

MEETING: CABINET
DATE: Thursday 27th February, 2014
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
Democratic Services Manager
Telephone: 0151 934 2046
Fax: 0151 934 2034
E-mail: steve.pearce@sefton.gov.uk

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.

This page is intentionally left blank.

A G E N D A

Items marked with an * involve key decisions

<u>Item No.</u>	<u>Subject/Author(s)</u>	<u>Wards Affected</u>	
1.	Apologies for Absence		
2.	Declarations of Interest Members 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 16 January 2014		(Pages 5 - 12)
* 4.	2013/14 Budget Update Report of the Head of Corporate Finance and ICT	All Wards	(Pages 13 - 28)
* 5.	Revenue Budget 2014 /15 Report of the Head of Corporate Finance and ICT	All Wards	(Pages 29 - 46)
6.	Treasury Management Policy and Strategy 2014/15 Report of the Head of Corporate Finance and ICT	All Wards	(Pages 47 - 72)
7.	The Prudential Code for Capital Finance in Local Authorities - Prudential Indicators 2014/15 Report of the Head of Corporate Finance and ICT	All Wards	(Pages 73 - 84)
8.	Capital Programme 2013/14 and Capital Allocations 2014/15 Report of the Head of Corporate Finance and ICT	All Wards	(Pages 85 - 96)

9.	Better Care Fund Report of the Deputy Chief Executive		(Pages 97 - 104)
* 10.	Adult Social Care Change Programme Report of the Director of Older People and Head of Transformation	All Wards	(Pages 105 - 122)
* 11.	Future Arrangements for the Procurement of Education, Day and Residential Places at Independent and Non- Maintained Special Schools Report of the Director of Young People and Families	All Wards	(Pages 123 - 130)
* 12.	Future Arrangements for the Provision of Outreach Support for Children and Young People with a Diagnosis of an Autistic Spectrum Disorder Report of the Director of Young People and Families	All Wards	(Pages 131 - 136)
* 13.	European Structural and Investment Funds Strategy 2014 -2020 Report of the Director of Built Environment	All Wards	(Pages 137 - 144)
* 14.	Fouling of Land by Dogs - Dog Control Order Report of the Director of Built Environment	All Wards	(Pages 145 - 148)
* 15.	Procurement of Green (Garden) Waste Composting Outlet Report of the Director of Street Scene	All Wards	(Pages 149 - 154)
16.	Programme of Meetings 2014/15 Report of the Director of Corporate Services	All Wards	(Pages 155 - 180)
17.	Mersey Forest Steering Group - Change in Council's Appointed Representative Report of the Director of Corporate Services	All Wards	(Pages 181 - 184)

THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON WEDNESDAY 29 JANUARY 2014. MINUTE NO's 86, 88 (6) AND 90 ARE NOT SUBJECT TO "CALL - IN."

CABINET

MEETING HELD AT THE TOWN HALL, BOOTLE ON THURSDAY 16TH JANUARY, 2014

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

ALSO PRESENT: Councillors Papworth and Tonkiss

83. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor P. Dowd.

84. DECLARATIONS OF INTEREST

Margaret Carney (Chief Executive) declared a personal interest in Minute No. 90 (Pay Policy) as her post may be affected by the proposals set out in the report.

85. MINUTES OF PREVIOUS MEETING

Decision Made:

That the minutes of the Cabinet meeting held on 5 December 2013 be confirmed as a correct record.

86. GOVERNMENT CONSULTATION ON A COMBINED AUTHORITY FOR GREATER MERSEYSIDE

Further to Minute No. 51 of the meeting of the Council held on 27 September 2013, the Cabinet considered the report of the Chief Executive on the Liverpool City Region's draft response to the Government's consultation on the creation of a Combined Authority for Greater Merseyside.

The Chief Executive informed the Cabinet that the report had been considered by the Overview and Scrutiny Committee (Performance and Corporate Services) at its meeting held on 14 January 2014 and that the Committee had expressed concern about the proposal to name the Combined Authority "Greater Merseyside" and concurred with the consultation response to name it the "Liverpool City Region Combined Authority"; and raised questions about the 'travel to work area' and the method of scrutinising decisions of the Combined Authority via the panel of Councillors nominated by the six local authorities. In particular, a question

Agenda Item 3

CABINET- THURSDAY 16TH JANUARY, 2014

was asked as to who the Members would be serving on the Scrutiny Panel.

The Chief Executive indicated that the Council at its meeting to be held on 6 March 2014 would be requested to consider and approve all constitutional details including the scrutiny function and membership of the Combined Authority.

Decision Made:

That:

- (1) the opportunity to respond to the national statutory consultation on the creation of a Combined Authority for Greater Merseyside be welcomed;
- (2) after taking in to account the views of the Overview and Scrutiny Committee (Performance and Corporate Services), the consultation response set out in Appendix One to the report be approved;
- (3) the Chief Executive, in consultation with the Leader of the Council be given delegated powers to make any minor amendments to the consultation response prior to submission; and
- (4) it be noted that the Leader of the Council and the Chair of the Overview and Scrutiny Committee (Performance and Corporate Services) had given their consent under Rule 46 of the Overview and Scrutiny Procedure Rules for this decisions to be treated as urgent and not subject to "call in" on the basis that it cannot be reasonably deferred because the Government's deadline for submission of responses is 12 noon on Wednesday 22 January 2014.

Reason for Decision:

To submit the consultation response to the Government.

Alternative Options Considered and Rejected:

The consultation response could be amended or rejected.

87. 2013/14 BUDGET UPDATE

The Cabinet considered the report of the Head of Finance and ICT which provided an update of the progress in the achievement of the approved savings for 2013 - 2015, and other risks within the 2013/14 budget; and a forecast of the collection rates for Council Tax and Business Rates in 2013/14.

CABINET- THURSDAY 16TH JANUARY, 2014

Decision Made:

That:

- (1) the progress to date on the achievement of approved savings for 2013/2014 be noted;
- (2) the potential impact on the Council general balances in 2013/2014 should other savings not be achieved elsewhere in the budget, to bridge the current budget gap be noted;
- (3) The wider budget pressures being experienced in the remainder of the Budget be noted; and
- (4) The forecast position on the collection rates of Council Tax and Business Rates be noted;

Reasons for Decision:

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 2014/2015.

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

Alternative Options Considered and Rejected:

None:

88. UPDATE ON THE PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT AND CONSULTATION FEEDBACK ON THE COUNCIL TAX REDUCTION SCHEME

Further to Minute No. 75 of the meeting held on 5 December 2013, the Cabinet considered the report of the Head of Corporate Finance and ICT which provided an update on the broad contents and implications of the Provisional Local Government Finance Settlement 2014/15, and a summary of the feedback received on the recent consultation exercise regarding the proposed amendments to the Council Tax Reduction Scheme.

The Cabinet also considered a supplementary note which incorporated the Council's response to the Provisional Local Government Finance Settlement, which had been submitted to the Government by the deadline of 15 January 2014

Agenda Item 3

CABINET- THURSDAY 16TH JANUARY, 2014

Decision Made:

- (1) the contents of the Provisional Local Government Finance Settlement be noted;
- (2) the Council's response to the Provisional Local Government Finance Settlement be noted;
- (3) the impact of Provisional Local Government Finance Settlement with regard to the Revenue Budget for 2014/2015 be noted;
- (4) it be noted that until the outstanding referendum details are announced, the Council would not be in a position to consider its budget for 2014/2015;
- (5) it be noted that the impact on the potential budget shortfalls within the Medium Term Financial Plan were as follows: -

	£m
2015/16	31.6
2016/17	<u>22.2</u>
Total	53.8

- (6) the Council be recommended to approve the 2014/15 Council Tax Reduction Scheme as set out in paragraph 8.3 of the report.

Reasons for Decision:

To ensure that the Cabinet was fully aware of the latest Revenue Budget position for 2014/15 so that early decisions would be made to enable the Council to agree a balanced budget for 2014/15 and agree the level of Council Tax before the statutory date of 10 March 2014.

To ensure that the Cabinet was fully aware of the latest Medium Term Financial Plan position so that early decisions would be made to enable the Council to achieve a sustainable financial position for the financial years 2015/16 and 2016/17.

Alternative Options Considered and Rejected:

None.

89. CAPITAL APPROVAL FOR SELF FINANCING SCHEMES

The Cabinet considered the report of the Head of Corporate Finance and ICT which provided details of the self financing schemes that had been considered by the Strategic Capital Investment Group on 12 December 2013 and were now presented to Cabinet for approval to their inclusion in the Capital Investment Plan.

CABINET- THURSDAY 16TH JANUARY, 2014

Decision Made:

That:

- (1) approval be given to the inclusion of the self financing schemes set out in Section 2 of the report, in the Capital Investment Plan, subject to the relevant funding approvals being received;
- (2) subject to the projects being 100% externally funded, and there being no uncontrollable financial or legal risks, approval be given to Sefton Council being the Accountable Body for:-
 - a) Green Deal for Communities bid as outlined in paragraph 2.4 of the report;
 - b) REECH into SMEs as outlined in paragraph 2.5 of the report; and
 - c) Low Carbon/REECH type activity under the next European Programme 2014-2020 as outlined in paragraph 2.6 of the report.

Reasons for Decision:

To enable the inclusion of the self financed schemes in the Capital Investment Plan following their consideration by the Strategic Capital Investment Group and the Cabinet.

Alternative Options Considered and Rejected:

The options available would be to not approve the schemes which would then be not undertaken.

90. PAY POLICY

The Cabinet considered the report of the Head of Corporate Personnel on the proposed Pay Policy which had been produced in accordance with the Localism Act 2011 and the statutory guidance produced by the Department of Communities and Local Government. The report dealt with two specific issues, namely the amendments to the pay policy to reflect changes within the Authority; and decision making in relation to Authority employees who may receive a severance payment of £100,000 or over.

Decision Made:

The proposed Pay Policy set out in Annex A to the report be recommended to the full Council for approval, noting the proposed arrangements for Council and the Pay and Grading Committee in respect of severance payments over £100,000. This includes changes to the functions of the Pay and Grading Committee to approve and determine such payments.

Agenda Item 3

CABINET- THURSDAY 16TH JANUARY, 2014

Reasons for Decision:

To comply with the Localism Act 2011.

Alternative Options Considered and Rejected:

None.

91. ADDITIONAL PROVISION OF LITTER AND DOG FOULING ENFORCEMENT

The Cabinet considered the report of the Director of Built Environment which provided details of the potential for utilising an external provider to supplement existing enforcement capacity for littering and dog fouling; the potential impact of such an approach; and proposals for the procurement of a contractor to provide additional enforcement capacity for littering and dog fouling.

Decision Made:

That:

- (1) the potential impact of appointing an external provider to undertake additional littering and dog fouling enforcement across the Borough including improvements to enforcement service capacity provision, reputational impact and potential additional costs to the Council be acknowledged;
- (2) subject to foreseeable costs being able to be contained within the Environmental Public Health Enforcement budget:
 - (i) the procurement by open competition of additional litter and dog fouling enforcement services be commenced on 1 April 2014 for a period of 12 months, with a preference towards seeking contractual arrangements built around the business model outlined in option 4 of the report;
 - (ii) the exploration of the joint procurement of this service with other Merseyside Authorities be supported subject to compliance with the timescale set out in resolution (2) (i) above; and
 - (iii) the Director of Built Environment be granted delegated authority to sign off and award the contract on the basis of the offer which is most economically advantageous to the Council to be evaluated on quality as well as price.

CABINET- THURSDAY 16TH JANUARY, 2014

Reasons for Decision:

This will allow the council to provide additional enforcement capacity for the enforcement and prevention of litter and dog fouling.

Alternative Options Considered and Rejected:

None.

92. LOCAL PLAN FOR SEFTON: REPORT OF CONSULTATION ON PREFERRED OPTION

The Cabinet considered the report of the Director of Built Environment on the consultation responses on the Preferred Option Document of the Local Plan for Sefton. The report indicated that detailed responses to the representations made would be made available when the next stage of the Plan was prepared in mid 2014.

Decision Made:

That the Report of Consultation and the further work identified in the report be approved.

Reasons for Decision:

To ensure that comments made during the consultation on the Preferred Options are reported to members, to note the implications for preparing the next stage of the Local Plan, and to ensure full account is taken of the issues raised through consultation and responses received.

Alternative Options Considered and Rejected:

The Council is required to prepare and adopt a Local Plan in accordance with the Planning and Compulsory Purchase Act 2004 and the National Planning Policy Framework.

93. TWO YEAR OLD OFFER - DETERMINATION OF PROPOSAL TO EXPAND THE AGE RANGE AT PARTICIPATING SCHOOLS

The Cabinet considered the report of the Director of Young People and Families which indicated that approval was given by Cabinet Member - Children, Schools, Families and Leisure on 23 October 2013 to the publication of a statutory public notice to change the age ranges at the relevant schools from 3 to 11 to 2 to 11 at the following schools to enable them to develop places for 2 year olds as part of the Government's Two Year Old Offer:

Lander Road Primary School
Christ Church CE Primary School
St Elizabeth's Catholic Primary School

Agenda Item 3

CABINET- THURSDAY 16TH JANUARY, 2014

Thomas Gray Primary School
Hudson Primary School
Bishop David Sheppard Primary School

The report indicated that no representations had been received to the proposals and set out the factors to be considered prior to any changes to the age ranges at the relevant schools.

Decision Made:

That the proposal the age range be changed from 3 to 11 to 2 to 11 at the schools detailed in the report with effect from 1 February 2014.

Reasons for Decision:

To meet the requirements of Section 19(3) of the Education and Inspections Act 2006 and the Council's Constitution.

Alternative Options Considered and Rejected:

None.

94. APPOINTMENT OF TRUST GOVERNOR - LIVERPOOL WOMENS NHS FOUNDATION TRUST

The Cabinet considered the report of the Director of Corporate Services on a request from the Trust Secretary of the Liverpool Womens NHS Foundation for a Member of the Council to be appointed on to the Council of Governors for the Foundation Trust. The report provided details of the role description and the eligibility criteria for the appointment of a Governor to the Foundation Trust.

Decision Made:

That Councillor Killen be appointed as the Council's representative on the Council of Governors for the Liverpool Womens NHS Foundation Trust for a term of office expiring in September 2017.

Reasons for Decision:

The appointment of a Council representative on to the Council of Governors will ensure that the interests of residents of Sefton are taken into account by the Liverpool Womens NHS Foundation Trust.

Alternative Options Considered and Rejected:

None

Agenda Item 4

Report to: Cabinet

Date of Meeting: 27 February 2014

Subject: 2013/2014 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 2013/2014 and other risks within the 2013/2014 budget. In addition, a forecast on Council Tax and Business Rates collection is also provided.

Recommendation(s)

Cabinet is recommended to note: -

- (1) The progress to date on the achievement of approved savings for 2013/2014;
- (2) The potential year-end underspend on the revenue budget;
- (3) The wider budget pressures being experienced in the remainder of the Budget; and
- (4) The forecast position on collection rates of Council Tax and Business Rates;

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

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

Reasons for the Recommendation:

To 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 2014/2015. To identify the potential year-end underspend on the revenue budget. To provide an update on the forecast outturn position on collection of Council Tax and Business Rates.

Agenda Item 4

What will it cost and how will it be financed?

(A) Revenue Costs

Any under-achievement of the agreed revenue savings for 2013/2014 will need to be financed from within any under-spending identified within other areas of the 2013/2014 and 2014/2015 budgets, or from the Council's general balances. The wider budget has been thoroughly reviewed with savings being identified in other services areas negating the requirement of general balances. The net underspend is forecast to be in the range of £2m-£4m.

(B) Capital Costs

None

Implications:

The implications of these 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 (FD2828/14) and Acting Head of Corporate Legal Services (LD2134/14) 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

Agenda Item 4

1. Introduction

- 1.1 The Council approved a two year financial plan for 2013/2014 to 2014/2015 which requires a large change programme of £50.8m to be implemented over this and the coming year. The recent provisional Government grant settlement has confirmed that reduced funding of local authorities will continue, with further significant savings being required for 2015/2016 and 2016/2017. 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 2013/2014 and 2014/2015. 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 2013/2014 – Current position

- 2.1 The table at **Annex 1** identifies the current position of the agreed savings for 2013/2014. 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 January 2014 for the achievement of savings is that £26.38m of the required £28.58m have been delivered or are on plan, £0.47m are at some risk of not being fully achieved. This leave a further £1.73m of savings that are unlikely to be achieved in 2013/2014 (identified as "Red"), a minor improvement since the last report (£0.02m).

3 Other Budget Risks

- 3.1 The saving options considered above indicate a reduction in the potential budget shortfall ("Red items"), with an amended gap of some £1.73m for 2013/2014. Officers have provided updates over the year to identify the potential revenue outturn position for 2013/2014. Given the uncertainty of pressures on demand for services, departments have taken a cautious approach in estimating the year-end position.

Agenda Item 4

Given the proximity of the year-end, an exercise has now been completed to identify departments “best estimates” of the outturn position i.e. assuming that the “potential pressures” do not materialise. This exercise has now identified that overall, the year end outturn could result in an underspend of between £2-£4m. This does not yet include any additional provision to be charged for doubtful debt and other provisions which may be considered necessary during the closure of the accounts, hence the forecast being given as a range.

- 3.2 However, there is still uncertainty regarding spending pressures in a number of areas of the budget, and consequently, these figures will be closely monitored over the remainder of the financial year.

4 Overall Forecast Revenue Position 2013/2014

- 4.1 The overall forecast revenue position is that there will be a budget surplus in the range of £2m- £4m including £1.73m from the “Red – Unlikely to be achieved” category of budget savings, more than offset by a number of budget under spends from other areas of the budget following a thorough review of the forecast position. The forecast is expressed as a range since final outturn forecast has **not** yet included a full assessment of the doubtful debt provision required to support the reduced levels of Business Rates and to consider any other provisions which may be necessary.
- 4.2 If the overall net underspend position is achieved by the end of the financial year, the Council will be able to support the expected shortfall on the 2014/2015 Revenue Budget (see report elsewhere on the agenda).

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 2013/2014 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 2013/2014 (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 January 2014 is shown below:

2013/2014	Budget £’000	Forecast £’000	Surplus(-) £’000
Total Council Tax Income	-114,787	-115,996	-1,209

- 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 slightly below the original budget level; this is still subject to a large

Agenda Item 4

degree of uncertainty as a result of potential non-payment by working age CTRS claimants. The surplus reflects an improvement on the position as at the end of November (-£233k). The changes include a reduction in the value of CTRS discounts (-£157k), lower growth than forecast in exemptions and other discounts (-£101k), the removal of residual CTB transactions (+£146k) and a new adjustment to reflect a forecast reduction in CTRS discounts (-£110k).

5.4 Due to the Collection Fund regulations, the Council Tax surplus will not be transferred to the General Fund in 2013/2014 but will be carried forward to be distributed in future years. In January 2014 the Council declared a surplus of £1,141k for 2013/2014 as part of its budget setting process. This is the amount that will be distributed in 2014/2015. The table below provides a comparison between the indicative budget approved in February 2013 and the surplus declared in January 2014:

Declaration of Council Tax Surplus (-) / Deficit	%	2014/2015 Indicative Budget £'000	Surplus Declared (Jan 14) £'000	Variation £'000
Sefton Council	85.2	855	-972	-1,827
Police & Crime Commissioner	10.2	102	-117	-219
Fire & Rescue Authority	4.6	46	-52	-98
Total	100	1,003	-1,141	-2,144

5.5 Any variation between the forecast surplus declared in January 2014 and the actual Collection Fund balance at 31 March 2014 will be carried forward to be distributed in 2015/2016. The difference between the latest forecast and the amount declared is shown in the table below:

Share of Council Tax Surplus (-) / Deficit @ 31 March 2014	%	Surplus Declared (15/01/14) £'000	Forecast Surplus (05/02/14) £'000	Variation £'000
Sefton Council	85.2	-972	-1,025	-53
Police & Crime Commissioner	10.2	-117	-123	-6
Fire & Rescue Authority	4.6	-52	-55	-3
Total	100	-1,141	-1,203	-62

The forecast surplus shown in the table above differs slightly from the amount shown in paragraph 5.2 because it includes a deficit of £6k that was carried forward on 31 March 2013.

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

Agenda Item 4

important to local authorities in 2013/2014. The following paragraphs provide an update of the position for Sefton as at the end of January 2014.

- 6.2 Overall the net Council Tax Reduction Scheme is forecasting a favourable outturn position of £1.5m; a £0.3m improvement on the November position.
- 6.3 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: -

	January Total
Liability Raised	£4,017,459
Amount Paid	£2,619,433
Percentage Collected	65.2%

Summary of Working Age Claimants

	January
Number of affected cases	16,140
Instalments not yet due (includes some direct debit accounts)	757
Accounts with payments made since annual bills issued	12,838
Accounts with instalments overdue and no payments made	2,545
Analysis of Accounts with payments made	
Paying by direct debit over 10 months	1,945
Paying by direct debit over 12 months	1,148
Paying by cash/cheque over 10 months	8,198
Paying by cash/cheque over 12 months	1,547

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 2013/2014 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 forecast position for Business Rates income, as at the end of January 2014 is shown in the table below:

Business Rates Income 2013/14	Budget £'000	Forecast £'000	Deficit £'000

Agenda Item 4

Net Rate Yield	-65,545	-62,412	3,133
-----------------------	---------	---------	-------

7.4 The forecast identifies a deterioration compared to the November position of some £0.602m. The main reason for this increase in the forecast deficit is due to a change in assumptions around the backdated appeals provision. The latest regulations published in January 2014 require those Council's that are spreading the cost of appeals over 5 years to make a provision of 40% in 2013/2014 rather than 20% as previously assumed. As a result the backdated appeals provision has been increased from £0.662m to £1.323m. This provision is required to cover potential repayments 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 2013/2014 but will be carried forward to be recovered in future years. In January 2014, the Council declared a deficit of £3.048m as part of the budget setting process. Any variance between the forecast deficit declared in January and the actual Collection Fund balance at 31 March 2014 will be carried forward to be recovered in 2015/2016. The difference between the latest forecast and the amount declared is shown in the table below:

Share of Business Rates Surplus (-) / Deficit	%	Surplus Declared (Jan 14) £'000	Forecast Surplus (1 Feb 14) £'000	Variation £'000
Central Government	50	1,524	1,567	43
Sefton Council	49	1,494	1,535	41
Fire & Rescue Authority	1	30	31	1
Total	100	3,048	3,133	85

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 forecast position as at the end of January shows an additional £1.025m income from Council Tax and reduced income of £1.535m from Business Rates (a net deficit of £0.510m).

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 budget setting process in future years. A net deficit of £0.522m will be recovered in 2014/2015 and a forecast net surplus of £0.012m will be distributed in 2015/2016.

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.

This page is intentionally left blank

2013-15 LISTED BUDGET SAVINGS PERFORMANCE AT 31st JANUARY 2014

Totals £k	
Savings achieved to date	19,235,600
Progress is Satisfactory	7,150,400
Risk of savings not being fully achieved	466,400
Known shortfalls or significant risk that savings will not be achieved	1,725,600

Total of Savings 28,578,000

£ Red Amber Green Blue

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.
E2.1	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.
E2.1	Supporting People (*)	500,000	250,000	250,000		Following the formal consultation process, recruitment to the new structure has now been completed. Vacant posts held within the Commissioning teams during the year have generated savings in 2013/14, the full saving will be achieved in 2014/15
E2	Supporting People Commissioning Functions	14,000		14,000		£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.
E2	Area Finance / Finance Visiting Officers - Review	25,000	25,000			3,000 Lease of vehicle terminated
E3.	Library Service - Cease provision of Mobile Library Service	3,000			3,000	Saving Achieved
E4.5,10	Parks, Greenspaces, Coast & Countryside Redesign	330,000			330,000	Saving Achieved
E4	Recharge formal sports users the costs of Grounds Maintenance	20,000			20,000	Saving 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	1,275,000	0	564,000	1,575,000

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

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 - rationalisation exercise	140,000			140,000	Saving achieved by staff reductions and cessation of specialist equalities support
Para 3.6 includes prev option D1.29	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 in 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
E4.1	Learning and Development	75,000			75,000	To be monitored, but likely to be achieved in 2013/14
E4.2	Review of Corporate Support Services	248,000			248,000	Saving has been achieved.
E4.3	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

		£	Red	Amber	Green	Blue	
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 monthly income just about achieving pro rata monthly target
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				Pilot Street Lighting switch off scheme A565 and A59. This saving will not be achieved due to the increase in provider electricity unit rate charges in September 2013
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	The additional £38,000 income target for 2013/14 is speculative and achievement this year includes one off payments which cannot be guaranteed.
Investment Programme		930,000	55,000	0	800,000	75,000	
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	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	

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

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		71,000	329,000	Income based savings forecast should be achieved subject to continuing demand for funerals
Landscape Services		610,000	50,000	0	156,000	404,000

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	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.	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
D1.	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.	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.	Cleansing Service - Reorganisation of workload and work patterns	25,000		25,000		On track to be achieved.
F1.6	Community Meals - Increased Budget - Catering	-29,000			-29,000	Budget has been amended following decision to cease to provide a Community Meals service
F1.6	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

£ Red Amber Green Blue

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
C8.5	Reorganisation of disabled children database workload	20,000				20,000	VR/VER - post deleted
E2.4	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	

Page 25

		£	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		Following the formal consultation process, recruitment to the new structure has now been completed. Vacant posts held within the Commissioning teams during the year have generated savings in 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. 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: •Review need • Consultation & Engagement • Develop redesign options • Cabinet to consider options • Support service users through migration to alternatives
	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		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.
D1.38	Social Care - Subsidies - Increase client contributions for a range of non-residential services	244,000	100,000		144,000		This change has been implemented on the 6th January 2014 and will achieve an estimated £144k in this financial year (estimated shortfall £100k in this financial year with full delivery forecast for next year). All affected service users have been notified. 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.
D1.	Recover surplus/unused direct payment funds at regular and earlier intervals and cease the first year one-off workplace insurance payment	752,000	50,000			702,000	As at end January £702k has been recovered by reviews undertaken. Based on this knowledge and experience from the last two years, it is anticipated that this saving cannot be achieved in full on a permanent basis. The position will continue to be monitored as surplus/unused direct payments are identified and reclaimed.
Adult Social Care		2,985,000	204,600	0	1,414,400	1,366,000	
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	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.
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 unsuccessful	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	50,000	784,000	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		Merseyside Integrated Transport Authority (MITA) has agreed the 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	450,600	466,400	6,586,400	17,570,600

Page 27

2014-15 LISTED BUDGET SAVINGS PERFORMANCE PREVIOUSLY REPORTED

Adult Social Care						
D1.35	Section 117 After Care Funding	90,000				90,000 The full saving requirement in 2014/15 is £200k. To date £90k has been secured towards this saving
Adult Social Care		90,000	0	0	0	90,000
Total Savings Requirement 2014/15		25,801,000	0	0	0	90,000
PERFORMANCE OF ALL LISTED SAVINGS TO JANUARY 2014		28,578,000	1,725,600	466,400	7,150,400	19,235,600

This page is intentionally left blank

Agenda Item 5

Report to: Cabinet **Date of Meeting:** 27 February 2014

Subject: Revenue Budget 2014/15

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 enable Cabinet to consider the 2014/2015 Revenue budget.

Recommendation(s)

It is recommended that Cabinet: -

- 1) Note the updated Budget position for 2014/2015;
- 2) Considers the comments of the Overview & Scrutiny Committee (Performance and Corporate Services);
- 3) Consider the level of fees and charges for 2014/2015;
- 4) Consider the means of bridging the identified outstanding Budget gap; and
- 5) Consider recommending a Council Tax increase for 2014/2015 to Council.

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 recommendations in this report, if approved, will bring the Council closer to agreeing the 2014/2015 budget.

Agenda Item 5

What will it cost and how will it be financed?

(A) Revenue Costs

The Government's final Revenue Settlement for 2014/2015 has identified that there is a loss of Government funding of £14.4m which in conjunction with inflationary and other pressures gives a shortfall in funding of £27m (excluding any increase in relation to Council Tax) which the Council will need to address in agreeing the 2014/2015 Revenue Budget. The report reviews the two year financial plan and the areas where there is a high risk that the financial plan may not be deliverable. Resources were identified at the time of preparing the 2012/2013 final accounts to support £2.8m of the short fall in the 2013/2014 and 2014/2015 two year financial plan.

