to balance the budget for the identified red marked items. The wider budget pressures being experienced elsewhere in the budget are to some extent matched by savings in other areas; the net overall budget pressures total some £2.6m.

(B) Capital Costs

There are no variations to the overall cost of the Capital Programme.

Implications:

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

Legal

By Section 13A of The Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012) the Council is required to implement a local Council Tax Reduction Scheme.

Human Resources

None

Equality

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

Impact on Service Delivery:

None.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance & ICT (FD2676/13) and Head of Corporate Legal Services (LD1981/13) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

None.

Implementation Date for the Decision

Immediately following the call-in period following the publication of the Cabinet Minutes

Contact Officer: Margaret Rawding

Tel: 0151 934 4082

Email: Margaret.rawding@sefton.gov.uk

Background Papers:

None

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1. Introduction

- 1.1 The Council approved a two year financial plan for 2013 to 2015 which requires a large change programme of £50.8m to be implemented over this and the coming year. The Government has indicated that fiscal restraint will continue over the coming years and that the financial pressures on the public sector will continue throughout the Comprehensive Spending Review period to 2017/2018 and beyond. It is important therefore that the Council continue to make the planned progress of the financial plan in order to prepare for future years' financial challenges.
- 1.2 In order for the Council to remain within its financial budget, it is essential that as much of the identified saving areas are actually achieved in the appropriate years for 2013/14 and 2014/15. The remainder of the Council's budget is experiencing a number of budget forecast variations, these are discussed further in the report.
- 1.3 The report also outlines the current position regarding two key income streams for the Authority, Council Tax and Business Rates, as variations against expected receipts will affect the Council's financial position.

2 Approved savings for 2013/14 – Current position

- 2.1 The table at Annex 1 identifies the current position of the agreed savings for 2013/14. They are analysed into four categories: -
 - Savings achieved to date (Blue);
 - Progress is satisfactory (Green);
 - Outcome is unknown and is at risk of not being fully achieved (Amber); and
 - Known shortfalls, or significant risk of not being achieved (Red).

This approach is designed to ensure complete transparency, effective risk management and improved consultation and engagement.

It should be noted that individual savings may be categorised into more than one area; for example, part of the work to achieve a required saving may be on track (and a value can be shown in Green), whilst another element is potentially at risk (and therefore shown as Amber).

- 2.2 The position as at the end of October 2013 for the achievement of savings is that £24.5m of the required £28.6m have been delivered or are on plan, £2.1m are at some risk of not being fully achieved and a further £2.0m are unlikely to be achieved in 2013/14.
- 2.3 Any net under-achievement will need to be a first call on the Council's reserves. Whilst the Council could call upon reserves in 2013/14 to finance a shortfall of this magnitude the utilisation of these resources will reduce the Council's ability to phase in savings in future years

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3 Other Budget Risks

- 3.1 The saving options considered above indicate a potential budget shortfall in the order of £2m for 2013/14. However as part of the regular budget management of the remainder of the Council's budget, a number of other financial risks have been identified. These risk areas currently amount to approximately £572k; further information is provided below on the main areas: -
- 3.2 **Young People & Families** – An increasing number of Looked After Children has placed pressure on the Corporate Parenting Service, particularly adoption allowances and fees (£305k) and preventative and support budgets (£109k). This has also impacted on placements and care package budgets resulting in a projected overspend of £129k. It is anticipated that the effects of the new social care structure, implemented in part from early May, would reduce the need for expensive placements as the year progresses. This has been evidenced by the number of in-house placements made since August, but the increasing number of overall Looked After Children continues to place additional pressure on the budget. Agency staff have been required to support the introduction of the new structure at an additional cost of £84k. These projected outturn variances are forecast to be offset by the application of from the Adoption Reform grant (£201k) and savings on Early Intervention and Prevention (£230k) and Learning and Support (£308k). The underspend on Early Intervention and Prevention is largely as a result of vacant posts across family centres and parenting services, some of which are earmarked for phased savings in 2014/15. Learning and Support is forecast to underspend in a number of areas including repairs and maintenance of former school land controlled by the LEA, student travel passes and voluntary redundancy. This results in a broadly balanced position within the Young People & Families budget.
- 3.3 **Specialist Transport Unit** – As reported to Cabinet in September 2013, the Specialist Transport Unit (STU) budget continues to be insufficient to meet demand. This is currently the subject of an internal review, and information will be presented to Cabinet as soon as possible. The STU is expected to be overspent by £1.6m by the year end. An exercise is being undertaken to analyse the spend on transport in terms of the client groups that are receiving the service. This will give a clearer indication as to the reasons for the overspend and guide judgements about how it may be mitigated in future.
- 3.4 **IPI – Admin Buildings and other properties** – There is a potential budget shortfall of £243k, which is due to a number of factors including: -
- Rent increases following rent review at Magdalen House and stepped rental increase at Merton House;
 - Rental income under pressure from tenant default and reductions in rents to lower market levels on lease renewals in Southport; and
 - Additional costs to safely maintain a number of large properties earmarked for redevelopment or sale, but disposal delayed due to poor market conditions.

The original expectation was for these additional costs to be offset by the termination of leases on two buildings. Termination has been delivered on one property, however, the ending of the lease on the second building has been delayed due to service planning issues.

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- 3.5 **Landscape Services** – the principal area of variation is within the cemeteries and crematoria service. Additional income (-£230k) is forecast as a result of higher than anticipated demand for funeral services.
- 3.6 **Net Debt Repayment** – Reductions in net repayments (circa -£500k) have arisen due to additional interest being achieved on investments compared to the budgeted value, and a reduction in the amount of debt repayments as a result of the policy of internal borrowing, rather than taking on new loans to finance capital expenditure.
- 3.7 A variety of smaller underspends have arisen across the Council’s budget, resulting in an overall net overspend of approximately £0.6m.

4 Overall Forecast Revenue Position 2013/14

- 4.1 The overall forecast revenue position is that there will be a budget shortfall of some £2.6m (i.e. £2m from the “Red – Unlikely to be achieved” category of budget savings, plus a further £0.6m from other areas of budget risk.
- 4.2 Should the overall net overspend position (£2.6m) not be reduced by the end of the financial year, then the Council will need to draw on its reserves to meet this additional cost.

5 Council Tax Income – Update

- 5.1 Council Tax has for more than two decades been a stable source of income for local authorities. However, the introduction of local council tax reduction schemes and other technical changes to exemptions and discounts in 2013/14 has increased the risk of volatility in this income stream. This means the monitoring of Council Tax income is even more important to local authorities than in previous years.
- 5.2 Council Tax income is shared between the billing authority (Sefton Council) and the two major precepting authorities (the Fire and Rescue Authority, and the Police and Crime Commissioner) pro-rata to their demand on the Collection Fund. The Council’s Budget included a Council Tax Requirement of £97.776m for 2013/14 (including Parish Precepts), which represents 85.2% of the net Council Tax income of £114.787m. The forecast position for total Council Tax income, as at the end of October 2013 is shown below:

Total Council Tax Income	<u>2013/14 Budget</u>	<u>2013/14 Forecast</u>	<u>Surplus (-) / Deficit</u>
	£000	£000	£000
Total Council Tax Income	-114,787	-115,407	-620

- 5.3 The forecast shows a surplus on Council Tax income largely because the level of Council Tax Reduction Scheme (CTRS) discounts claimed to date is lower than originally estimated. In addition, the required doubtful debt provision is currently estimated to be below the original budget level; this is still subject to a large degree of uncertainty as a result of potential non-payment by working age CTRS claimants. The surplus reflects a slight improvement on the position as at the end of September (- £0.565m); however, the level of non-payment is being carefully monitored on an ongoing basis.

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- 5.4 Due to the Collection Fund regulations, the Council Tax surplus will not be transferred to the General Fund in 2013/14 but will be carried forward to be distributed in 2014/15. The table below therefore shows a comparison against the 2014/15 budget:

Share of Council Tax Surplus (-) / Deficit	%	<u>2014/15 Budget</u> £000	<u>2014/15 Forecast</u> £000	<u>Variation 2014/15</u> £000
Sefton Council	85.2	855	-528	-1,383
Police and Crime Commissioner	10.2	102	-64	-166
Fire & Rescue Authority	4.6	46	-28	-74
Total	100	1,003	-620	-1,623

6 Council Tax Reduction Scheme – Background Data

- 6.1 The introduction of local Council Tax Reduction Schemes which replaced Council Tax Benefit in April 2013, means the monitoring of Council Tax income is even more important to local authorities in 2013/14. The following paragraphs provide an update of the position for Sefton as at the end of October 2013.
- 6.2 Overall the net Council Tax Reduction Scheme is forecasting a favourable outturn position of £1.0m; a marginal improvement on the September position. Members are requested to treat the figures with caution as the position relating to the new payers is frequently changing and is sensitive to local economic demands on families and householders who are also affected by Welfare Reform changes. Details of the working age CTRS cases are given below: -

Collection Against Working Age CTRS Cases: -

	<u>October</u>
	<u>Total</u>
Liability Raised	£4,116,580
Amount Paid	£1,775,421
Percentage Collected	43.1%

Summary of Working Age Claimants

	October
Number of affected cases	16,444
Instalments not yet due (includes some direct debit accounts)	901
Accounts with payments made since annual bills issued	12,122
Accounts with instalments overdue and no payments made	3,421
Analysis of Accounts with payments made:	
Paying by direct debit over 10 months	2,073
Paying by direct debit over 12 months	1,120
Paying by cash/cheque over 12 months	1,447
Paying by cash/cheque over 10 months	7,482

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7 Business Rates Income - Update

- 7.1 The Business Rates Retention Scheme introduced on 1 April 2013 allows local authorities to retain 49% of their Business Rates income. This change made Business Rates income a key financial risk for the Council for 2013/14 onward.
- 7.2 Business Rates income has historically been very volatile as it is subject to revaluation appeals and changes in the level of economic activity. The level of income is also subject to changes in the level of mandatory reliefs such as Small Business Rate Relief, Empty Property Relief and Charity Relief. This makes it very difficult to forecast Business Rates income accurately.
- 7.3 The 2013/14 Revenue Budget assumes that the Council will retain 49% of total forecast Business Rate receipts of £65.545m, i.e. £32.117m. The forecast position for Business Rates income, as at the end of October 2013 is shown in the table below:

Business Rates Income	<u>2013/14</u> <u>Budget</u>	<u>2013/14</u> <u>Forecast</u>	<u>Surplus (-)</u> <u>/ Deficit</u> £000
	£000	£000	
Net Rate Yield	-65,545	-62,831	2,714

- 7.4 The forecast identifies a small improvement compared to the September position. It also assumes that the cost of appeals during the year can be met from the budget; however, an additional provision of £0.661m will need to be made at the year-end in respect of appeals that were transferred from the National Pool at the start of the year. The cost of appeals provision is subject to significant uncertainty due to the unpredictable timing and value of appeal settlements.
- 7.5 Due to the Collection Fund regulations the Business Rates deficit will not be charged to the General Fund in 2013/14 but will be carried forward to be recovered in 2014/15. The table below therefore shows a comparison against the 2014/15 budget:

Share of Business Rates Surplus (-) / Deficit	%	<u>2014/15</u> <u>Budget</u> £000	<u>2014/15</u> <u>Forecast</u> £000	<u>Variation</u> <u>2014/15</u> £000
Central Government	50	0	1,357	1,357
Sefton Council	49	0	1,330	1,330
Fire & Rescue Authority	1	0	27	27
Total	100	0	2,714	2,714

8 Council Tax / Business Rates Income - Summary

- 8.1 All income from Council Tax / Business Rates is collected in an account called the Collection Fund. The total sum is split between the Council, the Fire and Rescue Authority, the Police & Crime Commissioner (Council Tax only) and the Government (Business Rates only). The budgeted overall net financial position for these items in 2013/14 shows a net deficit (for Sefton) of £0.855m. The forecast position as at the end of October 2013 shows an additional £0.528m income

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from Council Tax and reduced income of £1.330m from Business Rates (a net deficit of £0.802m) i.e. a favourable increase in net income of £0.053m compared to the budget.

- 8.2 As mentioned above, due to national accounting treatment, this shortfall does not impact on the current financial year; it will be recovered as part of the setting the budget for 2014/15, i.e. it would add to the budget gap for that year.
- 8.3 The level of income from these two sources is significantly more volatile than in the past. The introduction of the Council Tax Reduction Scheme and particularly the new arrangements for Business Rates mean that forecasting income for the Council from the Collection Fund - for inclusion in the Budget - is much more difficult.

9. Welfare Reform

Members will recall that at the Cabinet Meeting of the 31st January 2013 a report was presented relating to the transfer of funding from the Department for Work and Pensions Social Fund to Local Authorities to enable them to provide a local scheme for emergency crisis support to those in needs. The transfer was part of the major changes being made to the welfare environment through the Welfare Reform Act 2012. The funding comprised of £955,455 main allocation and a separate administration grant element of £201,895. The Cabinet agreed that the available grant be incorporated into the 2013/14 budget. The Cabinet also agreed that the Deputy Chief Executive be delegated authority to allocate £200,000 of the Social Fund, in consultation with the Cabinet Member - Children, Schools, Families and Leisure, Cabinet Member - Older People and Health and Cabinet Member - Communities & Environment, to support initiatives enabling resilience and capacity in our communities in the context of the impact of Welfare Reform.

The allocation was determined on the basis of pump priming initiatives which would start to be developed with our communities over the course of the financial year. However, as reported in the Welfare Reform Update Report to the Cabinet on 18th July 2013, and in a further Update Report elsewhere on this agenda, progress on the community responses to enable capacity and resilience to welfare reform has been much more accelerated than expected. Indeed, the response of our community, voluntary and faith sectors has been excellent together with substantial numbers of individuals volunteering to support these initiatives. The establishment of a network of Foodbanks and distribution points across the Borough is a strong example of this positive response. Accordingly the pace and range of these positive developments has required more 'pump priming' support than originally envisaged. It is therefore recommended that the delegated amount be increased by a further £200,000. This can be contained within the current allocation particularly as these community led initiatives have reduced expenditure from the Council's Emergency Limited Assistance Scheme.

	OCTOBER Totals £k	SEPTEMBER Totals £k	VARIANCE Totals £k
Savings achieved to date	18,818,600	18,707,650	110,950
Progress is Satisfactory	5,668,400	5,623,400	45,000
Risk of savings not being fully achieved	2,131,400	2,273,350	-141,950
Known shortfalls or significant risk that savings will not be achieved	1,959,600	1,973,600	-14,000
Total of Savings	28,578,000	28,578,000	0

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2012-13 LISTED BUDGET SAVINGS CONTINUING INTO 2013-14

					Comment		
Additional Savings on Critical Services - included in para 6.3 in Report to Cabinet 16th December 2010 (CSF Demand Led Pressures)					690,000	690,000	Saving Achieved in 2013/14
C5.1	Children in Care - Reduce Care Package Costs	396,000			396,000	Year 2 saving of a 3 year programme. Should be achieved from reduced commissioning packages for children in care ongoing.	
E2.	Supporting People (*)	1,000,000	1,000,000			The budget for 2012/13 included an in principle reduction of £3m to be delivered over 2 years. To date £1.5m has been achieved from housing related support (older people and excluded groups). Service user reviews identified that for some individuals Supporting People funding underpinned or was closely aligned with meeting assessed care needs. A review of the care and support services (including Supported Living and Shared Lives) has identified reductions of £202k, service users have been notified of any associated changes. Savings on care & support services required reassessment of needs and care packages. This saving will not be fully achieved in 13/14. Following the reviews of Supporting People funded Care & Support services, continuing care related expenditure will be incorporated in the Community Care budget commitment forecast.	
E2.	Supporting People (*)	500,000	500,000				
E2.2	Supporting People Commissioning Functions	14,000		14,000		Now part of broader integration of commissioning function (I1.1). A number of posts are being held vacant until the integrated staffing structure has been agreed. This is the 3rd stage of the wider integration. It is intended to complete this process within this financial year. Staff and Trade Union consultation has been undertaken and it is anticipated that the new structure will be in place from January 2014. Normal personnel processes will be followed. Vacant posts held within the current structure have generated savings within 2013/14, the full saving will be achieved in 2014/15	
E2.8	Area Finance / Finance Visiting Officers - Review	25,000	25,000			£75k has been deferred as part of the requirement to achieve D 1.38 Social Care Subsidies, as the staff are required in order to effectively implement the changes and achieve the saving. This deferred saving is now shown under 2014/15. Achievement of the remaining £25k of this saving in 2013/14 is dependent on Phase 2 of IAS project implementation and the re-engineering of financial back-office functions.	
E3.13	Library Service - Cease provision of Mobile Library Service	3,000			3,000	Lease of vehicle terminated	
E4.5,10,11,12	Parks, Greenspaces, Coast & Countryside Redesign	330,000			330,000	Saving Achieved	
E4.7	Recharge formal sports users the costs of Grounds Maintenance	20,000			20,000	Full saving will be achieved	
	Connexions	136,000			136,000	Ongoing savings anticipated as the contract reduces in 13/14 up to its end in April 2014	
	Elections	200,000		200,000		To be monitored, but likely to be achieved in 2013/14	
	Treasury Management Additional Savings	100,000		100,000		Built into budget for 2013/2014. Total budget forecast to be achieved.	
		3,414,000	1,525,000	0	314,000	1,575,000	

