

MEETING: CABINET
DATE: Thursday 17th July, 2014
TIME: 10.00 am
VENUE: Town Hall, Southport

Member

Councillor

Councillor Peter 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		
3.	Minutes of Previous Meeting Minutes of the meeting held on 27 March 2014		(Pages 5 - 14)
* 4.	Adult Social Care Change Programme Report of the Director of Older People and Head of Transformation	All Wards	(Pages 15 - 22)
* 5.	Procurement Strategy Report of the Director of Corporate Services	All Wards	(Pages 23 - 46)
* 6.	Oracle Financial Management System Replacement Report of the Head of Corporate Finance and ICT	All Wards	(Pages 47 - 52)
7.	Revenue Outturn 2013/14 and Transfer to General Balances Report of the Head of Corporate Finance and ICT	All Wards	(Pages 53 - 62)
8.	2014/15 Budget Update Report of the Head of Corporate Finance and ICT	All Wards	(Pages 63 - 78)
9.	Capital Outturn 2013/14 Report of the Head of Corporate Finance and ICT	All Wards	(Pages 79 - 84)
* 10.	Capital Scheme Approvals Report of the Head of Corporate Finance and ICT	All Wards	(Pages 85 - 94)

11. Appointments to Outside Bodies 2014/15
Report of the Director of Corporate Services

All Wards

(Pages 95 -
106)

THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON WEDNESDAY 9 APRIL, 2014.

CABINET

MEETING HELD AT THE TOWN HALL, BOOTLE ON THURSDAY 27TH MARCH, 2014

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

ALSO PRESENT: Councillors Dorgan and Weavers

112. APOLOGIES FOR ABSENCE

No apologies for absence were received.

113. DECLARATIONS OF INTEREST

Councillor Cummins declared a disclosable pecuniary interest in Minute No. 124 and left the room during the consideration of the item.

114. MINUTES OF PREVIOUS MEETING

Decision Made:

That the minutes of the Cabinet meeting held on 27 February 2014 be confirmed as a correct record.

115. TENDER FOR "HIGHWAY TERM MAINTENANCE HM7" – TRI PARTITE AGREEMENT FOR UNMETERED ELECTRICITY SUPPLY CONNECTIONS

The Cabinet considered the report of the Director of Built Environment on the proposed procurement process for the delivery of the Term Maintenance Contract HM7 for unmetered electricity supply connections, for a period of three years with the option to extend for up to a further two years.

Decision Made:

That:

- (1) approval be given to the invitation of Tenders for the Contract on the basis of an 80% Cost / 20 % Quality ratio; and
- (2) the Director of Built Environment be authorised to award the Contract for a period of three years (with the option to extend for up

Agenda Item 3

CABINET- THURSDAY 27TH MARCH, 2014

to a further two years) to the highest scoring Tenderer subject to the appropriate Cost and Quality evaluations being completed on tender return.

Reasons for Decision:

The existing Term Maintenance Contract HM7 was due to expire on the 31 October 2014. The works delivered through this Contract form part of essential services the Council need to continue to deliver to ensure that electrical connections and disconnections for highway street furniture can be undertaken.

Alternative Options Considered and Rejected:

None. The services required cannot be delivered by the Councils in house street lighting team as they do not carry the required training and accreditation to undertake such works.

116. APPROVAL OF THE COUNCIL'S ASSET DISPOSAL POLICY

Further to Minute No. 81 of the meeting held on 5 December 2013, the Cabinet considered the report of the Director of Built Environment which sought approval to the adoption of a formal Property Asset Disposal Policy.

Decision Made:

That:

- (1) approval be given to the adoption of the draft Property Asset Disposal Policy as set out in Appendix A of the report; and.
- (2) it be noted that a further report would be presented to a future Cabinet meeting in relation to a formal Community Asset Transfer Policy.

Reasons for Decision:

To enable a Property Asset Disposal Policy to be implemented following the adoption of a new Strategic Asset Management Plan.

Alternative Options Considered and Rejected:

The Council could continue to operate using established custom and practice without a formal property asset disposal policy in place.

CABINET- THURSDAY 27TH MARCH, 2014

117. PARKING SERVICES PROPOSALS AND TARIFFS 2014/15

Further to Minute No. 94 (11) of the meeting held on 31 January 2013, the Cabinet considered the report of the Director of Built Environment which provided details of the strategic review of parking services across the Borough which had been undertaken to consider all aspects of the service including the charging policy, in order to examine the effectiveness and efficiency of the service.

Cabinet Members referred to the high level of consultation undertaken during the period of the review and to the decision agreed by the Council on 6 March 2014 to reduce the level of savings required for the strategic parking review for 2014/15 from £300k to £100k.

Decision Made:

That:

- (1) approval be given to the tariff increases as detailed in appendices 1 and 2 and summarised in paragraph 10.5 of the report;
- (2) Officers proceed with the introduction of pay by phone technology and submit a further report on the proposals to the Cabinet Member – Transportation for approval:
- (3) the intention to progress with the replacement of the outdated pay and display machine stock, as included in the capital programme be noted; and
- (4). the intention to progress, through the normal channels, a Traffic Regulation order to introduce a 4 hour maximum stay on the Tulketh Street car parks be noted.

Reasons for Decision:

To set the tariffs for parking charges for 2014/15. The Council has the power to vary parking charges by notice under Sections 35C and 46A of the Road Traffic Regulation Act, 1984 and the authorisation to set the charges falls under the remit of the Cabinet.

Alternative Options Considered and Rejected:

None.

118. TWELVE MONTH CONTRACT EXTENSION FOR THE MERSEY-CARE SUBSTANCE MISUSE CONTRACT

The Cabinet considered the report of the Director of Public Health which sought approval to a twelve month contract extension of the existing contract with Mersey-care for the delivery of the residential clinical detox

Agenda Item 3

CABINET- THURSDAY 27TH MARCH, 2014

and rehabilitation substance misuse service. This would be an extension from the 1 April 2014 until 31 March 2015 to the current contract with the same terms and conditions.

Decision Made:

That the Contracts Procedure Rules be waived and a twelve month contract extension be authorised for the existing MerseyCare Substance Misuse contract for the delivery of residential detox and rehabilitation.

Reasons for Decision:

This service is required to provide tier 4 residential clinical detox and rehabilitation services. At this time it would be unlikely that this specialist service could be ceased and unavailable to Sefton residents during the review and re commissioning.

It is hoped that following the review and another 12 months of performance monitoring we would be in a position to understand the full cost and outputs for the service and commission them for a reasonable length contract.

Alternative Options Considered and Rejected:

There are no alternative local providers for clinical detoxification; and the nearest in Manchester is even more expensive.

119. BETTER CARE FUND PLAN - NEXT STEPS

Further to Minute No. 103 of the meeting held on 27 February 2014, the Cabinet considered the report of the Deputy Chief Executive which provided an update on progress made in developing the next iteration of the BCF Plan following the receipt of supplementary guidance; an update on the assurance process; and sought delegated powers to continue to develop this work over coming months.

Decision Made:

That:

- (1) the approach recommended by the Health and Wellbeing Board at its meeting held on 19 March 2014 as set out in the report be endorsed;
- (2) the Deputy Chief Executive, in consultation with the Chair of the Health and Wellbeing Board and Cabinet Member for Older People and Health, be given delegated authority to agree and submit further iterations of the Better Care Plan (BCF) for Sefton, as outlined in the report and it be noted that this would need to be in consultation with the Chief Officer for the Southport and Formby;

CABINET- THURSDAY 27TH MARCH, 2014

and South Sefton Clinical Commissioning Groups and their respective Governing Body Chairs, in order to comply with the guidance on the BCF;

- (3) approval be given to the BCF submission to be made on 4 April 2014 being a short paper responding, where possible, to the several sets of guidance, and the assurance feedback, once received;
- (4) the role of the Health and Wellbeing Board relating to encouraging integration, and the intention to progress further work on integration beyond that expressed in the BCF Plan through the Board, under the guidance of the Chair of the Board and Cabinet Member for Children, Schools, Families and Leisure and the Cabinet Member for Older People and Health be noted;
- (5) it be noted that the Cabinet Member for Older People and Health would be responsible for overseeing the development of and then approval of a Section 75 agreement for the pooled fund; and
- (6) the final approval of the BCF Budget, and the risk assessment be submitted to the Cabinet for approval.

Reasons for Decision:

Better Care Fund Guidance seeks a second submission on local Better Care Fund Plan by 4 April 2014.

Alternative Options Considered and Rejected:

None.

120. LITHERLAND MOSS PRIMARY SCHOOL REFURBISHMENT AND GYPSY AND TRAVELLER SITE AT RED ROSE PARK - CAPITAL SCHEME REVISIONS

The Cabinet considered the report of the Director of Built Environment and Head of Corporate Finance and ICT which provided details of revisions to the Litherland Moss Primary School refurbishment scheme and the Gypsy and Traveller Site scheme at Red Rose Park and sought approval for their increased scope, changes in cost and method of funding.

Decision Made:

That:

- (1) approval be given to an increase in the scope of the Litherland Moss Primary School refurbishment scheme, within the Capital Investment Plan to include the relocation of the Children's Centre,

Agenda Item 3

CABINET- THURSDAY 27TH MARCH, 2014

with the increase of £100,000 being funded from unallocated 2 Year Old Offer Capital Grant;

- (2) approval be given to an increase in the programme budget of the Red Rose Traveller and Gypsy Site scheme, within the Capital Investment Plan, to £431,182 with the increase of £108,162 being funded from an increased Homes and Communities Agency grant of £57,000 and £51,162 funded from the 2013/14 forecast underspend on the revenue budget; and
- (3) it be noted that the proposal was a Key Decision but had not been included in the Council's Forward Plan of Key Decisions. Consequently, the Leader of the Council and the Chair of the Overview and Scrutiny Committee (Children's Services) had been consulted under Rule 27 of the Access to Information Procedure Rules of the Constitution, to the decision being made by the Cabinet as a matter of urgency on the basis that it was impracticable to defer the decision until the commencement of the next Forward Plan because of, in the case of Litherland Moss, the requirement to provide urgent alternative accommodation due to the Council's current landlord serving notice to quit upon the Council. In the case of Red Rose Traveller site, the matter is an urgent health and safety issue and delay until publication of the next forward plan is not practicable.

Reasons for Decision:

To advise Members of the increased scope and project costs of these 2 previously approved capital schemes and the proposed method of funding the shortfall.

Alternative Options Considered and Rejected:

None.

121. LOCAL AUTHORITY MENTAL HEALTH CHALLENGE - APPOINTMENT OF MENTAL HEALTH CHAMPION

Further to Minute No. 60 of the Council meeting held on 21 November 2013, the Cabinet considered the report of the Director of Public Health seeking the appointment of a Mental Health Champion, in accordance with the Local Authorities Mental Health Challenge.

Decision Made:

That the Cabinet Member – Older People and Health (Councillor Cummins) be appointed as the Council's Mental Health Champion in accordance with the Local Authorities Mental Health Challenge.

CABINET- THURSDAY 27TH MARCH, 2014

Reasons for Decision:

The Local Authorities Mental Health Challenge is an objective of the national mental health strategy 'No Health Without Mental Health' and is being adopted by local authorities across Cheshire and Merseyside. The roles and activities are detailed in section 1.5 of the report.

Alternative Options Considered and Rejected:

None.