(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. However in the course of each of the individual projects, consultations, options etc. to achieve the savings required detailed consideration should be given to the legal, human rights and equality implications. Such consideration will also need to be evidenced to ensure that the Council's decision making processes are defensible. Recommendations in this report contribute towards a legally balanced budget.
Human Resources The proposals contained within this report have a potential impact upon employees and the potential for both voluntary and compulsory redundancies. It will be necessary for the Authority to comply with the duty to consult with recognised Trade Unions and employees and to complete as necessary a notification under Section 188 of the Trade Union Labour Relations (Consolidation) Act 1992. Also form HR1 to the Department of Business Innovation and Skills notifying of redundancies has been filed. Full and meaningful consultation should continue to take place with the Trade Unions and employees on the matters contained within this report.
Equality 1. No Equality Implication <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:

Service implications remain as described within the options and proposals within the report approved by Council on 28 February 2013 with the exception of the option for charging for Green Waste which was reviewed and amended in July 2013.

What consultations have taken place on the proposals and when?

A questionnaire was available on the Council's website, in libraries, One Stop Shops and Town Halls as part of the process of setting balanced budgets for 2013/2014 and 2014/2015 in January 2013. The consultation undertaken prior to the Council meeting in February 2013 also included: -

- Over 50 meetings and workshops with the public, voluntary, community and faith networks as part of the consultation on the Sefton Strategic Needs Assessment
- A telephone survey on setting a balanced budget
- The use of You Choose the budget simulator via the website
- Bespoke consultations such as libraries, public conveniences and burials and cremations.
- Older People Expert Stakeholder Panel
- Consultation on increasing the Council Tax via an e-form on the Council's website, a hard copy questionnaire in Town Halls and One Stop Shops and an impartial telephone survey.

Regular and ongoing consultations also took place with Directors, employees and Trade Unions.

The Head of Finance and ICT is the author of this report (FD2827/14) and the Acting Head of Corporate Legal Services has been consulted and appropriate comments are incorporated (LD 2133/14)

Overview & Scrutiny Committee (Performance and Corporate Services) were consulted on 18 February 2014.

Are there any other options available for consideration?

The Council has a legal obligation to set a balanced and robust budget and to set the Council Tax for 2014/2015 before 10 March 2014.

Implementation Date for the Decision

The Council will agree the budget for 2014/2015 at its meeting to be held on 6 March 2014.

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

Background Papers:

Fees and Charges increases as recommended by the relevant Cabinet Member can be accessed on the Council's website via this link

<http://modgov.sefton.gov.uk/moderngov/ecSDDisplay.aspx?NAME=SD1716&ID=1716&RPID=8744803&sch=doc&cat=13197&path=13158%2c13197>

Agenda Item 5

1. Background

- 1.1 The Committee will recall that the Council meeting of 28 February 2013, approved a two-year financial plan for 2013/2014 and 2014/2015. The report identified a budget gap of £50.8m (£25m for 2013/2014 and £25.8m for 2014/2015). Saving proposals were agreed which enabled a balanced two-year financial plan to be approved. The two year plan, whilst using a working assumption of income based on Council Tax raised to the maximum allowed under the 2013 regulations (£1.4m), did **not** make any decision regarding the Council Tax level for 2014/2015. This decision will be made at the Council meeting on 6 March 2014.
- 1.2 **The 2014/2015 Revenue Budget must be considered in the context of the three year Medium Term Financial Plan which has already made Members aware that a further £55m savings will need to be identified to deliver a balanced budget to March 2017.**
- 1.3 This report identifies required changes to the plan, arising from the non-achievement of specific savings in 2013/2014, amendments to resources and anticipated expenditure variations for 2014/2015. The Table below identifies the remaining Budget gap.

Summary Budget Gap Analysis 2014/2015

- 1.4 The following table identifies the original estimates used in the two year plan and an updated position following the 2014/2015 Local Government Finance announcements and updated figures for Business Rates, inflation, and cash flow and treasury management projections. More details of these updates are given in paragraphs 2.1 to 2.15 below.

	2014/2015 Original £m	Adjustments £m	2014/2015 Amended £m
Government Funding	13.524	0.885	14.409
Business Rates	0.416	1.864	2.280
Inflation	7.056	0.273	7.329
Levies	0.000	0.217	0.217
Treasury Management	1.804	-2.037	-0.233
Adult Social Care	3.000	0.000	3.000
Demographic Growth			
TOTAL	25.800	1.202	27.002

- 1.5 In addition to the variations above there are three previously approved savings which are at high risk of not being achieved, these total £4.051m and are detailed below at paragraph 2.16.

Agenda Item 5

- 1.6 In order to bridge this gap, Members are asked to review the previously approved two year savings plan, the use of Council Tax, the use of one-off resources to meet the one year only short falls and the use of sustainable savings options to provide long term solutions. Members are reminded of the Council policy that one-off resources should only be used to address short term budget issues.

		£m
Budget Gap (Para1 &2)		27.002
Adjusted previously approved savings total excluding Council tax		-20.341
Changes from Council tax base and movement on collection fund		-1.880
	Total to be met from Council Tax increase, one-off resources and/or new sustainable options	4.781

2 2014/2015 Indicative Budget – Amendments

- 2.1 The approved Indicative Budget for 2014/2015 was prepared on the basis of assumptions on Government Grant, estimates of income from Business Rates and Council Tax (at a time of significant change). These assumptions have now been amended following the announcement made by the Secretary of State on the final Grant Settlement, and the nine months experience of the changes to Council Tax and National Non-Domestic Rates. These are considered further below: -

Government Funding

- 2.2 The indicative Budget for 2014/2015 assumed that Government funding would reduce by **£13.524m**, based on announcements that had been made at that time. The Chancellor's Budget Report 2013 (March 2013) announced a further 1% cut in Government Funding above that previously assumed when agreeing the Indicative Budget for 2014/2015 (i.e. a further reduction of **£1.452m**).
- 2.3 However, the Indicative Budget excluded any additional New Homes Bonus or New Homes Bonus Adjustment Grant. The additional amount anticipated is estimated at **£0.567m**.
- 2.4 The Government announced, on 5 February 2014, the final Local Government Revenue Grant Settlement for 2014/2015. This, along with other grant announcements, has identified that whilst there have been some small amendments to the various grants, the overall net impact does not change the net position as reported to Cabinet on 5 December 2013.
- 2.5 **This results in an overall decrease in Government Funding of £14.409m compared to 2013/2014**, i.e. a further reduction in resources of £0.885m on the original Indicative Budget.

Agenda Item 5

Business Rates

- 2.6 The original Indicative Budget included a reduction in income of £0.416m. Council recently submitted its NNDR1 return to the DCLG. This showed the amount of Business Rates to be received in 2014/2015 was £0.970m less than originally assumed in the Indicative Budget. This is due to increases in Mandatory Reliefs and reductions in Rateable Values. The impact is a reduction in Business Rates of **£1.386m**.
- 2.7 In addition, there has been an underachievement of income in 2013/2014, mainly as a result of the above factors. Also, the Council is required to set aside resources for its share of the potential cost of appeals that were outstanding on 1 April 2013 (although this cost can be spread over five years). These two factors will result in the Council forecasting a deficit in 2013/2014 which must be charged to the Council in 2014/2015. The reserve set aside for NNDR appeals will need to be partially utilised during 2014/2015 to offset the identified additional cost. The net cost is therefore **£0.894m**.
- 2.8 **This results in an overall decrease in Business Rates income of £2.280m compared to 2013/2014**, i.e. a further reduction in resources of £1.864m on the original Indicative Budget.

Inflation

- 2.9 The original Budget gap included inflation provision for pay, increments, contracts and prices (**£7.056m**). However, in order to help balance the Indicative Budget in February 2013, the provisions for prices and increments were reduced by a total of £4.75m. No provision was made for indicative pension costs at this time.
- 2.10 The Local Government Pension Scheme was subject to a triennial review in March 2013 that impacts on contributions to the Merseyside Pension Fund from 2014/2015. Due to a number of factors the estimated increase in contributions relating to the deficit and future service will increase by £0.773m in 2014/2015. In order to achieve good cash flow management, **the budget assumes the next three years' deficit contributions are paid as a lump sum in 2014/2015**. This would generate net savings of approximately £1.800m over the three years (£0.500m in 2014/2015). The net additional cost in 2014/2015 would therefore be **£0.273m**.
- 2.11 **As a result, the provision for inflation in the Budget Gap is now £7.329m**, i.e. an increase of £0.273m.

Levying Bodies

- 2.12 The Indicative Budget assumed no increase for levies.
- 2.13 The Council has just received the 2014/2015 levy demand from the respective organisations. Merseyside Recycling and Waste Authority have agreed an overall net freeze in their levy. The levy is apportioned to local authorities via the relative proportions of population and waste tonnages. Whilst Sefton's figures for these items are relatively unchanged, waste disposal tonnages across other Merseyside authorities have fallen. Consequently, there is an increase in Sefton's levy of £0.333m. However, Merseyside Integrated Transport Authority has approved a reduction in the levy of £0.116m due to population changes. The

net impact of these changes means that there will be an additional charge of **£0.217m**.

Treasury Management Costs

- 2.14 The Indicative Budget assumed that Treasury Management savings would not continue beyond 2013/2014. However, due to the continued availability and use of internal borrowing to fund the Council's Capital Investment Plan, it is forecast that savings of **£2.037m** could be achieved in 2014/2015. However, it should be noted that the Council will need to externally borrow up to £70m at some point in the future. This will reduce the ability to achieve these savings in the long-term and will be kept under regular review to ensure good cash management supports the budget for as long as possible.

Demographics for Adult Social Care

- 2.15 The 2014/2015 Indicative Budget included £3m for additional pressures in Adult Social Care. This projection remains that the same level into this update.

Two year Financial Plan

- 2.16 The previously approved two year financial plan identifies savings in 2014/2015 of £24.392m excluding any assumptions about Council Tax increases. There are a few approved savings which are at a high risk of not being able to be achieved within the 2014/2015 Revenue Budget and Council will be asked to consider if they wish to amend the previously approved plan accordingly. These are annotated on the attached Annex.
- 2.16.1 Adult Social Care – the savings relating to Adult Social Care have been the subject of a strategic transformation plan and are regularly robustly reviewed by Cabinet Members and Senior Officers. Whilst a great deal of change is taking place and many of the savings relating to Adult Social Care have and are being actioned there is a high risk that there will be an estimated shortfall of £3.9m in 2014/2015. The estimated impact on future years of these previously approved policy changes is that £3m will not be achieved in future years. The future years short fall has been reported in the 2015/2016 and 2016/2017 Medium Term Financial Plan as an assumed budget shortfall. Therefore Council will need to consider if they wish to provide short term funding for 2014/2015 only and that long term sustainable savings are identified in the 2015/2017 two year plan. The alternative is that sustainable savings are identified from 2014/2015, thereby reducing the budget gap identified in the 2015/2017 projections.
- 2.16.2 The Plan includes £100,000 saving to be met from retendering of the Southport Theatre. Retendering has taken place and whilst a bid was submitted which would have supported the saving this has subsequently been withdrawn by the bidder and the Council will be unable to make this saving in 2014/2015. Further options for the Theatre will be considered as part of the 2015/2016 budget planning. Therefore Council will need to consider if they wish to provide short term funding for 2014/2015 only and that long term sustainable savings are identified in the 2015/2017 two year plan.
- 2.16.3 The Plan includes savings in 2013/14/15 of £51,000 to be achieved by reducing the number and frequency of Member and Non-Member meetings. The review of this option did not identify a reduction in the number or frequency of meetings which would have allowed this saving to be made. Therefore Council will need

Agenda Item 5

to consider if they wish to provide short term funding for 2014/2015 only and that long term sustainable savings are identified in the 2015/2017 two year plan.

The above adjustments to the two year plan would reduce the previously approved savings by £4.051m in 2014/2015, giving a **revised total of £20.341m excluding Council tax increases**. This represents a 92% achievement of the two year financial plan, which given the significant risks inherent in the policy changes is a creditable performance.

3 Council Tax Income

3.1 The Council will have to consider three options relating to Council Tax for 2014/2015;

- To freeze the Council Tax and be eligible for the Council Tax Freeze Grant. This will provide funding of **£1.172m** in 2014/2015 and is based on a 1% increase in Council Tax. The Government has indicated that this would be built into the base for future Government funding. However, the Council MTFP assumes a level of Council Tax going forward to 2015/2016 of £1.408m and acceptance of the freeze grant would require the 2015/2016 budget shortfall to be increase by £0.236m;
- To increase Council Tax by 1.99%, i.e. the maximum possible without requiring a referendum in May. This would provide resources of **£1.941m** and this would be built into the Council Tax base. (This is lower than twice the above because of the required adjustment for the Council Tax Reduction Scheme);
- Propose an increase above 2% which would require a Referendum. Members would wish to consider that **each 1% increase** in Council Tax would generate an additional **£0.975m** (adjusted for CTRS) assuming current levels of collection and doubtful debt. The estimated cost of holding a referendum would be £200,000.

3.2 Other Council Tax adjustments will impact on the Budget for 2014/2015. These are in addition to the above considerations outlined in paragraph 3.1.

3.2.1 The Indicative Budget for 2014/2015 included a saving of £0.400m by reducing the discount available on empty properties. Council on 23 January 2014 approved the change in this discount. This change, along with other changes in the Council Tax Base, increases expected Council Tax income by £0.603m, rather than the £0.400m anticipated. Consequently, the Council has approved the creation of an Exceptional Hardship Fund budget of £0.150m. Therefore there is an additional **£0.053m** available to support the budget.

3.2.2 The Indicative Budget for 2014/2015 included a contribution to the deficit on the Collection Fund for Council Tax of £0.855m. Deficit contributions have been made over a number of years to build up the Bad Debt Provision to a prudent level as required by the Council's external auditor. This has now been achieved so no deficit contribution is now required in 2014/2015. In addition, due to collection rates being higher than estimated and other factors, the Collection Fund for Council Tax is estimated to be in surplus by the end of 2013/2014 by £0.972m. This surplus is required to be transferred to the Council in 2014/2015. The total increase in resources due to the movement on the Collection Fund Deficit / Surplus is **£1.027m**.

4 **Identification of One- Off Resources**

- 4.1 The final accounts of 2012/2013 identified **£2.865m** from the 2012/2013 under spend that was specifically earmarked to support the risks which may arise from the 2013/2015 two year financial plan. This is available to support short-term shortfalls in the financial plan.
- 4.2 Officers have provided budget updates over the year to identify the potential revenue outturn position for 2013/2014. Given the uncertainty of pressures on demand for services, departments have taken a cautious approach in estimating the year-end position. Given the proximity of the year end, an exercise has now been completed to identify departments “best estimates” of the outturn position i.e. assuming that the “potential pressures” do not materialise. This exercise has now identified that overall, the year end outturn could result in a net under spend in the range of £2m - £4m. The Council may wish to consider the re-phasing or use of some of this potential over achievement in year one of the plan to support the projected year two shortfall.
- 4.3 There is still uncertainty regarding spending pressures in a number of areas of the budget. Consequently, these figures will be closely monitored over the remainder of the financial year.

5 **Fees and Charges**

- 5.1 Cabinet Members have considered the proposed level of fees and charges for 2014/2015. The details of their recommendations are included as a Background Document. Cabinet is asked to consider the level of charges for the next financial year.

Agenda Item 5

6 Summary

	£m	£m
Budget Gap (Para1)		27.002
Adjusted previously approved savings total excluding Council Tax (Para 2.16)		-20.341
Changes from Council Tax base and movement on collection fund (Para 3.2)		-1.880
	Total to be met from Council Tax increase, one-off resources and/or new sustainable options	4.781

The report details

- the Budget gap of £27.002m which excludes any Council Tax increase;
- the previously approved savings and the adjustments to those savings as detailed in the report;
- the changes arising from the Council Tax Base and the Collection Fund; and
- allows Cabinet to consider the options for producing a balanced budget from a combination of Council Tax, one-off resources and new sustainable savings.

Budget Savings Summary 2013/2014 and 2014/2015

Ref	Service Area	Option	2013/14	2014/15	OVERALL TOTAL
			£'000	£'000	£'000

Strategic Management

STRATEGIC MANAGEMENT					
	Senior Management	Restructure	150	0	150
Para 4	Subscriptions - reinstatement	Local Government Association membership	-45	0	-45
Para 4	Subscriptions - reinstatement	North West Employers membership	-25	0	-25

Corporate Commissioning

CORPORATE COMMISSIONING AND NEIGHBOURHOODS					
	:11.2	Improved procurement of council wide communications activity	25	75	100
	:3.1	Integration of Communications	95	45	140
	:3.2	Review of Civic Support	60	0	60
	:3.3	Cessation of Room Bookings Service (linked to review of Civic Support)	20	0	20
	:4.1	Area Committee Budgets	100	0	100
	:4.3	Double rating - reduction in line with Council grounds maintenance contracts	33	0	33
	D1.27	Corporate Commissioning & Neighbourhood Coordination (CCNC) Service - rationalise service	140	60	200
	Para 3.6, includes previous option D1.29	Double Rating - further reduction (2013/2014) and cessation (2014/15)	30	150	180
	Para 4.3	Democratic Services - Stop servicing all non-member meetings and those non-standing committees without decision-making powers(officer meetings, taxi drivers annual meeting, area - partnerships, etc) - OPTION ADJUSTED AS PER REPORT TO NIL	38	-38	0
	D1.10	Budget re-alignment - members allowances as agreed by July 2012 Council	147	0	147
	Para 4.3	Area Committees - Reduce from 7 to 3	15	5	20
	Para 4.3	Neighbourhoods (SEE ALSO Economy)	10	0	10
		Withdraw financial support from Southport's Christmas Lights and Christmas Trees across the Borough			

Budget Savings Summary 2013/2014 and 2014/2015

Ref	Service Area	Option	2013/14	2014/15	OVERALL TOTAL
			£'000	£'000	£'000

Corporate Services

CORPORATE SERVICES					
C12.1		Learning and Development	80	50	130
C12.2		Increased housing benefit grant from reduced error rates	250	250	500
C12.3		Reduced external audit, recoverable VAT fees & improved cash management pension costs	500	800	1,300
C12.4		Printing and publications	20	0	20
E4.1		Learning and Development	75	75	150
E4.2		Review of Corporate Support Services	248	114	362
E4.3		Review of risk management inc externally commissioned services	80	0	80
D1.11		Risk Management (Insurance)	25	25	50
1.12		Procurement, ICT and financial support	25	25	50

Budget Savings Summary 2013/2014 and 2014/2015

Ref	Service Area	Option	2013/14	2014/15	OVERALL TOTAL
			£'000	£'000	£'000

Built Environment

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

ENVIRONMENT					
22.1	Environmental Health	Reduced services and supplies	55	0	55
22.2	Environmental Health	Reduced Eco Centre Costs	15	0	15
22.3	Licensing (taxi etc)	Licensing reserve (one off)	240	-240	0
1.20	Environment	Trading Standards - staff restructuring	30	20	50
1.30	Built Environment	Pest Control - introduction of a charge	20	10	30

INVESTMENT PROGRAMME					
C3.3	Contracted Services	Defer re-instatement of highway management funding	800	0	800
C3.4	Network Management	Highway development control income target	40	0	40
Para 3.4	Parking	Strategic Review of Car Parking	0	300	300
	Street Lighting	Review of lighting options	16	48	64
C3.2	Home Improvements	Housing Improvement Agency service brought in house	37	0	37
Para 4.3	Investment and Infrastructure	Investment & Infrastructure - Increase income from Network Management	38	12	50
C3.1	Infrastructure	Re-integration, re-commission and restructuring of services - Built Environment	0	500	500

ECONOMIC DEVELOPMENT AND TOURISM					
C4.1	Economic Development and Tourism – Cost of Service	Economic Development Redesign	0	67	67
D1.8	Economy	To relocate staff from The Investment Centre, to Magdalen House	36	12	48
D1.9	Economy	Budget re-alignment of salaries to be funded from grants, contracts and reserves	0	116	116
D1.25	Economy	Cease subscription to Mersey Forest and voluntary reduction in working hours	51	0	51
Para 4.3	Economy	Southport Theatre Complex (Tender or In-house management) OPTION ADJUSTED AS PER REPORT to NIL	0	0	0
Para 4.3	Economy (SEE ALSO Neighbourhoods)	Withdraw financial support from Southport's Christmas Lights and Christmas Trees across the Borough	20	0	20

Budget Savings Summary 2013/2014 and 2014/2015

Ref	Service Area	Option	2013/14	2014/15	OVERALL TOTAL
			£'000	£'000	£'000

Street Scene

LANDSCAPE SERVICES					
C5.1	Grounds Maintenance including Grass Cutting	Contractors indexation/eff. discounts FYE	50	50	100
C5.2	Parks including Nursery and net of frontline)	Fernery/aviary shop	10	0	10
C5.3	Cemeteries and Crematoria	Restructure staffing on Cemeteries and Crematoria	15	0	15
C5.4	Parks (including nursery and net of frontline)	Further changes to Parks Management and standards in parks	50	50	100
F1.2	Grounds Maintenance including Grass Cutting	Recharging grounds maintenance/utility costs for adult football/sports users/bowlers	85	0	85
F1.4	Cemeteries and Crematoria	Increase burial and cremation charges	400	0	400
F1.5	Parks and Greenspaces	Increase Fees - allotments	0	40	40
Para 4.5	Street Scene	Landscape -Co-ordination of voluntary work in parks (transition)	0	175	175

SERVICES					
D1.1	Commercial Waste and Skips	Commercial waste increased income	100	0	100
D1.2	Public Conveniences	Public conveniences reviewed	20	20	40
C6.3	School Crossings	Review crossing service and transport costs	40	0	40
C6.4	Catering	Other catering activity (income target)	100	0	100
C6.5	Vehicle Management and maintenance	MOT testing (income target)	50	0	50
C6.6	Security Force	Careline Service / Security Force (income target)	125	75	200
C6.7	Recycling	Rephase cardboard recycling to August 2014	1,000	-600	400
C6.8	Recycling	Right size recycling budget following new contract	200	0	200
E1.1	Cleansing	Review of Cleansing Services	100	200	300
F2.1	Street Cleansing	Bulky Items Collection Service - Restructure Crews and introduce charge for bulky items	150	60	210
D1.19	Street Scene	Building Cleaning - change frequency of office cleaning	50	50	100
D1.24	Street Scene	Cleansing - Cease provision of free Plastic Sacks, excluding premises with difficult access	60	0	60
D1.32	Street Scene	Public Conveniences increase charges	40	0	40
D1.33	Street Scene	Cleansing Service - Re-organisation of workload and work patterns	25	25	50
Para 4	Street Scene	Green Waste collections -restructure service delivery to acheive saving previously to be met from charges	0	1,000	1,000

Budget Savings Summary 2013/2014 and 2014/2015

Ref	Service Area	Option	2013/14	2014/15	OVERALL TOTAL
			£'000	£'000	£'000

Young People and Families

LEARNING AND SUPPORT					
C7.1		Complementary Education Improved use of technology (EOTAS)	100	0	100
C7.2		Pupil Attendance – teaching element	65	0	65
C7.3		Pupil attendance and welfare – school absence prevention and action	60	0	60
C7.4		Speech and Language Therapy	95	0	95
C7.5		School Improvement Team	50	0	50
E2.2		Admissions efficiencies	40	0	40
E2.3		Educational Psychology Team Restructure	50	0	50
D1.3		School Improvement - Budget re-alignment - supplies and services	9	0	9
D1.4		Budget re-alignment Welfare and Pupil Attendance - Teaching elements to Dedicated Schools Grant	25	0	25
D1.5		School Admission, Appeals and Student Support - Reduction in administration costs (supplies and services)	19	0	19
D1.6		Connexions - Budget re-alignment	60	0	60
D1.18		Reduce School Targeted Intervention	0	260	260
Para 4.3		To effect a further saving from the retained element of the Connexions Grant	0	400	400

Page 43

CHILDREN'S SOCIAL CARE					
E2.1		Review of the commissioning of all residential care beds	400	600	1,000
D1.7		Social Care Commissioned Services - travel efficiencies	0	100	100
D1.17		Social Care - Central Management Costs and Support Costs - restructure / realign	100	0	100
Para 4.3		Review pathway of support for children with additional needs to increase effectiveness and efficiency	0	400	400

EARLY INTERVENTION AND PREVENTION					
C8.1		Reduce Connexions post in YOS	24	0	24
C8.2		Delete sessional worker posts	54	0	54
C8.3		Delete parenting co-ordinator post	43	0	43
C8.4		Data support for the Children Centre Management System	28	0	28
C8.5		Re-organisation of disabled children database workload	20	0	20
E2.4		EIP Service restructure	140	192	332
D1.1		Integrated Youth Support (Targeted Youth Support & Strengthening Families Team) & Reduce YOS Budget Re-alignment	92	0	92
D1.2		Offset Substance Misuse work from DAT Public Health budget -re-alignment	124	0	124
D1.16		Healthy Schools - Transfer function of co-ordination and consultant roles to schools	35	25	60
D1.23		Aiming High - Review of Integrated Short Breaks - Budget realignment	55	0	55

Budget Savings Summary 2013/2014 and 2014/2015

Ref	Service Area	Option	2013/14	2014/15	OVERALL TOTAL
			£'000	£'000	£'000

Older People

ADULT SOCIAL CARE					
C9.1		Drug Service Single point of assessment	224	0	224
C9.2		Adult Social Care Budget Re-alignment	120	0	120
E2.6		Central Support	0	350	350
E2.7		Reduced social workers	135	135	270
D1.14		Assessment & Care Management Teams - Reconfigure teams / skill mix	0	208	208
D1.15		Reconfiguration of the Supporting People commissioning team.	125	61	186
F1.6		Community Meals change in approach	138	62	200
New Option (Options F3.2, D1.35 and D1.41 and now be considered as one option and updated description is provided in section (ii) of annex D.)		Remodel day care and respite provision OPTION ADJUSTED AS PER REPORT - reduce saving in 2014/15 from £4790k by £3900k to £2090k	1,200	890	2,090
D1.35		Section 117 After Care Funding	0	200	200
D1.36		Continuing Health Care	0	400	400
D1.37		Assistive Technology - Increase use of equipment to ensure users are able to remain in their homes with minimal outside support	0	200	200
D1.38		Increase client contributions for a range of non-residential services	244	320	564
D1.40		Recover surplus / unspent direct payment funds at regular and earlier intervals and cease the first year one-off workplace insurance payment	752	0	752
D1.42		Revise Re-enablement model. Investment of one-off payment of £900,000 from Health will enable more users to go through a re-enablement process, thereby reducing levels of admission to short & long term care	0	1,200	1,200
D1.43		Further incremental reductions in housing related support	0	500	500
PUBLIC HEALTH					
D1.13		Integration Efficiencies	600	537	1,137
Para 4.3		Public Health Substance mis-use - Reduce service specification	0	500	500
Para 4.3		Public Health integration	0	100	100

Budget Savings Summary 2013/2014 and 2014/2015

Ref	Service Area	Option	2013/14	2014/15	OVERALL TOTAL
			£'000	£'000	£'000
HEALTH AND WELLBEING					
C10.1		Leisure operations –Improved Membership retention	200	0	200
C10.2		Eze Fitness contract – terminate	55	18	73
C10.3		Leisure operations – increase in income	150	0	150
C10.4		Reduce supplies and services budget	23	0	23
C10.5		Reduce revenue growth for utility charges	200	0	200
E2.5		Review all management arrangements	320	-125	195
D1.22		Crosby Civic Hall - pilot external arrangements, with option of closure of unsuccessful	46	0	46
Para 4.3		Management fee reduction - Formby Pool Contract	50	0	50
Para 3.14		Libraries - Review of Service	150	250	400
Para 4.5		Local History and Volunteers (transition)	0	40	40

Budget Savings Summary 2013/2014 and 2014/2015

Ref	Service Area	Option	2013/14	2014/15	OVERALL TOTAL
			£'000	£'000	£'000

Authority Wide Savings / Financing Options

Para 3.5 includes F3.1, F3.3, F4.2 & D1.28	Commissioning	Review of Commissioning - reducing funding support to community groups	679	261	940
C12.5		Cash limit general non-pay budgets in 2013/2014 and 2014/2015 (retains £0.5m excessive inflation provision in each year and retains inflation for specific contracts)	3,218	3,250	6,468
Para 4		NHS Support for Social Care	1,488	260	1,748
Para 3.3	Terms & Conditions	Freezing increments for 2 years	1,500	1,500	3,000
Para 4.3	Council	Council Tax -100% on empty properties from month 2	0	400	400
ara 4	Business Rates	Small Business Rates Relief - S31 Grant	1,171	0	1,171
ara 4	Levies		1,180	0	1,180
ara 4	Levies	To get total 2 year reduction to £4m	0	2,189	2,189
ara 4	Transport Authority	Recharge	631	0	631
ara 4	Disabled Facilities Grants	Capitalisation	0	1,000	1,000
ara 4	Council Tax	Council Tax Freeze Grant	1,180	0	1,180
ara 4	Council Tax	Council Tax Increase - no increase assumed	0	0	0

Integration

I1.1	Commissioning, Business Intelligence and data		125	125	250
I1.2	Learning & development, Training, Professional Training and CPD		250	250	500
I1.3	Financial Assessments		0	250	250
I1.4	Customer Access Points		0	250	250

	Use of One-Off Resources to Support the Budget		843	-843	0
--	---	--	-----	------	---

25,000 20,341 45,341

Agenda Item 6

Report to: Cabinet
Council

Date of Meeting: 27 February 2014
6 March 2014

Subject: Treasury Management Policy & Strategy 2014/2015

Report of: Head of Corporate Finance & ICT **Wards Affected:** All

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

Purpose/Summary

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

Recommendation(s)

Council be recommended that:

- (1) The Treasury Management Policy Document for 2014/2015 (Annex A) be agreed;
- (2) The Treasury Management Strategy Document for 2014/2015 (Annex B) be agreed;
- (3) The amendment to Banking arrangements contained within the Financial Procedures Rules of the Constitution (Para 3) be agreed; and
- (4) The basis to be used in the calculation of the Minimum Revenue Provision for Debt Repayment in 2014/2015 (Para 5) be agreed.