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2013-14 LISTED BUDGET SAVINGS

Strategic Management						
	Senior Management Restructure	150,000				150,000 Saving has been achieved
	Subscriptions - Local Government Association Membership	-45,000				-45,000 Budget Adjusted
	Subscriptions - North West Employers Membership	-25,000				-25,000 Budget Adjusted
	Strategic Management	80,000	0	0	0	80,000

Corporate Commissioning and Neighbourhoods

C11.2	Improved procurement of Council wide communications activity	25,000			25,000	Saving is achievable in 2013/14 but savings in 2014/15 are less likely to be achieved at this stage and therefore need to be reviewed
E3.1	Integration of Communications	95,000			95,000	Saving has been achieved
E3.2	Review of Civic Support	60,000			60,000	Saving has been achieved
E3.3	Cessation of Room Bookings Service (linked to review of Civic Support)	20,000			20,000	To be monitored, but likely to be achieved in 2013/14
F4.1	Area Committee Budgets	100,000			100,000	Each area committee has been advised of their reduced allocation for the year and regular monitoring will take place to ensure spending is within budget
F4.3	Double Rating - reduction in line with Council grounds maintenance contracts	33,000			33,000	Consultation complete, savings achieved
D1.27	Corporate Commissioning & Neighbourhood Coordination (CCNC) Service - rationalise service	140,000			140,000	Saving achieved by staff reductions and cessation of specialist equalities support
Para 3.6 includes	Double Rating - cessation (2014/15)	30,000			30,000	Consultation complete, savings achieved
	Stop servicing all non-member meetings and review O & S structure	38,000			38,000	Agreed at 8th October budget assurance meeting that this saving will be met from reserves
D1.10	Budget realignment - members allowances as agreed by July 2012 Council	147,000			147,000	Saving has been achieved
	Area Committees - Reduce from 7 to 3	15,000			15,000	To be monitored, but likely to be achieved in 2013/14
(see also Economy)	Withdraw financial support from Southport's Christmas Lights and Christmas Trees across the Borough	10,000			10,000	Saving has been achieved
	Corporate Services and Corporate Commissioning	713,000	0	0	160,000	553,000

Corporate Services

C12.	Learning and Development	80,000			80,000	To be monitored, but likely to be achieved in 2013/14
C12	Increased housing benefit grant from reduced error rates	250,000		250,000		The council is working with Arvato to secure a reduction and is monitoring the position on a monthly basis
C12	Reduced external audit, recoverable VAT fees & improved cash management pension costs	500,000		100,000	400,000	This is a combination of £100k reduction in external auditor fees (complete) and £400k of savings is VAT shelter income from OVH. Receipts currently forecast at £300k against OVH saving therefore £100k is at risk of not being achieved.
C12	Printing and Publications	20,000			20,000	Saving has been achieved
E4.	Learning and Development	75,000			75,000	To be monitored, but likely to be achieved in 2013/14
E4.	Review of Corporate Support Services	248,000			248,000	Saving has been achieved.
E4.	Review of risk management inc externally commissioned services	80,000			80,000	Saving has been achieved
D1.11	Risk Management	25,000			25,000	Saving has been achieved
D1.12	Procurement ICT and financial support	25,000			25,000	Saving has been achieved
	Corporate Services	1,303,000	0	350,000	555,000	398,000

Built Environment**Planning**

C1.1	Building Control - Vacancy and mini restructure	20,000			20,000	Saving has been achieved
C1.2	Land Searches - Right size budget land searches income	35,000			35,000	Income on target, likely to be achieved
C1.3	Planning DC - Commissioned technical advice	28,000			28,000	Income on target, likely to be achieved
C1.4	Planning DC - Pre-application - charge	6,000			6,000	Income on target, likely to be achieved
C1.5	Planning DC - Increase planning application fee	50,000	50,000			Due to legislative changes there are certain applications that we are no longer able to charge fees for and as a result there is a significant risk of not achieving the enhanced income targets
C1.6	Planning DC - Consultancy	12,000			12,000	Saving has been achieved
	Planning	151,000	50,000	0	69,000	32,000

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Environment							
C2.1	Environmental Health - Reduced services and supplies	55,000				55,000	Base budget adjusted April 2013
C2.2	Environmental Health - Reduced ECO Centre costs	15,000				15,000	Base budget adjusted April 2013
C2.3	Licensing (taxi etc) - Licensing reserve (one-off)	240,000				240,000	Local Licensing Reserve available to apply
D1.20	Environment - Trading Standards - staff restructuring	30,000			30,000		Restructure in progress - compulsory redundancies in hand, saving effective from August
D1.30	Built Environment - Pest Control - introduction of a charge	20,000			20,000		Charging mechanism implemented from 1 st October 2013 but income will be subject to public willingness to pay - to be closely tracked
Environment		360,000	0	0	50,000	310,000	
Investment Programme							
C3.3	Contracted Services - Defer re-instatement of highway management funding for a further two years	800,000	40,000		760,000		Budget remains under strain. Potential overspend of £40,000 due to an issue over budgetary provision affecting the Highways Maintenance budget
C3.4	Development Control - Highway development control income target	40,000			40,000		On target and will continue to be monitored
	Street Lighting - Review of lighting options	15,000			15,000		Salix loan, to be repaid from central resources, will enable work to progress on changing street lighting
C3.2	Home Improvements - Housing Improvement Agency service brought in-house	37,000				37,000	Savings of £37k recovered by reducing available revenue budget for 2013/14 at the outset of the Financial year, from £128,600 down to £91,600. We anticipate that projected spend will be contained within the reduced budget.
	Investment & Infrastructure - Increase income from Network Management	38,000		38,000			Ways to address this saving are still being investigated, but there remains a risk of non-achievement of this saving.
Investment Programme		930,000	40,000	38,000	815,000	37,000	
Economic Development and Tourism							
D1.8	To relocate staff from The Investment Centre to Magdalen House	36,000			36,000		Savings on rental of premises. Staff moved Feb 13 and rental payments ceased March 2013
D1.25	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	51,000			51,000		Mersey Forest subscription to be refinanced. Staff hours already reduced. On target.
(see also Neighbour hoods)	Withdraw financial support from Southport's Christmas Lights and Christmas Trees across the Borough	20,000			20,000		Full saving will be achieved
Economic Development and Tourism		107,000	0	0	107,000	0	

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Street Scene**Landscape Services**

C5.1	Ground Mtce incl grass cutting - Contractors indexation/eff. Discounts FYE	50,000			50,000	Saving achieved	
C5.2	Parks incl Nursery and net of frontline - Fernery/Aviary shop	10,000			10,000	Saving achieved	
C5.3	Cemeteries & Crematoria - Restructure staffing	15,000			15,000	Saving achieved	
C5.4	Parks incl Nursery and net of frontline - Further changes to Parks Management and standards in parks	50,000	50,000			These savings will be achieved in 2014/15	
F1.2	Ground Mtce incl grass cutting - Recharging grounds mtce/utility costs for adult football/sport users/bowlers	85,000			85,000	Full Saving will be achieved	
F1.4	Cemeteries & Crematoria - Increase burial and cremation charges	400,000			182,000	218,000	Income based savings forecast should be achieved subject to continuing demand for funerals
Landscape Services		610,000	50,000	0	267,000	293,000	

Direct Services

C6.1	Commercial waste increased income	100,000			100,000	Some additional income has been achieved and it is anticipated that this saving will be achieved despite the general economic downturn across the private sector	
C6.2	Public conveniences reviewed for efficiency savings	20,000			20,000	Operational arrangements have been reviewed and all toilets have remained open. Saving should be achieved however vandalism costs are currently rising but will be monitored accordingly.	
C6.3	School Crossings - Review crossing service and transport costs	40,000			40,000	Saving has been achieved	
C6.4	Catering - Other catering activity (income target)	100,000			100,000	Saving is being achieved	
C6.5	Vehicle Management and Mtce - MOT Testing (income target)	50,000			50,000	On track to be achieved.	
C6.6	Careline Service/Security Force (income target)	125,000	25,000		100,000	Some additional income has been achieved, however, there may be a shortfall against this target subject to income generating performance over the coming months	
C6.7	Recycling - Rephase cardboard recycling to August 2014	1,000,000			1,000,000	Saving has been achieved	
C6.8	Recycling - Right size recycling budget following new contract	200,000			200,000	Saving has been achieved	
E1.1	Review of Cleansing Services	100,000			100,000	Review has been completed and staffing levels have been reduced to achieve this saving.	
F2.1	Street Cleansing - Bulky Items Collection Service - Restructure Crews and introduce charge for bulky items	150,000			150,000	Usage of Bulky Item service has dropped dramatically in recent months. Staffing temporarily reduced to achieve saving target. If demand increases, staffing will also increase as additional income will offset staffing costs. Service now expected to meet savings target by year end.	
D1.1	Street Scene - Building Cleaning - change frequency of office cleaning	50,000			50,000	Due to the closure of a number of Council buildings there may be a slight under-achievement of this saving target. However, new additional income may also mitigate this potential under achievement. To be reviewed further over coming months.	
D1.4	Street Scene - Cleansing - Cease provision of free Plastic Sacks, excluding premises with difficult access	60,000			60,000	Saving achieved. New collection process now operating.	
D1.5	Public Conveniences increase charges	40,000			40,000	All toilets have remained open, coin mechanisms doors have been fitted at the Park Crescent and Preston New Road facilities. Implementation of increased and new charges were effective from 1/6/2013.	
D1.6	Cleansing Service - Reorganisation of workload and work patterns	25,000			25,000	On track to be achieved.	
F1.	Community Meals - Increased Budget - Catering	-29,000			-29,000	Budget has been amended following decision to cease to provide a Community Meals service	
F1.0	Community Meals - Increased Budget - Vehicle Maintenance	-18,000			-18,000	Budget has been amended following decision to cease to provide a Community Meals service	
Direct Services		2,013,000	0	25,000	735,000	1,253,000	

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People

Learning and Support

C7.1	Complementary Education Improved use of technology (EOTAS)	100,000				100,000	Reduced payments to schools - saving achieved in 12/13 ongoing
C7.2	Pupil Attendance - teaching element	65,000				65,000) Savings from Vulnerable children missing school (£40k) and
C7.3	Pupil attendance and welfare - school absence prevention and action	60,000				60,000) Welfare Enforcement budgets (£85k). Saving of £126k was achieved from these two budget areas in 12/13.
C7.4	Speech and Language Therapy	95,000				95,000	Saving on salary costs Primary and Special LEA - future costs to be found by schools
C7.5	School Improvement Team	50,000				50,000	Savings taken from a number of running expense budgets for the School Improvement Team. All of these areas were underspent in 2012/13
E2.2	Admissions efficiencies	40,000				40,000	Savings from two staff VRs March 12 / May 13 appeals and student support within the admissions team
E2.3	Educational Psychology Team Restructure	50,000				50,000	Staffing restructure will achieve this saving through a post reduction in the Psychology service
D1.3	Statutory Provision Budget Realignment	9,000				9,000	See also C7.1 saving being achieved in 12/13 ongoing - Vulnerable children Complementary Education
D1.4	Budget realignment Welfare and Pupil Attendance - Teaching elements to Dedicated Schools Grant	25,000				25,000	Staff saving being achieved in this area
D1.5	School Admission, Appeals and Student Support - Reduction in administration costs (supplies and services)	19,000				19,000	Savings taken from a number of running expense budgets within general administration EF861. Savings already being achieved in 12/13 ongoing.
D1.6	Connexions - Budget realignment	60,000				60,000	Connexions contract reducing in 13/14.
Learning and Support		573,000	0	0	0	573,000	

Children's Social Care

E2.1	Review of the Commissioning of all residential care beds	400,000				400,000	High confidence this saving will be achieved following a review of the in-house residential services. Following the implementation of new staffing structures from July 2013, savings to be met out of Children in Care and Respite Services can now be reviewed/completed. £400k represents a part year saving which will increase towards the additional £600k saving expected in 2014/15.
D1.17	Social Care - Central Management Costs and Support Costs - restructure/realign	100,000		41,400		58,600	Savings being achieved through a number of VRs in the Social Care senior management team. Some of the saving has now been allocated to a Legal Fees budget, this element is at risk.
Children's Social Care		500,000	0	41,400	400,000	58,600	

Early Intervention and Prevention

C8.	Reduce Connexions post in YOS	24,000				24,000	Post saving from vacancy being achieved in 12/13 ongoing
C8.	Delete sessional worker posts	54,000				54,000	Post saving from vacancy being achieved in 12/13 ongoing
C8.	Delete parenting co-ordinator post	43,000				43,000	Post saving from vacancy being achieved in 12/13 ongoing
C8.	Data support for the Children Centre Management System	28,000				28,000	Post saving from vacancy being achieved in 12/13 ongoing
C8.	Reorganisation of disabled children database workload	20,000				20,000	VR/VER - post deleted
E2.	EIP Service restructure	140,000				140,000	Savings found from CWD Transitions/Aiming Higher Team/Childrens Fund & Carers and Youth Service budgets. High confidence these will be achieved
D1.1	Integrated Youth Support (Targeted Youth Support & Strengthening Families Team) & Reduce YOS Budget Realignment	92,000				92,000	Savings achieved from deletion of a vacant post in YOS (£30k) and deletion of an old contracts budget (£62k)
D1.2	Offset Substance Misuse work from DAT Public Health budget - realignment	124,000				124,000	Service to be fully funded from Public Health funding coming into the Council (12/13 it was 50% funded)
D1.16	Healthy Schools - Transfer function of coordination and consultant roles to schools	35,000				35,000	Programme ceased
D1.23	Aiming High - Review of Integrated Short Breaks - Budget realignment	55,000				55,000	Savings taken from running expense budgets already underspending in 12/13 ongoing
Early Intervention and Prevention		615,000	0	0	0	615,000	

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		£	Red	Amber	Green	Blue	
Adult Social Care							
C9.1	Drug Service Single point of assessment	224,000				224,000	Now commissioned from Public Health budget
C9.2	Adult Social Care Budget realignment	120,000				120,000	Business as usual savings achieved
E2.7	Reduced social workers	135,000				135,000	Achieved by VR/VER
D1.15	Reconfiguration of the Supporting People commissioning team	125,000	54,600		70,400		Now part of broader integration of commissioning function (I1.1). A number of posts are being held vacant until the integrated staffing structure has been agreed. This is the 3rd stage of the wider integration. It is intended to complete this process within this financial year. Staff and Trade Union consultation has been undertaken and it is anticipated that the new structure will be in place from January 2014. Normal personnel processes will be followed. Vacant posts held within the current structure have generated savings within 2013/14, the full saving will be achieved in 2014/15
F1.6	Community Meals - Migrating users to alternative providers	185,000				185,000	This service has now been decommissioned and former service users have been signposted and supported to obtain alternative provision.
New Option (Options F3.2, D1.39, AND D1.41 should be considered as one option)	Day Care and respite provision	1,200,000		1,200,000			The approved change in the respite decision making process was implemented in April. Close monitoring of respite expenditure and quality assurance on the decision making process will enable us to track this effectively. Notice has been given to one provider delivering a saving of £78k in 2013/14. Current day care service users needs are being reviewed as, part of normal procedure, to determine whether needs can be better met by alternative solutions and identify where day setting arrangements are still required. This may result in some service users no longer attending a commissioned day centre. Day care continues to be offered to the most vulnerable where it is the correct solution to meet their need. Current working assumptions has identified that there will be an on-going requirement of at least £3m to enable the Council to meet the needs of the most vulnerable. Over the coming months the redesign of the activity will be developed through consultation and engagement with service users, providers and the wider community. Current schedule is as follows: <ul style="list-style-type: none"> • Review need • Consultation & Engagement • Develop redesign options • Cabinet to consider options • Support service users through migration to alternatives Part of the community resilience work a project is about to commence working with sheltered accommodation providers to create and encourage tenants to organise social activities and events within their facility. Work is also underway to develop a comprehensive directory of services/opportunities within Sefton.
D1.4	Social Care - Subsidies - Increase client contributions for a range of non-residential services	244,000	85,000	59,000	100,000		This change will be implemented on the 6th January 2014 and will achieve an estimated £159k in this financial year (estimated shortfall £85k in this financial year with full delivery forecast for next year). This follows consideration of feedback from consultation, equality impact assessment and an ongoing dialogue with the Departmental Leadership team and Cabinet Member Older People & Health (see main body of the report).
D1.4	Recover surplus/unused direct payment funds at regular and earlier intervals and cease the first year one-off workplace insurance payment	752,000	100,000	218,000		434,000	As at end October £434k has been recovered by reviews undertaken. Based on this knowledge it is anticipated that this saving cannot be achieved in full on a permanent basis for a number of reasons. The position will continue to be monitored as surplus/unused direct payments are identified and reclaimed.
Adult Social Care		2,985,000	239,600	1,477,000	170,400	1,098,000	