122. APPOINTMENT OF MAYOR AND DEPUTY CHAIR 2014/15

The Cabinet considered the report of the Director of Corporate Services which sought the nomination of the Mayor and Deputy Chair for the Municipal Year 2014/15.

The report indicated that any nominations agreed by the Cabinet would be submitted to the Annual Council meeting to be held on 29 May 2014 for consideration.

Decision Made: That

- (1) the Council be recommended to elect Councillor K. Cluskey as the Mayor for 2014/15 at the Annual Council Meeting on 29 May 2014; and
- (2) the Leaders of the Liberal Democrat Group and Conservative Group be invited to submit a nomination for the position of Deputy Chair for the Municipal Year 2014/15, prior to the Annual Council Meeting on 29 May 2014.

Reason for the Decision:

It is a statutory requirement for the Council to appoint a Mayor and Deputy Chair under Sections 3(1) and 5(1) of Part 1 of the Local Government Act 1972.

Alternative Options Considered and Rejected:

None.

123. APPOINTMENT OF TRUST GOVERNOR - SOUTHPORT AND ORMSKIRK HOSPITAL NHS FOUNDATION TRUST

The Cabinet considered the report of the Director of Corporate Services on a request from the Chief Executive of the Southport and Ormskirk Hospital 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

Agenda Item 3

CABINET- THURSDAY 27TH MARCH, 2014

of the role description and the eligibility criteria for the appointment of a Governor to the Foundation Trust.

Decision Made:

That the Leader of the Council be granted delegated powers to appoint the Council's representative on the Council of Governors for the Southport and Ormskirk Hospital NHS Foundation.

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 Southport and Ormskirk Hospital NHS Foundation Trust.

Alternative Options Considered and Rejected:

None

124. TWELVE MONTH EXTENSION FOR THE CARERS CENTRE SUBSTANCE MISUSE CONTRACT

The Cabinet considered the report of the Director of Public Health seeking approval to a twelve month contract extension of the existing Carers Centre contract from the 1 April 2014 until 31 March 2015 with the same terms and conditions to enable a review of the existing service to be undertaken.

Decision Made:

That the Contracts Procedure Rules be waived and a 12 month extension of the existing Carers Centre contract be authorised to enable the review of the existing service to be completed and services to be commissioned

Reasons for Decision:

The 12 months contract extension would allow for the review to be completed, the services revised and or re commissioned and mobilisation successfully accomplished.

Alternative Options Considered and Rejected:

None. It would be unlikely that another service would be available to deliver this service for a period of 12 months only, without negative impact on current service users.

CABINET- THURSDAY 27TH MARCH, 2014

125. DIRECTOR OF OLDER PEOPLE AND HEAD OF COMMUNICATIONS

The Chair reported that the Director of Older People, Robina Critchley would be retiring on 17 April 2014 and that the Head of Communications, Dan Grice would be leaving the Council on 17 April 2014 to take up a post of Head of Communications at The Disclosure and Barring Service, based in Liverpool.

Decision Made:

That the thanks and appreciation of the Council be extended to the Director of Older People, Robina Critchley and the Head of Communications, Dan Grice for the work they have undertaken for the Council and the Borough of Sefton during the last 26 years and 12 years respectively and best wishes be extended to Robina for a long, happy and healthy retirement and to Dan for continuing success in his career.

This page is intentionally left blank

Agenda Item 4

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 Act.

New requirements, duties and responsibilities associated with the Care Act 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.

What will it cost and how will it be financed?

(A) Revenue Costs

The Adult Social Care 2014/15 revenue budget is £92m. 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 Act. Indicative allocations for Sefton suggest that the Better Care Fund for Sefton will include £0.831m 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 revenue 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

As part of the new burdens funding, the Council has been notified of an indicative allocation of £0.307m in 2015/16 for capital costs associated with the implications of the Care Act.

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 Act are yet to be determined and will need to be factored into Council's medium term financial plan. In February 2014 Cabinet were advised that reforms to adult social care will place a number of new burdens on local authorities. 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 Act will consolidate several pieces of legislation and will replace many different pieces of legislation with one Act. The Act 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 Act also introduces a cap on the costs that people will have to pay for care.

Preparations for the implementation of the Act 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 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 Act 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 has been consulted and any comments have been incorporated into the report. (FD 3062/14) and Head of Corporate Legal Services ((LD2367/14)

Implementation Date for the Decision

Immediately following the expiry of the call in period

Contact Officer: Dwayne Johnson - Director of Older People

Tel: 0151 934 4900

Email: Dwayne.johnson@sefton.gov.uk

Contact Officer: Jan McMahon - Head of Transformation

Tel: 0151 934 4431

Email: Jan.mcmahon@sefton.gov.uk

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

Agenda Item 4

[Report to Overview & Scrutiny \(Health & Social Care\) July 2014](#)

Other Information

[Strategic Plan](#)

[Market Position Statement](#)

[DoH Care & Support Consultation](#)

1. The Care Act

- 1.1 The Care Act received Royal Assent 14th May 2014. Whilst a number of features of the proposed legislation are subject to consultation and provision of greater detail, the breadth and complexity of the associated issues and the proposed timescales for implementation indicate that the Council needs to carefully consider the financial and other implications, opportunities and associated risks and begin to prepare to manage these in the context of reductions in funding for local Government services and a raft of other social care initiatives.
- 1.2 It is anticipated that further information with regard to the funding will be received in December 2014.
- 1.3 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 are key.

2. Community Services

- 2.1 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.
- 2.2 The proposed approach and commissioning outcomes for Community Services (previously described as day opportunities) are described below
 - To promote independence and provide sustainability
 - To provide a socially inclusive model of support
 - Enable individuals to regain, maintain and improve their physical, social and mental wellbeing
 - To enable individuals/carers to manage transitions in life
 - To enrich the lives of individuals and their carers so that they feel valued and acknowledged by the community.

Agenda Item 4

- To manage change sensitively and positively to deliver an appropriate and efficient service
- To provide opportunities that are focused on user need rather than existing services/buildings
- To work in partnership with all agencies to support individuals and their carers
- Where appropriate promote the use of personal budgets or direct payments
- Enable access to the information individuals and their carers need to make good decisions about care and support
- Ensure that concerns about safety or wellbeing can be raised

2.3 It is envisaged that there will be three models of support all based upon person centred planning:

- i. Individuals and their carers can independently access a range of support to maximise independence which is founded upon a socially inclusive model within the community for example employment, education and leisure opportunities.
- ii. Individuals and their carers are provided with a mix of the above and some community provision within a physical setting
- iii. People with profound disabilities and complex needs are provided with a range of opportunities to maximise their potential within a range of physical settings, whilst at the same time provided with provision within the community which is person centred.

2.4 Legislation does not oblige the Council to fund transport for adults. It is proposed that the Council works with users of transport to identify suitable alternatives, increase independence and only fund transport in very exceptional circumstances. No immediate changes will be made without discussing changes with those people directly affected.

2.5 Cabinet is asked to agree the proposed approach associated with Community Services and note the intention to commence consultation on the models of support.

2.6 The Council currently commissions day opportunities from a range of providers. As detailed in the Market Position Statement it is forecast that the current pattern of reduced demand for more traditional day services will continue as a greater number of people choose from a wider range of activities and services. The Council will work with the marketplace when developing the models of support. It is anticipated that existing contractual arrangements will change during this process and these will be managed in line with commissioning procedures.

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.
- 3.3 As Cabinet is aware the Care Act introduces new statutory requirements and duties; there would be risk for the Council in failing to plan to meet these changes. The Act 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. As identified in the February 2014 report to Cabinet the New Burdens monies identified by Government associated with implementing the changes required is not likely to meet the true cost to the Council of implementing such a significant change.
- 3.4 Cabinet is asked to be aware and take account of and note the financial and other risks to the Council.

4. Consultation & Engagement

- 4.1 A further report will presented to the Public Engagement and Consultation Panel on the 25th July 2014.
- 4.2 The Department of Health are currently consulting on the draft regulations and guidance for Part 1 of the 2014 Care Act and centres on the changes that will come into effect from April 2015. This consultation closes 15th August 2014.

5. Equality Act 2010 Duty and Impact Assessments

- 5.1 As the Council puts actions into place to deliver the Adult Social Care Strategic Plan and Care Act Changes 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.

6. Conclusion

Agenda Item 4

- 6.1 These continue to be challenging times, the pace required to deliver the required changes cannot be underestimated. The combined impact of demographic pressures, 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 require us to develop solutions that ensure people remain independent for as long as possible; support carers to continue caring; encourage people to plan in advance for their care needs; and promote wellbeing and independence and community inclusion. Only a strategic approach can mitigate the demand and financial pressures that will continue to be faced by Adult Social Care.

Agenda Item 5

Reasons for the Recommendation:

To seek approval for a new Procurement Strategy for the Council.

Alternative Options Considered and Rejected:

The Procurement Strategy could be rejected.

What will it cost and how will it be financed?

(A) Revenue Costs Nil

(B) Capital Costs Nil

Implications:

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

Financial There are no financial implications of approving the strategy
Legal There are no legal implications of approving the strategy
Human Resources There are no HR implications of approving the strategy
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 processes set out within the strategy have been implemented through the changes to the contract procedure rules previously approved by the Council. The strategy sets out the Council's intentions for measuring the impact of the changes.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT (FD.3053/14) and Head of Corporate Legal Services (LD2358/14) have been consulted and any comments have been incorporated into the report.

Implementation Date for the Decision

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

Contact Officer: Andrea Watts, Head of Governance and Neighbourhoods

Tel: 0151 934 2030

Email: andrea.watts@sefton.gov.uk

Background Papers:

There are no background papers available for inspection

1. Introduction/Background

- 1.1 In May 2013, the Council began working in partnership with Halton Council to review the existing procurement processes and to look at making the systems more streamlined, reduce the administrative burden on those suppliers that wish to do business with the Council and increase transparency of the procurement process. Halton Council has been recognised by the Government as one of the top 10 Councils for firms to do business with, and the Council was keen to learn from Halton how its processes could be improved.
- 1.2 Over the last several months, changes to the procurement processes have been identified, and where it was possible within the existing rules, these changes have been tested to ensure they meet Sefton’s needs.
- 1.3 This report now seeks approval of a new Procurement Strategy which underpins those process changes that have been implemented and sets out measures of success for those changes.

2. Aims of the new procurement approach

- 2.1 A Commercial Procurement approach will support the delivery of Council priorities by implementing the following key objectives:
 - Avoid spending on things we want rather than on what we need
 - Achieve excellent value for money whilst maintaining quality
 - Support the local economy, business and voluntary sector through transparency of opportunity, support and education
 - Collaborate with other public sector organisations to ensure maximum benefit for Sefton and the wider region from joint procurement.
- 2.2 This marks a new approach for Sefton and responds to the growing challenges faced by the Council. It represents a significant departure from the more traditional public sector procurement approaches, to a more commercial approach, embracing the Social Value agenda, and aims to make Sefton a good Council to do business with.
- 2.3 As part of a review of our processes, we have challenged our rules, processes, practices and compliance in order to improve efficiencies through a more efficient approach and removing all unnecessary activities. Subject to the approval of this Procurement Strategy, this will result in:

Agenda Item 5

- publishing all procurement opportunities via The Chest (The Councils e-tendering system) from £1000 upwards;
- Removing Pre-Qualification Questionnaire (PQQ) for all procurement below EU value thresholds
- Implementing a risk based sourcing approach for all procurement below EU value thresholds which significantly simplifies the process, thus leading to time and cost efficiencies throughout the whole organisation and for businesses
- Delivering a strong range of engagement with SME's to show we are 'Open for Business' in order to encourage and support businesses leading to successful contract awards
- Social Value consideration being placed at the heart of our procurement planning as we aim to gain added value from procurement through securing employment, learning and skills outcomes as well as local supply chain engagement by our larger contractors
- Commencing a journey to develop aligned procurement processes with public sector partners in order to secure joint planning with the aim of delivering further significant savings by using the economies of scale this brings.