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

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

Agenda Item 6

Reasons for the Recommendation:

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

What will it cost and how will it be financed?

(A) Revenue Costs

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

(B) Capital Costs

None.

Implications:

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

Legal	Local Authorities are required to have regard to the Code of Practice on Treasury Management under the provisions of the Local Government Act 2003	
Equality		
1.	No Equality Implication	<input checked="" type="checkbox"/>
2.	Equality Implications identified and mitigated	<input type="checkbox"/>
3.	Equality Implication identified and risk remains	<input type="checkbox"/>

Impact on Service Delivery:

None.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT has no comments on this report because the contents of the report have no financial implications (FD 2814/14)

The Head of Corporate Legal Services has been consulted and comments have been incorporated into the report (LD 2120/14).

Are there any other options available for consideration?

None.

Implementation Date for the Decision

With effect from 1 April 2014.

Contact Officer: Margaret Rawding

Tel: 0151 934 4082

Email: Margaret.rawding@sefton.gov.uk

Background Papers:

None

1. Background

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

2. Treasury Management Policy and Strategy Documents

- 2.1. The Code requires the Council to produce:
 - a) A Treasury Management Policy Document – which outlines the broad policies, objectives and approach to risk management of its treasury management activities;
 - b) A Treasury Management Strategy Document – This sets out specific treasury activities which will be undertaken in compliance with the Policy in 2014/2015; and
 - c) Suitable treasury management practices, setting out the manner in which the organisation will seek to achieve these policies and objectives, prescribing how it will manage and control those activities.

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

- 2.2. The proposed Policy and Strategy Documents are attached at **Annex A and B** respectively.
- 2.3. In view of the complex nature of Treasury Management, regular treasury update reports will be presented to the Audit and Governance Committee.

3. Financial Procedure Rules – Banking Arrangements

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

Agenda Item 6

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

- 4.1. The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 introduced changes to the calculation of the MRP.
- 4.2. As a transitional arrangement for 2008/09, authorities were able to continue to calculate MRP as in previous years i.e. 4% of the underlying need to borrow for capital purposes, as measured at 31 March 2008. The Council's revenue budget for 2008/09 was constructed on this basis.
- 4.3. To comply with the legislative changes, the Council has, from 2009/10, retained this calculation for borrowing supported through the Revenue Support Grant but for unsupported prudential borrowing, MRP will be calculated using the estimated life method. This links the charges to revenue more closely to the life of the asset. The Council's Revenue Budget for 2014/15 to 2016/17 has been constructed on this basis.
- 4.4. The change in legislation also allows councils to apply an MRP "Holiday" on large projects, the costs of which span a number of financial years. Rather than starting to charge MRP as the expenditure is incurred, the option is given to apply MRP only when the scheme becomes operational. The total level of MRP remains unchanged, only the timing of the charge is altered. This option is considered to be the most appropriate for use within Sefton.

SEFTON COUNCIL

TREASURY MANAGEMENT

POLICY

2014/2015



CORPORATE FINANCE AND ICT

Agenda Item 6

1. **Treasury Management Policy**

1.1. The Council defines Treasury Management as:

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

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

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

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

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

2. **Treasury Management Strategy**

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

3. **Delegated Powers**

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

- a) All money in the hands of the Council shall be aggregated for the purposes of Treasury Management and shall be under the control of the

Agenda Item 6

Head of Corporate Finance and ICT, the Officer designated for the purposes of Section 151 of the Local Government Act, 1972;

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

4. **Reporting Requirements/Responsibilities**

4.1. Council

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

4.2. Cabinet

Cabinet will:

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

4.3. Audit and Governance Committee

Audit and Governance Committee will:

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

4.4. Head of Corporate Finance and ICT

The Head of Corporate Finance and ICT will:

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

Agenda Item 6

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

4.5 Borrowing and investments

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

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

SEFTON COUNCIL

TREASURY MANAGEMENT

STRATEGY

2014/2015



CORPORATE FINANCE AND ICT

Agenda Item 6

SEFTON COUNCIL

Treasury Management Strategy

1. Introduction

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

2. Treasury Management Strategy 2014/2015

- 2.1. The Strategy for 2014/2015 covers:
 - a) Treasury Limits in force which will limit the borrowing activity of the Council (2.2);
 - b) Prudential Indicators 2014/2015 to 2016/2017 (2.3);
 - c) Interest Rates (2.4);
 - d) Capital Borrowing (2.5);
 - e) Debt Rescheduling opportunities (2.6);
 - f) Borrowing in advance of need (2.7);
 - g) Investment Strategy (2.8).

2.2. Treasury Limits for 2014/2015

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

The overall or Affordable Borrowing Limit (authorised limit as per Prudential Indicators 2014/2015).	Maximum £177.500m
--	-------------------

It is a statutory duty under S.3 of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the 'Affordable Borrowing Limit'. The Affordable Borrowing Limit takes into account the Council's current debt, an assessment of external borrowing to fund the Capital Programme in 2014/2015, the need to fund capital expenditure previously met from internal funding, and cash flow requirements.

Agenda Item 6

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

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

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

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

2.3. Prudential Indicators

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

2.3.1 Interest Rate Exposure Indicators

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

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

Upper Limit for Interest Rate Exposures	2014/15 %	2015/16 %	2016/17 %
Upper limit for fixed interest rate exposure expressed as a percentage of net outstanding principal sum	340	340	340
Upper limit for variable interest rate exposure expressed as a percentage of net outstanding principal sum	-20	-20	-20

Agenda Item 6

2.3.2 Non Specified Investment Indicator

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

Upper Limit on Non-Specified Investments	2014/15 %	2015/16 %	2016/17 %
Upper limit on the value of non-specified investments as a percentage of total investments (including long term investments, and investments without credit ratings or rated belowA-)	40	40	40

2.3.4 Debt Maturity Indicators

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

Maturity Structure of Fixed Rate Borrowing During 2014/2015	Upper Limit %	Lower Limit %
Under 12 month	35%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	40%	0%
10 years and above	90%	25%

Policy on the use of external service providers

The Council employs Arlingclose as its treasury consultants. Arlingclose were engaged for the first time with effect from 01/04/2011, following a tendering exercise for the contract. The Council recognises that responsibility for

Agenda Item 6

treasury management decisions rests with the Council at all times. It also recognises that there is value in such arrangements in order to acquire access to specialist skills, knowledge, and advice. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly documented, and subjected to regular review and a tendering exercise will be undertaken at the end of this financial year to continue the service.

2.3.5 Principal sums invested for periods longer than 364 days

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

2.3.6 Credit risk

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

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

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

Agenda Item 6

The Council will only invest in institutions that have a Risk Matrix scoring of long term A- (or equivalent).

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

2.4. Interest Rates

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

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

2.4.2. **Annex B1** gives details of Arlingclose's central view regarding interest rate forecasts. Arlingclose's forecast is for official interest rates to remain at 0.5% until 2016.

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

2.5. Capital Borrowing

2.5.1 The Authority currently holds £147.306m of loans, an decrease of £8.836m on the previous year as part of its strategy for funding previous years' capital programmes as set out below:

Debt Portfolio	
Average Interest Rate	4.5%
<u>Debt Outstanding – Fixed Rate</u>	£m
PWLB	123.291
Other Borrowing	17.881
Other Long Term Liabilities	<u>6.134</u>
Total Debt	147.306

The category of other borrowing (£17.881m) represents finance lease liabilities.

Other long term liabilities (£6.134m) represent transferred debt from the Merseyside Residuary Body.

Agenda Item 6

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

The Council's forecast borrowing requirement for 2014/2015 is as follows:

Borrowing Requirement	Estimate £m
New Borrowing	5.731
Replacement Borrowing	<u>2.644</u>
Total Borrowing	8.375

The new borrowing represents the unsupported borrowing as required by the Capital Programme in 2014/15. As noted in 2.5.4 below the Council is internally borrowed, and may take additional borrowing if required in order to reverse this position.

2.5.3. The Arlingclose forecast for Gilt interest rates (as set out at **Annex B1**). This would suggest that the following strategy is followed:

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

2.5.4. The authority borrows from the PWLB in order to fund part of the capital programme, the maximum that we can borrow being the Capital Financing Requirement (CFR). PWLB borrowing as at 31 January 2014, plus lease liabilities and other long term liabilities, is £147.306m, as against a CFR of £214.700m for 2014/15. This position is classed as being internally borrowed which does have the advantage of reducing exposure to interest rate and credit risk. To be internally borrowed is a conscious decision to use cash balances to fund capital expenditure, rather than borrow from the PWLB. This position can be reversed at any time by borrowing from the PWLB.

2.5.5. 2014/15 is expected to experience a continuation of a low bank rate. Hence, internal borrowing is a sensible option where interest rates on deposits are much lower than the current PWLB borrowing rates, but this will be reviewed should interest rates change.

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

2.5.7. Against this background, caution will be adopted in undertaking borrowing in 2014/2015. The Head of Corporate Finance and ICT will monitor the interest

Agenda Item 6

rate market and following advice from Arlingclose, adopt a pragmatic approach to changing circumstances during the year.

2.5.8. External v Internal Borrowing

2.5.9. The Council currently has a difference between gross debt and net debt (gross debt net of cash balances) of £53m. The general aim of the strategy would be to reduce the difference between the two in order to reduce the credit risk of holding investments.

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

2.6. Debt Rescheduling Opportunities

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

The lower interest rate environment and changes in the rules regarding the premature repayment of PWLB loans has adversely affected the scope to undertake meaningful debt restructuring. However, the situation will be monitored and the Council will consider the option of debt restructuring during 2014/2015, should the financial circumstances change.

2.7 Borrowing in advance of need

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

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

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

The total amount borrowed will not exceed the authorised borrowing limit of £117,500m. The maximum period between borrowing and expenditure is

expected to be two years, although the Authority is not required to link particular loans with particular items of expenditure.

2.8 The Use of Financial Instruments for the Management of Risks

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

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

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

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

2.9. Investment Strategy

2.9.1. The Council manages the investment of its surplus funds internally, and operates in accordance with the Guidance on Local Government Investments issued by CLG, and the 2011 CIPFA Treasury Management in Public Services and Cross Sectoral Guidance Notes. Surplus funds are invested on a daily basis ensuring security, followed by liquidity.

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

- The security of capital
- The liquidity of capital

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

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

Specified Investments are those which satisfy the following conditions:

Agenda Item 6

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

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

2.9.4 The Council's investment portfolio as at 31st January 2014 is set out below:

Investments Portfolio	£m
Specified Investments	52.940
Non-Specified Investments	<u>0.350</u>
Total	53.290

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

2.9.6 The Council Strategy will be:

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

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

Investment	Reason	Risk
Term deposits made with banks as listed in annexe B3, following the investment criteria as listed in annexe B2. Deposits also acceptable on an overnight call basis. Can also deposit with Local Authorities.	Certainty of rate of return and repayment of capital	Liquid, with potential for deterioration in credit risk. Most Local Authorities are not credit rated.
Certificates of Deposit with Banks and Building	Certainty of rate and liquid	If not held until maturity, can be sold

Agenda Item 6

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

The maximum that can be invested in any of the above vehicles is £25m, except for term deposits, MMF's and UK Government investments for which no limit is set. The maximum maturity period in any is 2 years for non-

Agenda Item 6

tradeable deposits, and 5 years for deposits that are tradeable on the secondary market. However, advice from Arlingclose will be taken into account in determining whether shorter maximum investment period is more appropriate during the year.

It is NOT proposed that the Council will be making any Non Specified Investments in 2014/2015 that do not comply with the above, however, should the situation change, the Head of Corporate Finance and ICT will report to Cabinet requesting appropriate approval to amend the Strategy before any such investments are made.

2.9.7 The Bank of England Base Rate has remained significantly low at 0.5%. Arlingclose's project of interest rates is to remain at 0.5% to 2017 **Annex B1**. Given the volatility of the market, the forecasts can only be used as a general guide to the future position. Consequently for 2014/15, the Authority has taken a prudent view and budgeted for an investment return based upon Arlingclose's base rate projection during 2014/15.

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

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

2.9.10 As noted in previous year's report, Cabinet agreed that the limit of investments that can be made to any UK or international banking institution was raised from £15m to £25m. This reflected the fact that our counterparty list became drastically reduced following the downgrading of many banks by the credit rating agencies following the credit crunch. However, now that stability has now entered the banking sector, on an operational basis we are using an institutional or group limit of 10% of total investments in order to increase security of capital by spreading risk.

It should be noted that the previous policy of increasing the investment in groups to 1.5 times that of an individual institution has been removed. An operational maximum limit of £22.5m previously applied to banking groups has also now been removed.

2.9.11 The current list of Banks at **Annex B5** has been produced for information; this takes account of the most up-to-date credit ratings available in respect of the Banks and Building Societies named, and utilising Arlingclose's creditworthiness advice. It has also been rationalised to only include institutions that are backed by a non-UK sovereign rating of AA+, which implies that national Governments ability, but not willingness, to support the Banks if they were facing financial difficulties. It should be noted that a maximum of £25m can be invested with any one country outside of the UK. The organisations listed will be monitored daily with the assistance of Arlingclose to ensure they continue to meet the requirements outlined at **Annex B2**. In the event of a change in credit rating or outlook, the Council, with advice from Arlingclose, will evaluate its significance and determine

Agenda Item 6

whether to include (subject to Cabinet approval) or remove the organisation from the approval list.

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

2.9.15 Performance monitoring

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

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

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

2.10 Member and Officer training

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

In order to address this, the Service Manager – Treasury & Capital has obtained the CIPFA/Association of Corporate Treasurers sponsored qualification CertITM-PF, which is aimed at giving a solid grounding in treasury management and which is tailored to the public sector. Training will be provided for Members of the Audit & Governance Committee on 26 March 2014 and it is intended for such training to occur at least annually.

ARLINCLOSE INTEREST

RATE FORECAST

Arlingclose's Interest Forecast as at 31 January 2014

	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Official Bank Rate													
Upside risk		0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	1.00
Arlingclose Central Case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk													
3-month LIBID rate													
Upside risk	0.20	0.25	0.30	0.35	0.40	0.50	0.55	0.60	0.65	0.70	0.75	0.90	0.95
Arlingclose Central Case	0.45	0.45	0.50	0.55	0.65	0.75	0.75	0.75	0.75	0.75	0.80	0.80	0.80
Downside risk			0.05	0.10	0.20	0.30	0.30	0.30	0.30	0.30	-0.35	-0.35	-0.35
1-yr LIBID rate													
Upside risk	0.35	0.30	0.35	0.40	0.45	0.50	0.60	0.70	0.75	0.75	0.75	0.80	0.80
Arlingclose Central Case	0.90	0.95	0.95	0.95	1.00	1.05	1.10	1.15	1.20	1.25	1.30	1.40	1.40
Downside risk	-0.25	-0.25	-0.25	-0.30	-0.35	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
5-yr gilt yield													
Upside risk	0.50	0.75	0.75	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	1.45	1.50	1.55	1.60	1.65	1.70	1.75	1.85	1.95	2.10	2.30	2.50	2.50
Downside risk	-0.50	-0.50	-0.50	-0.50	-0.55	-0.60	-0.60	-0.60	-0.65	-0.75	-0.80	-0.80	-0.80
10-yr gilt yield													
Upside risk	0.50	0.50	0.50	0.65	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	2.55	2.60	2.65	2.70	2.75	2.80	2.85	2.90	3.00	3.10	3.30	3.50	3.50
Downside risk	-0.50	-0.50	-0.50	-0.50	-0.55	-0.60	-0.60	-0.60	-0.65	-0.75	-0.80	-0.80	-0.80
20-yr gilt yield													
Upside risk	0.50	0.75	0.75	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.25	3.30	3.35	3.40	3.45	3.50	3.55	3.65	3.75	3.85	4.05	4.15	4.15
Downside risk	-0.50	-0.50	-0.50	-0.50	-0.55	-0.60	-0.60	-0.60	-0.65	-0.70	-0.75	-0.80	-0.80
50-yr gilt yield													
Upside risk	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.45	3.50	3.55	3.60	3.65	3.70	3.75	3.80	3.85	3.95	4.05	4.15	4.15
Downside risk	-0.50	-0.50	-0.50	-0.50	-0.55	-0.60	-0.60	-0.60	-0.65	-0.70	-0.75	-0.80	-0.80

FITCH RATING EXPLANATION

Short term rating

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

F1 – highest credit quality - + denotes exceptionally strong

F2 – good credit quality

F3 – fair credit quality

Long term rating

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

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

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

Viability rating

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

Aaa – highest fundamental credit quality

aa – very high fundamental credit quality

a – high fundamental credit quality

bbb – good fundamental credit quality

bb – speculative fundamental credit quality

b – highly speculative fundamental credit quality

ccc – substantial fundamental risk

cc – very high levels of fundamental credit risk

c – exceptionally high levels of fundamental credit risk

f – failed

Support rating

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

1 – extremely high probability of external support

2 – extremely high probability of external support

3 – moderate probability

4 – limited probability

5 – cannot rely on support

Agenda Item 6

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

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

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

SEFTON COUNCIL - STANDARD LENDING LIST

ANNEX B3

Name	COUNTRY	Moody's Long-Term Ratings	Moody's Short Term Rating	Moody's Financial Strength Rating	Fitch Long-Term Rating	Fitch Short Term Rating	Fitch Viability Rating	Fitch Support Rating	S&P Long-Term Rating	S&P Short-term	Banking Group	Arlingclose Maximum Recommended Duration
COMMONWEALTH OF AUSTRALIA	AU	Aaa			AAA	F1+			AAAu	A-1+u		
AUST AND NZ BANKING GROUP	AU	Aa2	P-1	B-	AA-	F1+	aa-	1	AA-	A-1+		12 Months
COMMONWEALTH BANK OF AUSTRAL	AU	Aa2	P-1	B-	AA-	F1+	aa-	1	AA-	A-1+		12 Months
NATIONAL AUSTRALIA BANK LTD	AU	Aa2	P-1	B-	AA-	F1+	aa-	1	AA-	A-1+	National Australia Bank Group	12 Months
WESTPAC BANKING CORP	AU	Aa2	P-1	B-	AA-	F1+	aa-	1	AA-	A-1+		12 Months
GOVERNMENT OF CANADA	CA	Aaa			AAA	F1+			AAA	A-1+		
BANK OF MONTREAL	CA	Aa3	P-1	C+	AA-	F1+	aa-	1	A+	A-1		12 Months
BANK OF NOVA SCOTIA	CA	Aa2	P-1	B-	AA-	F1+	aa-	1	A+	A-1		12 Months
CAN IMPERIAL BK OF COMMERCE	CA	Aa3	P-1	C+	AA-	F1+	aa-	1	A+	A-1		12 Months
ROYAL BANK OF CANADA	CA	Aa3	P-1	C+	AA	F1+	aa	1	AA-	A-1+		12 Months
TORONTO-DOMINION BANK	CA	Aa1	P-1	B	AA-	F1+	aa-	1	AA-	A-1+		12 Months
REPUBLIC OF FINLAND	FI	Aaa	P-1		AAA	F1+			AAA	A-1+		
NORDEA BANK FINLAND ABP	FI	Aa3	P-1	C	AA-	F1+		1	AA-	A-1+	Nordea Group	12 Months
POHJOLA BANK PLC-A SHS	FI	Aa3	P-1	C-	A+	F1		1	AA-	A-1+		6 Months
UNITED KINGDOM	GB	Aa1			AA+	F1+			AAAu	A-1+u		
BANK OF SCOTLAND PLC	GB	A2	P-1	D+	A	F1		1	A	A-1	Lloyds Banking Group	6 Months
LLOYDS BANK PLC	GB	A2	P-1	C-	A	F1	bbb+	1	A	A-1		6 Months
BARCLAYS BK PLC-ADR C	GB	A2	P-1	C-	A	F1	a	1	A	A-1		12 Months
CLOSE BROTHERS LTD	GB	A3	P-2	C	A	F1	a	5				100 Days
GOLDMAN SACHS INTERNATIONAL	GB	A2	P-1		A	F1			A	A-1		100 Days
HSBC BANK PLC	GB	Aa3	P-1	C	AA-	F1+	a+	1	AA-	A-1+	HSBC Group	12 Months
LEEDS BUILDING SOCIETY	GB	A3	P-2	C	A-	F2	a-	5				100 Days
NATIONWIDE BUILDING SOCIETY	GB	A2	P-1	C	A	F1	a	1	A	A-1		12 Months
NATIONAL WESTMINSTER BANK	GB	A3	P-2	D+	A	F1		1	A-	A-2	RBS Group	Overnight
ROYAL BANK OF SCOTLAND PLC/T	GB	A3	P-2	D+	A	F1	bbb	1	A-	A-2		Overnight
SANTANDER UK PLC	GB	A2	P-1	C-	A	F1	a	1	A	A-1	Santander Group	6 months
STANDARD CHARTERED BANK	GB	A1	P-1	B-	AA-	F1+	aa-	1	AA-	A-1+		12 Months

FEDERAL REPUBLIC OF GERMANY	GE	Aaa			AAA	F1+			AAAu	A-1+u		
DEUTSCHE BANK AG-REGISTERED	GE	A2	P-1	C-	A+	F1+	a	1	A	A-1		12 Months
LANDESBANK HESSEN-THURINGEN	GE	A2	P-1	D+	A+	F1+		1	A	A-1		100 Days
KINGDOM OF THE NETHERLANDS	NE	Aaa	P-1		AAA	F1+			AA+u	A-1+u		
BANK NEDERLANDSE GEMEENTEN	NE	Aaa	P-1	A	AAA	F1+		1	AA+	A-1+		12 Months
COOPERATIEVE CENTRALE RAIFFE	NE	Aa2	P-1	B-	AA-	F1+		1	AA-	A-1+		12 Months
ING BANK NV	NE	A2	P-1	C-	A+	F1+	a	1	A	A-1		100 Days
REPUBLIC OF SINGAPORE	SI	Aaa			AAA	F1+			AAAu	A-1+u		
DBS BANK LTD	SI	Aa1	P-1	B	AA-	F1+	aa-	1	AA-	A-1+		6 months
OVERSEA-CHINESE BANKING CORP	SI	Aa1	P-1	B	AA-	F1+	aa-	1	AA-	A-1+		6 months
UNITED OVERSEAS BANK LTD	SI	Aa1	P-1	B	AA-	F1+	aa-	1	AA-	A-1+		6 months
KINGDOM OF SWEDEN	SW	Aaa	P-1		AAA	F1+			AAA	A-1+		
SVENSKA HANDELSBANKEN-A SHS	SW	Aa3	P-1	C	AA-	F1+	aa-	1	AA-	A-1+		12 Months
SWISS CONFEDERATION	SZ	Aaa			AAA	F1+			AAAu	A-1+u		
CREDIT SUISSE AG	SZ	A1	P-1	C-	A	F1	a	1	A	A-1	Credit Suisse Group	100 Days
UNITED STATES (GOVT OF)	US	Aaa			AAA	*- F1+ *-			AA+u	A-1+u		
JPMORGAN CHASE BANK NA	US	Aa3	P-1	C	A+	F1	a+	1	A+	A-1		12 Months
UNITED KINGDOM - OTHER INSTITUTIONS												
CO-OPERATIVE BANK PLC	GB	Caa1	NP	E	B	B	b	5				Banking purposes only
DEBT MANAGEMENT OFFICE	GB	Aa1			AA+	F1+			AAAu	A-1+u		UK government - DMADF Account
GOVERNMENT AGENCIES, MULTI-LATERAL AND SUPRANATIONAL BANKS												
NORDIC INVESTMENT BANK	FI	Aaa	P-1						AAA	A-1+		
COUNCIL OF EUROPE DEVELOPMNT	FR	Aaa	P-1		AA+	F1+			AA+	A-1+		
EUROPEAN BANK FOR RECONSTRUC	GB	Aaa	P-1		AAA	F1+			AAA	A-1+		
KREDITANSTALT FUER WIEFERAUF	GE	Aaa	P-1		AAA	F1+		1	AAA	A-1+		
EUROPEAN INVESTMENT BANK	LX	Aaa	P-1		AAA	F1+			AAA	A-1+		
INTER-AMERICAN DEV BANK	US	Aaa	(P)P-1		AAA	F1+			AAA	A-1+		
INTERNATIONAL BANK FOR RECON	US	Aaa	(P)P-1		AAA	F1+			AAA	A-1+		

Report to: Cabinet
Council

Date of Meeting: 27 February 2014
6 March 2014

Subject: The Prudential Code for Capital Finance in Local Authorities – Prudential Indicators 2014/2015

Report of: Head of Corporate Finance & ICT

Wards Affected: All **Exempt/Confidential** No

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

Purpose/Summary

To establish the Prudential Indicators for Sefton required under the Prudential Code for Capital Finance in Local Authorities.

Recommendation(s)

Council be recommended that:

- (1) The Prudential Indicators as detailed in the report, and summarised in Annex A, be approved as the basis for compliance with The Prudential Code for Capital Finance in Local Authorities;
- (2) Relevant Prudential Indicators be amended, should any changes to unsupported borrowing be approved as part of the 2014/2015 Revenue Budget;
- (3) It be noted that estimates of capital expenditure may change as grant allocations are received (paragraph 2.2); and
- (4) Delegated authority be given to the Head of Corporate Finance & ICT to manage the Authorised Limit and Operational Boundary for external debt as detailed in Section 5 of the 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		√	

Agenda Item 7

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

Reasons for the Recommendation:

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

What will it cost and how will it be financed?

(A) Revenue Costs

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

(B) Capital Costs

None.

Implications:

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

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

Impact on Service Delivery:

None.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT prepared the report (FD 2813/14).

The Head of Corporate Legal Services has been consulted and comments have been incorporated into the report (LD 2119/14).

Are there any other options available for consideration?

None.

Implementation Date for the Decision

With effect from 1 April 2014.

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

Background Papers:

None.