£	Red	Amber	Green	Blue
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Public Health

D1.13	Integration Efficiencies	600,000		350,000	250,000	£250k of this required saving has been achieved by charging in existing central department costs into the Public Health budget to provide support services to the Public Health function. The remaining £350k will be achieved by the successful identification of other Council activity, that falls into the definition of public health expenditure, as defined by the grant conditions. Such expenditure can then, with the agreement of the Director of Public Health, be commissioned using the Public Health ring-fenced budget with the aim of achieving public health outcomes. This work is currently being undertaken by the Public Health Management Team in conjunction with Service Directors
Public Health		600,000	0	350,000	250,000	

Health and Wellbeing

C10.1	Leisure Operations - Improved Membership retention	200,000		200,000		Collection rate improving and should reach target
C10.2	Eze Fitness contract - terminate	55,000	55,000			The saving will be deferred to 2014/15. A phased termination has been agreed with Southport ending Dec 2014 and Bootle June 2015.
C10.3	Leisure Operations - increase in income	150,000		150,000		Income is currently on target to achieve the saving. It will be kept under review.
C10.4	Reduce supplies and services budget	23,000			23,000	budget reduced and expenditure anticipated to remain in budget
C10.5	Reduce revenue growth for utility charges	200,000			200,000	budget reduced and expenditure anticipated to remain in budget
E2.5	Review all management arrangements	320,000	36,000	284,000		Two members of staff retained for 3 months to finalise the library review and Atkinson project
D1.22	Crosby Civic Hall - pilot external arrangements, with option of closure if	46,000			46,000	Budget reduced and expenditure anticipated to remain in budget
	Management fee reduction - Formby Pool Contract	50,000		50,000		Negotiations ongoing. Resolution is being sought on an outstanding legal issue. Saving may not be made in 2013/14
	Libraries - Review of Service	150,000		150,000		implementation plan agreed by Cabinet 23/5/13. Libraries start to close in Oct to Dec 2013
Health and Wellbeing		1,194,000	91,000	200,000	634,000	269,000

£ **Red** **Amber** **Green** **Blue**

Authority Wide Savings/Financing Options

F3.1, F3.3, F4.2 & D1.28	Review of Commissioning - reducing funding support to community groups - Commissioning & Neighbourhood Coordination	96,000				96,000	This saving has been achieved through the cessation of the Benefitting Older Persons Fund and a reduction in funding to Sefton CVS
F3.1, F3.3, F4.2 & D1.28	Review of Commissioning - reducing funding support to community groups - Older People	300,000				300,000	Affected groups have been notified and relevant budgets have been reduced accordingly
F3.1, F3.3, F4.2 & D1.28	Review of Commissioning - reducing funding support to community groups - Young People and Families	282,200				282,200	Savings made from reduced commissioning with voluntary groups for delivery of services
F3.1, F3.3, F4.2 & D1.28	Review of Commissioning - reducing funding support to community groups - Provisions, Reserves, Corporate Spend	800				800	
C12.5	Cash limit general non-pay budgets in 2013/14 and 2014/15 (retains £0.5m excessive inflation provision in each year and retains inflation for specific contracts)	3,218,000				3,218,000	Budget reduced. Only risk is if departments cannot remain within cash limited budgets due to excessive inflationary increases, e.g. utilities costs.
	NHS support for Social Care	1,488,000				1,488,000	Plans are in place for this grant to be received
	Terms & Conditions - Freezing increments for 2 years	1,500,000				1,500,000	Terms and Conditions changed so increments not being paid.
	Business Rates - Small Business Rates Relief - S31 Grant	1,171,000				1,171,000	Grant being received.
	Levies	1,180,000				1,180,000	Reduced levies being paid.
	Transport Authority - Recharge	631,000		631,000			Discussions are taking place with Merseyside Integrated Transport Authority (MITA) to agree methodology for recharging
	Council Tax - Council Tax Freeze Grant	1,180,000				1,180,000	Grant being received.
	Authority Wide Savings/Financing Options	11,047,000	0	0	631,000	10,416,000	

Integration

I1.1	Commissioning, Business Intelligence and data	125,000			125,000		Implementation of restructure ongoing.
I1.2	Learning & Development, Training, Professional Training and CPD	250,000			250,000		To be monitored, but likely to be achieved in 2013/14
	Integration	375,000	0	0	375,000	0	

Use of One-Off Resources to Support the Budget

918,000 **918,000** Resources available to be utilised if required.

Total Savings Requirement 2013/14

25,074,000 **470,600** **2,131,400** **5,318,400** **17,153,600**

SAVINGS UNLIKELY TO BE ACHIEVED FROM SPECIFIC SERVICE AREA BUT WILL BE ACHIEVED FROM OTHER AREA WITHIN WHOLE OF SERVICE

E2.	Review all management arrangements	-36,000			36,000		Head of Libraries post can be met from vacancies within the Libraries Service pending the implementation of the revised staffing structure. Head of Arts post saving can be contained within the arts service.
E2.8	Vacancy savings elsewhere in ASC employee budget-13/14 only	-25,000			25,000		The ASC employee budget is forecasting an underspend in 13/14 mainly as a result of vacant posts being held in anticipation of the reconfiguration of social work teams and the related saving in 2014/15. For 2013/14 only, the employee savings are supporting the Area Finance/Finance Visiting Officers-Review
D1.15	Vacancy savings elsewhere in ASC employee budget-13/14 only	-54,600			54,600		The ASC employee budget is forecasting an underspend in 13/14 mainly as a result of vacant posts being held in anticipation of the reconfiguration of social work teams and the related saving in 2014/15. For 2013/14 only, the employee savings are supporting the Commissioning Functions saving
		25,074,000	434,600	2,131,400	5,354,400	17,153,600	

2014-15 LISTED BUDGET SAVINGS ACHIEVED IN 2013-14

Corporate Commissioning and Neighbourhoods

E3.1	Integration of Communications	45,000	45,000						
	Corporate Commissioning and Neighbourhoods	45,000	45,000	0	0	0	0	0	

The achievement of this saving was dependent on budget transferring for posts from Leisure Services as part of the Communications integration process; it has now been confirmed however that this budget is not available to be transferred, and the saving is therefore unlikely to be achieved

People

Adult Social Care

D1.35	Section 117 After Care Funding	90,000							
	Adult Social Care	90,000	0	0	0	0	0	90,000	

The full saving requirement in 2014/15 is £200k. To date £90k has been secured towards this saving

Total Savings Requirement 2014/15	25,801,000	45,000	0	0	0	90,000
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Report to: Cabinet **Date of Meeting:** 5 December 2013

Subject: Revenue Budget 2014/2015 and Medium Term Financial Plan 2015/2016 to 2016/2017 Update

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

1. To update Members on the latest forecast position on the Revenue Budget for 2014/2015; and
2. To update Members on the latest assumptions contained in the Medium Term Financial Plan (MTFP) 2015/2016 – 2016/2017 and to highlight the potential budget gaps for this period.

Recommendation(s)

That Cabinet:

- i) Note the latest position with regard to the Revenue Budget for 2014/2015;
- ii) Approve the MTFP projected assumptions contained in this report;
- iii) Note the potential budget shortfalls within the MTFP as follows: -

	£m
2015/2016	32.4
2016/2017	<u>22.4</u>
Total	54.8

- iv) Agree the proposed timetable for approving the 2014/2015 Revenue Budget and setting the Council Tax (as outlined in section 6).

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		√	

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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 ensure that the Cabinet is fully aware of the latest Revenue Budget position for 2014/2015 so that early decisions can be made to enable the Council to agree a balanced budget for 2014/2015 and agree the level of Council Tax before the statutory date of 10 March 2014.

To ensure that the Cabinet is fully aware of the latest MTFP position so that early decisions can be made to enable the Council to achieve a sustainable financial position.

What will it cost and how will it be financed?

(A) Revenue Costs

The Revenue Budget and Council Tax for 2014/2015 will be formally set in March 2014. The existing two year plan provides the basis for the budget.

The revenue gaps for each of the years 2015/2016 to 2016/2017 are projected at £32.4m and £22.4m respectively. The figures are individual in-year savings targets, assuming the previous year's target is achieved.

(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	There are no direct legal implications arising from the contents of this report. Identification of the budget gaps for each financial year, and the subsequent identification of savings will contribute towards a legally balanced budget.		
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:

To be determined; however it may be inevitable that in some cases service delivery will be adversely affected.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance & ICT (FD2680) and Head of Corporate Legal Services (LD1985) have been consulted and any comments have been incorporated into the report.

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Are there any other options available for consideration?

None.

Implementation Date for the Decision

Immediately following call-in period after the Cabinet Meeting.

Contact Officer: Margaret Rawding

Tel: 0151 934 4082

Email: Margaret.rawding@sefton.gov.uk

Background Papers:

None

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Key Messages

This report sets out the following key messages:

- The Council set a two year budget plan in March 2013. It is currently estimated that a permanent shortfall of around £3m is likely on the approved savings
- Since March 2013 Government has made a number of announcements which have been assessed and the implications have been built into a revised Revenue Budget for 2014/2015. These adjustments are broadly balanced.
- This assumes a Council Tax increase of 2% for planning purposes.
- The Government announcements have also been assessed for future years to produce a new Medium Term Financial Plan for 2015/2016 and 2016/2017.
- It is estimated that Sefton needs to reduce spending by a further £55 million over 2015/2016 and 2016/2017.
- This is a significant challenge and will mean a continuation of the in-depth reviews of all Council spending that have been undertaken since 2009.
- The budget deficit is related to: -

	£m
Reduction due to changes in Government Funding	33.6
Additional Adult Social Care costs	6.0
Additional Health Care Monies	-6.0
Impact of inflation / previous year's budget savings etc	21.2
	<u>54.8</u>

- No assumption has been made regarding Council Tax in 2015/2016 or 2016/2017. This will be considered at a later stage.
- Due to Government rules the most that can be raised in extra Council Tax would be £2m per year without undertaking a referendum.
- This challenge is made much greater by the fact that the Council's spending has already reduced by £115 million in the budgets set for 2011/2012 to 2014/2015.
- These forecasts are based on what it is estimated Government Grant will be. It is unlikely that the actual figures will be received until December 2014 and so plans need to be made based on these assumptions.
- The Council will continue to develop the process that has been in place for a number of years.
 - All stakeholders must continue to look for any savings that can be made and ideas continue to be welcomed
 - All services will continue to be reviewed and assessments made of the most appropriate level that must be provided and that the Council can afford
- Sefton will keep staff informed throughout this process through briefings, intranet and face to face. There will be lots of opportunities for staff to get information and ask questions and the Council promises to maintain our open approach to the budget.
- The Council intends to continue to consult and engage with all our communities and partners. This process will start once potential savings are identified and continue until final decisions are made by Council.

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1. Background

- 1.1 At its meeting of 28 February 2013 the Council agreed a two-year financial plan for 2013/2014 and 2014/2015, including the policy changes required to achieve the plan. This report provides an update on the approved two year plan and considers the 2015-2017 two year plan.
- 1.2 Council approved the indicative 2014/2015 Revenue Budget on 28 February 2013. The Council is estimated to spend the following amounts in 2014/2015:

2014/2015 Estimated Spending Levels

	£m	£m	£m
Total net expenditure			<u>523</u>
In broad terms this is made up of:			
Schools Related (DSG)		175	
Housing Benefits		104	
Public Health		20	
Debt Repayment		16	
Levies		35	
Council Expenditure on all other functions	188		
Less unring-fenced grants	<u>- 15</u>	<u>173</u>	<u>523</u>

- 1.3 The 2014/2015 budget was the fourth year of significant reductions in budgets arising from the changes in national policies and resource allocations. Over the period 2011/2012 to 2014/2015 the Council will have delivered in excess of £115m budget savings to offset the cessation of £48m of grants and a further £67m to cover reduced general funding not covering inflationary pressures and to redirect resources to support increasing demand on services.
- 1.4 In a range of previous financial statements, the Chancellor has indicated that austerity measures would be likely to remain in place until 2020. The Budget Report 2013 confirmed that the National Total Managed Expenditure (TME) would continue to fall in real terms at the same rate as over the 2010 Spending Review period until at least 2017/2018.
- 1.5 The Chancellor also announced that Health, Schools and Official Development Assistance will continue to be protected in 2015/2016 which means that cuts in Departmental Expenditure Limits (DEL) will fall disproportionately on the remaining public services including local authorities. In addition, there would be a further 1% reduction in Government funding for 2014/2015.
- 1.6 The Medium Term Financial Plan (MTFP) has been prepared taking a reasonable but not pessimistic view of those areas which are known to be subject to change but for which the actual outcome is not yet known. The principal areas of

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Government funding for 2015/2016 will not be known with certainty until December 2014. Announcements on the levels of Government funding for 2016/2017 may not be made until 2015. However, given the level of savings required decisions on how to address the budget shortfall need to be taken well before December 2014 to give time for proper consultation with the public, stakeholders, staff and other interested parties.

2. 2014/2015 Revenue Budget

There have been a number of changes to funding since the indicative budget for 2014/2015 was set in February 2013. In addition there are some additional budget pressures that need to be addressed.

2.1 Indicative Budget Changes

As mentioned in paragraph 1.5, the Chancellor announced a further 1% reduction in Government funding for 2014/2015, equating to £1.5m. This is partly offset by estimated New Homes Bonus and New Homes Bonus Adjustment Grant of £0.6m. In addition, the Council's share of Business Rates is forecast to be £1.5m lower than currently budgeted for. Contributions to the Merseyside Pension Fund are expected to increase by £0.8m following the triennial review of the Fund. However, it is expected that these changes can be met from reduced Treasury Management costs and cessation of the Collection Fund Deficit Contribution.

2.2 Shortfall on Previously Agreed Savings

It is currently estimated that there will be a permanent shortfall of £3.0m on the achievement of savings agreed for 2014/2015. Funding for this shortfall will need to be identified before the final budget is approved in March 2014.

2.3 Council Tax

The approved two year plan assumed a Council Tax increase of 2% for 2014/15, generating £2.0m. The Spending Round 2013 announced that funding, equivalent to a 1% increase, would be made available for councils who freeze their Council Tax for 2014/2015. If Sefton were to freeze its Council Tax and receive the grant then additional savings of £1.0m would be required.

2.4 Government Settlement 2014/15

The indicative budget for 2014/15 assumes a figure for Government Grant based upon information available in February 2013. However, the provisional grant settlement for 2014/15 will not be announced until late December 2013, with the final figure known in mid January 2014.

3. Levels of Funding 2015/2016 and 2016/2017

The Government funding allocations for 2015/2016 will not be announced until December 2014. However, a Technical Consultation issued in July 2013 exemplified the amounts each authority would receive based on the announcements in the Spending Round 2013. Announcements for 2016/2017 are unlikely to be made before March 2015. However, statements from the Chancellor indicate that austerity measures would remain in place until 2020 and that Total Managed Expenditure would continue to fall in real terms at the same rate as over the 2010 Spending Review period, until at least 2017/2018.

3.1 Government Funding

Summary impact on budget – Reductions in funding of **£33.6m** over 2 years

Assumptions/Risks -

- Funding for 2015/2016 as exemplified in July 2013 Technical Consultation
- Funding reductions for 2016/2017 based on Chancellor's statements on continuation of reductions in Total Managed Expenditure until 2017/2018.
- Level of new homes built is 270 p.a.

The Technical Consultation exemplified changes in the Settlement Funding Assessment (Revenue Support Grant, Top-Up Grant and Business Rates Baseline) for 2015/2016. Officers have made assumptions on the potential Settlement Funding Assessment based on Government announcements. The reductions assumed are **£18.7m** in 2015/2016 and a further **£12.3m** in 2016/2017.

Officers have also made assumptions of changes in specific Government grants based on the latest information available. The net reductions assumed are **£1.5m** in 2015/2016 and a further **£1.1m** in 2016/2017. Details of the assumed changes are shown in the table in Section 5.

3.2 Additional Health Resources

Summary impact on budget – Increase in funding of **£6.0m** over 2 years

Risks - Additional burdens associated with funding unknown.

The Government has funded additional Adult Social Care support, through the PCT / CCG, since 2011/2012. These forecasts assume this will continue into future years at the rate of £5.7m. In addition, the Government has announced new NHS investment in 2015/2016 to improve Adult Social Care and join up with health services. It is unknown how this funding will be allocated or what additional burdens / conditions will be attached to its receipt. The MTFP assumes that **£6.0m** of these additional resources will be available to fund anticipated increased demand for adult social care services (see paragraph 4.6).