3.0 Results of the pilot and changes the process so far

- 3.1 In the last financial year, the savings achieved by the procurement team amount to £834k in procurement exercises involving formal tendering processes and it is estimated that £115k can be achieved through the changes to sourcing as set out in the proposed Strategy.

4.0 Monitoring of the strategy

- 4.1 It is proposed that regular monitoring reports be provided to the Cabinet Member for Performance and Corporate Services and Overview and Scrutiny (Performance and Corporate Services) be provided with bi-annual reports as set out in the targets and measurements section appended to the Strategy.



Procurement Strategy

2014-2016

DRAFT

Agenda Item 5

Procurement Strategy

Sefton Council 2014-2016

Foreword

Cllr Paul Tweed, Cabinet Member for Corporate Services and Performance

DRAFT

Purpose

The purpose of the strategy is to take Sefton forward in a structured and planned approach in order to maximise efficiencies from savings and cost reduction through embedded, improved procurement processes. This will include developing wider alignment and collaborative activity with public sector partners in order to deliver benefits from regional economies of scale.

Vision

To continue to secure full compliance internally with the Council's procurement rules and processes; to work together with public sector partners and the business community to develop innovative procurement solutions that deliver quality, value for money goods, works and services and deliver broader social value as well as securing further opportunities to trade and share robust practices and success.

Context

Sefton Council has historically spent over £11 million per annum on supplies and services alone that contribute to the delivery of services to the residents of Sefton. The grant reduction programme initiated by the Government has had a massive impact upon the Council, with substantial Government grant reductions since 2010. These severe reductions in funding come at a time when the demand for Council services has never been greater. Social care spend is growing and the economic downturn is also creating pressure on vital income budgets. With funding cuts of this magnitude it is not possible to simply tighten our belts.

We will need to rethink the services we deliver; ensuring that they are both cost effective, maintain or improve quality and that they address the needs of the residents of Sefton at a time when every pound spent must deliver real value. Effective procurement has therefore never been more important. We need to spend money only on things that deliver real value to the people of Sefton.

Agenda Item 5

Improved Procurement will help us to deliver our strategic priorities including delivering continued and positive improvement on the quality of life in communities of Sefton through the efficient use of the Council's resources.

All procurement must demonstrate a commitment to the principles of EU law underpinning all spend decisions in order to maintain transparency, fairness and to support the development of our local economy.

Key Objectives

A Commercial Procurement approach will support the delivery of the Council priorities by implementing the following key objectives:

- Avoid spending on things we want rather than on what we need
- Achieve excellent value for money whilst maintaining quality
- Supporting the local economy, business and voluntary sector through transparency of opportunity support and education
- Collaborating with other public sector organisations to ensure maximum benefit for Sefton and the wider region from joint procurement

A new approach for Sefton

This strategy marks a new approach for Sefton; this responds to the growing challenges faced by the Council. It represents a significant departure from the more traditional public sector procurement approaches, to a more commercial approach embracing the Social Value agenda, and aims to make Sefton a good Council to do business with.

What we aim to do

The Council is committed to driving organisational change through procurement and the value of what a commercial approach can bring has been recognised.

As part of a review of our processes we have challenged our rules, processes, practices and compliance in order to improve efficiencies through a more efficient approach and removing all unnecessary activities:

The Council has:

- Committed to publishing all procurement opportunities via The Chest (The Councils e-tendering system) from £1000 upwards;
- Created the option of removing Pre-Qualification Questionnaire (PQQ) for all procurement below EU value thresholds
- Implemented a risk based sourcing approach for all procurement below EU value thresholds which significantly simplifies process thus leading to time and cost efficiencies throughout the whole organisation and for businesses
- Plan to deliver a strong range of engagement with SME's and the Community and Voluntary Sector (CVS), in partnership with InvestSefton (the Council's business support and inward investment service, to show we are 'Open for Business' in order to encourage and support businesses leading to successful contract awards. This includes aligning business support with contract renewal cycles, Meet the Buyer and Meet the Supplier Days.
- Social Value consideration sits at the heart of our procurement planning as we aim to gain added value from procurement through securing employment, learning and skills outcomes as well as local supply chain engagement by working proactively with our larger contractors and suppliers to maximise opportunities at 1st and 2nd tier levels in the supply chain.
- Develop a clear understanding between the council and our suppliers to achieve Social Value, and co-operate with us to ensure that we can assess their compliance through targeted employment and training and local supply arrangements.
- Commenced a journey to develop aligned procurement processes with public sector partners in order to secure joint planning with the aim to deliver further significant savings by using the economies of scale this brings

The Commercial Approach

Over the next three years we will continue with this commercial approach to procurement underpinned by six key Building Blocks.

1. Organisation

Agenda Item 5

Sefton continues to recognise that procurement is a strategic function and is committed to placing it at the centre of its activities. This will be delivered through support from Elected Members, Cabinet and SLT.

2. Governance and Process

The Council will improve further its governance and processes to deliver greater efficiencies and streamlined procurement practices. This will be delivered through:

- A review of Contract Procedure Rules
- Continuing to ensure procurement practices are efficient and remove any unnecessary activity for spend below EU value Thresholds
- Maintaining a risk based sourcing (RBS) approach for all spend from £1,000 up to EU value thresholds
- Ensuring we strive to push all spend above £1,000 via The Chest
- Deploying a Best and Final Offer (BAFO) approach where possible, to ensure we take every opportunity to drive the price down whilst maintaining quality in a controlled and fully auditable environment
- Establish a scrutiny role performed by Overview and Scrutiny (Performance and Corporate Services) and report biannually against this strategy.

3. Demand Management

The Council will continue to secure improvement in procurement engagement by securing full compliance with Contract Procedure Rules delivered through:

- Continuous review of our spend analysis, which will aid procurement planning across the organisation and with public sector partners to identify opportunities, prioritisation and to secure savings
- Further development of the capacity and capability of the Procurement Division through training This will ensure the Team is educated and skilled to manage procurement demand

- Continuation of a communication and education strategy internally to up-skill and educate the wider workforce

4. Market Engagement/Supplier Relationship Management (SRM)

The Council will continue to develop further its relationships with the business, Community and Voluntary Sector both in the Liverpool City Region (LCR) locally and SMEs nationally in order to support local economic gains and investment into the SME market. This will deliver greater value, meet strategic objectives and add Social Value. This will have greater leverage if we work with public sector partners. This will be delivered through:

- Development of a workstream to undertake a structured review of SRM across the organisation and where possible with public sector partners
- Continuing with SME and Community and Voluntary Sector engagement both in the LCR and regionally in order to train, support and develop a 2-way approach where we learn together and to underpin SRM
- Consolidation of the Liverpool City Region (LCR) Charter for Employment and Skills through Procurement (Appendix A) into a Sefton process, which sets out arrangements for how we will achieve maximum impact in terms of employment & skills for Sefton residents
- Working proactively with our larger contractors and suppliers, to identify and maximise Social Value in securing supply chain, employment, learning and skills outcomes at 1st and 2nd tier levels in the supply chain.
- Deliver a strong range of engagement with SME's and Community and Voluntary Sector (CVS) organisations in partnership with InvestSefton, to show we are 'Open for Business' in order to encourage and support businesses leading to successful contract awards.

5. Category Management

Agenda Item 5

The Council will continue to work with wider public sector partners in order to gain greater leverage, add value and maximise savings. This work has commenced with the alignment of procurement processes with a couple of neighbouring Councils and could grow across the region and beyond. This will be delivered through:

- Reviewing our relationship with the Merseyside Procurement Partnership (MPP)
 - Members: Halton; Sefton; Liverpool; St Helens; Knowsley; Wirral; CW&C; Mersey Travel and Mersey Fire & Rescue. Re-establish with partners the commitment, purpose, accountability of this regional work stream in order to progress a category management approach based around geography rather than organisation. Plus the consideration to align processes and rules in order to take a regional approach together.

6. Purchase to Pay/ e Procurement

The Council will develop Purchase to Pay (P2P) and e procurement solutions to control compliance within the organisation, improve payment terms in order to secure a seamless end-to-end process. This will be delivered through:

- Reviewing P2P processes to secure full compliance across the organisation
- Supporting business process improvement to enable early payments to SME's and Community and Voluntary Sector (CVS) suppliers.