BACKGROUND:

1. Introduction

1.1. The CIPFA Prudential Code for Capital Finance in Local Authorities (The Prudential Code) was introduced following the Local Government Act 2003. It details a number of measures/limits/parameters (Prudential Indicators) that are required to be set each financial year. The approval of these limits will ensure that the Council complies with the relevant legislation and is acting prudently and that its capital expenditure proposals are affordable. This report presents for approval the Prudential Indicators required to be set by the Council in 2014/2015 to comply with the code.

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

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

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

2. Prudential Indicator – Capital Expenditure

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

2.2. The actual capital expenditure that was incurred in 2012/2013 and the estimates for the current and future years capital programme recommended for approval are:-

	<u>2012/2013</u> <u>Actual</u> <u>£m</u>	<u>2013/2014</u> <u>Estimate</u> <u>£m</u>	<u>2014/2015</u> <u>Estimate</u> <u>£m</u>	<u>2015/2016</u> <u>Estimate</u> <u>£m</u>	<u>2016/2017</u> <u>Estimate</u> <u>£m</u>
Childrens Services	5.468	9.177	1.887	0	0
Housing – General Fund	5.332	5.646	4.342	0	0
Technical Services	6.412	12.770	12.482	1.200	1.000
Other Services	20.132	21.323	6.937	0.585	0.050
Total	37.344	48.916	25.648	1.785	1.050

2.3. The estimated levels of expenditure above represent those elements approved by Council and which have been included within the capital programme. This may

Agenda Item 7

change as grant allocations are made known to the Council and are approved for inclusion within the capital programme.

3. **Prudential Indicator – Financing Costs/Net Revenue Stream**

3.1. This indicator measures the total capital financing costs of capital expenditure as a proportion of the total level of income from Government grants and local Council Taxpayers.

3.2. Estimates of the ratio for the current and future years and the actual figures for 2012/2013 are:

Financing Costs/Net Revenue Stream					
	<u>2012/2013</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
General Fund	5.4	5.9	6.4	6.9	7.1

3.3. The estimates of financing costs include current commitments and proposals contained in the capital programme. The 2012/2013 percentage is lower than future projections as the future years projections reflect reduced levels of funding from the Government. The increase in the ratio masks the fact that the level of new borrowing in future years is reduced as the Capital Investment Plan reduces in scale.

4. **Prudential Indicator – Capital Finance Requirement**

4.1. The Capital Financing Requirement indicator reflects the Authority's underlying need to borrow for a capital purpose. This is based on historic capital financing decisions and a calculation of future years planned capital expenditure requirements.

4.2. Estimates of the end of year Capital Financing Requirement for the current and future years are set out in the table below:

Capital Financing Requirement					
	<u>31/03/13</u>	<u>31/03/14</u>	<u>31/03/15</u>	<u>31/03/16</u>	<u>31/03/17</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
General Fund	215.352	214.700	210.000	202.000	195.000

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

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

5. Prudential Indicator – Borrowing Limits

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

5.2. The Operational Boundary

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

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

Operational Boundary				
	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Borrowing (long-term)	152.000	157.000	156.000	155.000
Other long term liabilities (transferred debt - Merseyside Residuary Body)	6.500	5.500	4.500	4.500
Total	158.500	162.500	160.500	159.500

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

5.3. The Authorised Limit

- 5.3.1. The Authorised Limit sets a limit on the amount of borrowing (both short and long-term) that the Council undertakes. It uses the Operational Boundary as its base

Agenda Item 7

but also includes additional headroom to allow, for example, for exceptional cash movements. Under the terms of section 3 (1) of the Local Government Act 2003, the Council is legally obliged to determine and review how much it can afford to borrow i.e. the authorised limit. The authorised limit determined for 2014/2015 will be the statutory limit determined under section 3 (1).

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

Authorised Limit				
	<u>2013/2014</u> £m	<u>2014/2015</u> £m	<u>2015/2016</u> £m	<u>2016/2017</u> £m
Borrowing (short & long-term)	167.000	172.000	171.000	170.000
Other long term liabilities	6.500	5.500	5.500	4.500
Total	173.500	177.500	175.500	174.500

6. Prudential Indicator – Actual External Debt

6.1. The Prudential Code requires that in setting indicators for 2014/2015, the Council reports its actual levels of external debt as at 31 March 2013. The Council's actual external debt at 31 March 2013 was £147.306 comprising £123.291m borrowing, £17.881m in respect of finance lease liabilities, and £6.134m other long-term liabilities.

7. Gross Debt and the Capital Financing Requirement

7.1. This prudential indicator is used to ensure that the authority does not borrow in advance of need. If the authority borrowed in advance of need then the net position would be negative – i.e. borrowing greater than the CFR. The figures below illustrate that the Council is not intending to borrow in advance of need, and that there is a significant level of "internal borrowing".

Authorised Limit				
	<u>2013/2014</u> £m	<u>2014/2015</u> £m	<u>2015/2016</u> £m	<u>2016/2017</u> £m
CFR	214.700	210.000	202.000	195.000
Gross Debt	-147.752	-151.527	-150.925	-150.227
Net	66.948	58.473	51.075	44.773

8. Prudential Indicator – Impact on Council Tax

8.1. Under the Prudential Code, Local Authorities are able to decide the level of borrowing required to meet the demands of the capital programme. Any

unsupported borrowing will have to be funded by Council Taxpayers. As such, these indicators are a key measure of affordability of unsupported borrowing undertaken to support capital investment decisions.

- 8.2. The indicators for the impact on Council Tax of unsupported borrowing are to reflect any ADDITIONAL/NEW unsupported borrowing approval.
- 8.3. Due to current budget constraints no new starts have been included within the 2014/2015 capital programme, that are financed from borrowing.
- 8.4. In the event that any amendments are made to the New Starts Capital Programme, the indicator will be recalculated accordingly.

9. Prudential Indicator – Treasury Management

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

9.2 Interest Rate Exposure

- i) An upper limit on its fixed interest rate exposures for 2014/2015 – 2016/2017 of 340% of its net outstanding principal sums;
- ii) An upper limit on its variable interest rate exposures for 2014/2015 – 2016/2017 of -20% of its net outstanding principal sums.

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

9.3 Debt Maturity Profile

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

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

9.4 Investments Over 1 Year

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

Agenda Item 7

to take advantage of any opportunities in the current money market. Members will be advised of any change.

10. Monitoring Prudential Indicators

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

Summary of Prudential Indicators.

ANNEX A

Capital Expenditure - 2012/2013 to 2016/2017 (Para 2)					
	2012/2013 £m Actual	2013/2014 £m Estimate	2014/2015 £m Estimate	2015/2016 £m Estimate	2016/2017 £m Estimate
Education	5.468	9.177	1.887	0	0
Housing – General Fund	5.332	5.646	4.342	0	0
Technical Services	6.412	12.770	12.482	1.200	1.000
Other Services	20.132	21.323	6.937	0.585	0.050
TOTAL	37.344	48.916	25.648	1.785	1.050

Financing Costs/Net Revenue Stream (Para 3)					
	2012/2013 Actual	2013/2014 Estimate	2014/2015 Estimate	2015/2016 Estimate	2016/2017 Estimate
	5.4	5.9	6.4	6.9	7.1

Capital Financing Requirement (Para 4)					
	2012/2013 £m Actual	2013/2014 £m Estimate	2014/2015 £m Estimate	2015/2016 £m Estimate	2016/2017 £m Estimate
	213.352	214.700	210.000	202.000	195.000

Operational Boundary(Para 5)				
	2013/2014 £m	2014/2015 £m	2015/2016 £m	2016/2017 £m
Borrowing	153.000	157.000	156.000	155.000
Other long term liabilities	5.500	5.500	4.500	4.500
Total	158.500	162.500	160.500	159.500

Agenda Item 7

Authorised Limit (Para 5)				
	2013/2014 £m	2014/2015 £m	2015/2016 £m	2016/2017 £m
Borrowing	168.000	172.000	171.000	170.000
Other long term liabilities	5.500	5.500	4.500	4.500
Total	173.500	177.500	175.500	174.500

Gross and Net Debt (Para 7)				
	2013/2014 £m	2014/2015 £m	2015/2016 £m	2016/2017 £m
CFR	214.700	210.000	202.000	195.000
Gross Debt	-147.752	-151.527	-150.925	-150.227
Net	66.948	58.473	51.075	44.773

Unsupported Borrowing (Para 8)			
	2014/2015 £m	2015/2016 £m	2016/2017 £m
General Fund	0.000	0.000	0.000

Impact on the Band D Council Tax (Para 8)			
	2014/2015 £	2015/2016 £	2016/2017 £
	0.00	0.00	0.00

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

Fixed Rate Debt Maturity (Para 9)		
	Upper Limit	Lower Limit
Under 12 months	35%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	40%	0%
10 years and above	90%	25%

Investments over 1 Year (Para 9)	
Non-Specified Investments over 1 year but less than 5 years with approved Banks/Building Societies)) 40% of Total) Investments)

This page is intentionally left blank

Agenda Item 8

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 update Members on the 2013/2014 Capital Investment Plan, inform Members of the 2014/15 Capital Allocations received to date and to allow Members to consider how these allocations should be utilised. Also to seek approval for schemes that are self financed.

What will it cost and how will it be financed?

(A) Revenue Costs

For any additional capital expenditure no additional unbudgeted revenue costs will occur.

(B) Capital Costs

All allocations included in this report are capital grants.

Implications:

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

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

Impact on Service Delivery:

The new schemes to be approved will enable more cost effective services to be provided.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT (FD 2815/14) and Head of Corporate Legal Services (LD 2121/14) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

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

Implementation Date for the Decision

After Cabinet and Council.

Contact Officer: Jeff Kenah

Tel: 0151 934 4104

Email: Jeff.kenah@sefton.gov.uk

Background Papers:

None.

Agenda Item 8

1. Introduction/Background

- 1.1 This report updates the 2013/2014 Capital Investment Plan and provides details of the Government Capital Allocations that have been notified to date for 2014/2015 with a view to the Cabinet considering the use of the non-ringfenced allocations in the development of a new starts programme for 2014/2015.

2. Revised Capital Investment Plan 2013/2014

- 2.1 The level of prudential borrowing currently required for the Capital Investment Plan is £5.14m for 2013/2014. This comprises £1.54m for Street Scene, £1.51m for Health & Wellbeing, £0.51m for Investment, Programme & Infrastructure, £0.58m for other schemes and £1m for Repairs and Maintenance Capitalisation.
- 2.2 Schemes to be funded from the Single Capital Pot Allocations for 2013/2014 were approved as follows:

	2013/2014 £m
Non ring-fenced grant allocations 2013/2014	9.509
Schemes approved by Council 14/05/2013 - Pre-allocated and High Priority Schemes	8.251
Schemes approved by Council 5/09/2013 – Schemes at Stanley High & Litherland Moss Schools	0.400
Schemes approved by Council 21/11/2013 - Leisure Centres Energy Efficiency Schemes	0.139
Total SCP schemes approved	8.790
Unallocated Balance	0.719

The unallocated balance has been added to the 2014/2015 Single Capital Pot Allocations as detailed in Paragraph 4 below.

3. Government Capital Allocations 2014/2015

- 3.1 It should be noted that for 2014/2015 a single capital pot will again be in operation. This means that all non-ring-fenced grants will initially be held centrally, and bids will need to be made in order to secure funds for capital projects.
- 3.2 The table below itemises those capital allocations that have been received for 2014/2015. The 2013/2014 figures, where applicable, are shown for comparison. All allocations are non-ringfenced, with the exception of Devolved Formula Capital.

Description of Allocation	2013/2014 £'000	2014/2015 £'000	Variation £'000
Children's Services – Devolved Formula Capital (ring-fenced)	447	440	-7
Children's Services – Basic Need	1,040	1,040	0
Children's Services – Capital Maintenance	2,322	2,290	-32
Universal Infant Free School Meals	0	396	+396

Total Department for Education	3,809	4,166	+357
Disabled Facilities Grant	1,581	1,628	+47
Total Housing	1,581	1,628	+47
Department of Health Capital Grant	820	837	+17
Total Department for Health	820	837	+17
Highways Maintenance	2,355	2,130	-225
Integrated Transport Block	965	1,398	+433
Additional Highway Maintenance	426	219	-207
Total Transportation	3,746	3,747	+1
Total Allocations	9,956	10,378	+422

4. Capital Strategy – Single Capital Pot Approvals

- 4.1 A revised Capital Allocation Framework and Capital Strategy was approved by Cabinet and Council on 28 February 2013. This outlined the use of a single capital pot into which all non-ring-fenced funds will be placed, and for which bids must be made in order to secure funding for capital schemes. As can be noted in paragraph 3.2, grant allocations of £10.378m have been received for 2014/2015. The capital allocation of Children’s Services Devolved Formula Capital of £0.440m is ring-fenced, and must be spent in line with terms of the grant offer, leaving £9.938m for the single capital pot. There is also the £0.719m uncommitted balance of Single Capital Pot from the 2013/2014 allocations.
- 4.2 The Strategic Capital Investment Group (SCIG) met on 12th December 2013 and 27th January 2014. The purpose of these meetings was to review and assess bids received for capital funding from the single capital pot in order to recommend to Cabinet and Council a Capital Investment Plan for 2014/2015. As part of this process an initial ‘gateway assessment’ of bids was undertaken by a Capital Investment Bids Panel consisting of the Council’s Service Directors. This panel offered suggestions to SCIG as to the assessment of bids considered within the framework of the Capital Allocation Framework and Capital Strategy. The capital bids have been classified into five distinct groups as follows (the approved bids by group is included within **Appendix A**):
- **Ring-Fenced (£0.440m 2014/2015)** – These are funds which are ring-fenced by Government and therefore must be used for the purpose for which they were issued. This relate to Schools’ Devolved Formula Capital.
 - **Pre allocated (£5.771m 2014/2015)** – These are funds which are non-ring-fenced by Government; however following an internal review are considered appropriate to the original suggested purpose. Therefore they have been “internally ring-fenced” to be used in the spirit in which they were given. The reasons for this include contractual obligations, the potential for clawback, and reduced funding levels in future years. These schemes include the Local Transport Plan, funding which is administered by Merseyside Integrated Transport Authority (MITA). However, these funds are allocated to deliver a programme of work, the detail of which would be agreed by the Cabinet Member.

Agenda Item 8

- **Single Capital Pot bids – Emergency/Health & Safety Requirements (£1.788m 2014/2015)** – capital bids that are recommended as a priority against this pot.
- **Single Capital Pot bids – High Priority / Invest to Save or Leverage Schemes (£1.480m 2014/2015 and £0.310m in 2015/2016)** - capital bids that, if approved, will draw upon the single capital pot.
- **Single Capital Pot bids – High Priority Schemes (£2.856m 2014/2015)** - capital bids that, if approved, will draw upon the single capital pot.

4.3 In order to allow all schemes identified as a high priority to progress, it is proposed to augment capital allocations by utilising capital receipts already received and anticipated in the 2014/2015 financial year to the total value of £2m (£1m from 2013/2014 that has already been received and £1m is anticipated for 2014/2015). Given the moratorium on asset disposals has not yet been lifted, the timing of receipts in 2014/2015 remains uncertain. Due to this, officers will report to SCIG in April 2014 with a prioritised programme of work. These schemes will only start once the capital receipt is confirmed.

4.4 The allocation of grant funding and capital receipts is summarised in the following table (and see Appendix A):

	2014/2015 £m
Non-ring-fenced grant 2014/2015 (para 4.1)	9.938
Funding c/fwd from 2013/2014 (para 2.3)	0.719
TOTAL GRANT FUNDING	10.657
CAPITAL RECEIPTS	2.000
TOTAL RESOURCES	12.657
Resources committed from previous approvals	(0.812)
Pre allocated	(5.771)
Single capital pot bids – recommended Emergency / Health & Safety	(1.788)
Single capital pot bids – recommended High Priority / Invest to Save or Leverage	(1.480)
Single capital pot bids – recommended High Priority Schemes	(2.856)
TOTAL ALLOCATED	(12.707)
OVERCOMMITMENT	(0.050)

4.5 An underspend on any scheme will be returned to the Single Capital Pot. A small overcommitment of £0.050m is anticipated within the Capital Investment Plan for

Agenda Item 8

2014/2015. It is anticipated that this will be accommodated within the year due to slippage of expenditure across the programme.

- 4.6 It should be noted that the most advantageous use of the Council's grant funding, both ring-fenced and non-ring-fenced, will be made, to ensure that the Council's priorities are achieved.

5 Property Intervention Fund

- 5.1 Members will recall that Council on 16th December 2010 established a £500,000 Strategic Asset Management Property Intervention Fund provision within the Capital Programme to be funded and maintained from capital receipts derived from asset disposals. It was agreed that this fund would be maintained each year by top slicing further capital receipts at the end of each financial year and that if asset receipts are not generated then the fund would not be topped up.
- 5.2 Sufficient capital receipts have now been received in 2013/2014 to top up the Property Intervention Fund in 2014/2015 by £500,000 and it is therefore recommended that this allocation be added to the 2014/2015 Capital Investment Plan.
- 5.3 Council have delegated the management responsibility of this fund to the Director of Built Environment in conjunction with the Head of Corporate Finance & ICT.

6 Self Financing Schemes

- 6.1 The schemes outlined in Appendix B totalling £2.957m in 2014/2015 have capital resources available to fund them and therefore do not require any support from the Single Capital Pot. They were all considered by SCIG and are now being put forward for approval by Cabinet for inclusion in the Capital Investment Plan. These schemes are detailed in **Appendix B**. Members will recall that Council on 21 November 2013 gave delegated authority to Cabinet to approve self financing schemes.

Agenda Item 8

APPENDIX A

BID NUMBER	Funding required 2014/2015 £	Funding required 2015/2016 £	Scheme name	Scheme description	Applicant Department
RINGFENCED CAPITAL ALLOCATIONS					
1	440,253		Devolved Formula Capital – Ringfenced resource	Capital grant given directly to schools to spend	Learning & Support Services
	440,253				
PRE ALLOCATED					
2	1,627,932		Disabled Facility Grants	To support expenditure of £2.2m on issuing Disabled Facility Grants	Strategic Housing (IPI)
3	1,398,000		Local Transport Plan, Integrated Transport Block Capital Programme	Various transport network improvements.	Investment Programmes & Infrastructure
4	2,349,000		Local Transport Plan, Highway Maintenance Block Capital Programme	To undertake capital maintenance of the Highway Network	Investment Programmes & Infrastructure
5	396,280		Universal Infant Free School Meals	To introduce free school meals to children in reception, yr 1 & yr 2.	Learning & Support Services
	5,771,212				
SINGLE POT BIDS –EMERGENCY / HEALTH & SAFETY RECOMMENDED					
6	1,068,000		School General Maintenance Schemes - 2014/15	14 projects at 13 schools ie boiler replacements, window / door replacements & re-roofing projects	Learning & Support Services
7	650,000	43,000	Corporate Essential Maintenance Fund	To undertake essential maintenance to non school buildings	Investment Programmes & Infrastructure

Agenda Item 8

8	70,000		Churchtown Library Demolition	To undertake the safe demolition of Churchtown Library	Leisure Services - Health & Wellbeing
	1,788,000	43,000			
SINGLE POT BIDS – HIGH PRIORITY / INVEST TO SAVE OR LEVERAGE SCHEMES					
9	141,000		Transport Feasibility Works		Investment Programmes & Infrastructure
10	250,000		Vine House	Gap funding for the refurbishment of Vine House	Strategic Housing (IPI)
11	618,000		Merefield School additional post 16 classroom base accommodation	To provide 6 th form students with purpose built accommodation	Learning & Support Services
12	161,000		LSTF Extension Funding	To match fund a bid for LSTF grant	Investment Programmes & Infrastructure
13	310,000	310,000	Replacement of Pay & Display Machines	To replace machines with latest models. Additional £280k to be funded from Prudential Borrowing via revenue budget	Investment Programmes & Infrastructure
	1,480,000	310,000			
HIGH PRIORITY SCHEMES					
14	800,000		Litherland Moss Refurbishment Phase One	To refurbish the Administration & Kitchen Block	Learning & Support Services
15	396,000		ASD Bases at Secondary & Primary Provision	To develop 2 new resourced provisions	Learning & Support Services
16	480,000		Increase in Crosby Primary Schools Capacity	To address the current shortage of appropriate school places in the Crosby area	Learning & Support Services
17	45,000		Kew Woods Primary Feasibility Study	To establish the cost of increasing the current school by a half form entry	Learning & Support Services
18	35,000		KS1/Foundation Observation & Assessment Centre	To refurbish existing accommodation	Learning & Support Services
19	600,000		Presfield School South	To open a Special School	Learning & Support Services

Agenda Item 8

				on the Former Good Shepherd Site	
20	500,000		Street Lighting Structural Programme	Replacement & Treatment of decaying street lighting columns	Investment Programmes & Infrastructure
TOTAL	2,856,000	0			
GRAND TOTAL	12,335,465	353,000			

Agenda Item 8

APPENDIX B

BID NUMBER	Funding required 2014/2015 £	Funding required 2015/2016 & Future Years £	Scheme name	Scheme description	Funding Source
SELF FINANCED SCHEMES					
21	1,042,000	2,168,000	Vehicle & Plant Replacement Programme	To replace Vehicles & Plant as required by Departments.	Prudential Borrowing financed from Department Revenue Budgets
22	100,000		Funding Circle	Local Authority Lending Programme to Businesses	Treasury Reserves
23	1,300,000		Business Growth Grants	For the Delivery of a Business Growth Grants Programme in Sefton	Regional Growth Funding via Liverpool City Region LEP
24	28,793		Inspection of Former Formby Gas Works Site	To determine if contaminants are present at the site	DEFRA Grant
25	186,000		Ainsdale Hope Centre; Partial Demolition	To demolish the former school sports hall and dining block	The Local Authority's Closed Schools Reserve Account
26	385,000		Liverpool City Region Port Access	Assessment of long term highway improvement scheme	Merseytravel, Local Authority & Dept for Transport contributions
TOTAL	3,041,793	2,168,000			

This page is intentionally left blank

Agenda Item 9

Report to: Health and Wellbeing Board **Date of Meeting:** 19th February 2014
Cabinet 27th February 2014

Subject: Better Care Fund (Formerly the Integration Transformation Fund)

Report of: Deputy Chief Executive **Wards Affected:** All

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

Exempt/Confidential No

Purpose/Summary

This report provides members of the Health and Wellbeing Board and Cabinet with the background to the Better Care Fund (BCF) (formerly the Integration Transformation Fund) and outlines the approach being taken in developing Sefton's Better Care Plan. The first stage of which is that a BCF template has to be submitted by 14th February to NHS England (North), which will then be assured by that organisation, with support from the Local Government Association, to assess whether Sefton's BCF, is sufficiently robust to deliver the governments vision for the integration of health and social care.

Recommendation(s)

That the Health and Well Being Board agree and recommend to the Cabinet and the two CCG Boards, the first iteration of the Better Care Plan, in the form of the attached template, as agreed by the Chair of the Health and Wellbeing Board, Councillor Moncur, in consultation with the Cabinet Member Older People and Health, Councillor Cummins, which was submitted to the Government on the 14th February 2014, subject to agreement by the Health and Wellbeing Board and the Council's Cabinet.

That **Cabinet** endorse the recommendation from the Health and Wellbeing Board, that the Cabinet agree the first iteration of the Better Care Plan and note that the Plan will be brought for approval by Cabinet at its next meeting, in order to meet the Governments deadline of 4th April 2014.

That the Health and Wellbeing Board and the **Cabinet** note that there is no new money attached to the Better Care Fund.

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			

Agenda Item 9

8	Improving the Quality of Council Services and Strengthening Local Democracy			
---	---	--	--	--

Reasons for the Recommendation:

The Governments is pooling resources within the Better Care Fund, and has nominally proposed the amount for each local area, subject to jointly developing with its CCG(s), a joint plan. The first stage of the process is to submit a planning template, which will be assured, to assess whether the plan is likely to deliver the governments vision for integration of health and social care. The deadline for the template to be submitted was 14th February, 2014, and the Cabinet Member for Older People and Health, in consultation with the Cabinet Member for Children, Schools, Families and Leisure, as Chair of the Health and Wellbeing Board, agreed to submit the template by the deadline, but subject to the approval of the Cabinet on formal recommendation of the Health and Wellbeing Board. It is not known what the impact would be of none compliance with the process, but it is possible that the resources nominally allocated to Sefton would not be available. Therefore to ensure the resource is secured, the process has been complied with.

What will it cost and how will it be financed?

(A) Revenue Costs

The Better Care Fund Pooled Budget for Sefton has a proposed value of £24.0 M in 2015/16. Of this, £2.8 M, is for disabled facilities grants and social care capital grant, and is currently resources which the council receives (see B below).

In 2014/15, the Council will receive, as previously reported, a further £9.3 M from the Southport and Formby CCG and South Sefton CCG, which will continue in 2015/16, and forms part of the aforementioned £24 M. This is currently spent on a range of S256 agreements which support social care but have a health benefit, carers break expenditure, and reablement services.

The balance of the £24M: £11.9 M, will be transferred to the Better Care Fund by the two local CCGs, and is resources which currently funds acute and community services. Of this, in 2015/16, £3 M is required to protect social care, and to off set some of the demographic pressures on social care services, resulting from Better Care Fund vision.

(B) Capital Costs

Of the £24.M resources referred to above, £2.8m relates to capital expenditure to cover the Disabled Facilities Grants and the Social Care Capital Grant. These items are currently included within the Council's single capital pot and will need to be ring fenced in future years to facilitate the transfer from the Council's single capital pot into the Better Care Fund.

Implications:

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

Legal	
NHS England Planning Guidance – Developing Plans for the Better Care Fund, December 2013, Health and Social Care Act 2012, The Care Bill.	
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:

The Better Care Fund programme requires the Council and the Clinical Commissioning Groups to work together on a plan to integrate health and social care to reduce unplanned care admissions to hospital and thereby providing more effective care and support within local communities. This will require health and social care services to adapt and change over the next five years. It is currently too soon to predict the direct impact on Council service delivery, however this will form the basis of developing the next iteration of the Better Care Plan for Sefton.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT has contributed to the preparation of this report and is aware of the future changes being proposed by introducing a pooled budget to support the social care and health needs. At this stage the financial risks cannot be evaluated as the proposals are not yet fully developed to identify risks arising from the changes in commissioned services and any resulting impacts this could have on the Council's responsibilities and budget choices. She supports the recommendations in order to maximise the resources available to meet the Sefton population needs and will review the risks as the plan matures. (FD 2802/14)

The Head of Corporate Legal Services (LD 2108/14)

Are there any other options available for consideration?

No

Implementation Date for the Decision

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

Contact Officer: Sam Tunney

Tel: 0151 934 4039

Email: samantha.tunney@sefton.gov.uk

The Better Care Fund Planning Template can be accessed on the Council's website via this link:

<http://modgov.sefton.gov.uk/moderngov/ecSDDisplay.aspx?NAME=SD1709&ID=1709&RPID=8739475&sc h=doc&cat=13197&path=13158%2c13197>

Agenda Item 9

Background Documents

Better Care Fund Guidance,
Better Care Fund Template and
Better Care Fund Finance Template

Background

In the autumn of 2013 the Government set out its intentions for the implementation of an Integration Transformation Fund (ITF), now known as the Better Care Fund. The Better Care Fund places requirements on local health and social care systems to plan for a higher level of integration as part of a five year strategy. The most recent detailed guidance on Better Care Fund outlines the following requirements:

- Plans are to be jointly agreed and signed off by the Health and Wellbeing Board
- Protection of social care services (not spending)
- As part of agreed local plans, 7-day services in health and social care to support patients being discharged and prevent unnecessary admissions at weekends
- Better data sharing between health and social care, based on the NHS number
- Ensure a joint approach to assessments and care planning and ensure that, where funding is used for integrated packages of care, there will be an accountable professional
- Agreement on the consequential impact in the acute hospital sector

The guidance requires the first iteration of the completed Better Care Plan template, as an integral part of the constituent CCGs' Strategic and Operational Plans, to be submitted to the government by 14 February 2014 and for a revised version of the Better Care Plan to be submitted to NHS England (North) as an integral part of the constituent CCGs' Strategic and Operational Plans by 4 April 2014.

What is the Better Care Fund?