3.3 Business Rates Localisation

Summary impact on budget – Reductions in funding of **£1.3m** over 2 years

Assumptions/Risks -

- Annual 1.5% reduction in Business Rates Rateable Value with no increase in Mandatory Reliefs

Current forecast are that the Council's share of Business Rates income will continue to reduce in 2015/2016 and 2016/2017 (excluding the impact of inflationary increases). The MTFP assumes the reductions will be £1.3m over the two years.

3.4 Council Tax

Summary impact on budget – Nil

The MTFP doesn't assume any increase in Council Tax beyond 2014/2015. This allows the Council to determine the level of Council Tax at a later stage in the

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budget process when the Council is able to understand the balance between increasing income and reducing budgets more clearly.

Cabinet should note however, that due to changes arising from the Localism Act, the ability to raise Council Tax without going to a public referendum is limited to 2% or £2m. This figure could change further if the level of “excessive increase” is changed by the Government from the current level. The estimated cost of holding a referendum is £0.250m. Also, it should be noted that further additional costs would be incurred if the referendum were to be lost and new Council Tax bills had to be re-issued.

4. Expenditure Pressures 2015/2016 and 2016/2017

4.1 National Pay Settlement

Summary impact on budget – Increases in expenditure of £1.6m over 2 years

No agreement has been reached regarding the national pay settlement for future years. The Council's forecasts assume a 1% increase in 2015/2016 and a further 1% in 2016/2017 (total cost £1.6m).

4.2 Increments

Summary impact on budget – Increased expenditure of £3.2m over 2 years

Staff increments have been frozen for 4 years. The budget forecasts assume that incremental progression will be reintroduced.

4.3 Price Inflation

Summary impact on budget – Increased expenditure of £8.4m over 2 years

Current price inflation varies considerably across the various elements contained within the Government's CPI figures, with many items having little relevance to the costs incurred within local government.

Recent publicity regarding utility / transport fuel costs has indicated that, due to world economic conditions, inflation is expected to increase year-on-year for the period of the MTFP. The 9% increase for these costs in each of the years of the plan is consistent with previous forecasts. **It is proposed to retain an inflation provision at this level.**

Externally contracted services which have a specified inflation index within the contract are provided for within the MTFP. As the actual indexes will not be known until the relevant years, the MTFP provision is based upon existing contractual inflation figures.

The MTFP currently provides for a 2% increase for Other Services (excluding contracted services) in each of the three years of the plan. **It is proposed to retain an inflation provision at this level.**

4.4 Pensions

Summary impact on budget – Increased expenditure of £1.2m over 2 years

The impact of the 2013 triennial review of the Merseyside Pension Fund is expected to increase annual contributions to the Fund by £1.2m over the two years.

4.5 National Insurance

Summary impact on budget – Increased expenditure of £1.3m over 2 years

From April 2016 the Government will increase the rates paid by employees who are in a pension scheme as well as the rates paid by their employers. This is anticipated to cost Sefton £1.3m. Although the Chancellor has stated that the cost increase to public sector employers would be included in the spending review covering that year this anticipated cost has been included in the MTFP for 2016/2017.

4.6 Social Care

Summary impact on budget – Increased expenditure of £6m over 2 years

Each year the numbers and costs of those vulnerable older people requiring our services increase. This is a national demographic and financial issue which all councils face but it is an important and pressing issue for us here in Sefton given the greater proportion of older people in Sefton - particularly in terms of those over the age of 80. Officers have conducted an initial review of the potential additional costs as a result of these pressures. This indicates that costs for Adult Social Care are expected to increase by **£3.0m** in 2015/2016 and a further **£3.0m** in 2016/2017. No additional increases in children's social care are anticipated over the period to 2016/2017.

4.7 Unachievable Savings

Summary impact on budget – Increased expenditure of £4.0m over 2 years

Officers have identified that £3.0m of savings agreed during the 2013/2014 and 2014/2015 budget process are no longer achievable. In addition, the Council's budget assumes annual savings of £1.0m from vacant posts across the Authority. Given the reductions in employee budgets over the four year period it is no longer considered feasible for this saving to be achieved. Both of these amounts have therefore been included in the MTFP.

4.8 One-Off Savings

Summary impact on budget – Increased expenditure of £1.4m over 2 years

One-Off savings of £1.4m were agreed during the 2013/2014 and 2014/2015 budget process. These amounts have therefore been included in the MTFP.

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4.9 Collection Fund and Debt Charges

Summary impact on budget – Reduced expenditure of £1.2m over 2 years

Current forecasts indicate that the Council Tax element of the Collection Fund will move into surplus during 2013/2014. This surplus is anticipated to be available to support the budget in 2015/2016 and future years. In addition, there are further savings expected from reduced debt charges due to the continuing use of internal borrowing.

5. Summary Budget Gap Analysis 2015/2016 – 2016/2017

Compared with the indicative 2014/2015 budget service levels, the following shortfalls have been projected: -

	Para Ref	2015/ 2016 £m	2016/ 2017 £m	Total £m
<u>National policy changes:</u>				
Cash Reduction in Government Funding:	3.1	18.7	12.3	31.0
- Spending Round 2013				
- New Homes Bonus		-0.4	-0.4	-0.8
- New Homes Bonus Adjustment Grant		-0.3	1.1	0.8
- New Homes Bonus – Local Growth Fund Transfer		1.1	0.1	1.2
- Education Services Grant		0.9	0.0	0.9
- Housing Benefit Administration Subsidy		0.2	0.3	0.5
		20.2	13.4	33.6
Additional Health Resources (assumed)	3.2	-3.0	-3.0	-6.0
<u>Business Rates – Local Share</u>	3.3	0.6	0.7	1.3
<u>Inflation:</u>				
Pay / Increments	4.1/ 4.2	2.5	2.3	4.8
Prices - Normal	4.3	1.7	1.7	3.4
Prices - Contracts	4.3	2.5	2.5	5.0
Pensions	4.4	0.8	0.4	1.2
National Insurance	4.5	0.0	1.3	1.3
		7.5	8.2	15.7
<u>Demographics – Demand Pressure Services growth:</u>				
– Adult Social Care	4.6	3.0	3.0	6.0
<u>Previous Cabinet / Council Decisions:</u>				
Savings Not Achievable	4.7	4.0	0.0	4.0
One-Off Savings Reinstated	4.8	1.2	0.2	1.4
<u>Collection Fund and Debt Charges</u>	4.9	-1.1	-0.1	-1.2
Total Budget Gaps		32.4	22.4	54.8

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6. Decision Timetable for Setting the 2014/2015 Budget and Council Tax

The following timetable for approving the 2014/2015 Revenue Budget and Council Tax is proposed:

Date	Meeting	Action
16 th January 2014	Cabinet	Consider: <ul style="list-style-type: none">- updated forecasts following final settlement- Corrective action
18 th February 2014	Overview and Scrutiny (Performance and Corporate Services)	<ul style="list-style-type: none">- Consider proposed revenue budget for comment
27 th February 2014	Cabinet	<ul style="list-style-type: none">- Recommend Revenue Budget to Budget Council- Recommend Council Tax to Budget Council
6 th March 2014	Council	<ul style="list-style-type: none">- Approve Revenue Budget- Approve Council Tax

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Agenda Item 10

Report to: Cabinet **Date of Meeting:** 5th December 2013

Subject: Library Review - Alternative Library Proposals 2nd Gateway Assessments

Report of: Director of Older People

Wards Affected: Ainsdale, Molyneux, Blundellsands and Victoria

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

Exempt/Confidential No

Report Summary

The report sets out the 2nd gateway assessments of the Community Library proposals undertaken by Officers. It identifies the process of assessment together with the advantages and disadvantages associated with each proposal for Cabinet consideration prior to making a decision.

Recommendations

Cabinet is asked to:-

1. Note the scoring assessment undertaken by officers and that based on the approved assessment criteria, the proposals from Aintree Library Action Group and Friends of Carnegie Library fail the second gateway and the proposal from Bridge Inn Community Farm passes the required standard.
2. Note that officers have sought additional information and clarification from groups where the assessment was below the required score and this has not resulted in any change to the assessment
3. Considers the officer assessment and subject to any challenge endorses the outcome.

4. Subject to the above determine that:-

Aintree Library Action Group and Friends of Carnegie Library failed the second gateway and are therefore not approved; and Bridge Inn Community Farm passes the second gateway and is approved to enter into formal contractual discussions.

5. Thank the Community Groups for all of their efforts in putting together the Community Library proposals, and for making themselves available to meet with Officers of the Council.

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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		√	

What will it cost and how will it be financed?

(A) Revenue Costs.

There are no direct revenue implications arising from this report

(B) Capital Costs.

There are no direct capital implications arising from this report

Implications:

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

Legal -

The proposals submitted by the Community Groups have been assessed using the Assessment Criteria and process agreed by the Cabinet Member (Children, Schools, Families and Leisure). The Cabinet is asked to consider the proposals from the Community Groups based on the assessment information contained within this report. Consideration using any other factors unless consistently applied to all proposals could risk the Council facing a legal challenge. A Legal Challenge in this case could well mean Judicial Review. The whole process of determination of the proposals could be challenged through this route. This would mean that the decision-making process would need to be defensible by ensuring that :-

Only relevant considerations are taken into account;

That the assessment process has been applied consistently to each proposal;

That a reasonable conclusion is reached with respect to each proposal.

Human Resources – There are no HR issues to consider within this report

Equality – There are no equality issues arising directly from this report

Impact on Service Delivery:

The Council on 28th February 2013 made the decision as part of its Budget process to close 7 of its libraries. The approved closure programme is continuing as planned and are unaffected by this decision. If the proposals are accepted, some of the services that will cease could be provided by a Community group.

Reasons for the Recommendations

The Council will need to consider the officer assessment of the library proposals from a number of Community groups and determine which could be supported.

What consultations have taken place on the proposals and when?

Internal consultation within Departments has taken place on assessing the proposals.

The Head of Corporate Finance & ICT (FD2682) and Head of Corporate Legal Services (LD1987) have been consulted and their comments have been incorporated into the report.

Are there any other options available for consideration?

The Council has already approved the library closure implementation plan and this is ongoing. The only options to be considered is whether the bids submitted meet the approved criteria or not.

Implementation Date for the Decision

Immediately, following the call-in period, following the publication of the minutes

Contact Officers:

Steve Deakin, Head of Health & Wellbeing

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Email: steve.deakin@sefton.gov.uk

Relevant reports

Cabinet Member (Children's, Schools, Families and Leisure) - Library Review – Alternative Community Proposals Assessment Criteria - 25th June 2013

Cabinet - Library Review – Assessment of Alternative Community Proposal - 18th July 2013

Copies of the following Background Papers can be accessed on the Council's Website via this link:

<http://modgov.sefton.gov.uk/moderngov/ecCatDisplay.aspx?sch=doc&cat=13457&path=0>

Community Proposals and addenda submitted by:-

Aintree Library Action Group

Bridge Inn Community Farm

Friends of Carnegie Library

Sefton CVS

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1. Background

- 1.1 The Assessment Criteria were approved by the Cabinet Member (Children, Schools, Families and Leisure) on 2nd July 2013 and on the same date Officers were authorised to assess the Community Proposals which had been received to date using these Criteria and to report the outcome to Cabinet on 18th July 2013.
- 1.2 At its meeting on 18th July 2013, Cabinet resolved that:-
 - (1) the Officers' assessment of the Community proposals at the first gateway be approved, and the proposals submitted by the ABC Group and Birkdale Library Action Group be rejected
 - (2) the Sefton Council for Voluntary Service (CVS) and Aintree Library Action Group proposals pass the first gateway and Officers be authorised to carry out an in depth assessment of those proposals;
 - (3) any future decisions relating to the Sefton CVS and Aintree Library Action Group proposals be delegated to the Cabinet Member - Children, Schools, Families and Leisure;
 - (4) the consideration of any new proposals that may come forward be delegated to the Cabinet Member - Children's, Schools, Families and Leisure, provided that such new proposals come forward at least two months before the proposed date of closure of the library in question;
 - (5) the receipt of a nomination under the Community Right to Bid provisions of the Localism Act 2011 in respect of the Carnegie Library, Crosby be noted; and
 - (6) community groups/organisations be thanked for their efforts in submitting community proposals for the libraries and that the hard work and commitment made by them be recognised.
- 1.3 In addition to the proposals already received from Sefton CVS (Birkdale Library) and Aintree Library Action Group (Aintree Library) two others were received within the appropriate timeframe from Bridge Inn Community Farm (Ainsdale Library), and FOCAL (Carnegie Library, Crosby).
- 1.4 The Cabinet Member (Children, Schools, Families and Leisure) considers the decision on whether or not the Council should support individual Community Library bids to be a significant issue and has therefore waived his delegated authority in order for the matter to be considered by Cabinet.
- 1.5 All of the proposals have been assessed by Officers using the agreed gateway method. This report seeks the views of the Cabinet on the assessed proposals together with the advantages, disadvantages and risks of each proposal and asks Cabinet to approve or decline the Community proposals based on the assessment information provided.

2 Assessment Criteria

2.1 The approved Assessment Criteria contained four components that were weighted in accordance with the level of importance the Council placed upon them in terms of their sustainability and viability. These were:-

Assessment Component	Weighting
Deliverability	15%
Community Benefits	20%
Financial Viability	50%
Staffing	15%

2.2 Whilst all of the components are important in terms of assessing the proposals received, the Financial Viability element was considered the most important factor. In determining the level of risk associated with each proposal being ultimately sustainable and viable these weightings have been applied.

3 Assessment of the Proposals

3.1 The assessments were undertaken by a panel of Council Officers taken from the following service areas; Legal, Finance, Property Management, Neighbourhoods, and Libraries.

3.2 The proposal received from the Consortium led by Sefton CVS in respect of Birkdale library has been withdrawn by the Consortium as they are considering a number of alternatives. There have been no other interested parties come forward in the timescale set by the Council for the receipt of Community Library proposals.

3.3 All of the assessments were based on the information provided by the Community groups. In accordance with the approved procedure, where additional information was sought this was also considered as part of the assessment.

3.4 The following table sets out how each proposal scored against the second gateway assessment criteria:

	Aintree LAG	Bridge Inn	FOCAL
Deliverability	60/100	77/100	55/100
Community Benefits	85/100	86/100	85/100
Financial Viability	137/200	165/200	135/200
Staffing	85/100	90/100	85/100
Total Score	367/500	418/500	365/500

3.5 The total mark available is 500 and in order to progress beyond the 2nd gateway a score of 375 points would be required. The assessment process reported in July stated that if a proposal scored between 325 and 374 points

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further information would be requested from the organisation before it was decided whether the proposal passed/failed to meet the requirements.

- 3.6 Officers sought additional information from Aintree Library Action Group (ALAG) and Friends of Carnegie Library (FOCAL) and had meetings with representatives of both organisations. The main thrust of these meetings was to further explore their financial viability. Both organisations were very helpful in presenting further information / clarification.
- 3.7 It is the view of Officers that despite the additional information presented by ALAG and FOCAL the original assessment score should remain unchanged, as the potential risks identified in the original assessment remain valid and there remains concern about the long term sustainability and viability of both proposals . In discussions with the Community Groups, Officers have consistently indicated that long term will be considered to be at least 5 years.
- 3.8 Only one proposal, that from Bridge Inn Community Farm has passed the approved assessment process undertaken by Officers. The other two proposals from ALAG and FOCAL have fallen short of the designated pass mark.

4 Assessment Challenge process

- 4.1 Following the Officers assessment of all of the Community Library proposals a challenge was undertaken by the Chief Executive to validate the process and scoring for each of the proposals. The scoring remained unchanged following this stage of the process.

5 Individual Proposals Advantages and Disadvantages

- 5.1 The following paragraphs provide a detailed synopsis of the individual proposals together with Officers assessment.
- 5.2 All of the Community groups have put a tremendous amount of effort and commitment into submitting these proposals, and have made themselves readily available to meet with Officers to clarify a number of issues, and it is felt that they should be formally thanked for their time and effort.

a) Bridge Inn Community Farm (BICF)

Basis of the proposal

1. BICF have scored consistently over 75% in all factors, and in financial viability score 82.5%. They have passed the 2nd assessment process.
2. They are an established company (2010) with an on-going track record and independent financial resources.
3. They require no revenue support from the Council to operate from Ainsdale Library.

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4. They have requested a lease of the building for an initial 10 year term, on a full repair, and insuring basis, with no liability left with the Council.
5. They have consulted with other community groups in the area and have received written confirmation of support and stated a willingness to support their project with volunteers from these other organisations.
6. They have made an application to the Council for funds from the Community Support Fund in the sum of £20,000 to undertake some minor alterations to the building, although they are prepared to continue with their proposal should this funding not be available and it is the officers view that the scheme is viable without this funding.
7. They intend to operate a Creative Activities centre for people with Physical and Learning difficulties, retaining 25% of the space for a Community Library.