Procurement Strategy 2014-2016

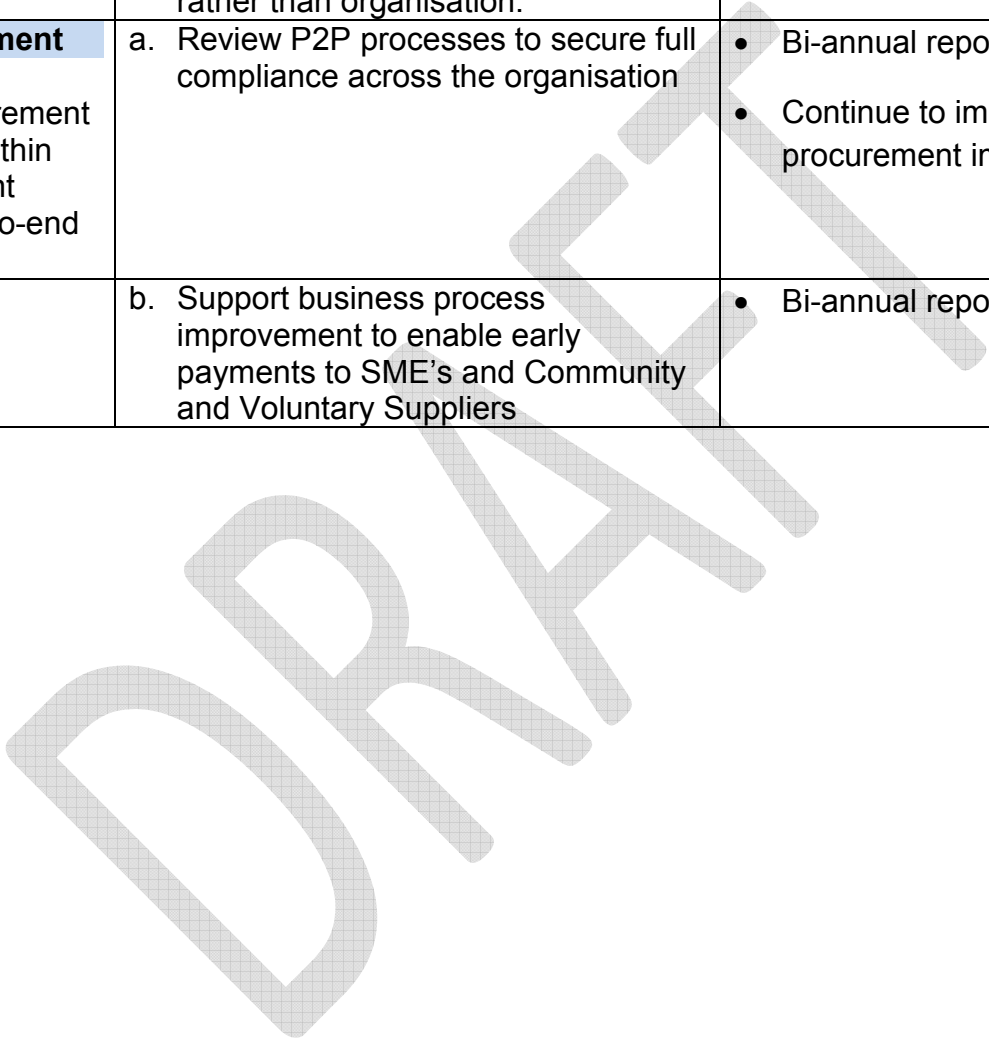
Targets and Measurements

Building Block	The What	Measure
<p>1. Organisation: The Council continues to recognise that procurement is a strategic function and is committed to placing it at the centre of its activities</p>	<p>a. Support from Elected Members, Scrutiny and SLT</p>	<ul style="list-style-type: none"> • Bi-annual progress report to Scrutiny and SLT
<p>2. Governance and Process The Council will improve further its governance and processes to deliver greater efficiencies and streamlined procurement practices</p>	<p>a. Review of Contract Procedure Rules</p>	<ul style="list-style-type: none"> • Effective Contract Procedure Rules that assist the Council and businesses.
<p>Page 35</p>	<p>b. Continue to ensure procurement practices are efficient and remove any unnecessary activity for spend below EU value Thresholds</p>	<ul style="list-style-type: none"> • Bi-annual report to Scrutiny and SLT • Make recommendations to Cabinet as and when required for approval
	<p>c. Maintain risk based sourcing (RBS) approach for all spend from £1,000 up to EU value thresholds.</p>	<ul style="list-style-type: none"> • Bi-annual report to Scrutiny and SLT
	<p>d. Ensure we strive to push all spend above £1,000 via The Chest</p>	<ul style="list-style-type: none"> • Bi-annual report to Scrutiny and SLT
	<p>e. Deploy a Best and Final Offer (BAFO) approach where possible, to ensure we take every opportunity to drive the price down whilst maintaining quality in a controlled and fully auditable environment</p>	<ul style="list-style-type: none"> • Bi-annual report to Scrutiny and SLT

	f. Continue with the scrutiny role and report biannually against this strategy	<ul style="list-style-type: none"> • Bi-annual report to Scrutiny and SLT • Scrutiny make recommendations to Cabinet for approval
3. Demand Management The Council will continue to secure improvement in procurement in engagement by securing full compliance with Contract Procedure Rules	a. Continuous review of spend analysis which will aid procurement planning across the organisation and with public sector partners to identify opportunities, prioritisation and to secure savings	<ul style="list-style-type: none"> • Bi-annual report to Scrutiny and SLT • Continuous improvement of spend data (cleansing and accuracy) • Utilise spend data to inform Procurement Workplan
Page 36	b. Continued development of the capacity and capability of the Procurement Team through training subject to available resources. This will ensure the team is educated and skilled to manage procurement demand	<ul style="list-style-type: none"> • Bi-annual report to Scrutiny and SLT
	c. Continuation of a communication and education strategy internally to up-skill and educate the wider workforce	<ul style="list-style-type: none"> • Bi-annual report to Scrutiny and SLT
4. Market Engagement/Supplier Relationship Management (SRM) Sefton will commence a review through a structured approach to developing supplier relationships in order to review overall business relationships, contractual arrangements, specifications, rates and expected outputs in order to mutually agree benefits which will result in savings for the Council as the customer. This will deliver greater value, meet strategic	a. Development of a work stream to undertake a structured review of SRM across the organisation and where possible with public sector partners, and in particular with InvestSefton b. Activities to support priority actions in the emerging LCR Enterprise Strategy.	<ul style="list-style-type: none"> • Bi-annual report to Scrutiny and SLT

<p>objectives and add Social Value. This will have greater leverage if we work with public sector partners.</p>		
	<p>c. Continuing with SME and Community and Voluntary Sector (CVS) engagement both in the LCR and regionally in order to train, support and develop a 2-way approach where we learn together and to underpin SRM</p>	<ul style="list-style-type: none"> • Bi-annual report to Scrutiny and SLT
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 37</p>	<p>d. Support the Liverpool City Region (LCR) Charter for Employment and Skills through Procurement</p>	<ul style="list-style-type: none"> • Bi-annual report to Scrutiny and SLT <p>Target: May 15:</p> <ol style="list-style-type: none"> Make contracts more accessible to local suppliers especially SME's Encourage local Businesses to make quality submissions Promote use by contractors of local supply chains Promote apprenticeships, jobs for unemployed-training by prime contractors and their supply chain <p>May 16 & 17: review improvement and set new targets</p>
<p>5. Category Management The Council will continue with a Category Management approach to procurement by aligning business requirements across the organisation. It will continue to work with wider public sector partners in order to gain greater leverage, add value and maximise</p>	<p>a. Review our relationship with the Merseyside Procurement Partnership (MPP) – Members: Halton; Sefton; Liverpool; St Helens; Knowsley; Wirral; CW&C; Mersey Travel and Mersey Fire & Rescue. Re-establish with partners the commitment, purpose, accountability</p>	<ul style="list-style-type: none"> • Bi-annual report to Scrutiny and SLT

<p>savings as we are too small to do this alone.</p>	<p>of this regional work stream in order to progress a category management approach based around geography rather than organisation.</p>	
<p>6. Purchase to Pay/ e Procurement Sefton will continue with the development of P2P and e procurement solutions to control compliance within the organisation, improve payment terms to secure a seamless end-to-end process.</p>	<p>a. Review P2P processes to secure full compliance across the organisation</p>	<ul style="list-style-type: none"> • Bi-annual report to Scrutiny and SLT • Continue to improve functionality to aid procurement improvement
	<p>b. Support business process improvement to enable early payments to SME's and Community and Voluntary Suppliers</p>	<ul style="list-style-type: none"> • Bi-annual report to Scrutiny and SLT



Appendix A



Charter for Employment and Skills through Procurement.

Introduction

Liverpool City Region Employment and Skills Steering Group have developed this charter in conjunction with the Merseyside Procurement Partnership (MPP). MPP is a collaborative approach to procurement across key public services within the Liverpool City Region and beyond, aimed at maximising value for money, ensuring quality and best practice.

Our Goals

We recognise:

- That we share a common goal to support employment rates and workforce skills in our communities.
- The power of our procurement spend, together with that of other public sector organisations across the City Region, our contractors and their supply chains should be used to sustain and support employments and skills.

Our Commitments

We will aim to:

- Act in a coordinated and consistent manner using our collective buying power to secure employment and skills wherever they may be delivered across the Regional economy.
- Encourage other public sector bodies, our contractors and their supply chains in using their buying power to pursue these aims and
- Work with employment and skills agencies, education institutions, training providers and our communities to enable people across the Liverpool City Region and beyond to maximise opportunities.

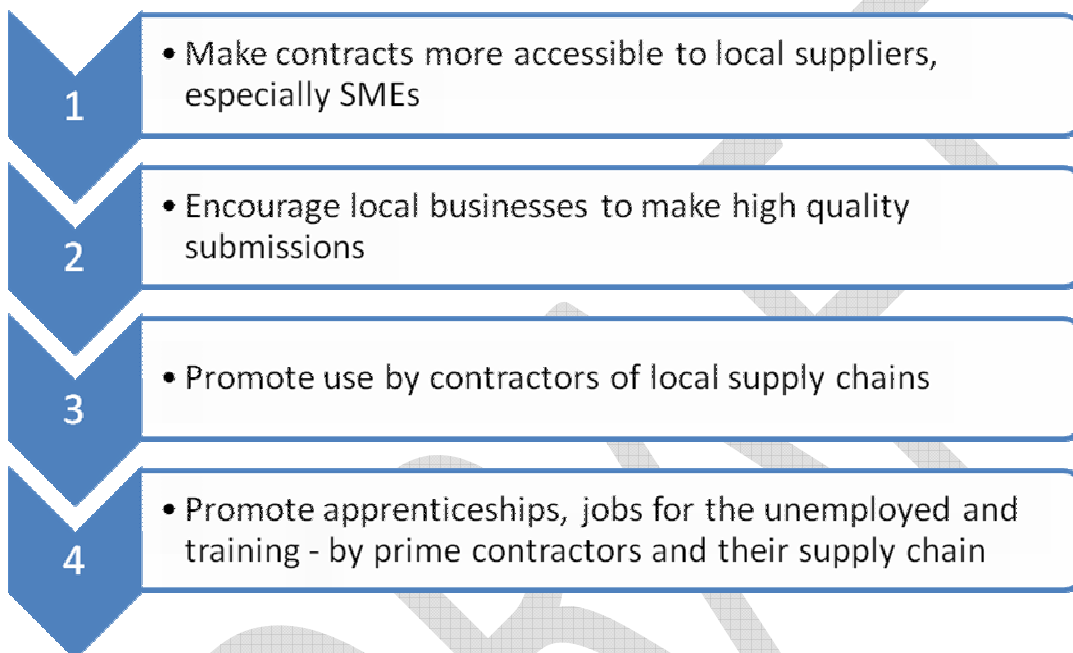
Agenda Item 5



Charter for Employment and Skills through Procurement.

Context

We are committed to a broader four step approach adopted by the Liverpool City Region's Employment & Skills Board to maximise the positive impact made by public sector procurement on the Regional economy:



To support these steps we will:

- Share best practice in wider procurement matters in order to support employment and skills.
- Take steps to ensure that we maximise opportunities for the Region's suppliers to access and bid for our opportunities, including SMEs and social enterprises.
- Consider where and how procurement activities will support and improve economic, social and environmental well-being within the region, whilst taking account of Procurement Contract Regulations.
- Engage with the local business community to promote the procurement process within our organisations and learn from such engagement
- Assist LCR Employment & Skills Group to signpost our suppliers to access support and funding that may be available to help them recruit and train their workforce, including apprenticeships and work experience.

- Promote and encourage sub-contracting and supply chain opportunities within the Region where appropriate.



Charter for Employment and Skills through Procurement.

Specific actions

- Make more suppliers aware of our opportunities.
- Share best practice in wider procurement matters in order to support employment and skills.
- Support and improve economic, social and environmental well-being within the region.
- Engage with the local business community to promote the procurement process.
- Signpost our suppliers to access support and funding that may be available to help them recruit and train their workforce
- Promote and encourage sub-contracting and supply chain opportunities within the Region where appropriate.

Measures

- Measure the number of suppliers registered on the Chest.
- Measure the number opportunities published via the Chest.
- Measure the number of businesses that we engage with and through what mechanism.

DRAFT

Appendix B

GLOSSARY OF PROCUREMENT TERMS USE IN THIS STRATEGY

Aggregation

The total value p.a. multiplied by the proposed length of contract term including extensions. (You must include partner organisation values).

Agreement

The legally binding terms and conditions between the parties, another word for a contract.

Benchmarking

Comparison of performance against other providers of similar services, particularly those recognised as adopting best practice.