The Better Care Fund (formerly known as the Integrated Care Fund) requires Councils and Clinical Commissioning Groups (CCGs) to deliver five year local plans for integrating health and social care.

Whilst the Better Care Fund does not come into full effect until 2015/16, the intention is for CCGs and Local Authorities to build momentum during 2014/15, using the £200 million (nationally) due to be transferred to local government from the NHS to support transformation. Plans for use of the pooled budgets must be agreed by CCGs and local authorities, and endorsed by the local Health and Wellbeing Board. It is not yet clear how this will be released to local authorities.

It is important to clarify that this money is not new money, but a transfer of resources from the NHS to Local Authorities that is already committed to existing services. The

funding is intended to be used to support adult social care services which also have a health benefit. The funding can be used to support existing or new services or transformation programmes where such programmes are of benefit to the wider health and social care system where positive outcomes for service users have been identified. The Sefton Better Care Plan is being developed in order to derive the maximum benefits for our residents, whilst seeking to protect adult social care services within the current climate of significant budget pressures and growing demand. The approach has been developed to assist the Council in delivering the proposals for modernising adult social care as outlined in the report on the Adult Social Care Change Programme being presented to Cabinet on the 27th February 2013.

Payment linked to Performance

Nationally, £1bn of the £3.8bn included in the total Better Care Fund will be linked to achieving outcomes. Ministers have agreed the basis on which this payment-for performance element of the Fund will operate. Half of the £1bn will be released in April 2015. £250m of this will depend on progress against four of the six national conditions and the other £250m will relate to performance against a number of national and locally determined metrics during 2014/15. The remainder (£500m) will be released in October 2015 and will relate to further progress against the national and a single locally determined metric.

The national metrics/measures underpinning the Fund are:

- admissions to residential and care homes;
- effectiveness of reablement;
- delayed transfers of care;
- avoidable emergency admissions; and
- patient / service user experience.

There is no single measure of patient / service user experience of integrated care currently available and a new national measure is currently in development. In addition to the above five national metrics/measures, local areas are required to choose one additional indicator that will contribute to the payment-for-performance element of the Fund. The following menu of nine metrics/measures selected from the NHS, Adult Social Care and Public Health Outcomes Frameworks have been chosen by the government which local areas can choose from as their local metric/measure:

NHS Outcomes Framework	
2.1	Proportion of people feeling supported to manage their (long term) condition
2.6i	Estimated diagnosis rate for people with dementia
3.5	Proportion of patients with fragility fractures recovering to their previous levels of mobility / walking ability at 30 / 120 days
Adult Social Care Outcomes Framework	
1A	Social care-related quality of life
1H	Proportion of adults in contact with secondary mental health services living independently with or without support

Agenda Item 9

1D	Carer-reported quality of life
Public Health Outcomes Framework	
1.18i	Proportion of adult social care users who have as much social contact as they would like
2.13ii	Proportion of adults classified as “inactive”
2.24i	Injuries due to falls in people aged 65 and over

Local areas must either select one of the measures from the above menu, or agree a local alternative. Any alternative chosen must meet robust criteria as outlined in the guidance.

It is recommend to the Health and Wellbeing Board and Cabinet that the following metric from the NHS Outcomes Framework be adopted as the local metric for the Sefton Better Care Plan:

2.1: Proportion of people feeling supported to manage their (long term) condition.

The reasons for recommending this metric to the Health and Wellbeing Board and Cabinet is that it will be collected as part of the existing performance management processes for the NHS thereby not requiring the Council to invest in any new surveys or consultations processes. Additionally the model of integration described in the attached planning template, would be supported by this measure.

Each metric/measure will be of equal value for the payment for performance element of the Fund. The Better Care Fund Plans will go through an assurance process involving NHS England and the LGA in order to release performance related funds. The government will not withhold the performance-related funding and reallocate elsewhere in 2015/16. However, they are considering whether such an approach should be adopted in future years. In terms of failure to achieve the levels of ambition outlined in the plan the government may require areas to produce either a contingency plan or recovery plan, for which any the held-back portion of the performance payment from the Fund will be made available.

It is important to note that the BCF is only part of our overall plans to integrate health and social care, which is a core purpose of the Health and Wellbeing Board, and a duty under the Health and Social Care Act 2012 and will be a duty under the Care Bill when enacted.

Attached at Appendix One is the Better Care Fund Planning Template for Sefton which, with the approval of the Chair of the Health and Wellbeing Board, in consultation with the Cabinet Member for Older People and Health, was submitted to the Government on the 14th February. The submission was made subject to approval by the Health and Wellbeing Board on the 19th February 2014 and ratification by Cabinet on the 27th February 2014. South Sefton CCG and Southport and Formby CCG gave a delegation to their Chief Officer and Chairs of the two Boards, to sign the planning template for submission. Members should note that the Council and CCGs will not be bound by the draft planning template as there will be further iterations developed as the plan goes through the assurance process working towards a revised submission on the 4th April 2014.

Requirements in developing a Better Care Plan

- The Health and Wellbeing Board are required to sign off the plan on behalf of the Council and the CCG's
- The plan must be developed as an integral part of a CCG's wider strategic and operational plans, but the Better Care Fund elements must be capable of being extracted to be seen as a stand-alone plan
- The plan should include an agreed shared risk register, an agreed approach to risk sharing and mitigation covering, as a minimum, the impact on existing NHS and social care delivery and the steps that will be taken if, for example, emergency admissions or nursing home admissions increase
- Councils and CCGs must engage with all providers, both NHS and social care (and also providers of housing and other related services), to develop a shared and agreed view of what future services will look like, help manage the transition from current service delivery to the future proposed models, including an assessment of future capacity and workforce requirements across the system, and agreement to all the service change consequences.

Assurance Process

The Government issued further draft guidance on the assurance process for the Better Care Fund in early February 2014. NHS England and local government regional peers will have the primary role in the assurance process of the BCF Plans. The assurance process includes a testing timetable working towards a revised iteration of the plan being submitted by the 4th April 2014. Further funding has been made available in year 2013/14 and for 2014/15 to support a sector led support programme for the Better Care Fund and the Care Bill across the nine local government regions.

The Local Approach to Developing our Better Care Plan

The Health and Wellbeing Board held a number of workshops during November to January with a range of representatives from the Council and CCGs at which the framework for integration in Sefton was developed. Following this, under the direction of the Health and Wellbeing Board, the Programme Group established a task and finish group of officers from the Council, the Clinical Commissioning Groups for Southport and Formby and South Sefton and Clinicians to share ideas about how to develop the Plan for Sefton.

The Health and Wellbeing Board hosted a listening event on the 22nd January 2014 to engage wider partners from the hospitals, community health trusts, pharmaceutical and optical committees, housing providers, health and social care providers and the voluntary, community and faith sector, including those representing public voice, to share ideas and further shape the approach to integration within Sefton. From this a report has been developed which has informed the vision and outcomes expressed in the BCF planning template. Further work is planned to further develop this work within the Council, with CCGs and with those invited to the event, over the coming months.

Agenda Item 9

A range of public engagement and consultation sessions have been held on the CCGs Strategic Plans for Southport and Formby and South Sefton which included taking feedback as it relates to the Better Care Fund. The first iteration of the Better Care template has been developed by also utilising the feedback from the public, service users, and stakeholders from the wide ranging consultation and engagement processes that underpinned the development of the Sefton Strategic Needs Assessment and the Sefton Health and Wellbeing Strategy. Further events with stakeholders, the public, service users and the voluntary sector will take place during the coming months to inform the final Better Care plan for Sefton.

The approach adopted to developing our Better Care Plan has been informed by the Council's significant budget pressures, which are compounded by our demographics and the dialogue that is taking place with the public around self care and self management. This approach will continue to underpin the development of the final Better Care Plan for Sefton, and will inform our approach to integration.

Conclusion

Preparations for the development of a Better Care Plan, as part of the CCG's Southport and Formby and South Sefton 5 year Strategic Plans are underway, in accordance with the national guidance. Once feedback, both from the assurance process referred to above, and from continued engagement on the first cut of the Better Care template and the CCG's draft 5 year strategic plans is received, a more detailed revised plan will be brought to the Health and Wellbeing Board and Cabinet. The guidance on the BCF has been changed during the process of development, and it is anticipated it will continue to be firmed up over coming months as the assurance process validates whether the BCF templates are robust enough in terms of vision, ambition and schemes, to draw down the funding. The risks associated with the plan are set out in the attached template, and the Health and Wellbeing Board and Cabinet is asked to consider the risks when it considers the BCF template.

Report to:	Cabinet	Date of Meeting:	27 th February 2014
Subject:	Adult Social Care Change Programme	Wards Affected:	All
Report of:	Director of Older People & Head of Transformation		
Is this a Key Decision?	Yes	Is it included in the Forward Plan?	Yes
Exempt/Confidential	No		

Purpose/Summary

To update Cabinet on the Adult Social Care Change Programme and seek approval for planned activity.

Recommendation(s)

Cabinet is asked to

1. note that the changes associated with the Care Bill will be managed within the Adult Social Care Change Programme.
2. note that £900,000, transferred from Health under s256 National Health Service Act 2006, will be invested to support the delivery of the new reablement pathway and increase the number of people being offered the benefit of reablement services
3. authorise officers to negotiate with New Directions the required variation in contract, subject to appropriate dialogue, so that the implementation of a payment by results arrangement for reablement activity will run in parallel to notice on the existing block contract arrangement
4. note the decision making process associated with respite and authorise officers to negotiate with New Directions the required variation in contract, subject to appropriate dialogue, so that when appropriate the new ways of working and associated commissioning will run in parallel to notice on the existing block contract arrangement
5. agree that the resource allocated to the delivery of the change programme continues for a further 12 months from the Modernisation Fund
6. be aware and take account of and note the financial and other risks to the Council
7. note the ongoing and where appropriate approve commencement of consultation and engagement processes with service users, the community, partners, providers, key stakeholders, employees and Trade Unions
8. authorise officers to consult with care home providers on appropriate proposals for setting the Council's Usual Cost of care, within the context and constraints of available resources, as set out in the Medium Term Financial Plan and as agreed with the Council's Section 151 Officer
9. delegate authority to the Cabinet Member (Older People and Health) to set the Council's Usual Cost for 2013/14 and 2014/15 within the context and constraints of available resources, as set out in the Medium Term Financial Plan and as agreed with the Council's Section 151 Officer, following conclusion of the consultation process
10. agree the virement of £1.056m from the Housing Related Support budget to

Agenda Item 10

the Community Care budget, with effect from April 2014

- 11.waive Contracts Procedure Rules and agree the extension of existing Housing Related Support Contracts, for between 3-9 months (dependent upon the particular service and where a service is within the scope of another Council review, the timeline for that review) to enable the development of new Housing Related Support Commissioning Plans and subsequent Commissioning activity within the remaining budget available.

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	

At the time of writing this report the implications of the change programme are not fully understood and therefore the Council is unable to confirm how the work will contribute to the Council's Corporate Objectives

Reasons for the Recommendations:

The Council has significant existing responsibilities for Adult Social Care and invests considerable resources (£91 million per annum) into this service. The Adult Social Care Change Programme's overall aim is to develop a model for Sefton Council's Adult Social Care that is sustainable, modern and flexible, delivering the four strategic priorities as set out in the ASC Strategic plan 2013-20 as approved in November 2013, and the delivery of the changes associated with the Care Bill.

New requirements, duties and responsibilities associated with the Care Bill will be designed, developed and implemented from April 2015 with full implementation planned for April 2016. In the light of the timescale, breadth of changes and associated risks, it is important that the Council prepares for implementation despite of a lack of clarity about some of the key features.

Alternative Options Considered and Rejected:

Maintaining the status quo is not an option due to demographic and budgetary pressures and new legislation (Care Bill). The Council could wait for greater clarity in relation to the legislation before acting but this would pose significant risk that the Council will not be in a position to meet its statutory responsibilities when the Bill is enacted.

What will it cost and how will it be financed?

Resources: £91m in 2014/2015

(A) Revenue Costs

The Council's MTFP projects budget gaps for 2015/2016 and 2016/2017 of £31.6m and £22.2m respectively. The Adult Social Change Programme will need to be considered against the background of reducing Council resources. Under the New Burdens principle the Government will provide additional funding to Councils for the implications of the requirements, duties and responsibilities associated with the Care Bill. The Better Care Fund for Sefton will include £0.692m for these New Burdens in 2015/2016. In addition, £285m nationally will also be available in 2015/2016 to support the transition to capped care costs and deferred payments. The DCLG has estimated that Sefton's share of the national funding will be £1.811m although the methodology for allocating these resources is still under development. Funding beyond 2015/2016 is unknown. The actual level of expenditure is however unclear; serious concerns exist that expenditure will exceed the additional Government resources.

(B) Capital Costs

The Better Care Fund in 2015/2016 also includes £50m nationally for capital costs associated with the implications of the Care Bill (£0.318m for Sefton).

Implications:

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

Financial

Revenue costs and the timing of the impact of the various elements of the Care Bill are yet to be determined and will need to be factored into Council's medium term financial plan. In January 2014 Cabinet were advised that reforms to adult social care will place a number of new burdens on local authorities. The Government, in its Spending Power calculations, has provided an illustrative increase in funding of approximately £1.8m for Sefton in 2015/16 (although the methodology for allocating funding is still under development). There is however a great deal of concern with regard to the Government's expectation of service provision, and the resultant financial costs to Sefton (when compared to the additional resources provided). Based on available information to date, the additional resources are not expected to be sufficient.

Legal

Current social care legislation has evolved over a number of decades and the Care Bill seeks to consolidate several pieces of legislation and will replace many different pieces of legislation with one Act. The Bill sets out new rights for carers, emphasis the need to prevent and reduce care and support needs and introduces a national eligibility threshold for care and support. The Bill also introduces a cap on the costs that people will have to pay for care.

Preparations for the implementation of the Bill may require to Council to renegotiate the terms of its contracts with commissioned service providers.

Human Resources - The implications in terms of Personnel practice and implications for

Agenda Item 10

the workforce are not clear yet. Regular consultation takes place with trade unions through recognised processes. Officers will continue to consult with trade unions and employees as necessary following these recognised processes.

Equality

Equality implications continue to be identified as this report does not recommend significant changes there are no equality impacts to be reported at this stage.

Impact of the Proposals on Service Delivery:

Adult Social Care's day-to-day operational model will change over the period of the programme. The impact on the individual and community is not fully understood at this stage.

The Care Bill represents the most significant change in Adult Social Care in recent years, with changes to underpinning legislation, eligibility criteria, funding, the status of Adult Safeguarding and a host of other associated areas which are likely to impact across the Council.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT (FD 2821) and Head of Corporate Legal Services ((LD2127/14) have been consulted and any comments have been incorporated into the report.

Implementation Date for the Decision

Immediately following the expiry of the call in period

Contact Officer: Director of Older People

Tel: 01519344900

Email: Robina.Critchley@sefton.gov.uk

Contact Officer: Head of Transformation

Tel: 01519344431

Email: Jan.mcmahon@sefton.gov.uk

Background Papers: The following papers are available for inspection on the Council website via these links:

Population & Projections 2011 - 2021

Other Information

[Strategic Plan](#)

[The Care Bill - Main Areas of Change](#)

[Public Consultation & Engagement Panel November 2013](#)

[care-bill-factsheets](#)

Agenda Item 10

[Care and support reform programme schedule December 2013 \(LGA\)](#)

[Care Bill Clause Analysis LGA](#)

www.seftondirectory.co.uk

[Health & Wellbeing Board](#)

[Sefton Strategic Needs Assessment \(SSNA\).](#)

Agenda Item 10

1. Introduction/Background

- 1.1 The Adult Social Care Change Programme's overall aim is to develop a model for Sefton Council's Adult Social Care (ASC) that is sustainable, modern and flexible, delivering the four strategic priorities as set out in the ASC Strategic plan 2013-20. The strategic plan highlights

- the Council's commitment to safeguarding
- how the Council will focus resources on the **most** vulnerable
- the need to work with our partners and the community
- and the development of the market to deliver the required change.

The scope of the programme includes delivery of approved budget savings, designing the new model for Social Care and implementing the changes associated with the Care Bill.

- 1.2 The Council is facing the greatest financial challenge in its history, the MTFP projects budget gaps for 2015/2016 and 2016/2017 of £31.6m and £22.2m respectively. The Adult Social Change Programme must be considered against this background. The New Burdens monies identified by Government associated with implementing the Care Bill and the Better Care Fund is not likely to meet the true cost to the Council of implementing such a significant change, especially given the financial challenge. Sir Merrick Cockell, Chairman of the LGA, said recently:

"The costs for running the deferred payment scheme have been massively underestimated by the Government. With costs likely to exceed £1.1 billion, councils are at real risk of incurring costs that they simply can't meet."

- 1.3 The Care Bill, currently making its way through Parliament, is the most significant piece of legislation in adult social care since 1948. It will replace existing adult social care legislation and introduce a range of duties as well as implementing the funding reforms laid out in the Dilnot report. Whilst the proposed legislation is subject to consultation and provision of greater detail, the breadth and complexity of the associated issues and the proposed timescales for implementation mean that the Council must carefully consider the community, financial and other implications, opportunities and associated risks. The changes must be planned for in the context of reductions in funding for local Government services and a raft of other social care initiatives. It is anticipated that the Government will implement the changes in two phases:

- April 2015 for the changes to assessment and eligibility
- April 2016 for cap on care costs.

Cabinet is asked to note that the associated changes will be managed within the Adult Social Care Change Programme as outlined in Section 2 of this report.

- 1.4 The Better Care Fund, which is the subject of a further report on this agenda, is the programme announced by the government which creates a single pooled budget for Health and Social Care Services to work more closely together in local areas, based on a plan agreed between the Council and the NHS. The report on the agenda provides details of the Fund, the processes which are to be followed in

preparing a draft plan and presents for approval the first cut of a plan for Sefton Better Care Fund.

2. Current & Planned Activity

2.1 The Programme is structured around a group of inter-related projects and commissioning activity. The four main projects associated with the programme are

- Approved savings (see para 2.3)
- Awareness, Information, Advice and the Market (see para 2.4)
- Eligibility Threshold/assessments and review (see para 2.5)
- Paying for care and support (see para 2.6)

2.2 The Programme will be controlled, managed and organised by the Transformation team. The programme is using a 'rolling' staged approach across each project as the various areas of work cannot be considered in isolation as there are significant dependencies within the programme and across the Council.

2.3 Approved Savings

Progress in delivering the approved savings has been reported to Cabinet on a regular basis through the 2013/2014 Budget Update reports. Below is a more detailed update on the approved savings that are a priority within the programme. As Cabinet is aware these totalled £12.75m over 2013/2014 and 2014/2015. Forecasts indicate that in 2014/15 there will be an in year shortfall of £3.9m with an ongoing shortfall of £3.000m predicted and this has been included in the Medium Term Financial Plan (MTFP) for 2015/2016.

Day Opportunities

2.3.1 February 2013 Council approved a proposal to remodel day opportunities so that in the future opportunities will be shaped by how best to meet assessed needs and made more appropriate to people who use them. In considering this Council was made aware that this may result in

- the closure of a number of day centres
- use of existing and developing community offers and universal services
- changes in transport
- and that property will be reviewed regarding future use.

2.3.2 The demand for more traditional day services is falling. Crucial to the redesign is the understanding of current and future need. As members are aware all care plans are subject to regular review, as part of this process the Council recognises that assessed eligible needs may change as can a person's view on how those needs are met may change. The Council may also wish to change the way in which it meets needs in order to strengthen independence and well being and to meet those needs in the most cost effective way, as these reviews continue the Council will continue to strengthen its understanding of current and future need. No immediate changes will be made without discussing changes with those people directly affected.

Agenda Item 10

2.3.3 Officers continue to research best practice, plans and solutions identified by other Councils and a number of visits have been made and more are scheduled. As a result of this work a significant amount of data and intelligence has been gathered and analysed over recent months including that of current Day Centre service usage and costs, comparator data of costs and performance, activities mapped, transport and community profiles. As part of the work undertaken so far and to gain a better understanding of how services function currently and to explore opportunities for the future officers have visited a number of provider locations. During these visits officers were made welcome, had the opportunity to observe the activities currently provided and discuss with providers thoughts and ideas about what works well, what could be done differently and how they might be able to respond to the challenges ahead. This work will continue and inform any future options that Cabinet consider.

Reablement

2.3.5 February 2013 Council approved a proposal to work with the two Sefton Clinical Commissioning Groups (CCGs) and agree a model of re-ablement that will enable more users to go through a re-ablement process, thereby reducing levels of admission to short & long term care. The rationale for this change is based on national longitudinal studies that have demonstrated that timely intervention of home care re-ablement, focusing on activities for daily living, can enable people to live more independently and reduce their need for ongoing homecare support.

2.3.6 The review identified that the service as currently delivered does not fully exploit the opportunities presented to increase people's ability to manage with little or no ongoing support and that the specification for this service was outdated and did not deliver a home care reablement service as recognised by today's standards. Working with the CCGs a new specification and draft pathway suitable for current requirements have been developed.

2.3.7 The aim is that the new ways of working will reduce the reliance on longer term packages of care, in turn reducing future pressure on the community care and nursing and residential care budgets. The outcomes required from this work include;

- increased numbers of people being offered reablement
- achievement of personal outcomes
- reduction in the requirement for Community Care assessments
- reduction in the need for ongoing homecare support
- achieving Value For Money

The new pathway will see roles and responsibilities change significantly in both the Council and the provider. The size of this change cannot be underestimated as it is dependent on whole system change including assessment and review and health processes, the use of assistive technology, telehealth, system development plus significant cultural change. Due to the linkages with the Health system this must be considered within the context of Better Care Funding. Due to the linkages with the Health system and the announcement of the Better Care funding, this change programme aligns with the development of the Better Care Plan for Sefton.

- 2.3.8 The planned implementation will include mechanisms for tracking of costs and benefits which will result in replacing estimates with actuals to demonstrate the effectiveness and value for money of the change. This change will require investment, Cabinet is asked to note that £900,000 transferred from Health under s256 to deliver reablement services will be invested to support the delivery of the new pathway and increase the number of people being offered the benefit of reablement services.
- 2.3.9 The change also requires a variation of contract with the Council's partner New Directions. Cabinet is asked to authorise officers to negotiate the required variation in contract, subject to appropriate dialogue, so that the implementation of the change will run in parallel to notice on the existing block contract arrangement.

Respite

- 2.3.10 Respite Care is provided to support carers to continue in their caring role by providing either a short break from caring or a break which can be planned in advance or provided in an emergency, for example, when a carer is unwell. This helps to ensure that people continue to be cared for at home and do not come into long term care.
- 2.3.11 In February 2013 Council approved a change to the decision making process associated with respite. At present respite provision provides day and overnight relief to carers based on a traditional model of care within traditional settings. The Council is seeking to move service users towards greater independence by modernising and creating greater flexibility in the way in which respite is provided.
- 2.3.12 This requires new ways of working underpinned by appropriate commissioning activity. Cabinet is asked to note the decision making process associated with respite and authorise officers to negotiate the required variation in contract, subject to appropriate dialogue, so that when appropriate the new ways of working and associated commissioning will run in parallel to notice on the existing block contract arrangement.

2.4 Awareness, Information, Advice and the Market

- 2.4.1 The Strategic Plan identifies the need to ensure the community has
- access to advice, education and information about services so that they are able to make their own decisions about financial planning, care and support.
 - the capacity and resilience to take responsibility for their own health and well-being and that there is a sustainable and relevant market to enable accessible opportunities and choice.
- 2.4.2 The Sefton Directory was launched in October and has been very well received to date, this coupled with the improvements to the Sefton internet. The ambition is to create greater opportunities for the community to shape what they want to do, where and how. In developing and delivering this programme the Council will continue to work with partners to facilitate community responsibility and capacity to reduce the reliance on Council services and implement innovative support initiatives which meet the needs of the community and the individual. A number of community initiatives have been identified that will support this. These include

Agenda Item 10

increasing dementia awareness, winter readiness and activities in community venues. Work will commence on these initiatives shortly and progress will be reported to Cabinet Member (Older People & Health) on a regular basis.

2.4.3 The Council will support the development of a responsive and sustainable market and in turn this may create opportunities for the employment of local people and the growth of community-led initiatives. The Care Bill requires Local Authorities to support a market for Adult Social Care that delivers a wide range of care and support services that will be available to their local communities.

2.4.4 Details of future activity will be reported to Cabinet when they have been developed.

2.5 Eligibility Threshold/Assessments & Review

2.5.1 The Strategic Plan describes the priority to ensure that limited social care funds support and are targeted at only the most vulnerable adults and they are involved in all decisions about the provision of their care and support. The care and support system is to be built around the individual. This area of change will require the Council to develop new models for care. These will be based on the more effective provision of information as described above, timely and targeted prevention, and new models, for example, re-ablement (see para 2.3).

2.5.2 The Council will continue to assess and review in accordance with the Department of Health Guidance: Prioritising need in the context of Putting People First, 2010 which replaces the previous Fair Access to Care (FACS) criteria. There are four bands associated with the guidance: Critical; Substantial, Moderate; and Low. Sefton's eligibility criteria is set at Critical and/or Substantial. The draft national minimum eligibility criteria threshold for care and support within the Care Bill discussion document are much broader than the criteria the Council applies locally. If the current draft definitions become law it will lead to a widening of our service user base which will result in significant increased costs to the Council. Members will be kept informed of the anticipated local impact as the criteria are clarified.

2.5.3 Work is already underway to investigate best practice, legislation, types of assessment and review. The new ways of working will be designed around the needs of the person concerned, recognise contributions from everyone that can input to the desired outcomes and where possible seek to strengthen independence and well being. In addition to this officers will identify and develop new solutions such as self help, self assessment and referral tools. This area of work will consider delivery methods, pathways, roles and responsibilities covering all areas of care management. It is anticipated that this change will see changes in local pathways, ways of working, increased use of assistive technology and roles and responsibilities which will require investment in workforce development and technology. Progress will be reported to Cabinet Member (Older People & Health) on a regular basis.

2.5.4 Since 2007, the principles and practice of Personalisation have been embedded into Sefton's policies, practices and procedures. Sefton has both increased the use of Direct Payments and implemented person centred approaches to its assessment, care planning and review functions. As part of the Customer

Access/Financial Assessment Project officers have reviewed the administrative process associated with Direct Payments, currently commissioned from the Carers Centre. During this process officers have also considered information from other Councils with regard to best practice, resources, ways of working, service funding etc. It is now planned to commence the work to introduce pre-paid cards to improve efficiency and effectiveness throughout the Council as they can be used to support other activity.

2.5.5 The forthcoming Children and Families Bill will include a new Special Educational Needs Code of Practice. The vision is that young people with Special Educational Needs & Disabilities (SEND) will lead happy, fulfilled lives and have choice and control and a key strand of the new code is about preparation for adulthood. The Health & Wellbeing Board has set up a Working Group to implement the requirements of the new code and this group will look at ways of redesigning children's and educational services. This should mean that they will require less intensive support from Adult Services. This is a long term project and it is likely to be 4/5 years before any benefits are seen. The dependencies between the Adult Social Care Programme will carefully managed within this programme.

2.6 Paying for care and support

2.6.1 Adult Social Care is underpinned by complex, co-dependent care management and financial systems and controls. Over the coming months the Council will further develop these so that it is better able to forecast and plan future spending and efficiency projects more robustly and effectively.

2.6.2 Currently paying for assessed care and support is dependent on individual financial circumstances. This situation will change considerably under the proposals contained in the Care Bill. Local authorities will be required to keep a care account for adults whose care costs are being counted towards the costs cap. The purpose of the account is to maintain a record of the adult's total lifetime accrued care costs, and progress towards the costs cap. It is anticipated that those self funding their care costs will want to "open" their care accounts at the earliest opportunity, they are likely to request an assessment so that their care costs are being counted towards the cap as soon as legislation allows, subject to eligibility. In recognition of this the government has advised that Councils will be able to begin to progress these assessments six months prior to the formal introduction of the cap.