Advantages of the Proposal

1. An established company which is a sustainable business with a proven track record
2. Company has their own funding and no revenue contribution required from the Council
3. Community support
4. Meets library review mitigation
5. Helps build Community resilience
6. Provides opportunities for the client group of vulnerable people to develop their skills and engage with the community.

Disadvantages

1. Although BICF have scored high in terms of financial viability, there remains a marginal risk that the project will not deliver the income required to make it viable. The business is funded from individuals with Direct Payments purchasing the activities on offer. If this reduces it will affect the deliverability of the project. However, the BICF proposal has indicated that the demand for its services has been increasing year on year.

Matters for Consideration

1. Whilst Bridge Inn Community Farm has passed the gateway assessment there are still some marginal risks to the Council in approving the proposal. It is Officers' view that these risks are acceptable and this proposal is recommended.

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b) Aintree Library Action Group (ALAG)

Basis of the proposal

1. ALAG have scored over 75% in two of the factors, and 60% and 68.5% in the other two. The overriding concern is the score on financial viability of 68.5% (137 points out of 200)
2. This is a newly established community group, with no track record of delivering services. But there are individuals on the group who do have a successful business background.
3. ALAG are reliant upon Aintree Parish Council for a substantial part of their revenue support in the sum of £20,000 per annum. In its original submission and again at the clarification stage the Parish Council confirmed that this contribution was subject to annual review.
4. ALAG hold £23,550 credit in the bank to fund the start up of their proposed Community Library, which they estimate will cost £27,000 per annum to operate.
5. ALAG have notes of promise from 3 local organisations, linked to a leading member of the group, of financial support in the sum total of £3,500 which is subject to annual review.
6. Subject to a formal budget process, there is a proposal for a grant of £20,000 from Aintree Parish Council in 2014/15, which together with their other financial support would provide them with approx £47,000 of revenue funding which, based on their estimates, would be sufficient for them to operate the library for at least the next 21 months.
7. They have indicated that they require no on-going revenue support from the Council to operate the library.
8. They have requested a lease of at least 25 years and wish to explore with the Council a Freehold Asset transfer. There has been some dialogue around the desirability of committing to a full repair and insurance lease, which would now appear to be resolved.
9. They have a group of 60 volunteers ready to support the project with 180 hours of voluntary time.
10. They had made an application to the Council for funds from the Community Support Fund in the sum of £ 176,000 to undertake some works to the building, but this has been revised down to £53,778. The bid is reliant on the Council approving this allocation.
11. They intend to operate the building as a library, and are looking to develop spaces within the building for further community use.

12. The group have expressed a desire to secure the freehold asset transfer of the site. Officers have indicated to the group that it is unlikely that they would recommend this course of action but, the group may wish to pursue this interest outside of the current process.
13. ALAG have raised concerns over the general condition of the building with particular reference to the ageing oil fired boiler, which if it failed would be expensive to replace. The boiler has been serviced annually and whilst it is in good operating condition, due to its age the Council cannot guarantee it will not require replacement anytime soon. Should the boiler fail there would be significant financial outlay for which no direct provision has been made by the Group. There are also a small number of outstanding repairs to the structure of the building that the Council would have to undertake as a result of some problems with the cavity wall ties.

Advantages of the Proposal

1. No ongoing revenue support required from the Council
2. Has Community support
3. Meets the Library mitigation, as identified in the Library Review report of 14th February 2013; Opportunity to establish a Community library
4. Helps build Community resilience by enhancing the social value of the library to the community, raising participation, reducing social isolation, increasing social engagement, physical activity, and intergenerational contact.
5. They could have funds available to operate for at least 21 months, if Aintree Parish Council provide funding for 2014/15.
6. They have a volunteer base already established

Disadvantages

1. This is a new group without a track record or formal structure, and it may prove difficult for them to operate a front line public facing service with their limited experience. There is a medium to high risk that the group may be unable to fulfil the operational requirements around repair and maintenance and health and safety.
2. There is a significant concern from Officers that this proposal is not sustainable in the long term given its reliance upon an annual revenue grant from one principal funder, Aintree Parish Council. This grant is subject to annual review and there are many factors that may affect Aintree Parish Council from continuing with this commitment on an on-going basis. For example, the fact that Local Government faces a number of challenges in the years ahead, there must be a high risk placed against the ability of the Parish Council to commit to this support as an on-going commitment.

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The Parish Council are also obliged to consider the legislative requirements of Section 137 of the Local Government Act 1972 which enables local councils to spend a limited amount of money for purposes for which they have no other specific statutory expenditure. This section allows Aintree Parish Council to:

- a) spend a limited amount, currently £6.98 per local elector i.e. up to £37,000 a year, on activities for which it has no specific power. Before agreeing to the expenditure the Council must first be satisfied that there is a direct benefit to the area or part of the area, or to some or all of the inhabitants.
 - b) The council must ensure that the direct benefit accruing to its area or residents is commensurate with the expenditure incurred. This means that the council should not spend a disproportionately large amount on something which has no or very little direct benefit.
 - c) Under Section 137(a) a council which provides financial assistance equal to or exceeding the “relevant minimum” to a body providing a public service, or a charity it must require the body or charity to furnish a written statement of how the money has been spent, within 12 months after the assistance has been given. The “relevant minimum” is £2,000 but a council should normally require some account from the recipient body of how the contribution is to be (and in the case of successive contributions has been) spent, whatever the amount. In many cases the Grant is given in a form that will have to be treated as “Restricted Funds” by the receiving charity.
 - d) As Councillors are collectively expressing an opinion as to the commensurate local benefit, the expenditure under section 137 must be properly authorised by resolution.
3. The 3 offers of financial support from local organisations are also subject to annual review, and if these were withdrawn it would place pressure on the group to generate increased revenue to sustain the operation. This must therefore also be considered high risk.
 4. The group could by March 2014 have sufficient revenue funding guaranteed to operate for at least 21 months, and have requested that the Council invest £53,000 of its capital resources into the building to make it suitable for their operation. Given the potential high risk that the main funder could not sustain the commitment there is a risk that the Council could invest over £50,000 into an asset that may face closure within 2 or 3 years, and it may not be in the Council’s best interests to use its limited resources in this way.

Matters for Consideration

1. The Council are committed to building community resilience, but with no track record there are risks for the Council in agreeing to ALAG proposal.
2. The financial risks identified place a medium to high risk against the proposal and its long term sustainability, especially with only a one year guarantee of funding from Aintree Parish Council, the main revenue funder.
3. The concerns raised about the condition of the building and the outstanding structural repairs required raise concerns about the on-going suitability of the building in the short term. The bid is dependent upon a successful bid to the Community Support Fund of £53,788 to undertake essential repairs.

c) Friends of Carnegie Library (FOCAL)

Basis of the proposal

1. FOCAL have scored over 75% in two of the factors, and 55% and 67.5% in the other two. The overriding concern is the score on financial viability of 67.5% (135 points out of 200)
- 2 This is a newly established community group, with no track record of delivering services. Although there are individuals on the group who do have a business background and successful track record.
- 3 They have very limited funds in the bank, and their income estimates appear to be very speculative. A large proportion of their income is to be derived from Commercial lettings, plus personal donations and interest free loans.
- 4 They have indicated that they require no on-going revenue support from the Council to operate the library.
- 5 They have requested a lease of at least 25 years and wish to explore with the Council a Freehold Asset transfer. There has been some dialogue around the issues of a full repair and insurance lease, which still need to be resolved.
- 6 They have a group of 50 volunteers ready to support the library opening 4 half days per week.
- 7 They have made an application to the Council for funds from the Community Support Fund in the sum of £ 30,000 to undertake some works to the building.
- 8 They intend to operate the building as a library, and are looking to develop spaces within the building for further community and commercial use.

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- 9 Carnegie Library is a grade 2 listed building which is listed both internally and externally, a fact that presents a number of challenges in terms of repairs and maintenance and its adaptability for other uses.
10. FOCAL had submitted a nomination under the Community Right to Bid provisions of the Localism Act 2011 in respect of Carnegie Library. A report was considered by the Cabinet Member Corporate Services and Performance on the 22nd October 2013 and resolved
 - (1) That the Cabinet Member-Corporate Services and Performance agrees that the Carnegie Library, Crosby be listed as an Asset of Community Value; and
 - (2) that the Cabinet Member - Children, Schools, Families and Leisure be requested to note the contents of the report.
11. The group have expressed a desire to secure the freehold asset transfer of the site. Officers have indicated to the group that it is unlikely that they would recommend this course of action but, the group may wish to pursue this interest outside of the current process.

Advantages of the Proposal

1. No revenue support required from the Council
2. Has Community support
3. Meets the Library mitigation, as identified in the Library Review report of 14th February 2013; Opportunity to establish a Community library
4. Helps build Community resilience by enhancing the social value of the library to the community, raising participation, reducing social isolation, increasing social engagement, physical activity, and intergenerational contact.
5. They have a small volunteer base already established

Disadvantages

1. This is a new group without a track record, and it may prove difficult for them to operate a front line public facing service with their limited experience. There is a medium to high risk that the group may be unable to fulfil the operational requirements around repair and maintenance and health and safety.
2. There is a concern that this proposal is not sustainable in the long term, the financial projections are very speculative and are heavily reliant upon commercial lettings income, personal donations and interest free loans. If these do not materialise there is a large gap in the funding required to operate the building. There is a high risk to the Council in supporting this proposal purely in financial terms.

3. The Carnegie Library building is grade II listed both internally and externally, and presents a number of challenges to keep the building in a suitable working condition. Sections of the lead roof have been stolen over the years, the last being the weekend of 26th October 2013, which would present a considerable cost especially when the Community group would be responsible for the full repair and maintenance of the building. The risks of such types of theft reoccurring are high and the associated costs could cause financial difficulties to the group.
4. The group have very limited revenue funding, but have requested that the Council invest £30,000 of its capital resources into the building to make it suitable for their operation. Given the potential risk that the group may not be able to generate sufficient funding to operate the building there is a risk that the Council could invest £30,000 into an asset that may face closure within 2 or 3 years or possibly earlier, and it may not be in the Council's best interests to use its limited resources in this way.

Matters for Consideration

- 1 The Council are committed to building community resilience, but with no track record there are risks for the Council in agreeing to FOCAL proposal.
- 2 The financial risks identified place a medium to high risk against the proposal and its long term sustainability, especially as there is no guaranteed income in the budget proposal and that the building has a listed status.
- 3 Should Cabinet decide not support the proposal from FOCAL, the fact that Carnegie library building has been listed as an Asset of Community Value presents the community with an opportunity to develop a further community based scheme not necessarily based on full library provision, that is feasible and sustainable for consideration by the Council at a later date.

6 Community Right to Challenge

- 6.1 The Community Right to Challenge forms part of the Localism Act 2011 and gives "relevant bodies" the right to challenge the Council to run a specific service. A relevant body may submit an expression of interest to run an existing Council service during the period from 1st March to 31st March in each year. An expression of interest may be for all or part of a service covering all or part of the Borough. If an expression of interest is accepted by the Council, a procurement exercise will commence and existing procurement rules will apply, allowing other interested parties to tender". This may be an option that the Community groups consider.

7 Next Steps

- 7.1 If the Council incurs a period where the buildings are unoccupied this will require the properties to be secured, utilities to be terminated and for the

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contents to be removed. The average cost per library is £6,800 one-off. There will also be on-going security costs and business rates which will average £7,600 per annum.

- 7.2 In the Cabinet report of 14th February 2013 Members were informed that options for disposal of the buildings would need to be agreed by the Cabinet. Any financial implications of site disposals have not been included within the financial assessment of these options.

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Report to: Cabinet

Date of Meeting: 5 December 2013

Subject: The REECH (Renewable Energy and Energy Efficiency in Community Housing) Project – Interim Changes

Report of: Director of Built Environment

Wards Affected: All

Is this a Key Decision? No

Is it included in the Forward Plan? Yes

Exempt/Confidential: No

Purpose/Summary

To endorse the use of £1,145,964 of uncommitted REECH ERDF (European Regional Development Fund) grant by Helena Partnership.

Recommendation(s)

It is recommended that Cabinet endorse the use of £1,145,964 of uncommitted REECH ERDF grant by Helena Partnership towards their Phase 3 scheme as outlined in this report.

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 enable the continued delivery of the REECH Project.

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What will it cost and how will it be financed?

There are no additional costs as a result of any changes introduced since the project was conceived in January 2011. This report seeks approval to transfer existing ERDF funds from one delivery partner to another, with no financial impact to the Council.

Implications:

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

Legal None	
Human Resources None	
Equality	
1. No Equality Implication	X
2. Equality Implications identified and mitigated	
3. Equality Implication identified and risk remains	

Impact on Service Delivery:

There is no impact on Service Delivery as a result of this report.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance & ICT (FD2684) has been consulted and comments have been incorporated into the report. The Head of Corporate Legal Services (LD1989) has been consulted and has no comments on the report

Are there any other options available for consideration?

N/A

Implementation Date for the Decision Upon the expiry of the call-in period following the publication of the minutes of the Cabinet meeting

Contact Officers: Mo Kundi

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Background Papers: None

1.0 Introduction

- 1.1 The REECH Project, for which Sefton Council is the Accountable Body, is one of the largest projects ERDF funded project within the Merseyside element of the European Programme, and in the main entails retrofitting low income and social housing stock with energy saving technologies to deliver an area based approach that helps to stimulate local supply chain engagement and catalyse a wide range of additional local environmental and social outcomes, including:-
- Fostering skills development and local apprenticeship opportunities
 - Creating more sustainable communities through behaviour change programmes
 - Catalysing delivery partners to coordinate local environmental improvement projects
- 1.2 In accordance with previously approved structures and procedures, the actual process of allocating these European funds to REECH delivery partners is considered and agreed by the REECH Steering Group, and then approved by Sefton Council as the Accountable Body via the Cabinet Member for Regeneration and Housing.
- 1.3 REECH Steering Group members at their meeting on 13th September 2013 were informed that Liverpool Mutual Homes were withdrawing from REECH and that Villages Housing Association no longer required the funding for their phase 3 schemes. As a result of this the total amount of uncommitted funding was £1,145,964.
- 1.4 The REECH Steering Group agreed that existing delivery partners should be approached to see if other schemes could be identified to take up the unallocated ERDF grant.
- 1.5 In response to the call only Helena Partnerships had come forward with details of a scheme that; meets the objectives of REECH, had the necessary the match funding in place, and is able to be delivered within the REECH project timetable. Consequently Steering Group agreed, subject to Sefton Council endorsement that Helena Housing be allocated the uncommitted £1,145,964 for a Phase 3 scheme to include properties in Newton le Willows, Clockface and Haydock. Focus will be on installing external wall insulation, piloting other measures including some internal wall insulation and hybrid insulation. All the properties identified are in the lowest 20% of super output areas in terms of deprivation.
- 1.6 Under Sefton Council's Constitution the Cabinet Member for Regeneration and Housing is only able to approve virement of up to £1.0 million. In this instance the transfer of funding to another delivery partner does not constitute virement since the purpose of the funding remains unaltered. However, given that the transfer is in excess of £1million Cabinet is being asked to endorse the decision.

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Report to: Cabinet

Date of Meeting: 5 December 2013

Subject: Southport Business Improvement District

Report of: Director of Built Environment **Wards Affected:** Cambridge and Dukes

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

Exempt/Confidential: No

Purpose/Summary

To approve the Southport Business Improvement District Manifesto and to approve the next steps by the council for taking the BID forward.

Recommendations

- (i) Approve the proposals for the Southport Business Improvement District (BID) as set out in the Manifesto (Year 1)
- (ii) Agree to voting yes in the proposed ballot to create a BID and authorise the Director of Built Environment to submit a positive vote on behalf of the Council
- (iii) Provide delegated authority to The Chief Executive, in consultation with the Leader of the Council and section 151 officer, to sign the BID Baseline Agreement in principle on behalf of the council
- (iv) That the Head of Corporate Legal Services be authorised to complete the necessary formal agreements required for the collection of the BID Levy if a Yes vote is achieved
- (v) As the relevant ballot holder, authorise the Electoral Reform Services to hold the BID ballot.

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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(s):

To allow the BID ballot to commence and then thereafter for the BID company to be established.

What will it cost and how will it be financed?

It is estimated that the BID Company would raise in the region of £488,000 per annum over the next 5 years for key areas of investment in the town (in accordance with the BID manifesto). This would represent nearly £2.5million of additional investment within the BID area over this period.

The Council has rateable property within the BID area. Based on the rateable value of these properties, it is estimated that the Council's contribution towards the BID would be in the region of £14,000.

The full administrative costs to set-up the BID (estimated to be £59,000) are being funded from Southport's allocation from the High Street Innovation Fund (£49,000) and additional money from the Portas application process (£10,000). If a Yes vote is achieved the levy collection costs will be rechargeable to the BID Company.