Best and Final Offer (BAFO)

Where the Council seeks from participating suppliers a further BAFO on price and final offer. This supersedes the original price submission.

Best Practice

The most effective and desirable method of carrying out a function or process derived from experience rather than theory

Best Value

Arrangements to secure continuous improvement in the exercise of an Authority's functions, having regard to a combination of economy, efficiency and effectiveness as required by the Local Government Act 1999; the relationship between worth and cost.

Contract

A binding agreement made between two or more parties, which is intended to be enforceable at law.

Agenda Item 5

E-Procurement

The use of electronic methods in every stage of the purchasing process from identification of requirement through to payment, and to contract management.

EU Financial Thresholds

The Public Contract Regulations (PCR) 2006 stimulate financial thresholds for goods, works and services above which there is a requirement to follow the **procurement procedures of the European Contracts Directive as enacted in PCR.**

KPI

Key Performance Indicator. KPI's are tools that help us to measure the performance of suppliers against their contractual obligations

Pre-Qualification Questionnaire (PQQ)

A questionnaire completed by companies that wish to be considered for a procurement activity. The purpose is to assess the company's general suitability in terms of financial and economic standing, technical capability and experience, quality assurance, health and safety procedures, environmental issues and equalities considerations.

Quality

The level of fitness for purpose which is specified for or achieved for any goods, works or services

Risk

The probability of an unwanted event occurring and its subsequent impact.

Risk Based Sourcing (RBS)

The process of establishing potential suppliers of specified goods, works or services below EU financial thresholds

SME

Small and Medium Size Enterprise. Used in context, this may indicate navigation away from larger global companies.

Soft Market Testing

The process of engaging the open supply market prior to procurement.

Sustainability

The social, economic and environmental issues that could be considered in a procurement exercise

Whole Life Costs

The systematic consideration of all relevant costs and revenues associated with the acquisition and ownership.

DRAFT

This page is intentionally left blank

Agenda Item 6

Report to: Cabinet

Date of Meeting: 17 July 2014

Subject: Oracle Financial Management System Replacement

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

Is this a Key Decision? Yes

Is it included in the Forward Plan? No

Exempt/Confidential No

Purpose/Summary

- To inform Cabinet of the proposed withdrawal from part of the Arvato contract with regard to the provision of the financial management system.
- To highlight discussions with Halton Council for the provision of a hosted financial system in place of the Arvato offering.
- To approve the continued negotiations with Halton in respect of the proposed system and financial arrangements of the project

Recommendation(s)

Cabinet is recommended to:-

- i) Approve the phased withdrawal from the Arvato contract with regard to the Financial Management System with effect starting 1 April 2015;
- ii) Note the ongoing discussions with Halton Council for the provision of a hosted financial system from 1 April 2015; and
- iii) That the Cabinet delegates authority to continue negotiations to the Head of Finance and ICT , in consultation with the Cabinet Member (Performance and Corporate Services), to with regard to contractual, financial and service delivery arrangements
- iv) It be noted that the proposal was a Key Decision but had not been included in the Council's Forward Plan of Key Decisions, because at the time of publication, options regarding the Council's new financial arrangements were still being evaluated. Consequently, the Leader of the Council and the Chair of the Overview and Scrutiny Committee (Performance and Corporate Services) have been consulted under Rule 27 of the Access to Information Procedure Rules of the Constitution, to the decision being made as a matter of urgency on the basis that it was impracticable to defer the decision until the commencement of the next Forward Plan because the licenses are required.

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		•	

Agenda Item 6

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 proposals to withdraw from an element of the Arvato contract in respect of the Financial Management System and to seek approval to explore with Halton Council a hosted arrangement .

What will it cost and how will it be financed?

(A) Revenue Costs

One-off costs to purchase perpetual licences for the Agresso system are estimated to be £0.4m; current IT Strategy resources will be used to finance their purchase.

Annual costs for Halton to host this service have not yet beendetermined. However the potential annual costs (IT hardware, licence maintenance, system set-up, staffing costs and an annual management fee) is currently estimated to be in the order of £0.4m. Any cost would only relate to a reimbursement of actual costs incurred by Halton for hosting the service. This is significantly less than the Solution build/running costs indicated by Arvato.

In addition, the transformation of the procure to pay, accounts receivable and other related financial processes are expected to deliver additional savings as transformation of services roll-out across the Council.

(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:

The contract with Arvato in respect of the provision of the Oracle system will need to be amended to reflect the withdrawal.

Prior to committing to annual costs with Halton Borough Council, Sefton will need to satisfy itself that the proposal for a hosted arrangement with another Local Authority complies with any procurement legislation and in particular OJEU.

These negotiations are in effect a pre procurement arrangement with Halton At this stage the proposed arrangement only involves the two councils and does not involve a third party from the private sector. Both parties are obliged to ensure that their Council's have appropriate, robust accounting and financial management systems in place. The purpose of the proposed arrangement is to ensure that this common task of managing Council accounts is streamlined, and as efficient as it possibly can be. This proposal will allow the Sefton's financial management information and processes to be hosted by Halton, but Sefton will continue to perform the accountancy and financial management functions

Human Resources:

The implications of the project on staff within Sefton and Arvato will need to be assessed as part of the preparation / implementation phases of the project. However, in order to deliver the service improvements, it is anticipated that a reduced number of staff will be required.

Equality

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

Impact on Service Delivery:

The introduction of the Agresso package is anticipated to result in an improved financial management arrangements , with benefits to all departments of the Council.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance & ICT is the author of the report (FD 3065/14).

Head of Corporate Legal Services (LD 2370/14) 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 6

1. Introduction

- 1.1 The Council currently uses the Oracle Financial Management System to provide accounting and financial reporting functionality. This is a crucial system for the Authority and it is essential that an effective and robust financial system is in place. Oracle is withdrawing support for the current version of the system next year. Operating a system without this support would provide severe risks to the financial and operational running of the Council. Therefore it is imperative that the Council makes alternative arrangements by 1 April 2015.
- 1.2 Work was undertaken with Arvato to provide a system based around the “Agresso” Financial Management System, which was expected to deliver significant financial savings for the Council - as part of a transformation of service provision. The Arvato proposal was also to work with Slough Borough Council who are in exactly the same position as Sefton with respect to Oracle. Work has been ongoing since early 2013 to prepare for its implementation. The financial costs of the project were recently presented by Arvato; these were considerably higher than was anticipated.
- 1.3 As a result of the high cost, officers have been investigating whether there were any other alternatives in introducing a financial system. As part of this process, discussions have taken place with Halton Council, who already use the Agresso package. Initial conclusions were that joint working and co-operation with Halton would provide a viable and financially acceptable solution with respect to our mutual obligations. Following further work, this report presents a proposal to Cabinet that both Councils work together with respect to the financial administration but that Halton will host this for Sefton. Continued negotiations with Halton in respect of the hosting arrangements will be required to agree the final financial position.
- 1.4 The arrangement with Halton will require the Council to withdraw from that part of the Arvato contract that relates to the financial management arrangements.

2. Proposal for Joint Working with Halton Borough Council

- 2.1 Oracle’s withdrawal of technical support for the version of the financial system that Sefton currently uses has been an impetus, not only to look for an alternative approach, but also to see what transformation could be introduced in its end to end processes for Procure to Pay, Accounts Receivable (Sundry Debtors etc), General Ledger accounting & reporting and the management of banking and cash. These are tasks that each and every local authority must conduct. Some Council’s such as Halton, have a much better way of conducting these tasks. By Halton hosting the financial arrangements Sefton will be able to benefit by adopting their ways of working including their way of operating the Agresso system, where this will lead to better practice.
- 2.2 The ultimate aim is to introduce best practice operating models, enable business change and reduce long-term net costs. The scope of this project was to transform finance and procurement, within the Council and services currently outsourced to Arvato.

Agenda Item 6

2.3 As a result of the significant proposed charge by Arvato, and the withdrawal of technical support by Oracle, an alternative option (still using the Agresso Financial Management System) has been identified with another local authority, Halton Council. Discussions are still continuing with Halton, however the draft scope of a proposal are noted below:

- End Oracle contract and decommission system after 2014/15 financial year end processes and audits completed.
- Plan, design and implement Agresso becoming the Council's Finance and Procurement solution for 1st April 2015
- End-to-end transformation, including replacement where necessary, of the systems, data, interfaces, processes, policies, procedures, governance and ways of working relating to the following Finance and Procurement processes:
 - Procure to Pay, Accounts Receivable, Reporting, Budget Planning
- Halton to provide ICT support, maintenance and development of Agresso and assist in developing Sefton processes
- Assess, define and implement the required staffing and organisation structure to operate the Finance and Procurement processes from project go-live;
- Maintain business as usual throughout the project for Finance and Procurement
- To bring about the required step-change in behaviours and ways of working
- Plan a phased approach to the project and future developments

2.4 Halton hosting these arrangements for Sefton would still enable transformational change across the Council, (as was anticipated with the Arvato offering); for example, the introduction of direct input of invoices by departments and scanning of invoices on receipt. As the assessment of anticipated savings has not yet been undertaken, no allowance has been made in the costing with regard to this change. However, given the very tight timescales to introduce new ways of working, the transformation of service provision will be introduced in a phased basis. The precise changes that will be introduced from next year are currently being determined.

2.5 The acceptance of the Halton service would necessitate a variation to the Arvato contract. Initial discussions with Arvato have taken place, however, details regarding renegotiating the contract terms have yet to be finalised.

2.6 As part of the feasibility study it was proposed that in order to maintain an open and transparent financial arrangement staffing and technical costs would be recharged by Halton BC at cost and supported by a separate management fee due to Halton BC, negotiated under contractual agreement, in order to reduce any complexity associated with future change or requirements by both parties. An attractive and important part

Agenda Item 6

of this agreement is that such fees are on a not for profit basis and merely reflect a recharge.

3 Financial Implications

- 3.1 Halton hosting Sefton's financials on their Agresso system would require additional licences to be purchased by Halton, and reimbursed by Sefton; this is anticipated to be approximately £0.4m (one-off). This expenditure will be financed from current IT Strategy resources. Additional annual IT hardware, licence maintenance, Halton staffing costs and an annual management fee is currently estimated to be in the order of £0.4m. The overall / ongoing cost is significantly less than the "Solution build" / running costs indicated by Arvato. It is therefore anticipated that costs will be met from within existing budgets.

- 3.2 The number of staff required to operate the Agresso system across the Authority will need to be assessed. However, the expectation is that less staff will be required due to the efficiencies that will be introduced by the new system. It is therefore expected that the new system will result in an overall financial saving for the Council. Given the late change in direction with regard to these proposed arrangements, the timing / incidence of the savings to be generated has not been determined. The service improvement may result in redundancies.

5. SUMMARY

- 5.1 The replacement of the Oracle Financial Management System has to be in place by 1 April 2015. The assessment of the options indicates that the Halton proposal would provide Sefton with a robust financial system, and would result in the Council being better off financially compared to the Arvato offering. Following transformation of service provision, the overall financial cost is expected to reduce.

Agenda Item 7

Report to: Cabinet

Date of Meeting: 17 July 2014

Subject: Revenue Outturn 2013/14 and Transfer to General Balances

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 of the revenue outturn position on the 2013/2014 General Fund, to approve the increase in General Balances and to utilise resources from General Balances in order to cover anticipated additional expenditure in 2014/2015.