2.6.3 Details of changes will be reported to Cabinet when they have been developed.

2.7 Delivering the change

2.7.1 The Council's approach will be to;

- define priorities and identify who our "most vulnerable" are
- integrate with partners and the NHS to provide efficient, co-ordinated, consistent, effective, services
- design social care services and activities that are modern, flexible and sustainable with self care and self management at the core

Agenda Item 10

- help people to understand how to get independent financial advice where this might be helpful in making decisions about funding their care
- continue to identify those services which the Council must continue to provide as an absolute minimum and assess their current efficiency
- continue to assess and manage risks based on new financial forecasts

2.7.2 Change can be difficult, challenging and sometimes uncomfortable for service users, families, carers and the workforce but the Council is at a point where doing more of the same or trying to do more of the same with less is going to fail people, carers, families and the communities. Managing expectation is key in delivering this programme of change. In many aspects of modern life customer demand is driven by competitive markets and self-service, the Council must consider how care and support activity can match people's experience of the wider world. At the same time, and particularly for those people with no or limited capacity to exercise real choice the Council must ensure that they are safeguarded and supported with dignity and respect.

2.7.3 Officers are clarifying the priorities for projects that will deliver the objectives of the Strategic Plan. Many of the anticipated changes will have a significant impact on the community, workforce, partners, providers, suppliers, pathways, processes and technology. The programme will identify the required level of investment in modelling future demand, process redesign, improving community awareness changing ways of working, training, technology etc. Effectively scheduling and managing the dependencies between the various work packages, projects, other Council and partner initiatives is key. The governance of the Adult Social Change Programme will ensure that the work is monitored and any significant issues will be escalated to Cabinet Member (Older People & Health) and Cabinet accordingly.

2.7.4 Cabinet is asked to agree that the resource allocated to the delivery of the change programme continues for a further 12 months from the Modernisation Fund.

3. Risks

3.1 The programme regularly reviews strategic and operational risks and has put in place measures to manage those risks. However it must be stressed that change of this size coupled with reductions in the Council's budget cannot be achieved in a risk free environment.

3.2 The scale and pace of the change required with the need to identify, develop and implement new models of care and the potential associated impact on the community will require appropriate capacity to deliver change. This is on top of increasingly demanding day-to-day-work, and against a backdrop of contraction over the last few years, means capacity will have to be created to enable the delivery of a programme to change an able the Council to support those most vulnerable. It is important to note that this risk is likely to be mirrored with our partners and providers of services.

Agenda Item 10

- 3.3 In particular the programme will identify any further risks to local community infrastructures and individuals and where possible develop mitigating actions. In the main this will be achieved through our consultation and engagement and care planning processes. Cabinet is asked to note the ongoing activities and where appropriate approve commencement of consultation and engagement processes with service users, the community, partners, providers, key stakeholders, employees and Trade Unions with regard to these matters
- 3.4 The complexity of this programme means that dependencies on other projects, other areas of the Council and partners are unavoidable and are likely to increase as the programme progresses. The Programme Team will need to understand and manage those dependencies very closely. Those projects and key areas of work that, at this stage, have a dependency and/or link are:
- Health & Well-Being Board Initiatives and the Better Care Fund
 - Special Educational Needs Code of Practice
 - Budget savings for 2015 and on
 - Workforce development and culture change
- 3.5 The Care Bill introduces new statutory requirements and duties; there would be risk for the Council in failing to plan to meet these changes. The Bill needs to be considered in the context of key financial and demand risk factors already known concerning social care. These are demographic growth, particularly among older people and younger adults with complex disabilities; and increasing complexity of need among adult social care service users. Additional risks include the new duties to provide services to carers and to people who fund their own care.
- 3.6 The risks associated with implementing the proposals relating to Paying for Care and Support is of particular concern. This will be a complex and demanding area of work requiring whole system change and appropriate investment. It is important to note that the proposed changes could impact significantly on the back office and support services of the Council due to the administration and monitoring processes that are anticipated rather than enabling us to move resources to the front line. This will be particularly true with regard to assessing self funders, as Sefton has the highest percentage of owner occupier homes in the Merseyside area. The LGA is calling for a new national body, underwritten by central government, to oversee the scheme, and manage the financial costs associated with it. The Government has pledged £110 million to help councils cover the new costs incurred for the first year, but whether this is sufficient will depend on how many people opt into the system to receive loans. In subsequent years, the adequacy of funding will depend on the number of people requiring loans and the amount of time it takes for the debt to be recovered once a loan is complete. The LGA has estimated that the length of a loan will be 2.7 years, but demographic pressure and inflation will impact how much money councils will need to have tied-up in loan funds at one time.
- 3.7 Cabinet is asked to be aware and take account of and note the financial and other risks to the Council.

Agenda Item 10

4. Consultation & Engagement

- 4.1 Between August 2012 and March 2013 extensive formal consultation regarding the Strategic Needs Assessment and Health and Wellbeing Strategy took place. The feedback from both the general public and specific groups was that they want to maintain independence, have choice and control over their lives and have access to community information. In addition to this consultation and engagement the Council also consulted the public on a set for principles for setting a balanced budget, including the principle of transforming day care to offer new and flexible opportunities and services. Sixty seven percent of those responded to the budget consultation agreed that with the principle of transforming day care to offer new and flexible opportunities and services.
- 4.2 The proposal to undertake public engagement and consultation on the Adult Social Care change programme was presented to the Public Engagement and Consultation Panel on the 15th November 2013. The Panel approved a Two Stage approach to the consultation. The aims of Stage One are twofold; firstly to engage all local people, communities and stakeholders, in a dialogue about the challenges the council is facing in seeking to modernise adult social care services within the current pressing financial climate, and secondly to seek their views on how adult social care services can change to promote independence and personal and family responsibility. Stage Two of the process will include further dialogue with service users, carers, families, the general public and communities and specific groups on any proposed model (s) for the future delivery of adult social care that meets assessed needs and balances the budget. It is important for members to note that during the Stage Two process, should changes be made to individual care packages and support, consultation and engagement with service users, families and carers, will take place in accordance with the care planning process. A consultation plan for Stage Two will be subject to a further proposal to the Public Engagement and Consultation Panel once the findings from Stage One have been reported. Cabinet is asked to note the ongoing and where appropriate approve commencement of consultation and engagement processes with service users, the community, partners, providers, key stakeholders, employees and Trade Unions

The following key messages are proposed as the framework from which to commence a dialogue with all local people, communities and stakeholders –

Reductions in Government funding combined with our ageing population, and the need to continue to support those adults with very complex needs, means there is a lot less money available for Social Care

We raise £97m from Council tax which is less than we spend on Social Care (adults and children). Out of every pound available to the Council to spend 52 pence is spent on delivering social care services to adults and children. This accounts for £116m out of a total budget of £224m, 52%

In 2015/2016 and 2016/2017 the Council needs to further reduce its budget

by £31.6m and £22.2m respectively having already reduced the amount of money it can spend in real terms by £115m since 2010

This means that the Council has to make very difficult decisions about where to spend its money in the future, whilst seeking to where possible cushion the impact on the most vulnerable

In order to set a balanced budget, which the Council is legally bound to do, the way the Council delivers services must change. This change will mean that in the future people will have to do more for themselves and each other to reduce the reliance on Council services. In the future social care staff will assess what people, families and communities can do for themselves with a focus on prevention and reablement

This will mean that families, charities, volunteers and neighbours will increasingly be the providers of support, not the Council.

There is a need for people to start planning early to provide for their future care needs themselves

- 4.3 The Department of Health have also recently consulted on various aspects of the Care Bill, including developing new standards for adult social care, Draft Minimum Eligibility Threshold for Adult Care and Support and implementing funding reform. The Cabinet Member for Older People & Health has responded outlining the challenges around implementation that the current proposals outlined within the Care Bill will pose unless further funding and national approaches are adopted.
- 4.4 The changes associated with the Care Bill these will require nationally funded engagement and communication campaigns to launch and promote the scheme in a clear and consistent way. If each Council was responsible for this the impact would be diluted and messages would be lost as to the significance of the changes.

5. Related Matters

The following matters, whilst not formally part of the current Adult Social Care Change Programme, are very closely related and have been considered by the Programme Board and Steering Group because of their potential impact on the programme and available resources.

Care Home Fees

- 5.1 Members will recall that the Council is obliged to set the “Usual Cost” it would expect to pay to meet assessed care needs within nursing and residential care homes (often referred to as Care Home Fees) and that it would normally do so on an annual basis before or at the beginning of the financial year. In doing so it should have due regard to the “Actual Costs” of providing care, other local factors

Agenda Item 10

and the Best Value requirements. The agreed "Usual Cost" needs to be sufficient to meet assessed care needs, as far as possible ensure placements are sustainable and represent good value for money.

- 5.2 The Council has held discussions about the Usual Cost for 2013/14, and other related issues, with providers, through the Care Home Provider Forum and the Provider Forum Advisory Sub-Group which were set up during 2013. However, it is yet to formally consult on any specific proposal(s) or to set the Usual Cost. In those discussions, Providers have generally expressed views that: Fees should be set in the context of the other changes we wish to introduce, e.g. Removal of the Quality Payment Scheme (QPS) and introduction of a new contract; fees should be set for a 2-year period, in line with our current budget planning; that costs have continued to rise; that our fees do not adequately cover the actual cost of care and consequently the number of homes charging a "third party top-up" and the level of that top-up will continue to increase; and more latterly that the Council should pay the gross fee not the net fee, shifting the burden for debt recovery to the Council not the provider.
- 5.3 There is no conclusive evidence that current fee levels do not cover the actual cost of care, and if this is the case within any individual homes, the continuing absence of reliable Actual Cost of Care data means it is difficult to prove to what extent this is solely due to the particular business model/business cost effectiveness in play. However, we do know that certain costs have risen, including increases to National Minimum Wage and introduction of Pension Auto-enrolment (with increasing levels of contribution over next 3 years), albeit that we do not know to what extent this affects individual providers. We also know that the number of homes charging Third Party "top-ups" and the level of those top-ups is increasing.
- 5.4 Authority is now sought to consult with Providers in order to set the Usual Cost for 2013/14 and 2014/15. Feedback from the discussions with Providers, together with market place intelligence and the Council's short, medium and longer-term commissioning requirements will be taken in to account and any proposal(s) relating to Usual Cost will be formulated within the context and constraints of available resources, as set out in the Medium Term Financial Plan.
- 5.5 Cabinet is also asked to consider delegating authority to the Cabinet Member (Older People and Health) to set the Council's Usual Cost for 2013/14 and 2014/15 within the context and constraints of available resources, as set out in the Medium Term Financial Plan and as agreed with the Council's Section 151 Officer, following conclusion of the consultation process

Virement from Housing Related Support budget to Community Care budget

- 5.6 The budget for 2012/13 included an in principle reduction of £3m in the Housing Related Support budget (former Supporting People budget) to be delivered over 2 years. It was anticipated that approximately half of this saving could be found by reducing expenditure on funded Care & Support Services. This required reviews of individual care plans to be undertaken and the actual saving achieved was predicated on the outcome of those reviews together with subsequent contractual discussions with providers. As previously reported to Cabinet, "service user reviews identified that for some individuals Housing Related Support funding

underpinned or was closely aligned with meeting assessed care needs”, and as such the funding needed to continue. Consequently, it is now more appropriate for the remaining care-related element of expenditure to be incorporated into the Community Care budget.

- 5.7 The anticipated shortfall (£1.298m) and intention to recode spend appropriately have been reported to Cabinet previously, but in order to facilitate this, and minimise the impact upon the Community Care budget, it is now recommended to reduce the remaining Housing Related Support budget to the level needed only to cover the current Housing Related Support commitments and to carry out a for a budget virement of the funding over and above that amount (£1.056m) from the Housing Related Support budget to the Community Care budget. It is important to note that through ongoing reviews of care plans and commissioning arrangements, across the total Care and Support spend, the forecast shortfall will reduce further.

Extension of Existing Housing Related Support Contracts

- 5.8. In February 2013, Council agreed a further £500k Housing Related Support budget reduction, with effect from April 2014. Officers have identified how that saving can be achieved and any Providers impacted have been advised. It is proposed to continue to apply the Commissioning Principles, agreed by Cabinet in June 2012, as the basis for commissioning future services within the remaining budget available. In order to enable the development of new Housing Related Support Commissioning Plans and subsequent Commissioning activity, that take full account of Council priorities and outcomes of other related reviews/strategies (e.g. Substance Misuse Review; Homelessness Strategy Action Plan; Adult Social Care Strategic Priorities 2013-2020; and Adult Social Care Change Programme) it is necessary to extend existing contracts not ceasing as part of the above saving for between 3-9 months (dependent upon the particular service and where a service is within the scope of another Council review, the timeline for that review) and Cabinet approval for this is now sought.

6. Equality Act 2010 Duty and Impact Assessments

- 6.1 As the Council puts actions into place to deliver the Strategic Plan there is a need to be clear and precise about our processes, and impact assess potential changes, identifying any risks and mitigating these as far as possible. The impact assessments, including any feedback from consultation or engagement where appropriate, will be made available to Members when final recommendations are presented for a decision. This will ensure that Members make decisions in an open minded balanced way showing due regard to the impact of the recommendations being presented in compliance with the Equality Act 2010.

7. Conclusion

- 7.1 These are challenging times with far less money and more demand for care and support from an aging population and adults with complex social care needs. There is also rising expectation in terms of quality, availability, reliability, safety and access to universal or community opportunities. The changing demography, needs and expectations of the people of Sefton pose questions of all services and

Agenda Item 10

require a whole community response with involvement by all. Leadership of that response sits in many places, with the Council having a key role to play.

- 7.2 The combined impact of these factors and new policy and statutory requirements present a significant challenge that will require a sustained and robust Council wide response with continued engagement with key partners. This will need to involve developing solutions that ensure people remain independent for as long as possible; supporting carers to continue caring; encouraging people to plan in advance for their care needs; and promoting wellbeing and independence and community inclusion. Only such a strategic approach can mitigate the demand and financial pressures that will continue to be faced by Adult Social Care.

Report to: Cabinet **Date of Meeting:** 27th February 2014

Subject: Future Arrangements for the Procurement of Education, Day and Residential Places at Independent and Non- maintained Special Schools.

Report of: Director of Young People and Families **Wards Affected:** All

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

Exempt/Confidential No

Purpose/Summary

1. To up-date the Cabinet on the current position regarding the Authority's use of education, day and residential places at Independent and Non- Maintained Special Schools.

2. To seek approval of Cabinet to conduct a procurement process to establish a Framework Contract for the provision of Pre-16 education, day and residential places at independent and non- maintained special schools. The Contracts will take effect as from September 2014, with referrals for new placements being made from July 2014.

Recommendation(s)

1. That developments regarding the authority's use of education, day and residential places at Independent and non-maintained special schools be noted.

2. The evaluation criteria for tenders to provide Pre-16 day and residential places at independent and non- maintained special schools from September 2014, as set out in paragraphs 6.1 and 7.1 of the report, be approved.

3. That the Director of Young People and Families be authorised to accept the highest scoring tenders based on the evaluation criteria agreed

4. The contract will run for 2 years with the option to extend for 1x2 year periods, subject to a satisfactory review.

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		✓	

Agenda Item 11

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 children and young people with the most severe and complex special educational needs are provided with high quality specialist provision, matched to their individual needs, in line with the principles of best value.

What will it cost and how will it be financed?

(A) Revenue Costs

DSG High Needs budgets include significant amounts of funding to meet the 'educational' costs of Pre-16 day places and residential placements for children having severe and complex special education needs attending Independent and Non-Maintained Special schools (Day cost budget (2013/14) £1,892,000 & Residential costs (2013/14), included within a larger High Needs budget, estimated at approx £561,000).

In addition to educational needs however, there are also the Social Care needs associated with residential provision, concerning the costs of accommodation; and social care support, and where agreed, these costs are charged against the Council's Core Social Care budgets for residential placements & packages. (2013/14 the estimated/committed costs included within large Social Care Placement budgets are approx £643,000 for provision at Independent & Non-Maintained special schools).

There are also contributions towards health issues associated with complex medical needs of a child, paid for by the NHS, and per our latest forecast information, this is approximately £310,000 pa. Costs associated with health however, are not related to the Local Authority.

Note, that costs can vary from year to year, dependent on numbers of children and young people placed in day or residential education and medical and social needs.

(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	
The recommendations in this report relate to the Council’s duties under existing SEN and disability legislation such as the 1996 Education Act, the Special Educational Needs Code of Practice (2001) and the Equality Act (2010). Consideration is also given to the Council’s anticipated duties under the Children and Families Bill, as described in the draft Special Educational Needs Code of Practice (2013). As this is a contract for Part B services (Educational) it is not subject to the full requirements of OJEU	
Human Resources	
Equality	
1. No Equality Implication	<input type="checkbox"/>
2. Equality Implications identified and mitigated	<input checked="" type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact on Service Delivery:

The recommendations will ensure that a framework for the provision of education, day and residential places at independent and non- maintained special schools is developed according to a fair and transparent process, with clear criteria for delivering positive outcomes for the young people concerned.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD2795/13) has been consulted and would comment as follows :

There is currently no contractual framework in place for the award of day and residential placements to Independent and Non-Maintained schools, which could leave the Council exposed to challenge, and this tender process will provide transparency to future awards.

Through the recommended tender process for day and residential placements, it is hoped that savings can be achieved to both the High Needs DSG for the educational element of costs, and to the Council’s core social care budgets for the costs of care in residential settings at Independent and Non-Maintained Special Schools.

The Head of Corporate Legal Services (LD2101) has been consulted and has no comments to add to the report.

Are there any other options available for consideration?

The risks of doing nothing: We are in breach of our own constitution. The market has not been tested and subjected to competition to provide evidence of value for money and quality of service provision.

Implementation Date for the Decision

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

Agenda Item 11

Contact officer: Eileen Oakes

Tel: 01704 882038

Email: eileen.oakes@sefton.gov.uk

Background Papers:

There are no background papers available for inspection.

1. Special educational needs

- 1.1 The majority of children and young people with special educational needs (SEN) have their needs met through mainstream education providers and will not need the authority to provide additional support. All early years and education providers are responsible for meeting special educational needs. The governing bodies, proprietors and management committees of mainstream schools, maintained nursery schools, pupil referral units (PRU) and institutions within the further education sector must use their 'best endeavours' to secure the special educational provision called for by a child or young person's SEN. Where a SEN is identified, early years providers, schools and colleges should put appropriate evidence-based interventions in place. These should be provided as part of a graduated approach, which includes regular review of the progress made and adaptations to the support provided as required.

2. Statutory assessment

- 2.1 For a small group of children, where the special educational provision required to meet their needs cannot reasonably be provided from within the resources normally available to mainstream early years providers, schools and post 16 institutions, the authority may seek to carry out a statutory assessment. This process is currently determined by the statutory guidance provided in the Special Educational Needs Code of Practice (2001). Part 3 of the Children and Families Bill will introduce changes in legislation relating to children and young people with special educational needs, including extending the age range covered to 0 – 25. In October 2013 a draft of the new SEN Code of Practice was published. This provides an indication of the statutory guidance that is likely to come into effect in September 2014.

3. Special educational provision in Sefton

- 3.1 The draft SEN Code of Practice endorses the rights of parents and young people to express a preference for a particular school subject to:
- the school being suitable for the age, ability aptitude or SEN of the child or young person
 - the attendance of the child being compatible with the efficient education of others or the efficient use of resources.
- 3.2 Many pupils with statements of special educational needs are therefore educated successfully in the local mainstream school of their parents' choice. The authority also funds some 182 places for pupils with statements in resource bases at seven primary schools and two high schools. These cater for children whose primary areas include autistic spectrum disorders (ASD), behavioural, emotional and social difficulties (BESD), complex learning difficulties (CLD), specific learning difficulties (SpLD), speech and language difficulties (SCLN).
- 3.3 Some children and young people need a more specialist curriculum than that on offer in most mainstream schools and for this group of pupils the authority maintains five special schools:

Agenda Item 11

- Crosby High, which caters for 146 secondary age pupils with complex learning difficulties
- Merefield, which caters for 72 pupils from 2-19 with severe to profound learning difficulties, some of whom also have autistic spectrum disorders
- Newfield, which caters for 81 primary and secondary pupils with behavioural, emotional and social difficulties
- Presfield, which caters for 72 pupils aged 11 to 19 with autistic spectrum disorders
- Rowan Park, which caters for 126 pupils from 2-19 with severe to profound learning difficulties, some of whom also have autistic spectrum disorders

4. The use of independent and non-maintained special schools

- 4.1 For a small number of pupils the outcome of statutory assessment is that their special educational needs are too severe and complex to be met within the provision currently maintained by the authority. On 29th November 2013, there were 53 such pupils: 30 with autistic spectrum disorders, 20 with behavioural, emotional and social difficulties and 3 with severe to profound learning difficulties. Although most of the children concerned attend on a daily basis, 9 pupils have residential placements which are funded jointly with social care and, in some case, also with health. The table below shows the average costs per pupil for each of these types of provision:

Average net costs per pupil			
	Day	38 week residential	52 week residential
ASD	£39,200	No placements	£185,802
BESD	£58,286	£86,655	£140,000
SLD	No placements	£123,966	£180,392
SpLD	£14,706	No placements	No placements
VI	£39,909	No placements	No placements

- 4.2 The cost of this very specialist provision is substantial and it is therefore important to ensure that contracts for the provision of places at independent and non-maintained special schools are awarded according to a fair and transparent process with clear criteria for delivering positive outcomes for the young people concerned
- 4.3 There were also 6 other pupils with statements being educated outside the borough, 2 with specific learning difficulties and 4 with severely reduced vision. The parents of these pupils exercised their rights to request provision outside the borough. The difference in cost of providing similar provision within the borough was not sufficiently different for the borough to put forward a viable alternative that could be defended at an SEN tribunal.

5. The identification of preferred providers

5.1 It is proposed Sefton conduct a Procurement process and this will include an Open Tender exercise. The contract will be for a 2 year period in the first instance, with an option for a 1x2 year extensions subject to satisfactory performance.

5.2 Providers will be invited to tender under one or more of the following categories:

- Autistic spectrum disorder:
- Behaviour, emotional and social difficulties
- Severe learning difficulties
- Specific learning difficulties
- Visual impairment

5.3 The aim is to identify a Framework with a tiered structure for each of the following categories. Expressions of interest would be submitted to provide a quality service at a competitive price.

- Primary age – day provision
- Primary age – 38 week residential
- Primary age – 52 week residential
- Secondary age – day provision
- Secondary age – 38 week residential
- Secondary age – 52 week residential

6. Award criteria

6.1 The contract will be awarded utilising a weighted scoring system of:

- Price – 40%
- Quality – 60%

7. Quality

7.1 The other quality indicators will include staff with qualifications specific to the area of need for which the provider is tendering, skills and knowledge; evidence of a personalised approach, customising the support provided to the needs of individual children, families and settings; an outcomes led approach, providing evidence that children who receive the support provided have improved outcomes.

7.2 The procurement process will be completed by May 2014, with the contract to be awarded on June 2014 with a start date of 1st September 2014.

8. Cost

8.1 It is anticipated that by conducting this tender exercise in the open market it will drive down costs to both the High Needs DSG and Council's Core Social Care placement budgets and increase the quality of provision at Independent and Non-Maintained Special Schools.

This page is intentionally left blank

Report to: Cabinet	Date of Meeting: 27 th February 2014
Subject: Future arrangements for the provision of outreach support for children and young people with a diagnosis of an autistic spectrum disorder	
Report of: Director of Young People and Families	Wards Affected: All
Is this a Key Decision? Yes	Is it included in the Forward Plan? Yes
Exempt/Confidential No	

Purpose/Summary

1. To up-date the Cabinet on the current position regarding the provision of support for children and young people with a diagnosis of an autistic spectrum disorder (ASD)
2. To seek the approval of Cabinet to extend the existing arrangements with the current provider until the end of July 2014.
3. To seek approval of Cabinet to conduct a procurement process to establish a Framework Contract for the provision of Outreach Support Services for children and young people with a diagnosis of an autistic spectrum disorder. The Contract (s) will take effect as from July 2014.

Recommendations

1. That developments regarding the support for children and young people with a diagnosis of an autistic spectrum disorder be noted
2. Notice to be issued to the current provider to terminate the existing agreement with effect from July 2014. Approval is also required to extend the current arrangements from 1st April to the July 2014 while the Tender process is conducted to select the appropriate provider.
3. The evaluation criteria for tenders to provide the outreach support service for children and young people with ASD from 1st September 2014 be approved
4. That the Director of Children and Young People be authorised to accept the highest scoring tenders based on the evaluation criteria agreed
5. The contract will run for 1 year with the option to extend for 1 year subject to a satisfactory review.

Agenda Item 12

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 that children and young people with ASD are provided with high quality outreach support, matched to their individual special educational needs, in line with the principles of best value.

What will it cost and how will it be financed?

(A) Revenue Costs

The 2013/14 budget allocation is £ 307,000 funded from the High Needs block Dedicated Schools Grant funding, which does not impact on the Council's core budgets.

(B) Capital Costs

N/A

Implications:

Legal

The recommendations in this report relate to the Council's duties under existing SEN and disability legislation such as the 1996 Education Act, the Special Educational Needs Code of Practice (2001) and the Equality Act (2010). The services described contribute to the successful implementation of the Council's Autism Strategy required by the Autism Act (2009). Consideration is also given to the Council's anticipated duties under the Children and Families Bill, as described in the draft Special Educational Needs Code of Practice (2013).

Human Resources

Equality

1. No Equality Implication

2. Equality Implications identified and mitigated

3. Equality Implication identified and risk remains

Impact on Service Delivery:

The recommendations will ensure that the contract(s) for support for children and young people with a diagnosis of an autistic spectrum disorder (ASD) are awarded according to a fair and transparent process with clear criteria for delivering positive outcomes for the young people concerned, within the Authority's financial restraints.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance & ICT has been consulted (FD2725/14) and any comments have been incorporated into the report.

The Head of Legal Services has been consulted (LD2030/2014) and any comments have been incorporated into the report.

Are there any other options available for consideration?

The risks of doing nothing: We are in breach of our own constitution. The market has never been tested and subjected to competition to provide evidence of value for money and quality of service provision.

Implementation Date for the Decision

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

Contact officer: Eileen Oakes

Tel: 01704 882038

Email: eileen.oakes@sefton.gov.uk

Background Papers:

None

Agenda Item 12

1. **Autistic spectrum disorders (ASD)**

1.1 Children and young people with an Autistic Spectrum Disorder (ASD) have difficulty in making sense of the world in the way that others do. They may have difficulties with communication, social interaction and imagination. In addition they may be easily distracted or upset by certain stimuli, have problems with change to familiar routines or have difficulties with their co-ordination and fine-motor functions.

1.2 ASD is diagnosed following careful multi-agency assessment over time working in partnership with those who know the child best using the criteria set out in the World Health Organisation's International Classification of Diseases and the American Psychiatric Association (APA) Diagnostic and Statistical Manual (DSM). The fifth edition of the APA Diagnostic and Statistical Manual (DSM-5) was published on 18th May 2013. This streamlined the diagnostic criteria from three impairments to two, each of which has been subdivided into three levels of severity:

- social communication and interaction
- restricted, repetitive patterns of behaviour, interests or activities

1.3 Children and young people with ASD can therefore experience different levels of severity of special educational need and some may have other types of needs in addition to their ASD. For example, some of the young people attending schools such as Rowan Park or Merefield may have ASD in addition to severe or profound learning difficulties whereas other young people with ASD may be capable of high levels of educational attainment, provided that their special educational needs are properly understood and supported.

2. **Implications of changes in legislation relating to children and young people with special educational needs (SEN)**

1.4 Part 3 of the Children and Families Bill will introduce changes in legislation relating to children and young people with special educational needs, including extending the age range covered to 0 – 25. In October 2013 a draft of the new SEN Code of Practice was published. This provides an indication of the statutory guidance that is likely to come into effect in September 2014. Under the terms of the Special Educational Needs (Local Offer) (England) Regulations the authority will be required to publish a local offer setting out information about the provision available for children and young people aged 0 – 25 in their area who have SEN.