The Council presently collects 98.1% of business rates and it is anticipated that similar collection levels are achievable for the BID levy. The Council will pass on the revenue it collects using reasonable endeavours to collect any shortfall. Depending on collection levels, the budget available to the BID Company may vary slightly from year to year.

In the event of there being a no vote, the set up costs will be charged to the High Street Innovation Fund (HSIF) as above. There would be no direct cost implications

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for the Council other than the opportunity cost associated with having to use the HSIF for an aborted scheme.

Implications:

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

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

Impact on Service Delivery:

No direct impact on service delivery.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT(FD 2637) has been consulted and comments on this report have been incorporated into the report

The Head of Corporate Legal Services has been consulted and has no comments on this report (LD 1942)

Are there any other options available for consideration?

None of equivalent value

Implementation Date for the Decision

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

Contact Officer: Mark Catherall
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Email: mark.catherall@sefton.gov.uk

Background Papers:

Appendix 1 Southport (BID Manifesto) and Appendix 2 (Baseline Agreement) to this report can be accessed via this link to the Council's website:
<http://modgov.sefton.gov.uk/moderngov/ecCatDisplay.aspx?sch=doc&cat=13529&path=13374>

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1.0 Background

- 1.1 A Business Improvement District (BID) is a defined area where businesses get together to plan how to improve their trading environment, identifying additional projects and services that will improve the town centre. Businesses within the BID area agree the level of funds which they will contribute to make it happen and they have total control of the money and how it is spent
- 1.2 Businesses pay an agreed levy based on the rateable value of their premises. In Southport, this is proposed at 1.5%. The funding is collected by the council and handed to a new business led Southport BID Company to spend as the businesses have requested. Businesses within a successful BID area will pay this levy so that everyone who benefits will have paid towards it; it is therefore fair and transparent.
- 1.3 The process by which a prospective BID seeks to become formally established is set out below in accordance with the 2004 BID Regulations:
 - Formal notification to the local authority and Secretary of State
 - Request to local authority to hold ballot, which must be accompanied by:
 - A copy of the BID proposals
 - The proposed business plan with estimates of cash flow, revenue and expenditure, the predicted budget and the contingency margin included in the budget
- 1.4 In January 2013 Cabinet approved further BID development work for Southport Town Centre/Seafront and also agreed in principle support for the development of the Southport BID. Cabinet also invited the Southport BID development group to submit their manifesto in due course.
- 1.5 The Southport BID Development group have now submitted their Manifesto, this report summarises the main proposals while the main document is contained in Appendix 1

2.0 Manifesto

- 2.1 The BID manifesto sets out a rateable value of 1.5%, this will be for Accommodation, Attractions, Hospitality and Retail that fall within the BID area as identified in the manifesto. Any businesses that fall out of the defined business uses will not be liable to pay the levy, however the BID will have mechanisms in place to allow voluntary contributions. It should also be noted businesses with a rateable value under £2,000 will not be liable while Charities will not be exempt.
- 2.2 The BID is projected to raise a total of £2.4 million over 5 years; this includes the levy, voluntary contributions along with other revenue streams.

- 2.2 The Southport BID Manifesto contains a number of initiatives grouped together in two main priorities, Promoting and Improving, some of the key initiatives include;

“Enhancing our events programme - We’ll provide additional marketing support for the events that already take place in our town to help ensure that they reach as wide an audience as possible. We’ll put together our own programme of events to bring more vibrancy and sparkle to our town and to add more value to what’s already going on. We’ll include more relevant street markets and festivals and do more to promote and support our arts and cultural heritage”.

“Supporting our Independents - We’ll put more resource into developing coordinated marketing campaigns to promote our town as a shopping and conference destination and as an excellent place to stay.

We’ll develop a specific package of measures to promote our unique independent retailers including, for example, “Shop Local” and “Independent Day” campaigns”

“Bringing our town “Alive after 5 - We’ll do more to promote our early evening economy by developing campaigns and incentives to encourage more people to stay later. We’ll focus particularly on encouraging families to come back into our town”

“Re-invigorating Christmas - We’ll invest in new festive lights and decorations and support this with coordinated and incentivised promotional campaigns and events to encourage more visitors and shoppers to our town at this peak period”

“Making our town look and feel better - We’ll make a start by improving our gateway streets, roundabouts and open spaces to make our town look better, more welcoming, and more appealing. We’ll invest in pavement washing across the BID area with a specific emphasis on removing chewing gum and other stains from areas of high footfall. Additional sweeping, weeding, graffiti removal, and litter collection will support this”

“A team of BID Ambassadors - We will support our existing coach hosts who are very often the first point of contact for our visitors. We’ll add value to the great work they already do by engaging BID- branded Ambassadors to provide an additional resource to support our activity”

“Making our visitors and shoppers feel safe and secure - Deterring shop theft will help protect your profits and make sure your employees and customers feel safe. We’ll re-launch the Shop Watch and Pub Watch radio schemes using the latest digital technology, link them to the CCTV network, and back them up with proper codes of practice for sharing offender pictures, email alerts, and radio protocol”

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“Attracting more investment - Empty properties are a blight on our town centre and more needs to be done to help bring them back into use. We'll work with property owners, landlords, and Sefton Council to develop and market an “Invest in Southport” campaign that promotes and encourages investment opportunities in our town. We'll encourage landlords to develop creative incentives to encourage businesses to move into these empty properties”

3.0 The Councils Vote

- 3.1 Sefton Council as a business rate payer within the defined BID area has a number of votes in the BID Ballot. The Southport BID development group is seeking approval from Sefton Council for a “Yes” vote. The council is recommended to vote “yes” in the ballot.
- 3.2 Sefton has 23 separate hereditaments within the defined BID area with a total rateable value of £929,200. The levy liability is £13,937.98 at 1.5%. This also allows Sefton Council to have 23 individual votes, increasing the importance of a “yes” vote to deliver an overall BID success. The table below details the hereditaments and the levy for each one.

This is likely to change up to the point of the vote; this could be due to the Council letting out the units that would subsequently transfer the business rates liability to the new tenants. However the table gives an indicative scale of commitment required.

Property	Rateable Value	Levy@1.5%
Tic Kiosk	£5,300	£79.50
Public Conveniences, Market Street,	£5,300	£79.50
Public Conveniences, Hill Street	£3,900	£58.50
Public Conveniences, Eastbank Street	£3,900	£58.50
Environmental Services, Tulketh Street	£3,100	£46.50
Car park, Esplanade	£2,750	£41.25
Municipal Golf Course	£2,275	£34.12
Stall 36 Southport Market Hall	£2,125	£31.87
Stall 38 Southport Market Hall	£2,125	£31.87
Stall 41 Southport Market Hall	£2,125	£31.87
Dunes Leisure Centre	£610,000	£9,150
Corner Esplanade, Marine Drive	£40,750	£611.25
Atkinson	£35,000	£525
9-11 Eastbank Street	£34,750	£521.25

Promenade Car Park	£34,500	£517.50
77-91 Tulketh Street	£33,500	£502.50
1 St Andrews Place	£12,750	£191.25
Southport Pier	£12,500	£187.50
3 Eastbank Street	£10,250	£153.75
Adj, Marine Lake, Marine Drive	£9,900	£148.50
7-9 Cambridge Arcade	£8,700	£130.50
55 Tulketh Street Car Park	£50,500	£757.50
Public Conveniences Eastbank Street/Lord Street	£3,200	£48.00
Total	£929,200	£13,937.98

4.0 Formal Agreements

- 4.1 Formal agreements between the Council and Southport BID have been drawn up to cover services provided by the Council within the BID Area. A baseline agreement (Appendix 2) has been drawn up by relevant Heads of Services in partnership with the BID Development Board. This covers services ranging from cleansing to tourism.
- 4.2 The baseline agreement will demonstrate what additional services the BID will deliver to its members while also acting as a tool for the BID Company to monitor and work with Sefton Council to deliver improved existing services.
- 4.3 Due to the BID term being 5 years there will be flexibility for the Baseline Agreement to be amended every financial year due to the realisation that the level of services within the BID area may change.
- 4.4 Cabinet are recommended to give delegated authority to Chief Executive, in consultation with the Leader of the Council and section 151 officer, to sign the BID Baseline Agreement in principle on behalf of the council
- 4.5 The Council via Arvato will collect the levy on behalf of the BID company, once collected the monies will be passed on to the BID. New software and licences are need to collect the BID levy, Arvato have calculated this to cost £15,000 per annum. The BID company will cover this cost in full.
- 4.6 An operating agreement will need to be agreed between the BID Company and Sefton Council for the collection of the levy. Cabinet are recommended that The Head of Corporate Legal Services be authorised to complete the necessary formal operating agreements required for the collection of the BID Levy if a Yes vote is achieved.
- 4.7 The ballot must meet two tests for the BID to be approved. A simple majority of those voting in favour over those who do not, and those voting in favour must represent a greater total rateable value than those voting against.
- 4.8 The BID Development group have informed the Council they plan to employ the services of the Electoral Reform Services to conduct the ballot and

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associated additional services. As the relevant ballot holder Cabinet is asked to authorise the Electoral Reform Services to hold the BID ballot.

5.0 Next Steps

- 5.1 Ballot papers will be sent out on the 27th February 2014, these must be returned by the 27th of March with the result of the ballot being announced on the 28th March 2014.
- 5.2 If the vote is in favour the BID will be launched on the 1st of June, the baseline agreement and operating agreement can then be signed by the delegated officer.

Report to: Cabinet **Date of Meeting:** 5th December, 2013

Subject: The Atkinson – Procurement Proposals for the Fit Out of the Musuem Galleries

Report of: Director of Built Environment

Wards Affected: All Southport Wards

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

Exempt / Confidential No

Purpose/Summary

To seek Cabinet approval for a procurement strategy for the appointment of a specialist museum gallery fit out company to design and manage the installation of the fit out of the galleries at The Atkinson. This was subject to a successful bid to the Heritage Lottery Fund (HLF).

Recommendation(s)

1. Authorises the Director of Built Environment to conduct an OJEU Open Procedure tender exercise to appoint a specialist consultant for the fitting out of the Museum Galleries at The Atkinson
2. Approves the basis of evaluation of tenders as set out in paragraphs 2.2 to 2.4.of the report
3. Authorises the Director of Built Environment to accept the Highest Scoring Tender in accordance with the approved basis of evaluation and to report on the outcome to the Cabinet Member for Children, Schools, Families and Leisure.
4. Authorises the Cabinet Member for Children, Schools, Families and Leisure to accept the Target Price for the Installation

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	✓		

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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 Procurement of the appropriate company to design and manage the installation in the Museum galleries. The tender exercise will be required to follow an OJEU Part A Open Procedure. As part of this process, approval will be needed for Chief Officer delegated authority to award the contract for the design and establishment of a target cost for the project and for Cabinet Member authority for the delivery of the installation.

What will it cost and how will it be financed?

The commission will cost £695,062 and be funded from the HLF grant and Council contribution, the details of which were reported within the Capital Allocation 13/14 Report to Cabinet on 07/11/13 and Council on 21/11/13.

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

Impact on Service Delivery:

The Staffing regime for The Atkinson has been established on the basis that the Museum Galleries will be open from late 2014. The HLF bid included funding for a Full Time Lifelong Learning Office and a Development Officer to support the activity within the Galleries.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD2669) and Head of Corporate Legal Services (LD1975) have been consulted and any comments have been incorporated into the report. The strategy has been developed following discussions

Are there any other options available for consideration?

An alternative approach could be to engage a consultant to complete the detailed design. This would then be tendered and a separate contract awarded for the fit out and installation.

Whilst there is clearly some merit in this process, it would add to the timescale through the need for two separate tendering processes and necessary approvals. Also it's clear, from discussions with museum and gallery directors, that most specialist museum fit out contractor take responsibility for the design process and therefore it's unlikely that a separate tendering process would realise best value.

Implementation Date for the Decision

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

Contact Officers: Andy Dunsmore / Emma Anderson

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Email: Andrew.Dunsmore@sefton.gov.uk / Emma.Anderson@sefton.gov.uk

Background Papers:

None

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1.0 Background

- 1.1 The Atkinson (Southport Cultural Centre) refurbishment project was developed using grant funding which was conditional on being expended before a certain date. In the early stages of the development of the project The Heritage Lottery Fund (HLF) indicated an interest in providing support. However, the application and approval process necessary to secure HLF grant meant that any financial support wouldn't be forthcoming within the timeframe of the refurbishment project. Furthermore HLF had indicated a preference for a stand alone Museum Fit Out project rather than making a contribution to a wider scheme. As such it was agreed to seek approval for the specialist fit out for the new museum galleries created as part of the refurbishment, along with associated restoration of museum pieces and staffing costs.
- 1.2 The principle aim of the project, as defined within the HLF bid, was to bring together for the first time, the museum and gallery collections and will enable the staff to illustrate the unique and diverse heritage of the Borough, ranging from the Bootle Docks in the south, along the coast to the seaside resort of Southport in the north. A further ideal was to have the ability to display the Borough's fascinating and internationally important Egyptology collection for the first time in forty years.
- 1.3 The Council received a formal offer, from the HLF, of a grant of £923,500 on 23/09/13. This was against a total project cost of £1,051,500. Cabinet on 07/11/13 agreed that the Capital element of the grant, totalling £707,812 should be accepted and brought into the Council's Capital Investment Plan.
- 1.4 The grant application determined how the funding would be allocated. The indicative budget headings included a revenue support totaling £343,688 of which £265,688 is from HLF grant funding and the remaining £78,000 from non-cash contributions of volunteer time. The total capital costs and professional fees for the Museum project are £707,812; this is met by £657,812 of HLF grant funding in addition to agreed Sefton MBC cash contribution of £50,000. This expenditure which should be delivered in the first year of the project, will be delivered as follows;

Museum Designer Professional fees	£ 60,878
Conservation and repair work	£ 12,750
Museum display construction and fit out	£634,184

- 1.5 This report relates specifically to the design and installation of the Museum fit out and instruction rather than the conservation works. The total commission is therefore likely to be of value £695,062.

2.0 Proposed Procurement Strategy

- 2.1 As many specialist Museum Fit Out Companies also complete the design process it was considered sensible to engage a specialist company to complete the

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detailed design process and the installation. The Tender exercise will follow an OJEU Part A Open procedure and will be published through the Chest.

2.2 The tenders will then be evaluated on a price: quality: interview basis on the ratio of 30%: 60%: 10%. Tenderers will be given an indication of the installation cost and the indication of what they will be expected to deliver, based upon the HLF submission. On this basis will be invited to submit the following;

- Pre Contract Design Fee - fixed sum
- Pre Contract Management Fee – fixed sum
- Site Preliminary Costs – fixed sum
- Contract Management Fee - % of the Target cost of installation

2.3 The Standard Criteria and Quality Measures will include:

Standard criteria:

- Past experience / evidence of technical experience
- Financial viability
- Appropriate Insurance
- Equality submission
- Health and safety performance
- Evidence of professional conduct
- Assessment of References

Quality measures:

- Assessment of Past Experiences as set out in the commission
- Details of the Delivery Team
- Approach to Design
- Approach to the Management of the installation

2.4 A quality assessment panel will be established to determine the score against each of the criteria. The Panel will be made up of the following people;

- Director of the Atkinson
- The Atkinson Museum & Gallery Manager
- Project Manager Investment Programmes and Infrastructure
- Head of creative programs and exhibitions, the National Football Museum (invited guest assessor due to experience as project manager for major capital developments at The People's History Museum and National Football Museum)

Support and moderation will be undertaken by officers in Corporate Procurement. The officers involved will score each section against agreed criteria, with scores then being added into the overall bid scoring.

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- 2.6 The highest scoring tenderer will be appointed subject to further approval Delegated to Chief Officer. The Council, at this stage will be liable to the Pre Contract Design Fee and Pre Contract Management Fee. As this is likely to be below the £60,878 figure identified in the HLF bid approval will be sought from the relevant Chief Officer.
- 2.7 The Contractor will be contracted to complete the design process based on the principles set out in the application to HLF. This will be developed in accordance with the Quality Assessment Panel and then be subject to a formal sign off. The Contractor will then fully cost the installation based on the design and formally report a cost to the Council. The cost will be assessed against the budget cost and the scope of works adjusted if necessary to ensure the Target Cost is within the budget. A contingency sum will also be retained by the Council to account for any variations.
- 2.8 The Target Cost for the installation will then be reported to Cabinet Member and, if approved, the Contractor will be contacted to complete the installation.
- 2.9 The installation will be carefully managed. The proposals considered within the agreed scope of works will be carefully considered and the costs validated prior to the Target Cost being established. All possible measures will be undertaken to remove any unknowns that any undercharged risks will be investigated and managed through the tender process. The full and final cost of the scheme will be established before works commence on site and that there will be a sizeable contingency to deal with all eventualities
- 2.10 The Heritage Lottery Fund, as key funder will be invited through their appointed mentor, to input into the design process and any further discussion over the scope of the works.