The financial year 2013/2014 was the first year of a two year financial plan with reducing resources of £50.8m, and followed three years of real term reductions of £64m.

The Council has used 2013/2014 to deliver service efficiencies and reductions. Running in parallel to the achievement of the 2013/2014 financial targets was the preparation, and early implementation of changes to achieve the 2014/2015 budget. The Council budget report of February 2014 highlighted the estimated underspend of up to £4m which would be used to offset the risks of non-achievement of the 2014/15 budget savings.

Officers have been diligent in the management of resources and this has given the Council early savings which have helped to contribute to earmarked reserves / balances to assist the Authority phase in savings in coming years.

Cabinet is recommended to allocate the over-achievement of 2013/2014 savings and the effect of the early implementation of 2014/2015 saving options identified in the report to general reserves in line with the Council budget decisions for 2014/15..

Recommendation(s)

Cabinet is recommended to: -

1. Note the General Fund net underspend of £3.578m for 2013/2014;
2. Note the Schools Delegated Budget net underspend of £0.107m for 2013/2014;
3. Agree to increase the level of General Balances by £3.578m;
4. Agree to the utilise General Balances in order to cover anticipated additional expenditure in 2014/2015 as follows:-
 - Finance the Be Active Programme for 2014 (£0.020m) , and
 - To cover the anticipated deficit for Bootle Golf Course during 2014/2015 (£0.095m).
 - To create an Apprenticeship Partnership Fund of £0.068m to support schools in the employment of apprentices.

Agenda Item 7

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

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

Reasons for the Recommendation:

To ensure Cabinet are informed of the revenue outturn position for 2013/2014 and to seek approval to transfer the underspend to General Balances and to utilise resources from reserves in order to cover anticipated additional expenditure in 2014/2015

What will it cost and how will it be financed?

(A) Revenue Costs

The identified underspend from 2013/2014 will allow General Reserves to increase from £6.576m to £10.154m. This will improve the overall financial viability of the Authority for the coming years, when further reductions in expenditure are expected. Additional expenditure of £0.115m would be funded from General Balances.

(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	
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.

Agenda Item 7

What consultations have taken place on the proposals and when?

The Head of Corporate Finance & ICT (FD 3070/14) and Head of Corporate Legal Services (LD 2375/14) 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 call-in.

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

Background Papers:

None

Agenda Item 7

1. Introduction

1.1 The General Fund outturn position for the 2013/2014 financial year is presented, which highlights the major variations compared to the budget and identifies an overall revenue underspend position. The report requests Cabinet to provide for a much needed increase in General Balances due to the increase in potential liabilities, risks and uncertainties in the achievement of all agreed savings identified during 2013/2014 and 2014/2015.

2. General Fund Revenue Outturn 2013/2014

2.1 The Council has completed the closure of the Authority's accounts for 2013/2014; the external auditors, PricewaterhouseCoopers, are due to commence their audit in early July 2014. The agreed Statement of Accounts will be presented to Audit and Governance Committee on 10 September 2014, at the conclusion of the audit. The Statement of Accounts was submitted to PricewaterhouseCoopers on 18 June 2014.

2.2 The outturn figures for 2013/2014 are presented in more detail in the following sections but can be summarised as follows:

Revenue Account 2013/2014	Schools £m	Non- Schools Services £m
Actual Balances at 31 March 2013	17.314	6.576
Plus: Schools' Delegated Budget Net Underspend 2013/2014	0.107	-
Plus Non-Schools Net Underspend 2013/2014	-	3.578
Provisional Unallocated Balances at 31 March 2014	17.421	10.154

3. Schools' Delegated Budgets Outturn 2013/2014

3.1 The schools closing balances for 2013/2014 are £17.421m and this represents 11.6% of schools 2013/2014 delegated budgets. Overall school balances increased by £0.107m within the last financial year.

3.2 The Government made recommendations within a revised Scheme of Delegation for local authorities, to relax or omit any school balances control mechanism from April 2011. However Sefton Schools Forum agreed to continue to have a school balances control mechanism and to increase the level of permitted balances to 8% of the annual budget for a secondary school, or 12% for a primary or special school in recognition of the tighter financial climate currently faced by the schools.

3.3 Schools balances are examined each year by a sub group of the Schools Forum, to ensure balances are not excessive. Schools Forum decided that where balances are above 12% of a Primary or Special schools' annual budget, or 8% for a Secondary school, these would be examined, and a special pro forma is supplied to each school having balances which meet this criteria, with a request for them to explain how they intend to use the excess in their spending plans going forward. This mechanism was

Agenda Item 7

further enhanced by Schools Forum from this year, to enable the sub group to recommend to Forum reductions to individual schools balances, where these are considered excessive without good cause, for redistribution to all schools.

- 3.4 Following the last exercise to examine balances, conducted in June 2013, the schools contacted were able to demonstrate robust plans for the committed use of surplus balances and no resources were clawed back for re-distribution. Schools Forum has agreed to continue to robustly review school balances as part of the annual process for 2014/2015.
- 3.5 As mentioned above, the level of school balances has increased in 2013/2014 by £0.107m.
- During the year, balances for Primary; Secondary and Nursery schools collectively decreased by £0.625m, whilst balances increased for Special schools £0.007m and Sefton's two Pupil Referral Units, which became schools from September 2013, by £0.205m. This net reduction of £0.413m was then offset for the Primary phase, by the agreed application of DSG Central reserves to support Primary schools with Special Resource Units. These units were deemed to have had their funding reduced under the national changes to the schools formula funding from 2013/2014. The Schools Forum agreed in March 2013 to support these schools by a release of DSG reserves £0.480m as one off transitional funding from September 2013 to March 2014 to allow them time to adjust to new reduced funding levels. In addition, the Forum also agreed to provide some one off start up funding to the two Pupil Referral Units £0.040m. The overall effect on schools balances was therefore a small net increase year on year of £0.107m. This is a relatively small change.
 - The reduction in the level of Devolved Formula Capital funding has meant that schools will now have to contribute from revenue balances to support any future capital schemes.
 - Some schools had planned the use of some of their balances (brought forward from 2012/2013) and spent them in 2013/2014, whilst others have had to draw on balances to help them through restructures or to make recommended improvements.

4. **Non-Schools General Fund Outturn 2013/2014**

- 4.1 The Original Budget for 2013/2014 estimated that balances for non-school budgets would total £6.576m at 31 March 2014; i.e. the assumption was that balances would not increase. The outturn for 2013/2014 shows that a net underspend of £3.578m has been achieved against this budget, i.e. increasing the level of General Fund Balances to £10.154m. This is in line with the 2014/15 Budget report and has been recognised in the mitigation of the 2014/15 Budget risks in the financial planning
- 4.2 In line with previous practice, savings agreed by the Council in October / November 2012 for future years, were approved for immediate implementation. This has led to an overachievement of the savings targets in some areas in 2013/2014 (in order to achieve the targets for 2014/2015).
- 4.3 Within this overall net underspending, there have been a number of significant variations in individual services. The major variances are highlighted in the following paragraphs: -

Agenda Item 7

4.3.1 **Corporate Services** - The main variances included: -

- Corporate Finance & ICT – early achievement of net housing benefit subsidy (£0.286m) relating mainly to reduced levels of “Local Authority Error” overpayments of benefit which has resulted in a higher rate of subsidy on these payments. The 2014/2015 budget includes a £0.250m saving due to the expected continuation of this increased subsidy. There was also net income of £0.425m relating to the recovery of prior year’s council tax benefits overpayments. Council Tax Benefits ceased on 31 March 2013 and was replaced by a local Council Tax Reduction Scheme.

4.3.2 **Young People and Families** – There was an overall overspend on this service area of some £1.218m, with some sizeable variations across the service: -

A major element of overspend related to Specialised Transport. In particular, Pre 16 Home to School transport for children with special needs £1.7m and Post-16 children with Special needs £0.3m. Transport is managed by the Direct Services Department through an integrated transport delivery via the Specialised Transport Unit, with requisitions coming from the Children’s Services and Adult Services teams as required. During the year, an in-depth analysis of spending in these areas was carried out, to ascertain where the spending pressures lie between Children’s Services and Adult Social Care. This indicated that most of the spending pressures were related to Children’s transport, and the recharging of costs from Direct Services was realigned accordingly to reflect these findings. There is now ongoing work in 2014/2015 through the Transformation Team, to look at the Council’s overall approach and policies on Specialised Transport going forward, with a view to reducing costs in the long term.

Children’s Services Social Care budgets and Learning and Support (LEA) main variations are identified below: -

- Early achievement of £0.5m 2014/15 savings the largest part of which was within Early Intervention and Prevention services, where earlier than planned savings were achieved on staffing.
- Children’s Social Care budgets were overspent in some key areas during the year. In particular, Special Guardianship Orders, which are payments to relatives of children who are looked after by them, overspent by £0.4m and the cost of residential agency placements of children overspent by £0.2m. In addition, Adoption Allowances overspent by £0.2m. Some of these additional costs are borne as essential parts of the Council’s strategy to increase the number of placements into in-house foster and adoption, whilst reducing reliance on expensive agency placements;
- The budgets for the Council’s in-house residential services underspent last year, along with the Department’s legal fees, by £0.2m. In addition, the Department received DCLG support through an allocation of Adoption Reform Grant in the year and applied £0.4m out of an allocation of £0.6m to help improve adoption processes and also help towards general budget pressures in Social Care. Pressures on spending continue to be a challenge into 2014/2015, particularly as further planned budget savings are applied; and,

- Within Early Intervention, other non staff savings were identified, including Aiming High for children with disabilities which underspent by £0.2m and also within the Learning and Support (LEA) budgets services to schools, the psychology service generated additional income from trading with schools of £0.1m, with various other underspends against LEA managed budget areas of £0.2m.

4.3.3 **Older People** - The major variations being:

- Early achievement of staffing savings of £0.506m through the reconfiguration plans being implemented in anticipation of required savings in 2014/2015 for Assessment and Care Management teams.
- The Adults Social Care budget requires forecasting demand which have different factors affecting the outturn, e.g. hospital discharges, weather, and short term funding from Government.
- The local authority was given additional investment in 'winter pressures' support from NHS Southport and Formby CCG and NHS South Sefton CCG to help with increased client demand during the winter months. The final position for the Community Care budget was an underspend of £2.8m. The Director of Older People will continue to monitor the Community Care budget situation closely during 2014/2015 financial year.
- Housing Related Support (formerly Supporting People) - Throughout the year it had been reported that £1.5m of the required £3m budget saving in relation to Housing Related Support would not be achieved. The final position for the year was an underachievement of £1.25m. Council, on the 6 March 2014, approved £3.9m funding in 2014/2015, to offset the identified high risk of the estimated shortfall of approved Adult Social Care savings, including this £1.25m.

4.3.4 **Public Health** – 2013/14 is the first year of Public Health being part of the Council's services. The Public Health Grant has been applied to a range of services, including directly managed public health services (e.g. substance misuse) and indirectly managed services which contribute to the delivery of improving public health and wellbeing across the Borough (e.g. leisure activities). The Grant has been able to support health and wellbeing activities provided by the Council by £1.5 m more than originally anticipated in the setting of the 2013/14 budget.