1.5 Section 5.2 of the draft Code of Practice notes that:

The local offer should cover:

- *Support available to all children and young people with SEN from universal services such as schools;*
- *Targeted services for children and young people with SEN who require additional short term support over and above that provided routinely as part of universal services;*
- *Specialist services for children and young people with SEN who require specialised, longer term support.*

3. The local offer for children and young people with autistic spectrum disorders

3.1 As noted above, the ASD population is very diverse and it is therefore important that the Sefton local offer for this group reflects the range of provision needed. In line with national trends, there has been a dramatic increase in the number of Sefton children and young people diagnosed with ASD. In 2008/09, 30 statements of special educational need were issued for children with ASD, whereas in 2012/13 86 such statements were issued. The plans for future provision will therefore also need to have regard to this trend.

3.2 The authority now has three primary schools with resource bases for children with ASD: Our Lady of Lourdes, The Grange and Waterloo. Meols Cop High School has a resource base for secondary age pupils with ASD who are able to access a mainstream high school curriculum with support. These schools are currently providing places for some 82 pupils with ASD at a cost of £16,812 per pupil (£1,378,584 in total). Presfield School currently provides for 75 pupils aged 11-19 with more severe and complex autistic spectrum disorders at a cost of £ 22,720 per pupil (£1,704,000 in total). 30 students with the most severe and complex forms of ASD are currently educated at specialist independent and non-maintained schools at an average net cost of £58,747 per pupil ((£1,762,408 in total).

3.3 The draft SEN Code of Practice notes, however, that the majority of children with SEN will have their needs met with the age-appropriate mainstream provision and this principle applies equally to children with ASD. The Code also endorses the rights of parents and young people to express a preference for a particular school subject to:

- the school being suitable for the age, ability aptitude or SEN of the child or young person
- the attendance of the child being compatible with the efficient education of others or the efficient use of resources.

3.4 Many Sefton children and young people with ASD are therefore educated in mainstream educational settings through out the borough. The authority therefore has a duty to work in partnership with the schools concerned to ensure that the special educational needs of the children concerned are properly understood and supported.

4. Current arrangements of the provision of outreach support for children and young people with a diagnosis of an autistic spectrum disorder (ASD).

4.1 The current provider has developed a personalised outreach service for supporting children and young people with ASD, their families, carers and the staff within educational, work and other settings.

4.2 Currently 143 pupils receive individualised support in 52 schools at a cost ranging from £566 to £2,900 each, depending on the package of support provided. This equates to an annual cost of £267,014, which is likely to increase by a further £50,000 before the end of the financial year, due to the identification of new pupils.

Agenda Item 12

4.3 This service is an important element of the Sefton local offer for children and young people with ASD. The provision is available borough-wide; this ensures that many families can choose to have their child's special educational needs supported in their local school. Without this support, the pressure for places in specialist provision would increase substantially, at an increased cost to the Authority. There would also be a risk of increased litigation under the Equality Act (2010) and SEN legislation.

4.4 There is therefore a need to balance these risks against the need to ensure that future contracts for ASD outreach support are awarded in line with Council procedures. To mitigate against the risks associated with change, it is proposed that the existing arrangements should be maintained until the end of the academic year to maintain continuity of support for the pupils concerned. Notice should be issued to the current provider to terminate the existing agreement with effect from July 2014 and the procurement process implemented to a timetable which ensures that the successful organisation(s) can provide services from 1st September 2014. With the option to be able to refer into the service from July 2014 for the uptake of services for the commencement of the academic year.

5. **Award criteria**

5.1 The contract will be awarded utilising a weighted scoring system of:

- Price – 40%
- Quality – 60%

6. **Quality**

6.1 The quality indicators will include staff with ASD specific qualifications, skills and knowledge; experience of providing high quality support to children and young people with ASD in mainstream settings and their families; training skills; evidence of a personalised approach, customising the support provided to the needs of individual children, families and settings; an outcomes led approach, providing evidence that children who receive the support provided have improved outcomes.

6.2 The procurement process to be completed by May 2014, with the contract to be awarded June 2014 with a start date of 1st September 2014. Referrals for the service will commence in July 2014.

7. **Cost**

7.1 It is anticipated that by conducting this tender in the open market this will drive down cost and increase quality of provision.

Report to: Cabinet

Date of Report: 27th February 2014

Subject: European Structural and Investment Funds Strategy 2014-20

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 present the final version of the European Structural & Investment Funds Strategy 2014-20 for Liverpool City Region, and authorise next steps with commissioning, investment and delivery.

Recommendations

Cabinet

1. Endorses the EU Structural & Investment Funds Strategy 2014-20 for Liverpool City Region
2. Requests the Director of Built Environment to assess Sefton's readiness to deliver the new programme, and identify appropriate projects for consideration under the EU programme

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		/	

Agenda Item 13

Reasons for the Recommendation(s):

To alert members to the funding opportunities presented by the £190 million spending programme for Liverpool City Region.

What will it cost and how will it be financed?

There are no direct financial implications at this stage for the Council's Revenue or Capital Budgets arising from this report. The strategy outlined in this report has the potential to fund investment in the Liverpool City Region to the extent of £190m over the next 7 years. However the capacity to draw down such sums is dependent on local match funders, including Sefton, being able to contribute to this investment from their own resources.

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:

N/a

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT Strategy (FD2793/14) has been consulted and notes from the report at this stage there are no direct financial implications at this stage for the Council's Revenue or Capital Budgets. However possible benefit for the Council exists as there is potential to fund investment in the Liverpool City Region to the extent of £190m over the next 7 years. Capacity to draw down such sums is dependent on local match funders, including Sefton, being able to contribute to this investment from their own resources.

The Head of Corporate Legal Services (LD 2099/14) has been consulted and has no comments to make.

Are there any other options available for consideration?

Not applicable.

Implementation Date for the Decision

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

Contact Officer: Mark Long
Tel: 0151 934 3471
Email: mark.long@sefton.gov.uk

Background Papers:

Liverpool City Region Local Enterprise Partnership (2014), EU Structural and Investment Funds Strategy 2014-2020

Agenda Item 13

Background

1. Cabinet Member – Regeneration & Tourism received a report on 20th November 2013 introducing the draft EU Structural & Investment Funds Strategy (ESIF) for Liverpool City Region (LCR).
2. As instructed, officers supplied comments on the draft Strategy to the Local Enterprise Partnership (LEP), in writing and via consultation workshops.
3. A revised EU Strategy document was approved by the LEP in January and submitted to Dept for Business Innovation & Science (BIS) by the deadline of 31st January 2014.
4. The purpose of this report is to summarise what has changed in the Strategy since November, to make an appraisal of the submitted Strategy, and to set out next steps as we move from policy to implementation.

The next European Programme 2014-20

5. The new European Programme for Structural Funds began 1st January 2014. However (as is normally the case), the European Commission and the UK government will not have concluded their Partnership Agreement to release funds until the second half of the year, so implementation cannot start yet.
6. During 2014, the following tasks have to be completed:
 - Government agrees the Strategy with most LEPs in March
 - For the remaining LEPs, any fundamental concerns have to be addressed and eliminated by April
 - The financial table of the Strategy is binding once agreed and requires government approval to vary
 - After March, government agrees a Memorandum of Association with each LEP detailing local implementation arrangements (this is back-to-back with the UK government's negotiations with the European Commission on the Partnership Agreement).
 - The LCR LEP expects to have agreed its commissioning policy and be issuing Calls for Proposal by summer, with earliest start dates around September 2014 (ESF) or January 2015 (ERDF)
 - The government will monitor spend year by year to 2017, which will trigger the decision to release the UK performance reserve in 2019 (7% of the total programme value is held back to reward compliance with forecast spend in the first three years).
7. Members may be aware that Rotherham BC (on behalf of Sheffield and Liverpool city regions) is taking the Secretary of State for BIS to Judicial Review on the grounds that he misallocated the UK's EU funding to former Objective 1 regions. The allocation to Liverpool City Region is 40% below what was received in 2007-13, well below expectations. This hearing was concluded in late January 2014. Members will be advised of the judgement as soon as it is made available.

The submitted Strategy for Liverpool City Region

8. The Strategy as submitted end-January does not differ significantly from the draft version reported to members in November 2013.
9. The priorities are unchanged:
 - Increase GVA
 - Grow the business base
 - Create jobs
 - Help residents into employment
10. These priorities are addressed in five themes of “portfolios” drawing together each of the Structural Funds around a common objective:
 - Blue/Green Economy
 - Business Economy
 - Innovation Economy
 - Inclusive Economy
 - Place and Connectivity
11. Tables for each portfolio supply brief overviews of indicative strands of eligible activity, with various examples. These have not changed significantly since the previous draft.
12. The main changes to the submitted Strategy are in the sections on match funding and delivery.
13. In terms of match funding, the revised Strategy reflects discussions at the LEP about the role of national “opt-ins” i.e. the use of national match funding to meet shortfalls in local match. The Strategy is now recommending use of the following national opt-ins:
 - Manufacturing Advisory Service (£300k by 2016)
 - Growth Accelerator (£150k by 2016)
 - UK Trade & Investment (£700k by 2016)
 - Skills Funding Agency (£24m by 2020)
 - DWP (£5m by 2020)
14. The LEP has not yet concluded its appraisals of three potential Financial Instruments, but appears confident each can proceed:
 - JESSICA (property investment fund, managed by Chrysalis Fund)
 - JEREMIE (SME investment fund, managed by MSIF and/or NW Fund)
 - Local Impact Fund (social enterprise investment fund, with support from Big Society Capital and other social investors).
15. As regards delivery, the EU Strategy seeks to take account of the proposed Combined Authority. If approved, the Combined Authority would be designated an “Intermediate Body”. This is an EU term for a sub-national body to which the national managing agency can delegate certain tasks. It safeguards Liverpool City Region against diversion of funds at a national level

Agenda Item 13

(see para 7 above). The Combined Authority would also be the default accountable body for any EU funding received for onward distribution.

16. The LEP is proposing to evolve management arrangements for the new programme in line with the recently released European code of conduct on partnership in EU programmes (January 2014). This will ensure that as well as public and private sectors being represented on the LEP, there will also be community, voluntary, environmental and social sector representatives, and the relevant government departments. To this end, the LEP will initiate an EU Strategic Board with this new and broader membership, which will replace the LEP Board's EU Post-13 Sub-Group.

Appraisal

17. The report to Cabinet Member – Regeneration & Tourism in November 2013 expressed support in principle for the European Strategy as a statement of the city region's ambitions. This support can be extended to the final version submitted to government.
18. However, issues raised in the November report are not fully resolved:

- (i) Consultation and engagement

The LCR LEP is still developing its relationship with the local authorities, and it is not satisfactory that local government is treated as one of a long list of consultees. The local authorities are a strategic body, provide democratic accountability, and invest in local services. They will also inherit much of the risk of implementing the new programme.

However, in preparing the European Strategy, the LEP found itself with little capacity for a longer, deeper engagement with the local authorities. As a result, there was limited communication, and some decisions were made in isolation. We would expect that the new consultation arrangements for a broader partnership supervising the implementation of the programme will overcome these problems.

- (ii) Due diligence

A risk assessment of the affordability and deliverability of the new programme was left very late in the development of the Strategy, and in some areas appears to be incomplete.

The ESF programme presented most issues in terms of due diligence. Until a week before the Strategy was submitted to the LEP Board for final sign off, over half the ESF programme was still under review and subject to sizeable changes in the allocation of funds. Levels of match funding and ESF for each strand and procurement route are unclear or require further justification. It is also curious that the largest allocation of ESF – £29 million to the Local Employment Programme, an

alternative to national opt-ins – is not even mentioned by name and is invisible in the financial table. There is a serious lack of transparency when the six local authorities are being asked to co-invest upwards of £19 million of their own funds in the Local Programme.

These are basic responsibilities of due diligence. The consequence of not undertaking them now is that risks will be discovered later. But in a few years, partners will be under pressure to meet targets or return grant (see para 6 above). Therefore the LEP, and Sefton members and officers engaged in the commissioning of the new programme, must attend to all outstanding issues of risk assessment and mitigation.

In particular – and this joins the two issues of consultation and due diligence – the LEP should be encouraged to adopt a model of “co-commissioning” with the local authorities in those strands of the new programme which rest on local match and organisation, respecting the Councils’ unique position as local, responsive and accountable champions for economic improvement.

(iii) Performance

The revised Strategy has not significantly changed total outputs, so they remain surprisingly low for a programme of this nature:

- Of the total ERDF worth £112 million, more than half is going into activities which do not create jobs
- The overall programme spend of £190 million will lead to just 2,000 jobs being created
- In seven years, the four “growth sectors” account for only 200 jobs.

The reasons given by the LEP (restrictive output definitions, quality rather than quantity) are not sufficient to account for the variation from previous regeneration investments in the city region. It appears that they are the result of a policy preference to invest in capital intensive growth (innovation, private sector-led infrastructure) rather than labour-intensive growth. While this is an ongoing debate in local economic development, it is important that any co-investment by the local authorities in the new programme adequately balances output and employment, to maximise the value of the programme for our communities.

The next steps

19. In the next six months, officers will support the LEP in the further refinement of the new programme.
20. An initial assessment of where Sefton’s priorities for economic growth, worklessness and the revival of town centres can be met suggests the following strands in the new programme are relevant and attractive, all of which require collaboration at city region scale to be accessed:

Agenda Item 13

- a Local Employment Programme (based on the six local authority employment services delivering or commissioning provision for unemployed young people and adults)
 - a Business Growth programme (driven by the LEP and the six local authority economic development teams as “growth hubs” for direct or commissioned services)
 - an Energy Efficiency programme for domestic and commercial premises (based on the successful REECH partnership for which Sefton is accountable body, along with the six local authorities and their RSL partners).
 - investment and development opportunities arising from ongoing studies into:
 - ✓ Dunningbridge Road Employment Corridor
 - ✓ Bootle Office Quarter & Town Centre
 - ✓ Crosby Town Centre, and
 - ✓ Southport Seafront, Town Centre and Business Park.
21. A further report will be provided to members detailing the readiness of Sefton to take part in the new programme including staffing capacity, availability of match funding, governance, and delivery arrangements. Individual projects will also be brought to members for approval.
22. Finally, it should be noted that the 2007-13 EU programme continues to offer late funding opportunities as resources are recycled. They are of particular value because they bridge the gap before the new EU programme starts to spend in 2015. Current funding streams most closely aligned with Sefton’s priorities include:
- Energy efficiency and retrofit in older buildings (a dependable method for absorbing unallocated ERDF), and
 - Tackling worklessness through support for entry-to-employment (an SFA bidding round has opened).
- Members will be advised of progress with these applications.

Agenda Item 14

Report to: Cabinet

Date of Meeting: 27th February 2014

Subject: Fouling of Land by Dogs – Dog Control Order

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 confirm the outcome of the consultation relating to the intention to create a new Dog Control Order under section 55 of the Clean Neighbourhood and Environment Act 2005 and the Dog Control Orders [Prescribed Offences and Penalties Etc] Regulations 2006 the effect of which will be to make it an offence to fail to remove dog faeces, forthwith, from land to which the Order relates,.
- To seek approval for this order to be made.

Recommendation(s)

That Cabinet approve the making of a Dog Control Order under Section 55 of the Clean Neighbourhood and Environment Act 2005 and the Dog Control Orders [Prescribed Offences and Penalties Etc] Regulations 2006; to be known as the Fouling of Land by Dogs (Metropolitan Borough of Sefton) Order 2014.

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	√		

Agenda Item 14

Reasons for the Recommendation:

This will allow the council to proceed with a new order relating to the fouling of land by dogs.

What will it cost and how will it be financed?

(A) Revenue Costs

Costs identified within report to Cabinet Member Communities & Environment 31st July 2013 (Consultation, advertisement and refund, £6,000- existing budget.)

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

Impact on Service Delivery:

None

What consultations have taken place on the proposals and when?

Head of Corporate Finance & ICT has been consulted and comments have been incorporated into the report (FD 2748/14) Head of Corporate Legal Services has been consulted and comments have been incorporated into the report (LD 2748/14)

Are there any other options available for consideration?

None.

Implementation Date for the Decision - Following the expiry of the "call-in" period of the Cabinet decision

Contact Officer: Steve Smith– Environmental Public Health Section Manager

Tel: 0151 934 4025

Email: Steve.Smith@sefton.gov.uk

Background Papers:

None

Background:

1. The Fouling of Land by Dogs (Metropolitan Borough of Sefton) Order 2006 provided the Council with the ability to take action against dog owners who allow their dog to foul and fail to pick it up forthwith.
2. It has been established that the original process to create the Fouling of Land by Dogs (Metropolitan Borough of Sefton) Order 2006 was technically defective, therefore invalidating the order. As a consequence following a prescribed procedure this Order was revoked in October 2013. During this process it was clear from representations received that there was a consensus that the Order should be replaced with a new Control Order relating to the fouling of land by dogs.
3. As a result further notifications of the intention of the Authority to make a dog control order were made to Parish Council's, placed in all relevant press and on the internet, seeking representations. The time period for these representations elapsed on 11th December 2013. Only one representation was received which was not material to the making of the order. This representation accepted that fouling is a problem and does need addressing but questioned the Sefton Council anti fouling message of "Bag It Tie It Bin It" on the basis that the message was disproportionate and that there are other means of disposal to comply with the order e.g. scooping and placing in a bin.

Next Steps:

4. Subject to Cabinet approval to make the order, a number of steps will be taken not less than seven days before the order is to come into force to, these will include;
 - Where practicable place signs summarising the order in conspicuous positions on or near the land to which it applies.
 - Publish in a local newspaper a notice that the order has been made and stating the place at which it may be inspected and copies of it obtained.
 - Make the information available on the website.
5. It is proposed that the Fouling of Land by Dogs (Metropolitan Borough of Sefton) Order 2014 will come into effect on Tuesday 1st April 2014.

This page is intentionally left blank

Agenda Item 15

Report to: Cabinet

Date of Meeting: 27th February 2014

Subject: Procurement of Green (Garden) Waste Composting Outlet

Report of: Director of Street Scene

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 seek approval for an EU-compliant tender exercise to be conducted, in collaboration with Other Merseyside Councils, for the provision of a green (garden) waste composting outlet. Approval is also sought to delegate the final awarding of the contract to the Director of Street Scene.

Recommendation(s)

That Cabinet:-

[1] Authorises the Director of Street Scene to conduct an OJEU Open Procedure tender exercise, in collaboration with other Merseyside Councils and with Sefton being the lead authority for the tender exercise, for a new contract to run for a period of two years from 1st November 2014, with the option of three one-year extensions;

[2] Approves the basis of evaluation of tenders as set out in paragraph 2.2 of the report;

[3] Authorises the Director of Street Scene to approve the contract award to the highest scoring tenderer in accordance with the approved basis of evaluation and to report on the outcome to the Cabinet Member for Communities and Environment.

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		√	

Agenda Item 15

Reasons for the Recommendation(s):

The contract is currently held by White Moss Horticulture, and will expire on 31st October 2014.

Approval to undertake a Collaborative Tender exercise with other Merseyside Councils for the new contract will realise benefits and economies of scale by combining the different requirements under the one contract.

The tender exercise will be required to follow an OJEU Open Procedure in collaboration with the Merseyside Councils.

What will it cost and how will it be financed?

(A) Revenue Costs

The current cost of disposing of green compostable waste is approximately £320k per year. This is currently financed by a combination of revenue budget and recycling credits received via the Merseyside Waste & Recycling Authority (MWRA). It is expected that there should be little or no impact upon financial requirements as it is expected that the current disposal cost is likely to remain the same. As such, the continued service contract will be funded from existing revenue budgets

(B) Capital Costs None

Implications:

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

Legal:

The Council requires a legal agreement to dispose of green compostable waste collected from residents. Sefton Council is acting as the lead body amongst the other Merseyside Authorities in this collaborative procurement exercise. Sefton Council has to tender for the provision of disposal facilities by November 2014. Therefore, there is no additional procurement resource required as the tendering exercise would be undertaken by officers in any case. All other Authorities have been required to obtain political approval for this collaborative exercise, thereby reducing the risk of any procedural issues arising at a later date.

Finance:

The Council currently spends approx £320k in 'gate fees' to dispose of the green compostable waste collected over the year. Following discussions with our existing supplier, it is expected that if the existing company is successful in the proposed collaborative tender exercise, the price which we would pay is likely to remain the same, due to the increase in volume presented to the contractor. This would be against a backdrop of rising disposal costs across the industry. However, even if another company were to be awarded the contract it is likely to be on the basis that they have offered a cheaper unit cost, thereby saving additional revenue for the Council.

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:

In terms of current service delivery there will be no impact.

What consultations have taken place on the proposals and when?

Consultations have taken place with 4 other Merseyside Councils (commenced in September 2013) and also with Merseyside Waste & Recycling Authority.

Consultations have taken place with Sefton's Central Procurement Unit, who will assist with the Tender process.

The Head of Corporate Finance and ICT has been consulted and has no comments to make. (FD 2808/14)

Head of Corporate Legal Services (LD 2114/14) has been consulted and comments have been incorporated into the report

Are there any other options available for consideration?

If approval is not given for the collaborative tendering process, Sefton Council will be required to undertake such an exercise on its own in order to have a contracted disposal outlet in place by November 2014. It is likely that the disposal cost per tonne would increase if the Council were to undertake the exercise alone.

Implementation Date for the Decision

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

Contact Officer: Gary Berwick – Cleansing Services Manager.

Tel: 0151 288 6134.

Email: gary.berwick@sefton.gov.uk

Background Papers:

None.

Agenda Item 15

Introduction/Background

1. The contract for disposal of green waste within Sefton is currently held by White Moss Horticulture and will expire on 31st October 2014. The original contract commenced on 1st November 2011 until 31st October 2013, with options to extend for a further 1 year period. The Council has responsibilities to dispose of green waste for composting relating this service, and the provisions must therefore continue.
2. The contract covers a range of green waste composting, including disposal of garden waste, leaf fall and Christmas trees. The current cost for the contract is circa £315,000 per annum and is funded by the Council and from recycling credits from Merseyside Waste & Recycling Authority (MWRA).
3. In order to realise efficiencies in the final contract, a collaborative tender exercise between Sefton, St Helens, Knowsley & Wirral Councils is being proposed. Currently each Council tenders for its green waste disposal / composting arrangements separately.
4. Due to the expiry of the existing composting contract in October 2014, it is necessary for Sefton Council to negotiate an outlet for its green waste. Sefton Council currently produces approximately 20,000 tonnes of green waste in a year. When combined with the other participating authorities, it is expected that there will be approximately 48,000 tonnes to dispose of.
5. Due to the necessity to have an outlet for the disposal of our green waste by November 2014, Sefton Council is acting as the lead authority in this tender exercise. Each Authority will be required to operate to the terms of the contract, pay their own bills, and generally maintain their own contractual relationship with the successful tenderer. However, in order to provide the best price for disposal, Officers have arranged for a collaborative exercise to be undertaken which will see a price per tonne being provided for a collective Merseyside total of 48,000 tonnes, as opposed to the 20,000 tonnes generated by Sefton Council.
6. It is expected that the net effect of the collaboration will be to maintain the disposal cost at the same level as that currently enjoyed. This is against a backdrop of rising disposal costs in general, with organisations who have entered into such disposal contracts in recent years paying significantly more than the rate per tonne currently paid by Sefton Council. Based on the average disposal costs per tonne currently paid by other authorities, it is estimated that the disposal costs for Sefton Council could rise by £50k per year if the Council were to tender on a 'stand alone' basis.
7. Other authorities may participate after the contract is awarded and this has been confirmed within the proposed tender documentation. There is also no minimum tonnage guaranteed to the contractor and therefore the price paid to dispose of green compostable waste will not vary should tonnages drop across the region for any reason during the contract period.

Tender Method

8. The tender exercise will follow an OJEU Open Procedure in collaboration with the 4 other Merseyside Councils, with Sefton taking the lead.
9. The basis of the quality/price evaluation to be applied would be 70% price and 30% quality.
10. The new contract will run for a period of two years from 1st November 2014, with the option of three further one-year extensions.
11. The following timetable will be followed during the procurement process:

Period up to 20 th March 2014	Finalise the I.T.T. Finalise Spec, Method statements , T's and C's etc
21st March 2014	Publish in OJEU and on the chest, Open process.
2 nd May 2014	I.T.T. Return date
2 nd May to 20 th June 2014	Evaluate bids
20 th June 2014	Evaluation complete
W/C 23rd June 2014	Scoring moderation session
27 th June 2014	Commence Alcatel stand still
8 th July 2014	Alcatel expires, Award contract subject to planning permission.
8 th July to 31 st Oct 2014	Contract implementation/ Mobilisation
1 st Nov 2014	CONTRACT START DATE

Post Tender Award

12. Following the award of the contract to the successful tenderer, each participating authority is responsible for dealing on an individual basis directly with the contractor. Each authority is also responsible for all individual financial and contractual matters, payments and queries. Sefton will therefore only have any responsibility for issues relating to the disposal of green compostable waste from Sefton properties. There are no additional or ongoing liabilities associated with this proposed contract.
13. Sefton will have only been responsible for leading the procurement exercise, as there is a requirement for Sefton to do so individually anyway in advance of the current contract cessation on October 31st 2014. By taking lead responsibility for the process, officers can ensure as much as is possible that the Council benefits

Agenda Item 15

from the most economically advantageous disposal rates for the duration of the proposed new collaborative contract.

Report to:	Cabinet Council	Date of Meeting:	27 February 2014 24 April 2014
Subject:	Programme of Meetings – 2014/15 Municipal Year	Wards Affected:	All Wards
Report of:	Director of Corporate Services		
Is this a Key Decision?	No	Is it included in the Forward Plan?	Yes
Exempt/Confidential	No		

Purpose/Summary

To seek approval of a Programme of Meetings for the 2014/15 Municipal Year.

Recommendations

Cabinet

That the Programme of Meetings for the Cabinet, Public Engagement and Consultation Panel, Sefton Borough Partnership Operations Board, Sefton Safer Communities Partnership and the Health and Wellbeing Board for 2014/15 as set out in Annexes A and E of the report be approved

Council

That

1. the Programme of Meetings for the Council, Member Briefing Sessions; Regulatory Committees; Overview and Scrutiny Committees and Area Committees for 2014/15 as set out in Annexes B, C and D of the report be approved; and
2. the Programme of Meetings for the Cabinet, Public Engagement and Consultation Panel, Sefton Borough Partnership Operations Board, Sefton Safer Communities Partnership and the Health and Wellbeing Board for 2014/15 as set out in Annexes A and E of the report be noted.

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			

Agenda Item 16

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 business of the Council and its various Committees/bodies to be conducted during the 2014/15 Municipal Year.

Alternative Options Considered and Rejected:

The only alternative option would be to not produce a programme of meetings and this option has been rejected.

What will it cost and how will it be financed?

(A) Revenue Costs

None

(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:

Financial	
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 of the Proposals on Service Delivery:

The Programme of Meetings for 2014/15 will be published on the Council's website for the benefit of the residents of Sefton and the wider general public. This will raise awareness of the Council's political management system and allow the opportunity for the public to engage in the Council's democratic processes.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD2788) has been consulted and notes there are no direct financial implications arising from this report.

Head of Corporate Legal Services (LD2094) has been consulted and has no comments on the report

Implementation Date for the Decision

Immediately following the Council meeting.

Contact Officer: Paul Fraser
Tel: 0151 934 2068
Email: paul.fraser@sefton.gov.uk

Background Papers:

There are no background papers available for inspection

1. Introduction/Background

1.1 The Council is required to establish a Programme of Meetings for the 2014/15 Municipal Year.

1.2 The following annexes are attached to the report:

- Annex A - Programme of Meetings for the Cabinet in 2014/15
- Annex B - Programme of Meetings for the Council, Members' Briefing Sessions and Regulatory Committees in 2014/15
- Annex C - Programme of Meetings for the Overview and Scrutiny Committees in 2014/15
- Annex D - Programme of Meetings for the Area Committees in 2014/15
- Annex E - Programme of Meetings for the Sefton Borough Partnership Operations Board, Public Engagement and Consultation Panel, Sefton Safer Communities Partnership and the Health and Wellbeing Board in 2014/15.

Agenda Item 16

- 1.3 Similar to the arrangements put in place last year once the programme of meetings have been approved, an “in-house” diary will be produced for Members of the Council to purchase through their Group Whips.