3.0 Timescale

- 3.1 The target for completion of the Museum Fit Out installation is 27th October 2014 as this represents the start of the Half Term Holiday. To achieve this, the following milestones have been set. To achieve this timescale it is imperative that an appointment to complete the design process is made in March 2014.

Cabinet Approval	-	December 2013
OJEU Notice Published	-	December 2013
Tenders Returned	-	January 2014
Approval of Tender Recommendation	-	March 2014
Contract awarded (design and costing)	-	March 2014
Scope and design signed off	-	May 2014
Target Cost established	-	June 2014
Cabinet Member Approval sought	-	June 2014
Installation Commenced	-	August 2014
Installation commissioned and completed.		October 2014

4.0 Financial Implications

- 4.1 The Head of Corporate Finance and ICT comments that the Financial Implications of the report for the Council are that Capital expenditure of £695,062 will be

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incurred on design and instillation of The Atkinson Museum Fit Out and will be financed from the HLF grant awarded and a contribution from Sefton MBC currently included in the Capital Investment Plan.

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Report to: Cabinet Council
Date of Meeting: 5 December 2013
 23 January 2014

Subject: Strategic Asset Management Plan

Report of: Director of Built Environment

Wards Affected: All

Is this a Key Decision? Yes

Is it included in the Forward Plan? Yes

Exempt/Confidential No

Purpose/Summary

To agree the adoption of a revised Strategic Asset Management Plan

Recommendation

Cabinet to agree for recommendation to Council:

- i. That the Council adopt the new Strategic Asset Management Plan annexed in Appendix A.
- ii. To note that a further report will be presented in relation to the adoption of a formal Asset Disposal Policy.

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

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

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Reasons for the Recommendation:

While there is no statutory requirement to adopt a Strategic Asset Management Plan, it is good practice to do so. This Plan will guide decision making on the sale or retention of assets and it is envisaged that a report seeking approval to the Councils Asset Disposal Policy will be presented to a future Cabinet meeting.

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: N/A

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

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

Impact on Service Delivery:

The purpose of the asset management plan is to seek to enhance service delivery through the effective and efficient use of the Council's assets

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD2610/) has been consulted and has no comments on the report as there are no direct financial implications

The Head of Corporate Legal Services (LD1915) has been consulted and has no comments on the report

Are there any other options available for consideration?

It is best practice to operate and manage property assets using a formal asset management plan. The Council could choose to select property for disposal using other criteria.

Implementation Date for the Decision

Following the expiry of the “call-in “period for the minutes of the Cabinet meeting

Contact Officer: David Street (Asset and Property Manager)

Tel: 0151 934 2751

Email: David.Street1@sefton.gov.uk

Background Papers:

None

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1.0 Introduction/Background

- 1.1 Cabinet at its meeting of 28th February 2013 considered the report of the Strategic Director – Place which provided details of a Capital Allocation framework and Capital Strategy. The report also stated that following a review a further report would be presented in relation to the Strategic Asset Management Plan.
- 1.2 It is established best practice that the Council has an asset management plan that sets out a framework by which its valuable property assets can be managed. The previous asset management plan, whilst still serviceable, required to be updated and this process of updating and redrafting has recently concluded and requires approval.
- 1.3 The Council has adopted a new Capital Strategy and the intention is that the new asset management plan will complement and support this strategy. As such it will act as an “umbrella document” under which a suite of relevant strategy and policy documents will sit.
- 1.4 The other key documents, still in draft format, will include;
 - The Asset Disposal Policy
 - The Community Asset Transfer Policy

Further reports will be presented seeking approval / adoption as soon as the policy documents are ready for consideration.

2.0 The Strategic Asset Management Plan

- 2.1 A revised draft asset management plan has been developed to facilitate a cohesive approach to the Council’s asset management and to reflect the various changes in policy, legislation and governance since the current asset management plan was adopted.
- 2.2 The new asset management plan was considered by the Strategic Capital Investment Group (SCIG) for comment and review at its scheduled meeting on 16th September. The Group has agreed that the plan should be reported to Cabinet and Council. The matter was also considered by Overview and Scrutiny (Performance and Corporate Services) at it’s meeting of September 10 2013.
- 2.3 The plan will inform the work of the Asset Management Group which will provide advice and put forward recommendations to SCIG (A Member reference group comprising of all 6 Cabinet members with Portfolio), Cabinet Member, Cabinet and Council as appropriate.
- 2.4 The key elements of the plan are as follows:
 - A definition of the role property assets play in the conduct of the Council’s business.
 - A consideration of national policy and governance matters that influence decision-making in respect of the property portfolio
 - How the level of backlog maintenance will be addressed
 - Property reviews utilising gap analysis techniques

- A review of potential funding options to support investment and project delivery
- The proposed formal governance arrangements.

3.0 The Asset Disposal Policy

- 3.1** The related ancillary strategy and policy documents are in an advanced stage of drafting. The key principles were approved by SCIG at its meeting of 25 October 2013 and will be reported to Cabinet / Council recommending adoption as soon as possible.
- 3.2** It is intended that the Asset Disposal Policy will contain the detailed exposition in terms of how assets will be selected for disposal and which method of disposal will be selected. Members (Cabinet or individual Cabinet Members) will decide which operational and non-operational assets are released for disposal and ultimately continue to make the decision to sell on the reported terms.
- 3.3** When a decision has been made to dispose, the Council will adopt the most appropriate method to dispose of a particular asset or portfolio of similar assets. The intention will be to secure best value for the Council by way of financial return or other valuable outputs compatible with the Council's established priorities and operational objectives. This may include utilising sites as a Council contribution to a partnership approach such as an asset backed vehicle.
- 3.4** Where appropriate the Council will secure a planning brief or outline planning consent prior to marketing and then seek to ensure that the chosen disposal method enables a sufficient degree of control to be retained in the case of disposals of buildings in need of refurbishment or sites to be redeveloped.

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APPENDIX A

Sefton Metropolitan Borough Council

STRATEGIC ASSET MANAGEMENT PLAN

Contents

1. Introduction
2. Aims of the Strategic Asset Management Plan
3. Types of Asset
4. The Councils approach to Strategic Asset Management
5. Governance
6. Key Challenges
7. Property Assets – Investment Priorities
8. Funding Options
9. Key Strategy and Policy Documents
10. Review
11. Summary

Appendix A Capital Allocation Framework

Appendix B Strategy Asset Management Plan Governance

Appendix C

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APPENDIX A

1. Introduction

After its staff the Council's next biggest resource is its land and property. It is vital that this resource is managed and used effectively and efficiently to ensure that the Council derives maximum benefit from its assets in support of its strategic aims and priorities.

The continued pressure on local authority finances makes it more critical that the Council has a robust strategic approach to ensure the correct decisions are taken regarding its property asset base. In moving forward there will need to be an increased emphasis on challenging and justifying why assets are being retained, whilst looking at other alternative options for asset use and service delivery to maintain front line services within the stringent budgetary framework which local authorities will be required to operate within.

The Strategic Asset Management Plan (the Plan) will provide a framework for the planning, prioritisation, management and funding of the Council's asset base.

The Plan forms part of a suite of documents, including the Capital Strategy and Capital Investment Plan, which support and inform the Council's Medium Term Financial Plan (MTFP) and its budget for 2013/14 to 2015/16. (See Appendix 1)

2. Aims of the Strategic Asset Management Plan

The key aims of the Strategic Asset Management Plan are to:

- provide a clear context within which the Council's property assets can be managed to ensure that all asset based investment is targeted towards meeting the Council's Priorities and/or legislative requirements;
- maximise the use of revenue resources by establishing effective arrangements for the management of Council assets and expenditure including focused benchmarking and performance analysis to achieve of Value for Money.
- establish a corporate approach to the management and release of capital from the Council's existing asset base.

3. Types of Assets

The use and management of the authority's assets can play a fundamental role in delivery of corporate and local priorities, as well as shape and influence the quality of life and place for local people and businesses. The property asset base divides into two key categories;

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Operational Properties – Owned or leased buildings that are required to enable the delivery of services. These are typically the main administrative buildings, but also encompass specialised facilities such as Schools and Care homes.

- Non-operational Properties – Also known as the investment portfolio, these assets are held because they generate an income return or present an opportunity for capital gain through redevelopment. The portfolio is a legacy of previous and often longstanding land ownerships that have come together with the merger of the composite authorities that now make up Sefton MBC. The portfolio is not typical of most commercial investment portfolios that are a consequence of conscious decisions to invest and hold property as an investment asset.

There are a small number of assets where there is a cross over between both categories, e.g. where the Council occupies a freehold property, but primarily for operational purposes

4. The Councils Approach to Strategic Asset Management

It is critical that the assets the Council retains are fit for purpose, provide value for money and meet/support both business and community needs. Decisions to invest and improve the asset base are made on the same robust and transparent basis. The Council's approach will be influenced by relevant factors and in particular requirements to meet the Council's statutory duties; e.g. the duty to ensure 'sufficient good quality school places', which is a key driver of capital investment in the schools estate.

The Council will adopt a formal Corporate Landlord Approach to drive a planned process to review and challenge the use and retention of assets, providing a transparent framework for investment and disinvestment decisions in the asset base.

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 to meeting corporate priorities. 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

In addition the Plan 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. These assets will be available for disposal and may possibly generate a capital receipt which will be available for funding further capital investment or realise other benefits, perhaps in the form of reduced costs falling on the General Fund Revenue Account. Alternatively, structured reviews may identify areas for investment, some of which may be capital investment.

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An essential component of this process is the Accommodation Strategy. An Ongoing review of the Council's accommodation provision will continually look at opportunities to rationalise occupation and release surplus accommodation from the Council's accommodation buildings. This will include identifying opportunities for shared use of Council facilities to enable the efficient provision of key services as well as potential co-locations with other public and private sector partners.

The Councils approach to the use of assets is broadly as follows:

Assets will only be retained where it can clearly be demonstrated that they:-

- support and meet the Corporate objectives of the Council
- contribute to the effective delivery of business provision (i.e. the condition and performance of the asset does not impede service delivery);
- provide a strategic landholding in key locations in the borough
- provide value for money (in respect of their current or future investment, capital value, revenue generation and/or ability to influence regeneration).

Where assets do not satisfy the above criteria consideration will be given to the asset either being better utilised to free up accommodation elsewhere, or disposed. The disposal process, including the rationale for using a particular method of disposal is set out in the Asset Disposal Policy.

5. Governance

The Council's governance arrangements are established and set out in the Council's Capital Strategy. Responsibility for the 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). This Group provides reference for the operational groups delivering the asset management priorities. (see Appendix 2)

The operational Groups are;

- Asset Management Group (AMG) – focus on delivery of asset management plan and oversight of all strategic asset management issues reporting into the Strategic Capital Investment Group (SCIG).
- Accommodation Working Group (AWG) – Focus on accommodation matters and reporting into the Asset Management Group

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6. Key Challenges

In developing a rolling 3 year plan the Council will need to have a flexible approach to take account and accommodate a variety of factors and challenges which will impact on the future of the asset base. In summary these include:-

National level

The ongoing pressures on Local Government funding will produce a year on year reduction in available revenue and traditional forms of grant funding. This has placed increased pressure on how the Council uses and manages its assets in support of service delivery.

In addition there have been some key changes in Legislation. These include:

The Localism Act 2011

The Act seeks to decentralise power from the state to local communities by way of a variety of actions). Key areas under the Act impacting on the use of assets are Reform of the Planning System, Community Right to Bid, as part of which community groups can seek to bid for assets that have or continue to contribute to the social wellbeing or cultural, recreational or sporting interests of the local community, and Community Right to Challenge, which allows community groups or existing employees to bid to run Council services, as part of which alternative accommodation arrangements may be put in place.

.Disposal and Appropriation of School Land – Changes in Legislation (Education Act 2011 and new Schedule 1 to the Academies Act 2010)

The changes which came into force on 1 February 2012 means that Secretary of State consent is required if a Local Authority wishes to dispose of any school land or make an appropriation of school land. This enables the Secretary of State to consider all surplus school premises and land (regardless of size, ownership, status) against the demand for Free Schools, Academies, Studio Schools or University Technical College's ('UTC') in the area. These changes create a potentially greater risk of not securing the relevant consents from Central Government. As such the Council may not be able to fully rely on the receipts from those sales at the present time which may have an impact on budget forecasts for Capital Receipts and capital investment in Schools.

There remains an expectation by Central Government that the public sector will also rationalise its asset base to reduce costs and generate receipts to assist in reducing the budget deficit. The on-going poor performance of the property market in the majority of the UK and reduced bank lending is continuing to have a marked impact on the quantum of sales and level of capital receipts which can be realised and relied upon to support the MTFP.

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Although sites marketed in the North of the borough have attracted competitive bids, there is an issue in terms of land values in the South and the general situation is unlikely to substantially improve in the immediate future despite government-led initiatives such as the Funding for Lending and Help to Buy schemes. Alternative options will be continually explored to ensure that sites are brought forward and land values or other priority outcomes are maximized, e.g. through the use of development joint ventures and potentially through asset backed vehicles.

Corporate Level

Protection of Key Frontline Services

This is a key challenge that will inevitably require better alignment of asset provision to service delivery to reduce operational costs and achieve necessary savings. This will necessitate greater shared use of premises, both within the Council and with other organisations potentially with targeted investment to improve retained space where it will result in demonstrable improvements in service delivery.

Reducing the Level of Maintenance Backlog.

Figures below reflect the estimated level of Maintenance backlog for all the assets. Whilst there has been a decrease in certain areas, through focused allocation of the maintenance resource and the transfer or disposal of surplus assets, other areas have seen an increase as a result of assets being resurveyed as part of the rolling programme of condition surveys and a general deterioration of the asset. It is expected that the situation will worsen over the next 3 - 5 years as capital funding remains constrained and the level of revenue funding for routine maintenance becomes increasingly stretched.

It should be noted that resources are in place in order to ensure that all operational and non operational building comply with statutory requirements.

Asset Group	Maintenance Backlog (£m)	
	2012	2013
Children's (Schools)	£ 65.1m	£63.7m
Leisure	£ 10.7m	£10.1m
Corporate	£ 8.5m	£ 6.6m
New Directions	£ 3.1m	£ 3.1m
Social Services	£ 0.73m	£ 0.71m
Tourism	£ 0.04m	£ 0.02m
Environmental	£ 1.8m	£ 1.9m

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Total	£89.9m	£86.1m
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The reduction in liability within the Schools portfolio has been driven largely by the transfer of assets arising from the recent creation of Academies and the Hawthorne's Free School.

Maintaining Revenue from the Council's Non-operational Estate.

The income stream derived from the estate (in real terms) has markedly declined as assets have been released to assist in the generation of capital receipts and support regeneration initiatives. This trend has been exacerbated by a further erosion of rents and increase in void costs caused by tenant default as adverse trading conditions continue to impact the business performance of tenants.

Without a significant intervention the portfolio will continue to lose value and influence (as a potential catalyst for stimulating regeneration and redevelopment schemes). As the estate is largely a legacy of the creation of the current Council and an accumulation of various landholdings over many years, it is an imperative that a structured review is undertaken.

A review would focus on the economic viability of the current portfolio, with a consideration of the Council's strategic ownerships in Bootle Town Centre and Southport. Where appropriate, rationalisation of the estate could create a useable capital resource and lead to the establishment of a more sustainable portfolio

7. Property Assets – Investment Priorities

Proposed Gap Analysis

Gap analysis of both the operational and non-operational property portfolios will be undertaken to identify;

- the level of required maintenance (as assessed from the condition surveys),
- including works needed in respect of statutory requirements, for instance, accessibility, asbestos, Legionella, environmental sustainability, etc;
- areas of proposed capital investment, including enhancement, replacement and shared use of facilities and provision of accommodation focused on the Council's core, freehold buildings;
- financial and opportunity savings realised through rationalisation and the level of anticipated receipts which could be relied upon (given the current and projected market conditions);
- the level of resources secured and/or potentially available to fund the Capital Investment Plan based on information known at the time the plan was prepared.

A financial summary of the capital funding requirement between current and future asset needs will be produced and then updated on a periodic basis.

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A formal disposals programme will be produced linked to the capital investment plan and the corporate requirement for capital from disposal receipts, and any agreed rationalisation of the portfolio to enable its efficient management within reducing resource.

The Council will continue to fund essential backlog maintenance and maintenance where it resolves a health and safety hazard or could remove an impediment to the delivery of front line services.