4.3.5 **Built Environment** – There was a net underspend of £0.667m on services within this Department, the main variations being as follows:

- In respect of Park & Ride transport, revision of service provided by Merseytravel brought about a saving of £0.090m. Likewise, staffing provided under the new contract for parking attendants resulted in £0.056m savings.
- Also, an additional one-off payment of £0.195m from United Utilities was received by Infrastructure (Network Management) at year end.
- Savings on vacant posts contributed to underspends on some employee budgets, these included underspends of £0.260m within the Environment and Planning budgets.

Agenda Item 7

- There were further underspends on Environment and Planning supplies and services budgets of £0.184m. These underspends were partially offset by a £0.092m shortfall of Planning's Building Control income.

4.3.6 **Street Scene – Direct Services** - There was an overall underspend of £0.044m on this service. This included an overachievement of income on Catering (£0.185m) due to additional income received from Non DSG catering activities. There was also a number of other smaller overspends and compensating underspends.

4.3.7 **Street Scene – Landscape Services** – The major variations were income higher than budgeted on Cemeteries and Crematoria (£0.459m) due to a continuing/increased demand for funeral services and memorialisation, along with an overachievement of income on Births, Marriages and Deaths (£0.110m). There was an overspend of £0.201m on the repair and maintenance of Bootle Golf Course mainly to resolve any significant Health and Safety or operational issues after it returning to Council management in March 2013.

4.3.8 **Debt Repayment / Net Investment** - There was an underspend of £0.930m on debt repayment / net investment during the year. This was the result of better investment returns on temporary monies held by the Council and particularly the lower than planned need for borrowing from the Public Works Loan Board.

4.3.9 Other areas where there are variations to the budget include an additional contribution to the Sundry Debtor Bad Debt Provision of £0.769m, a reduced revenue contribution to fund capital expenditure of £0.750m, the return of a proportion of funding top-sliced by the DCLG of £0.450m and not utilising balances previously assumed to support the budget (£0.843m).

4.3.10 The Cabinet are reminded that the budget monitoring reports through 2013/14 reported an estimated underspend of up to £4m. The table below summarises the outturn position for service departments: -

	£m
Corporate Commissioning	-0.156
Corporate Services	-1.036
Young People and Families	+1.218
Older People	-2.088
Health and Wellbeing	-0.021
Built Environment	-0.677
Street Scene – Direct Services	-0.044
Street Scene – Landscape Services	-0.364
Debt Repayment / Net Investment	-0.930
Sundry Debtor Bad Debt Provision	+0.769
Revenue Contribution to Capital Expenditure	-0.750
Return of DCLG Top-Sliced Funding	-0.450
Non-utilisation of Balances to Support the Budget	+0.843
Other Net Variations	+0.108
Net Underspend - Transfer to General Balances	-3.578

4.4 Potential use of Reserves during 2014/2015

- 4.4.1 A number of requests have been raised for additional resources within 2014/2015. These are noted below. Should the requests be approved, it is proposed that they be financed from General Balances available as at the end of 2013/2014 (£10.154m).
- 4.4.2 Be Active programme –Be Active programme in Sefton for Summer 2014. The aim is to provide the activities free of charge to participants across the Borough. In order to fund this programme a budget of £0.020m is required. This is funding for 2014 only and the costs must be contained within this budget.
- 4.4.3 Bootle Golf Course - Bootle Golf Course continues to be managed by the Council, pending a decision around the longer term. The course and the facilities are in a poor condition and that coupled with a general downturn in the golf market means that the operating costs will continue to exceed the income from golf fees. It is envisaged that this will be in the region of £0.060m. In addition, the existing parks and green spaces budget includes for a rental income of £0.035m that would have been payable by the former lessee. There is therefore a potential for the current budget to be exceeded by £0.095m.
- 4.4.4. Apprenticeship Partnerships – A sum of £0.068m is allocated to fund a joint schools/LA partnership to encourage the employment of apprentices within schools. The funding will be available to schools with match funding requirements and will be available for 2014 only.
- 4.4.5. Elsewhere on the agenda, is a report which identifies the latest position on the achievement of agreed budget savings for the two-year budget plan (2013/2014 and 2014/2015). Specifically, the report identifies a number of risks associated with the delivery of a number of those savings. This emphasises the importance of having sufficient levels of reserves to enable the Council to manage its budget effectively, in the event of any shortfall. For example, an underachievement / slippage of 5% on the 2014/2015 financial plan would result in the need to identify £1.45m of additional resources.

This page is intentionally left blank

Agenda Item 8

Report to: Cabinet

Date of Meeting: 17 July 2014

Subject: Budget Update 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 inform Cabinet of:-

- i) Progress in the achievement of the approved savings for 2014/2015, (and any residual savings carried forward from 2013/2014);
- ii) Additional Government one-off financial support to local authorities relating to the Care Act 2014; and

Recommendation(s)

Cabinet is recommended to:-

- i) Note progress to date on the achievement of approved savings for 2014/2015 and residual savings carried forward from 2013/2014;
- ii) Note the potential overspend on the Specialist Transport Unit;
- iii) Note the additional resources of £0.125m to support the implementation of the Care Act within the Council, and to approve the inclusion of these monies in Sefton's Budget for 2014/2015;

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, and to allow the use of new resources to help implement the Care Act 2014.

Agenda Item 8

What will it cost and how will it be financed?

(A) Revenue Costs

i) 2014/2015 Revenue Budget Savings

Any under-achievement of the agreed revenue budget savings for 2014/2015 (and residual savings from 2013/2014) will need to be financed from within any under-spending identified within other areas of the 2014/2015 budget, or from the Council's general balances;

ii) Care Bill 2014 Grant

The additional £0.125m Government Grant will be used to support the costs of implementing the Care Bill within the Council; and

(B) Capital Costs

Implications: None

Legal: None

Human Resources None

Equality

1.1 No Equality Implication

2.1 Equality Implications identified and mitigated

3. Equality Implication identified and risk remains

Impact on Service Delivery:

None.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance & ICT (FD3030/14) and Head of Corporate Legal Services (LD2374/14) 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

1. Introduction

- 1.1 The Council approved a two year financial plan for 2013/2014 to 2014/2015 which required a large change programme of £50.8m to be implemented over these two years. A significant proportion of the savings identified for 2013/2014 were achieved during the year. However, a number were not achieved, either in part or in full. Compensatory savings were identified elsewhere in the Council's budget, including the early implementation of savings for 2014/2015.
- 1.2 This report presents the latest position on the achievement of agreed savings for 2014/2015, plus a summary position of the 2013/2014 savings which were not achieved in-year and have been carried forward into the current financial year. In order for the Council to remain within its financial budget, it is essential that as much of these budget reductions are actually achieved during the current financial year.
- 1.3 The report also identifies the receipt of an additional revenue grant from the Government to support the implementation of the Care Bill 2014.
- 1.4. The financial plan should be monitored and managed in the context of the current three year Medium Term Financial Plan which has identified further savings requirement of £55m from 2015 to 2017.

2 Approved 2014/2015 and 2013/2014 carry-forward savings – Update

- 2.1 The table at **Annex 1** identifies the current position of the agreed savings for 2014/2015. They have been 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 May 2014 for the achievement of all remaining savings for 2014/2015 is that £18.497m of the required £26.511m have been delivered or are on plan, £5.896m are at some risk of not being fully achieved. This leaves a further £2.118m of savings that are unlikely to be achieved in 2014/2015 (identified as "Red").
- 2.3 The 2013/14 Revenue Outturn elsewhere on this agenda identifies the key early achievement of some budget savings. It also reminds Cabinet that the Medium Term Financial Plan identifies £55m funding gap by 2016/17.

Agenda Item 8

- 2.4 A number of approved savings for 2012/2013 and 2013/2014 were not achieved during the last financial year. Whilst these were financed (in-year) from underspends elsewhere in the Council's budget, or from the early achievement of other savings in 2014/2015, they still need to be implemented during 2014/2015. The total value of these 23 items is £2.329m. During this financial year 3 schemes totalling £0.881m are on plan with the remainder, £1.448m, unlikely to be achieved in 2014/2015.
- 2.5 All agreed budget savings will be closely monitored over the remainder of the financial year, with regular reports being presented to Cabinet and Overview & Scrutiny Committee (Performance and Corporate).
- 2.6 Future reports will also include budget monitoring updates on the wider Council budget, plus the achievement of Council Tax, Council Tax Reduction Scheme and Business Rates Income.

3 Other Budget Risks

- 3.1 The saving options considered above (para 2.2 and 2.3) indicate a potential budget shortfall in the order of £3.5m for 2014/2015. However, there are a number of financial risks that the Council is currently facing in the remainder of the Authority's budget. The major area of concern is an overspend on the Specialist Transport Unit, which is estimated to be in excess of £2m based on current levels of spend and is also identified in previous 2013/14 Budget monitoring reports. A detailed exercise has analysed the individual elements of cost within the service. Further work is ongoing on the process of registration of services and the systems required to monitor demand and cost. Any changes in transport policies to reduce the cost of transport will be considered in future reports.
- 3.2. Details of other pressures, and areas of potential underspending, will be reported in more detail to the next meeting of Cabinet on 11 September 2014.

4 Care Act 2014 Implications

- 4.1 The Care Act outlines the most significant change in Adult Social Care in decades, with changes to underpinning legislation, eligibility criteria, funding, changes to the status of Adult Safeguarding and a host of other associated areas which are likely to impact across adult social care, the wider system and services and financial services.
- 4.2 New requirements, duties and responsibilities for adult social care will be implemented from April 2015, with full implementation of all the financial elements planned for April 2016.
- 4.3 A detailed project plan is currently being drawn up to begin to look at each of the strands of the Care Bill. Responsibility for leading on each area has been allocated appropriately to Heads of Service and other appropriate leads. It is envisaged that the internal departments of the Council will be working closely, as will other partners particularly the NHS and voluntary sectors. A significant amount of community consultation will be undertaken.

Agenda Item 8

- 4.4 The Government has announced that they will contribute a one-off funding allocation, to support the implementation of the Care Bill, of £0.125m per authority. This resource needs to be included in Sefton's Budget for 2014/2015.