2. Programme of Meetings 2014/15

2.1 The key principles of the Programme of Meetings are as follows:

- Due to the Council and European Parliamentary Elections being held on 22 May 2014 the dates for meetings of the Annual and Adjourned Council meetings are later in the year than usual.
- Annual Council Meeting (Election of Mayor) to be held in Bootle Town all at 6.00 p.m. on Thursday, 29 May 2014.
- Adjourned Annual Council Meeting (Appointment of Cabinet and Committees) to be held on **Tuesday, 3 June 2014**, in the week after the Annual Council Meeting. This will give the Political Groups more time to determine the Membership of Committees etc.
- Five Ordinary Council Meetings to be held every 8 weeks on a Thursday commencing at 6.30 p.m. plus the Budget Council Meeting to be held on 5 March 2015 and an Extraordinary meeting of the Council for the Local Plan (see Paragraph 3 below).
- Council will not meet on the same day as Cabinet.
- Members’ Briefing Sessions to be held at 5.00 p.m. prior to the Adjourned Annual Council Meeting and the five Ordinary Council Meetings.
- No meetings will be held:
 - In the period between Christmas and New Year (Dec 2014/Jan 2015).
 - In April 2015 except for the meetings of the Planning Committee, Cabinet and Council.
- As far as possible no meetings will be held during the school half term holiday weeks.
- The venues for all meetings (other than Area Committees and Area Partnerships) alternate between Bootle and Southport Town Halls.
- Cabinet Meetings to be held on a Thursday at 10.00 a.m. The first meeting to be held on 19 June 2014.
- Planning Committee to meet every four weeks on a Wednesday, commencing at 6.30 p.m.
- Planning Visiting Panel to meet 2 days prior to each meeting of the Planning Committee to undertake site visits as agreed by the Committee.
- Each of the 4 Overview and Scrutiny Committees to meet bi monthly, 5 times during the year commencing at 6.30 p.m. – the main Overview and Scrutiny work will be done by the Working Groups to be established on an ad hoc basis.
- Special meeting of the Overview and Scrutiny Committee (Performance and Corporate Services) to be held on 24 February 2015 to scrutinise the Cabinet budget process.
- Overview and Scrutiny Management Board to meet 5 times per year, commencing at 4.30 p.m.
- Licensing and Regulatory Committee to meet quarterly on a Monday commencing at 6.30 p.m.
- Meetings of the Licensing Sub-Committee to be convened as and when required.

- Audit and Governance Committee to meet every quarter (4 meetings per year) on a Wednesday commencing at 3.00 p.m. in order to meet statutory requirements etc.
- Pay and Grading Committee to be convened as and when required.
- Each Area Committee to meet quarterly and commence at 6.30 p.m. The meetings will be held at venues across the Committee's geographical area at suitable venues.
- Health and Wellbeing Board to meet 6 times per year.
- The dates for the Public Engagement and Consultation Panel, which are not public meetings are included in the Corporate Calendar.
- The dates for meetings of the Area Partnerships in 2013/14 will be determined by the Area Co-ordinators in liaison with the Chair of each Partnership.

3. Sefton Local Plan

- 3.1 The next stage of Sefton's Local Plan process – the Publication Draft stage – must take account of the updated population projections which are essential to be able to update the housing requirement which is a key part of the Local Plan. These projections are expected to be released by the Office for National Statistics (ONS) at the end of May 2014. Following this, a study will be commissioned to assess the implications for Sefton and this will lead to a revised housing requirement. This work will take two months so is not expected to be completed until the end of July.

The Publication Draft Local Plan must be considered by Overview and Scrutiny Committee (Regeneration and Environmental Services), before being reported to Planning Committee and Cabinet. Council will be requested to approve the Plan for consultation (an 8 week period). The Government encourages local authorities to get a Local Plan approved without delay. If the 8 weeks of consultation is to be completed before Christmas, an Extraordinary Council meeting will need to be held on 16 October 2014.

If the draft Plan wasn't approved until the scheduled Council meeting on 20 November, the consultation period would have to be extended to 10 weeks as it would run over Christmas and New Year, therefore delaying the completion of the consultation by two months.

- 3.2 Accordingly, the recommended timetable of meetings to facilitate the process referred to in 3.1 above is as follows:-

- Overview and Scrutiny Committee (Regeneration and Environmental Services) – 16 September 2014
- Planning Committee (Special Meeting) – 8 October 2014
- Cabinet – 9 October 2014
- Council (Extraordinary Meeting) – 16 October 2014

- 3.3 As a note of caution, if the updated population predictions are not released by ONS at the end of May 2014 then a revised timetable of meetings will need to be put in place. In the event of this situation arising, authority would be sought from the Mayor, following consultation with the Leader of the Council, for an Extraordinary Council meeting to be held on an alternative date.

Agenda Item 16

4. Calendar of Meetings

4.1 A copy of the Calendar of Meetings for 2014/15 is attached.

ANNEX A
METROPOLITAN BOROUGH OF SEFTON
PROGRAMME OF CABINET MEETINGS - 2014/2015

Meeting	Day	Time	Venue	2014								2015					
				May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
CABINET	Thur.	10.00 a.m.	B		19				11		6		15	5	26		
			S	15		17				9		4		26		16	

Key to Venues:

B - Bootle Town Hall

S - Southport Town Hall

ANNEX B
METROPOLITAN BOROUGH OF SEFTON
PROGRAMME OF COUNCIL, MEMBERS' BRIEFING SESSIONS AND REGULATORY COMMITTEE MEETINGS ETC. - 2014/2015

Meeting	Day	Time	Venue	2014								2015					
				May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
COUNCIL	Thur.	6.30 p.m.	B	29↑	3←Tue			25	Δ16						5→		19↓ Tue
			S			24					20		29			23	
MEMBERS' BRIEFING SESSIONS Prior to each Ordinary Council Meeting	Thur.	5.00 p.m.	B		3			25									
			S			24					20		29			23	
AUDIT AND GOVERNANCE COMMITTEE	Wed.	3.00 p.m.	B		25												
			S						10						25		
EALS (FOR PERSONNEL ES) - as and when required	Thur.	-															
NSING AND REGULATORY MITTEE	Mon.	6.30 p.m.	B		23								12				
			S						22							30	
LICENSING SUB-COMMITTEE - as and when required			B														
			S														
PLANNING COMMITTEE	Wed.	6.30 p.m.	B		18		13		‡8/15			10		4		1	
			S	14		16		17			12		7		4	29	
PLANNING VISITING PANEL	Mon	10.00 a.m.	B	12	16	14	11	15	13	10	8	5	2	2/30	27		
PAY AND GRADING COMMITTEE – as and when required																	

↑ Annual Meeting 2014/15 - commences at 6.00 p.m. (Venue to be determined)
 ← Adjourned Annual Meeting - Appointment of Committees etc. for 2014/15 (Tuesday)
 → Budget Meeting
 ΔExtraordinary Council Meeting – Local Plan
 ‡Special Planning Committee – Local Plan

° Annual Meeting 2015/2016 - commences at 6.00 p.m. (Venue to be determined)
 ↓ Special Meeting - Appointment of Committees etc. for 2015/2016 (Tuesday)

ANNEX C
METROPOLITAN BOROUGH OF SEFTON
PROGRAMME OF MEETINGS FOR OVERVIEW AND SCRUTINY COMMITTEES - 2014/2015
(All Tuesday)

Meeting	Venue	2014								2015				
		May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
OVERVIEW AND SCRUTINY COMMITTEE (Health and Social Care) (6.30 p.m.) (Tue)	B			1			21					3		
	S					2				6				
OVERVIEW AND SCRUTINY COMMITTEE (Performance and Corporate Services) (Tue) (6.30 p.m.)	B					9				13	*24			
	S		17					4				10		
OVERVIEW AND SCRUTINY COMMITTEE (Regeneration and Environmental Services) (p.m.) (Tue)	B			8					11			17		
	S					16				20				
OVERVIEW AND SCRUTINY COMMITTEE (Children's Services) (p.m.) (Tue)	B					23				27				
	S		24						18			24		
OVERVIEW AND SCRUTINY MANAGEMENT BOARD (4.30 p.m.) (Tue)	B				26		14					3		
	S		17							6				

* Special meeting to consider Budget proposals.

ANNEX D
METROPOLITAN BOROUGH OF SEFTON
PROGRAMME OF MEETINGS FOR AREA COMMITTEES 2014/2015

Meeting	Day	Time	Venue	2014								2015				
				May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
CENTRAL SEFTON	Wed/Thu	6.30 p.m.	TBC		5			3				8		11		
SOUTH SEFTON	Mon/Wed/Thu	6.30 p.m.	TBC		12			10				14		2		
SOUTHPORT	Wed	6.30 p.m.	TBC		25			24			3			25		

Venues:
TBC – to be confirmed

ANNEX E
METROPOLITAN BOROUGH OF SEFTON
PROGRAMME OF MEETINGS FOR PARTNERSHIP MEETINGS- 2014/2015

Meeting	Day	Time	Venue	2014								2015				
				May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
SEFTON BOROUGH PARTNERSHIP OPERATIONS BOARD	Tues.	2.30 p.m.	B		10	15		16		18		20		17		
			S													
PUBLIC ENGAGEMENT AND CONSULTATION PANEL ^	Fri	10.00 a.m.	B		6	25		26		21		23		20		
			S													
SEFTON SAFER COMMUNITIES PARTNERSHIP	Thu	10.00 a.m.	B		12		14		16		11	29		19		
			S													
HEALTH AND WELLBEING RD	Wed.	2.00 p.m.	B	21		23	20		22			21		18		
			S													

etings video conferenced to Southport Town Hall

This page is intentionally left blank

Agenda Item 16

SEFTON COUNCIL CALENDAR OF MEETINGS 2014/15

MAY 2014		
THU	1	
FRI	2	
SAT	3	
SUN	4	
MON	5	BANK HOLIDAY
TUE	6	
WED	7	
THU	8	
FRI	9	
SAT	10	
SUN	11	
MON	12	10.00 PLANNING VISITING PANEL (B)
TUE	13	
WED	14	6.30 PLANNING (S)
THU	15	10.00 CABINET (S)
FRI	16	
SAT	17	
SUN	18	
MON	19	
TUE	20	
WED	21	2.00 HEALTH AND WELLBEING BOARD (B)
THU	22	COUNCIL AND EUROPEAN PARLIAMENTARY ELECTIONS
FRI	23	
SAT	24	
SUN	25	
MON	26	BANK HOLIDAY SCHOOL HALF- TERM HOLIDAY WEEK
TUE	27	
WED	28	
THU	29	6.00 ANNUAL COUNCIL (B)
FRI	30	
SAT	31	
MAY 2014		

Agenda Item 16

JUNE 2014		
SUN	1	
MON	2	
TUE	3	5.00 MEMBERS' BRIEFING (B) 6.30 ADJOURNED ANNUAL COUNCIL (B)
WED	4	
THU	5	6.30 CENTRAL SEFTON AREA COMMITTEE
FRI	6	10.00 PUBLIC ENGAGEMENT AND CONSULTATION PANEL (B)
SAT	7	
SUN	8	
MON	9	
TUE	10	2.30 SEFTON BOROUGH PARTNERSHIP OPERATIONS BOARD (B)
WED	11	
THU	12	10.00 SEFTON SAFER COMMUNITIES PARTNERSHIP (B) 6.30 SOUTH SEFTON AREA COMMITTEE
FRI	13	
SAT	14	
SUN	15	
MON	16	10.00 PLANNING VISITING PANEL (B)
TUE	17	4.30 OVERVIEW AND SCRUTINY MANAGEMENT BOARD (S) 6.30 OVERVIEW AND SCRUTINY (PERFORMANCE AND CORPORATE SERVICES) (S)
WED	18	6.30 PLANNING (B)
THU	19	10.00 CABINET (B)
FRI	20	
SAT	21	
SUN	22	
MON	23	6.30 LICENSING AND REGULATORY (B)
TUE	24	6.30 OVERVIEW AND SCRUTINY (CHILDREN'S SERVICES) (S)
WED	25	3.00 AUDIT AND GOVERNANCE (B) 6.30 SOUTHPORT AREA COMMITTEE
THU	26	
FRI	27	
SAT	28	
SUN	29	
MON	30	
JUNE 2014		

Agenda Item 16

JULY 2014		
TUE	1	6.30 OVERVIEW AND SCRUTINY (HEALTH AND SOCIAL CARE) (B)
WED	2	
THU	3	
FRI	4	
SAT	5	
SUN	6	
MON	7	
TUE	8	6.30 OVERVIEW AND SCRUTINY (REGENERATION AND ENVIRONMENTAL SERVICES) (B)
WED	9	
THU	10	
FRI	11	
SAT	12	
SUN	13	
MON	14	10.00 PLANNING VISITING PANEL (B)
TUE	15	2.30 SEFTON BOROUGH PARTNERSHIP OPERATIONS BOARD (B)
WED	16	6.30 PLANNING (S)
THU	17	10.00 CABINET (S)
FRI	18	
SAT	19	
SUN	20	
MON	21	
TUE	22	
WED	23	2.00 HEALTH AND WELLBEING BOARD (B)
THU	24	5.00 MEMBERS' BRIEFING (S) 6.30 COUNCIL (S)
FRI	25	10.00 PUBLIC ENGAGEMENT AND CONSULTATION PANEL (B)
SAT	26	
SUN	27	
MON	28	
TUE	29	
WED	30	
THU	31	
JULY 2014		

Agenda Item 16

AUGUST 2014		
FRI	1	
SAT	2	
SUN	3	
MON	4	
TUE	5	
WED	6	
THU	7	
FRI	8	
SAT	9	
SUN	10	
MON	11	10.00 PLANNING VISITING PANEL (B)
TUE	12	
WED	13	6.30 PLANNING (B)
THU	14	10.00 SEFTON SAFER COMMUNITIES PARTNERSHIP (B)
FRI	15	
SAT	16	
SUN	17	
MON	18	
TUE	19	
WED	20	2.00 HEALTH AND WELLBEING BOARD (B)
THU	21	
FRI	22	
SAT	23	
SUN	24	
MON	25	BANK HOLIDAY
TUE	26	4.30 OVERVIEW AND SCRUTINY MANAGEMENT BOARD (B)
WED	27	
THU	28	
FRI	29	
SAT	30	
SUN	31	
AUGUST 2014		

Agenda Item 16

SEPTEMBER 2014		
MON	1	
TUE	2	6.30 OVERVIEW AND SCRUTINY (HEALTH AND SOCIAL CARE) (S)
WED	3	6.30 CENTRAL SEFTON AREA COMMITTEE
THU	4	
FRI	5	
SAT	6	
SUN	7	
MON	8	
TUE	9	6.30 OVERVIEW AND SCRUTINY (PERFORMANCE AND CORPORATE SERVICES) (B)
WED	10	3.00 AUDIT AND GOVERNANCE (S) 6.30 SOUTH SEFTON AREA COMMITTEE
THU	11	10.00 CABINET (B)
FRI	12	
SAT	13	
SUN	14	
MON	15	10.00 PLANNING VISITING PANEL (B)
TUE	16	2.30 SEFTON BOROUGH PARTNERSHIP OPERATIONS BOARD (B) 6.30 OVERVIEW AND SCRUTINY (REGENERATION AND ENVIRONMENTAL SERVICES) (S)
WED	17	6.30 PLANNING (S)
THU	18	
FRI	19	
SAT	20	
SUN	21	
MON	22	6.30 LICENSING AND REGULATORY (S)
TUE	23	6.30 OVERVIEW AND SCRUTINY (CHILDREN'S SERVICES) (B)
WED	24	6.30 SOUTHPORT AREA COMMITTEE
THU	25	5.00 MEMBERS' BRIEFING (B) 6.30 COUNCIL (B)
FRI	26	10.00 PUBLIC ENGAGEMENT AND CONSULTATION PANEL (B)
SAT	27	
SUN	28	
MON	29	
TUE	30	
SEPTEMBER 2014		

Agenda Item 16

OCTOBER 2014		
WED	1	
THU	2	
FRI	3	
SAT	4	
SUN	5	
MON	6	
TUE	7	
WED	8	6.30 PLANNING (SPECIAL MEETING – LOCAL PLAN) (B)
THU	9	10.00 CABINET (S)
FRI	10	
SAT	11	
SUN	12	
MON	13	10.00 PLANNING VISITING PANEL (B)
TUE	14	4.30 OVERVIEW AND SCRUTINY MANAGEMENT BOARD (B)
WED	15	6.30 PLANNING (B)
THU	16	10.00 SEFTON SAFER COMMUNITIES PARTNERSHIP (B) 6.30 COUNCIL (EXTRAORDINARY MEETING – LOCAL PLAN) (B)
FRI	17	
SAT	18	
SUN	19	
MON	20	
TUE	21	6.30 OVERVIEW AND SCRUTINY (HEALTH AND SOCIAL CARE) (B)
WED	22	2.00 HEALTH AND WELLBEING BOARD (B)
THU	23	
FRI	24	
SAT	25	
SUN	26	
MON	27	SCHOOL HALF-TERM HOLIDAY WEEK
TUE	28	
WED	29	
THU	30	
FRI	31	
OCTOBER 2014		

Agenda Item 16

NOVEMBER 2014		
SAT	1	
SUN	2	
MON	3	
TUE	4	6.30 OVERVIEW AND SCRUTINY (PERFORMANCE AND CORPORATE SERVICES) (S)
WED	5	
THU	6	10.00 CABINET (B)
FRI	7	
SAT	8	
SUN	9	REMEMBRANCE SUNDAY
MON	10	10.00 PLANNING VISITING PANEL (B)
TUE	11	6.30 OVERVIEW AND SCRUTINY (REGENERATION AND ENVIRONMENTAL SERVICES) (B)
WED	12	6.30 PLANNING (S)
THU	13	
FRI	14	
SAT	15	
SUN	16	
MON	17	
TUE	18	2.30 SEFTON BOROUGH PARTNERSHIP OPERATIONS BOARD (B) 6.30 OVERVIEW AND SCRUTINY (CHILDREN'S SERVICES) (S)
WED	19	
THU	20	5.00 MEMBERS' BRIEFING (S) 6.30 COUNCIL (S)
FRI	21	10.00 PUBLIC ENGAGEMENT AND CONSULTATION PANEL (B)
SAT	22	
SUN	23	
MON	24	
TUE	25	
WED	26	
THU	27	
FRI	28	
SAT	29	
SUN	30	
NOVEMBER 2014		

Agenda Item 16

DECEMBER 2014		
MON	1	
TUE	2	
WED	3	6.30 SOUTHPORT AREA COMMITTEE
THU	4	10.00 CABINET (S)
FRI	5	
SAT	6	
SUN	7	
MON	8	10.00 PLANNING VISITING PANEL (B)
TUE	9	
WED	10	3.00 AUDIT AND GOVERNANCE (B) 6.30 PLANNING (B)
THU	11	10.00 SEFTON SAFER COMMUNITIES PARTNERSHIP (B)
FRI	12	
SAT	13	
SUN	14	
MON	15	
TUE	16	
WED	17	
THU	18	
FRI	19	
SAT	20	
SUN	21	
MON	22	SCHOOL CHRISTMAS BREAK
TUE	23	
WED	24	
THU	25	CHRISTMAS DAY
FRI	26	BANK HOLIDAY
SAT	27	
SUN	28	
MON	29	COUNCIL OFFICES CLOSED
TUE	30	COUNCIL OFFICES CLOSED
WED	31	COUNCIL OFFICES CLOSED
DECEMBER 2014		

Agenda Item 16

JANUARY 2015		
THU	1	NEW YEAR'S DAY
FRI	2	COUNCIL OFFICES CLOSED
SAT	3	
SUN	4	
MON	5	10.00 PLANNING VISITING PANEL (B)
TUE	6	4.30 OVERVIEW AND SCRUTINY MANAGEMENT BOARD (S) 6.30 OVERVIEW AND SCRUTINY (HEALTH AND SOCIAL CARE) (S)
WED	7	6.30 PLANNING (S)
THU	8	6.30 CENTRAL SEFTON AREA COMMITTEE
FRI	9	
SAT	10	
SUN	11	
MON	12	6.30 LICENSING AND REGULATORY (B)
TUE	13	6.30 OVERVIEW AND SCRUTINY (PERFORMANCE AND CORPORATE SERVICES) (B)
WED	14	6.30 SOUTH SEFTON AREA COMMITTEE
THU	15	10.00 CABINET (B)
FRI	16	
SAT	17	
SUN	18	
MON	19	
TUE	20	2.30 SEFTON BOROUGH PARTNERSHIP OPERATIONS BOARD (B) 6.30 OVERVIEW AND SCRUTINY (REGENERATION AND ENVIRONMENTAL SERVICES) (S)
WED	21	2.00 HEALTH AND WELLBEING BOARD (B)
THU	22	
FRI	23	10.00 PUBLIC ENGAGEMENT AND CONSULTATION PANEL (B)
SAT	24	
SUN	25	
MON	26	
TUE	27	6.30 OVERVIEW AND SCRUTINY (CHILDREN'S SERVICES) (B)
WED	28	
THU	29	10.00 SEFTON SAFER COMMUNITIES PARTNERSHIP (B) 5.00 MEMBERS' BRIEFING (S) 6.30 COUNCIL (S)
FRI	30	
SAT	31	
JANUARY 2015		

Agenda Item 16

FEBRUARY 2015		
SUN	1	
MON	2	10.00 PLANNING VISITING PANEL (B)
TUE	3	
WED	4	6.30 PLANNING (B)
THU	5	10.00 CABINET (B)
FRI	6	
SAT	7	
SUN	8	
MON	9	
TUE	10	
WED	11	
THU	12	
FRI	13	
SAT	14	
SUN	15	
MON	16	SCHOOL HALF-TERM HOLIDAY WEEK
TUE	17	
WED	18	
THU	19	
FRI	20	
SAT	21	
SUN	22	
MON	23	
TUE	24	6.30 OVERVIEW AND SCRUTINY (PERFORMANCE AND CORPORATE SERVICES) SPECIAL MEETING (B)
WED	25	
THU	26	10.00 CABINET (S)
FRI	27	
SAT	28	
FEBRUARY 2015		

Agenda Item 16

MARCH 2015		
SUN	1	
MON	2	10.00 PLANNING VISITING PANEL (B) 6.30 SOUTH SEFTON AREA COMMITTEE
TUE	3	4.30 OVERVIEW AND SCRUTINY MANAGEMENT BOARD (B) 6.30 OVERVIEW AND SCRUTINY (HEALTH AND SOCIAL CARE) (B)
WED	4	6.30 PLANNING (S)
THU	5	6.30 BUDGET COUNCIL (B)
FRI	6	
SAT	7	
SUN	8	
MON	9	
TUE	10	6.30 OVERVIEW AND SCRUTINY (PERFORMANCE AND CORPORATE SERVICES) (S)
WED	11	6.30 CENTRAL SEFTON AREA COMMITTEE
THU	12	
FRI	13	
SAT	14	
SUN	15	
MON	16	
TUE	17	2.30 SEFTON BOROUGH PARTNERSHIP OPERATIONS BOARD (B) 6.30 OVERVIEW AND SCRUTINY (REGENERATION AND ENVIRONMENTAL SERVICES) (B)
WED	18	2.00 HEALTH AND WELLBEING BOARD (B)
THU	19	10.00 SEFTON SAFER COMMUNITIES PARTNERSHIP (B)
FRI	20	10.00 PUBLIC ENGAGEMENT AND CONSULTATION PANEL (B)
SAT	21	
SUN	22	
MON	23	
TUE	24	6.30 OVERVIEW AND SCRUTINY (CHILDREN'S SERVICES) (S)
WED	25	3.00 AUDIT AND GOVERNANCE (S) 6.30 SOUTHPORT AREA COMMITTEE
THU	26	10.00 CABINET (B)
FRI	27	
SAT	28	
SUN	29	
MON	30	10.00 PLANNING VISITING PANEL (B) 6.30 LICENSING AND REGULATORY (S)
TUE	31	
MARCH 2015		

Agenda Item 16

APRIL 2015		
WED	1	6.30 PLANNING (B)
THU	2	
FRI	3	SCHOOL EASTER BREAK GOOD FRIDAY
SAT	4	
SUN	5	
MON	6	EASTER MONDAY
TUE	7	
WED	8	
THU	9	
FRI	10	
SAT	11	
SUN	12	
MON	13	
TUE	14	
WED	15	
THU	16	10.00 CABINET (S)
FRI	17	
SAT	18	
SUN	19	
MON	20	
TUE	21	
WED	22	
THU	23	5.00 MEMBERS' BRIEFING (S) 6.30 COUNCIL (S)
FRI	24	
SAT	25	
SUN	26	
MON	27	10.00 PLANNING VISITING PANEL (B)
TUE	28	
WED	29	6.30 PLANNING (S)
THUR	30	
APRIL 2015		

Agenda Item 16

MAY 2015		
FRI	1	
SAT	2	
SUN	3	
MON	4	BANK HOLIDAY
TUE	5	
WED	6	
THU	7	PARLIAMENTARY AND COUNCIL ELECTIONS
FRI	8	
SAT	9	
SUN	10	
MON	11	
TUE	12	
WED	13	
THU	14	6.00 ANNUAL COUNCIL (S)
FRI	15	
SAT	16	
SUN	17	
MON	18	
TUE	19	5.00 MEMBERS' BRIEFING (B) 6.30 ADJOURNED ANNUAL COUNCIL (B)
WED	20	
THU	21	
FRI	22	
SAT	23	
SUN	24	
MON	25	BANK HOLIDAY SCHOOL HALF-TERM HOLIDAY WEEK
TUE	26	
WED	27	
THU	28	
FRI	29	
SAT	30	
SUN	31	MAY 2015

This page is intentionally left blank

Agenda Item 17

Report to: Cabinet

Date of Meeting: 27 February 2014

Subject: Mersey Forest Steering Group – Change in Council’s Appointed Representative

Report of: Director of Corporate Services

Wards Affected: All

Is this a Key Decision? No

Is it included in the Forward Plan? No

Exempt/Confidential No

Purpose/Summary

To seek approval to the proposed change in the Council’s representation on the Mersey Forest Steering Group for the remainder of the 2013/14 Municipal Year.

Recommendation

That Councillor Lappin be appointed as the Council’s representative on the Mersey Forest Steering Group for the remainder of the 2013/14 Municipal Year in place of Councillor Hardy.

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 Recommendations:

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

Agenda Item 17

What will it cost and how will it be financed?

(A) **Revenue Costs** None.

(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 Cabinet has the authority to appoint representatives to outside bodies where the appointment is a Cabinet function or has been delegated by the Council
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:

To enable the Council to have representation on the Outside Body.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT has no comments on this report because the contents of the report have no financial implications. (FD 2810/14)

The Head of Corporate Legal Services (LD2116/14) has been consulted and has no comments on the report

Are there any other options available for consideration?

No

Implementation Date for the Decision

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

Contact Officer: Steve Pearce

Tel: 0151 934 2046

Email: steve.pearce@sefton.gov.uk

Background Papers:

None

1. Introduction/Background

- 1.1 At its meeting held on 23 May 2013, the Cabinet considered a report of the Director of Corporate Services seeking the appointment of representatives on Outside Bodies for the 2013/14 Council Year. The Cabinet approved the appointment of various representatives, including that of Councillor Hardy to serve on the Mersey Forest Steering Group
- 1.2 The Mersey Forest is the largest of England's 12 Community Forests. It is an environmental regeneration initiative creating woodlands and involving people across the full 465 square miles of its nine composite local authorities in Merseyside and North Cheshire. These local authorities combine with Natural England, the Forestry Commission, United Utilities and a central Forest Team to make up The Merseyside Forest Partnership.
- 1.3 The Mersey Forest Steering Group holds three meetings held per year, approximately every four months
- 1.4 It is recommended that Councillor Lappin be appointed as the Council's representative on Mersey Forest Steering Group for the remainder of the current Municipal Year in place of Councillor Hardy.
- 1.5 Both Councillors Lappin and Hardy have been consulted on this matter and are happy with the proposed change.
- 1.6 The Cabinet at its meeting to be held in June 2014 will determine the Council's representation on Outside Bodies for the 2014/15 Council Year.

This page is intentionally left blank