Delivery of Key Strategic Priorities

Building upon the momentum generated in previous years in regenerating key areas within the borough, the Council is committed to use its asset base to deliver the following key strategic priorities. As part of that process it will seek to align funding opportunities to those initiatives, including the allocation of specific land sites and land receipts to support the following programmes;

- **Housing Delivery Plan** - The Council signed up to the Liverpool City Region Investment Agreement in 2012, which commits all of the region's Councils to make available land for economic and housing development. There is also a commitment to explore ways to creatively use assets to underpin and accelerate programmes of investment and development. The Council is looking to maximise the delivery of new homes, both affordable and for sale, on Council owned land, to help facilitate the delivery of 510 new homes per year, as set out in the preferred option of the Council's Local Plan. This is likely to include partnerships with the Homes and Communities Agency, Registered Providers and other partners to develop new housing on a variety of Council owned sites across the borough. It may see the Council making available land towards a mixture of subsidy to deliver affordable housing.
- **Economic Regeneration** - the Council will continue to progress major development proposals involving its land resource. This would be similar to schemes such as Kings Gardens, Southport. It will initiate schemes that provide complementary support to Port Expansion which includes the provision of alternative sites and assets that facilitate business growth and displacements. It will support initiatives that assist in the support and regeneration of the key town centres across the borough

New Investment in Assets

In terms of other new capital bids for investment in property assets, these will be submitted on a case by case basis in accordance with the Council's Capital Strategy.

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8. Funding Options

If the Council is to continue to invest in its property asset base it will need to consider alternative and innovative solutions to supplement more traditional funding sources as part of its resourcing strategy. All of the options listed below will be explored and where appropriate business cases will be prepared to develop these further:

- **Use of Specific Capital Allocations** – most particularly in relation to schools
- **Capital Receipts** – the Council will take a structured approach to the release of sites to ensure it maximises land values whilst at the same time disposes of problematic sites and supports the provision of affordable housing in areas of need.
- **Invest to Save** – where there is a robust economic case and a realistic payback period
- **Asset transfer** - to third parties & community organisations, in particular where organisations can take over and provide services previously delivered by the Council. The advent of the Localism Act reinforces the need for the Council to operate an appropriate policy to govern and manage any transfers.
- **Securitisation** against Council Assets and/or Covenant –the asset value of the Council's land and property could be utilised to secure useable capital or reduced revenue costs albeit in return for a sacrifice of upfront capital receipt via the following methods and investment vehicles;
 - **Sale Leaseback** – would usually be commercial properties but depending on the return and potentially increased revenue costs other operational assets could be sold on this basis
 - **Asset Backed Vehicles (ABV)** – the principle behind the proposed delivery vehicle for the Sefton Integrated Investment Strategy (SIIS) however the vehicle would have to be procured and there would be an expectation of a reasonable scale of development to justify the associated costs. A vehicle with the potential to capture additional value for the Council to be recycled in the vehicle or released for other purposes.
 - **Other Joint Venture Arrangements (JV)** – adopts similar principles to an ABV, but can be scaled up or down to reflect a more discrete or specific development outcome.
 - **Investment Funding** – this could be in the form of municipal bonds, equity funding, sub-loans (on a project by project basis) or the Council becoming an investment partner (as a lessee). This could be delivered through an ABV or as a stand-alone arrangement. The level of funding which could be delivered will depend upon the quantum, value and any mitigation of the associated risks of the projects which the Council can offer.

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- **Public Private Fund** – could be created using a cocktail of public (RGF, capital receipts, etc.) and private funding (equity investment, sub loans), which could then be targeted towards agreed priorities or used to lever in additional private investment.

- **Charitable & Heritage Trusts** – to take advantage of cost advantages in operation and broader eligibility for grant funding.
- **Shared Accommodation** – potentially through joint developments with public partners. Joint European Support for Sustainable Investment in City Areas (JESSICA) – Known locally as Chrysalis this is a substantial revolving ERDF fund to unlock development projects in the Merseyside region. Opportunities exist for the Council to put its assets in to the fund to lever in additional resources.
- **New and Existing Government Funding and Initiatives.**
 - These include
 - European Structural Funds 2014-20.
 - The Local Growth Fund from 2015
 - Regional Growth Fund (RGF)
 - Growing Places Fund (GPF)
 - Tax Increment Finance (TIF)
 - Community Infrastructure Levy (CIL)
 - Regional Venture Capital Loan Fund and Guarantees

- **Strategic Acquisition & Investment Proposals** – in particular where the strategic assembly of sites could yield a greater overall return for the Council when the assembled site is redeveloped
- **Capitalisation** – given that a number of the High Priority maintenance backlog schemes are in the region of £10,000 one option available could be to capitalise the cost of the works.
- **Additional Ad Hoc resources from Government Agencies**

9. Key Strategy & Policy Documents

This plan acts as an over arching document that sets the framework in which the Council's key, property asset based strategies, policies and procedures are developed, operated and reviewed. The other key strategy and policy documents are;

- The Asset Disposal Policy
- The Accommodation Strategy
- Community Asset Transfer Policy

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10. Review

The Plan will be reviewed annually, adapting to the review of the Council's strategic objectives, changes in policy, professional practice and changes in the economy and property markets. It does not need to be redrafted annually if the existing documentation remains valid.

11. Summary

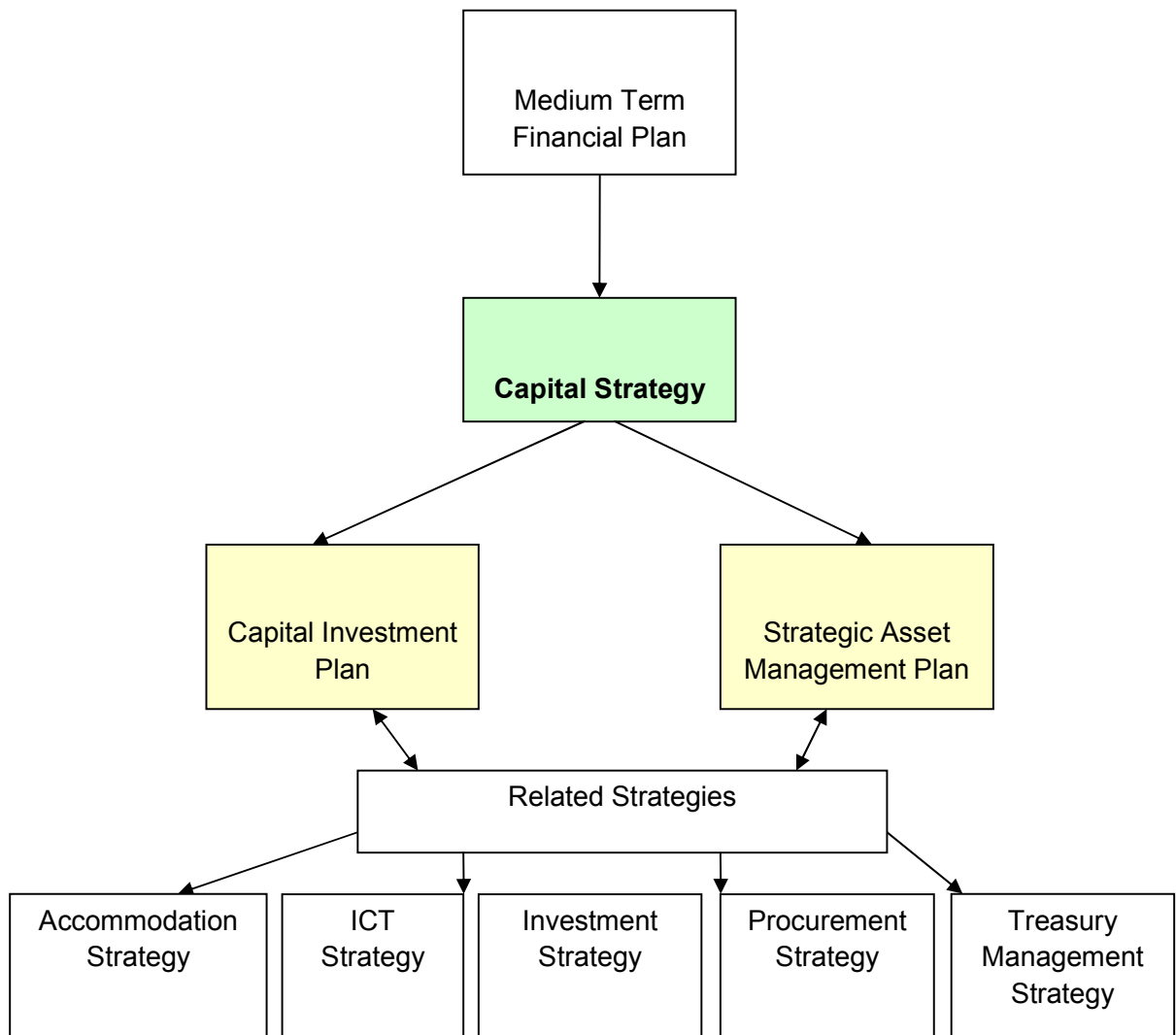
This Strategic Asset Management Plan demonstrates and sets the framework which enables the Council to build a long term asset management programme to ensure the efficient and effective use of assets to support the achievement of the Council's corporate priorities.

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Appendix A

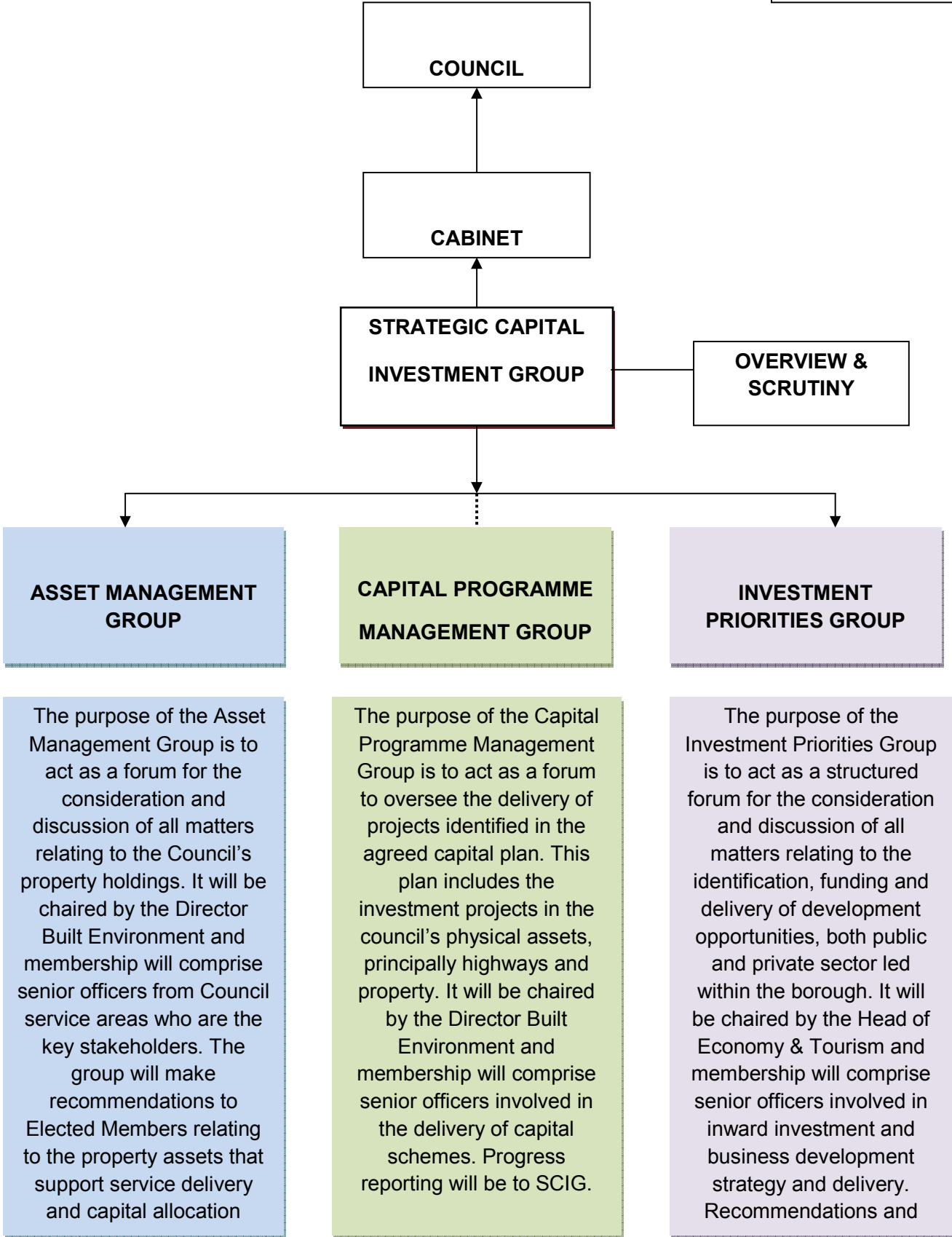
Capital Allocation Framework



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STRATEGIC ASSET MANAGEMENT GOVERNANCE STRUCTURE

Appendix B



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Appendix C

SUMMARY OF OPERATIONAL & NON-OPERATIONAL ASSETS

As at 13th November 2013

OPERATIONAL

400 Assets

Town Halls
Children's Homes
Day Centres/Family Centres
High Schools
Primary Schools
Special Schools
Youth Centres
War Memorials
Public Conveniences
Children's Playgrounds
Libraries
Golf Courses
Miscellaneous Others - Including Car Parks and Playing Fields, etc

NON-OPERATIONAL

589
Assets

Allotment Sites
Golf Courses
Shop Units
Shopping Centres
Youth Organisation Buildings
Miscellaneous commercial land & Property interests (Producing annual rental in excess of £200 per annum)
Housing Market Renewal Assets (pending demolition)
Vacant Sites & miscellaneous commercial land & Property interests
(Producing annual rental per property less than £200 per annum)

RESIDENTIAL GROUND RENTS & CHIEF RENTS

3001
Assets

Freeholds subject to long leases (Typically 999 years) and Chief Rents (not the freehold, but a right to receive a small annual payment)

Report to: Cabinet **Date:** 5th December 2013

Subject: The Mersey Forest Plan

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 purpose of this report is to request that Cabinet approves the refreshed Mersey Forest Plan, for policy purposes.

This can be downloaded by going to www.merseyforest.org.uk/plan

The Mersey Forest Plan provides the long term vision for the work of the team and the partnership. Delivery is through partnership working, including the seven local authorities, Natural England, the Forestry Commission, and the Environment Agency, as well as other public, private and community sector organisations. The partnership is coordinated by The Mersey Forest team.

Recommendations

That the Cabinet approves the Mersey Forest Plan as Council policy

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(s):

The report is asking for the recommendation as the Council is one of the seven Local Authority Partners.

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What will it cost and how will it be financed?

(A) Revenue Cost

(B) Capital Costs

There are no financial implications as a result of approving the Mersey Forest Plan.

Implications:

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

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

Impact on Service Delivery:

Not applicable.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT (FD 2624) has been consulted and notes the report indicates there are no direct financial implications..

The Head of Corporate Legal Services (LD 2623) has been consulted and comments have been incorporated in the report

Are there any other options available for consideration?

No, the Mersey Forest Plan provides the Mersey Forest, and importantly it's partners and the wider public with a clear direction over the next five years.

Implementation Date for the Decision

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

Contact Officer: Andrew Hall
Tel: 0151 934 3604
Email: Andrew.Hall@sefton.gov.uk

Background Papers:
None

Background:

In the early 1990s, 12 areas of England were chosen by Government to be the focus of long term tree planting programmes to improve their environment and benefit local communities. The largest of these designated “Community Forests” was named The Mersey Forest.”

In the Plan, the term “we” refers to the team and partners. The Plan has 20 overarching policies (under the headings Who, What, How and Why) and spatial policies (under the heading Where). Case studies highlight some of the major achievements to date.

The Mersey forest received over 1600 responses as a result of the consultation in early 2013. It will be refreshed every ten years, with any minor amendments made to an online version of the PDF attached with this report. It is accompanied by a 5 year Delivery Plan, which sets out monitoring and shorter-term activities. The Delivery Plan will be reviewed annually to allow consideration to be given to resource availability at the time.

Policy context

Achieving the ‘more from trees’ vision will provide many benefits. At the national level, there are key links are with the Government’s Forestry and Woodlands Policy Statement and the National Planning Policy Framework. The Plan incorporates the concept of green Infrastructure,— the network of natural environmental components and green and blue spaces that lie within and between our cities, towns and villages, which provide multiple social, economic and environmental benefits. Trees and woodlands are an important component of this.

Uses of the Plan by the team and partners

- To guide their work to achieve the ‘more from trees’ vision
- To develop funding bids for activity
- To demonstrate the importance of trees and woodlands to different agendas and partners
- To guide cross boundary working, in relation to local authorities’ duty to cooperate
- To contribute to planning in the local area
- To guide delivery of actions relating to trees and woodlands (or their functions) within Green Infrastructure Frameworks, Strategies and Plans.

Page 78 of The Mersey Forest Plan indicates the amount and location of indicative woodland cover appropriate for Sefton’s open spaces and landscape character areas, and opportunities for developing the Mersey Forest Plan objectives.

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