This page is intentionally left blank

2013-15 LISTED BUDGET SAVINGS PERFORMANCE AT 30th JUNE 2014

Totals £k

Savings achieved to date	9,512,000
Progress is Satisfactory	9,865,850
Risk of savings not being fully achieved	5,896,000
Known shortfalls or significant risk that savings will not be achieved	3,566,125

Total of Savings 28,839,975

£ Red Amber Green Blue

2012-13 LISTED BUDGET SAVINGS CONTINUING INTO 2014-15

				Comment
C5.1	Children in Care - Reduce Care Package Costs	396,000	396,000	Year 3 of a 3 year programme to reduce care package costs by 10%, via a 3.3% (396k) reduction year on year. This strategy is based on an assumption of 'looking after' 400 children & young people, the current figure is 403 (which has reduced significantly from a high of 441). Social care placements are currently forecast to overspend by £654,903, this includes an overspend on Special Guardianship Orders of £534,638.
E2.2	Supporting People Commissioning Functions	14,000	14,000	Following the formal consultation process, recruitment to the new structure has now been completed. The full saving will be achieved in 2014/15
E2.8	Area Finance / Finance Visiting Officers - Review	25,000	25,000	£75k has been deferred as part of the requirement to achieve D 1.38 Social Care Subsidies, as the staff are required in order to effectively implement the changes and achieve the saving. This deferred saving is shown under 2014/15. Achievement of the remaining £25k of this saving is dependent on Phase 2 of IAS project implementation and the re-engineering of financial back-office functions.
		435,000	435,000	0 0 0

Street Scene

Landscape Services

C5.4	Parks incl Nursery and net of frontline - Further changes to Parks Management and standards in parks	50,000	50,000				Not achieved in 2013/14 but 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				Not achieved in 2013/14 but will be achieved in 2014/15

Landscape Services

135,000	135,000	0	0	0
----------------	----------------	----------	----------	----------

Page 71

Direct Services

C6.1	Commercial waste increased income	100,000	100,000				Additional income has been difficult to achieve in 2013/14 in part due to the general economic downturn across the private sector. However, it is anticipated that new income will be sourced in 2014/15 as a Trading Officer and new marketing and promotional systems are in place.
C6.2	Public conveniences reviewed for efficiency savings	20,000	20,000				Saving not achieved in 2013/14 due to one off costs of fitting coin mechanised doors. Savings should be achieved in 2014/15 but will be dependant on the level of maintenance and vandalism costs.
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)	7,600	7,600				£42,400 achieved in 2013/14. Second MOT bay now operational therefore full saving expected to be achieved in 2014/15.
D1.19	Street Scene - Building Cleaning - change frequency of office cleaning	19,000	19,000				Due to the closure of a number of Council buildings there has been a slight under-achievement of this saving target in 2013/14. However, new additional income and a review of the operation of the service will result in the achievement of the 2013/14 savings in 2014/15.
D1.32	Public Conveniences increase charges	40,000	40,000				Saving not achieved in 2013/14 due to one off costs of fitting coin mechanised doors. Savings will be achieved in 2014/15.

Direct Services

286,600	186,600	0	100,000	0
----------------	----------------	----------	----------------	----------

		£	Red	Amber	Green	Blue	
People							
Adult Social Care							
D1.38	Social Care - Subsidies - Increase client contributions for a range of non-residential services	100,000	100,000				This change has been implemented on the 6th January 2014. 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.
Adult Social Care		100,000	100,000	0	0	0	
Health and Wellbeing							
C10.2	Eze Fitness contract - terminate	55,000	55,000				Saving will be achieved from specified area in future years
C10.3	Leisure Operations - increase in income	150,000	150,000				Income levels are always difficult to predict and will be closely monitored
	Management fee reduction - Formby Pool Contract	50,000	50,000				Discussions are taking place with partner on how to achieve the full saving.
Health and Wellbeing		255,000	255,000	0	0	0	
Authority Wide Savings/Financing Options							
	Transport Authority - Recharge	631,000			631,000		Merseyside Integrated Transport Authority (MITA) has agreed the methodology for recharging.
Authority Wide Savings/Financing Options		631,000	0	0	631,000	0	
Integration							
I1.2	Learning & Development, Training, Professional Training and CPD	3,800	3,800				All but £3,767 achieved in 13/14. Anticipated that all will be achieved in 14/15.
Integration		3,800	3,800	0	0	0	
Total Savings Requirement 2013/14		1,893,975	1,012,975	0	881,000	0	

2014-15 LISTED BUDGET SAVINGS

Corporate Commissioning and Neighbourhoods

C11.2	Improved procurement of Council wide communications activity	75,000		75,000					Additional income streams to come online in 14/15 however the there is some doubt as to whether the additional £75k saving will be realised. Graham Bayliss is aware of the situation.
E3.1	Integration of Communications	45,000	45,000						Saving not achievable as post concerned was not transferred from Health & Wellbeing.
D1.27	Corporate Commissioning & Neighbourhood Coordination (CCNC) Service - rationalise service	60,000			60,000				Anticipated that saving will be achieved from prescribed area.
para 3.6 includes prev option D1.29	Double Rating - cessation (2014/15)	150,000				150,000			Payments to Parish Councils have ceased in 14/15.
	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)	0							Budget Council on 6th March 2014 agreed to remove this saving.
	Area Committees - Reduce from 7 to 3	5,000			5,000				Anticipated that saving will be achieved from prescribed area.
Corporate Services and Corporate Commissioning		335,000	45,000	75,000	65,000	150,000			

Deputy Chief Executive

E2.6	Central Support	148,000			148,000				Anticipated that saving will be achieved from prescribed area.
Deputy Chief Executive		148,000	0	0	148,000	0			

Corporate Services

C12.1	Learning and Development	50,000		50,000					Saving remains unallocated. Work required to identify where saving will be achieved.
C12.2	Increased housing benefit grant from reduced error rates	250,000			250,000				Anticipated that saving will be achieved from prescribed area.
C12.3	Reduced external audit, recoverable VAT fees & improved cash management pension costs	800,000			800,000				Only risk if large numbers of VERs cannot be met from Earmarked Reserves.
E4.1	Learning and Development	75,000			75,000				Anticipated that saving will be achieved from prescribed area.
E4.2	Review of Corporate Support Services	114,000	20,000		94,000				Split £23k Legal, £58k Personnel £13k Finance. Anticipated that these savings will be achieved. £20,000 of original saving not achievable.
D1.11	Risk Management	25,000				25,000			Saving has been achieved
D1.12	Procurement ICT and financial support	25,000			25,000				Anticipated that saving will be achieved from prescribed area.
Corporate Services		1,339,000	20,000	50,000	1,244,000	25,000			

Built Environment

Environment

D1.20	Environment - Trading Standards - staff restructuring	20,000				20,000			Restructure complete.
D1.30	Built Environment - Pest Control - introduction of a charge	10,000			10,000				2014-15 £10k income target should be achieved.
Environment		30,000	0	0	10,000	20,000			

Investment Programme

	Parking - Strategic Review of Parking	100,000		100,000					Phase 1 of review complete. Proposals relate to charging, technological improvements and replacement of equipment. Due to recent Court case further legal and financial advice required. Budget Council on 6th March 2014 agreed to reduce this saving from £300k to £100k. Review is still ongoing with implementation not fully achieved by April 14. As a result the saving identified may not be a full year saving for 2014/15.
	Street Lighting - Review of lighting options	49,000	49,000						This saving will not be achieved due to the increase in provider electricity unit rate charges in September 2013
	Investment & Infrastructure - Increase income from Network Management	12,000	12,000						The additional £38,000 income target for 2013/14 was speculative and this achievement includes one off payments which cannot be guaranteed. As such, it is impossible to say how an additional £12,000 could be achieved in 2014-15.
C3.1	Infrastructure - Re-integration, re-commission and restructuring of services	500,000		500,000					Capita Symonds integration is now complete . Work continues on the IPI restructure but is not expected to be implemented until at least August / September 2014 therefore reducing the capacity to achieve in full the required saving for 2014/15.
Investment Programme		661,000	61,000	600,000	0	0			

Page 73

		£	Red	Amber	Green	Blue	
Economic Development and Tourism							
C4.1	Economic Development Redesign	67,000	67,000				Review of Service has recommended this saving proposal is reclassified to RED as part of a wider restructuring & refinancing of the Service which may see additional funding provided to equip the service to exploit future external funding streams. In 2013/14 there were various underspends in excess of £175K but these cannot be relied upon in 2014/15.
D1.8	To relocate staff from The Investment Centre to Magdalen House	12,000				12,000	This is the full year impact of the 2013/14 saving which was based on the assumption that the rental payments on the Investment Centre would cease from July 2013. In the event the rental savings were realised from April 2013 and the full beneficial impact was therefore evidenced in 2013/14. However, the comments made against the equivalent 2013/14 saving above, regarding the fact that this is a saving against Admin Buildings, are equally applicable.
D1.9	Budget re-alignment of salaries to be funded from grants, contracts and reserves	116,000	116,000				Review of Service has recommended this saving proposal is reclassified to RED as part of a wider restructuring & refinancing of the Service
	Southport Theatre Complex (Tender or In-house management)	0					Budget Council on 6th March 2014 agreed to remove this saving.
Economic Development and Tourism		195,000	183,000	0	0	12,000	
Street Scene							
Landscape Services							
C5.1	Ground Mtce incl grass cutting - Contractors indexation/eff. Discounts FYE	50,000			50,000		Full Saving will be achieved
C5.4	Parks incl Nursery and net of frontline - Further changes to Parks Management and standards in parks	50,000	19,000		31,000		Saving of £81k will be achieved. Savings will be made based on Parks transformation model. Achievable saving includes £50K for 2013/14 which cannot be achieved in 2013/14. Of this £19k cannot be achieved as it was based on a discount for advance payment, which is now considered inappropriate.
F1.5	Parks and Green spaces - Increase Fees - allotments	40,000		40,000			Saving should be achieved but subject to their being no judicial review or challenge from allotment holders
	Street Scene - Landscape - Coordination of voluntary work in parks (transition)	175,000			175,000		Savings will be achieved by the application of the parks transformation model and by reviewing staffing and SMSS costs across Landscape Services as a whole.
Landscape Services		315,000	19,000	40,000	256,000	0	
Direct Services							
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.
C6.6	Careline Service/Security Force (income target)	75,000		75,000			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	-600,000				-600,000	Re-instatement of saving from 2013/2014
E1.1	Review of Cleansing Services	200,000			200,000		Review has been completed and staffing levels have been reduced to achieve this saving.
F2.1	Street Cleansing - Bulky Items Collection Service - Restructure Crews and introduce charge for bulky items	60,000			60,000		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.
D1.19	Street Scene - Building Cleaning - change frequency of office cleaning	50,000	50,000				Due to the closure of a number of Council buildings this saving target may not be achieved. This will be reviewed further over coming months.
D1.33	Cleansing Service - Reorganisation of workload and work patterns	25,000			25,000		On track to be achieved.
	Cleansing - Charge for Green Waste collections - A 2014/15 / 2015/16 proposal for an opt-in charge	1,000,000		1,000,000			Work is currently being undertaken in relation to virements and re-apportionment of budgets to account for the deferral of charging for Green Waste and the introduction of plastic and card collections. This exercise also involves Option C6.7 above
Direct Services		830,000	50,000	1,095,000	285,000	-600,000	

Learning and Support

D1.18	Reduce School Targeted Intervention	260,000			260,000		School Targeted Intervention Team - Possibility some 14/15 savings may be achieved in 13/14 due to two VRs planned in the year (value not yet known). Other savings to come from trading with schools. Confidence high in achieving 14/15 saving £260k further update to CEO in September.
	To effect a further saving from the retained element of the Connexions Grant	400,000			400,000		High confidence this will be achieved when connexions is negotiated pan-Merseyside. We can determine our own input.
Learning and Support		660,000	0	0	660,000	0	

Children's Social Care

E2.1	Review of the Commissioning of all residential care beds	600,000	295,150		304,850		Some risks from residential dependency which could destabilise the saving and this will be monitored closely. Residential Agency placements are currently forecast to overspend by £337,253 in 2014/15
D1.7	Social Care Commissioned Services - travel efficiencies	100,000			100,000		Savings anticipated to come from work done via the restructured social care sections coming from 3 budget areas - reduced family support / Residency Orders / Care Matters
	Review pathway of support for children with additional needs to increase effectiveness and efficiency	400,000			400,000		This is based on a Health Contribution of 25% of the total cost of the new Respite Service
Children's Social Care		1,100,000	295,150	0	804,850	0	

Early Intervention and Prevention

E2.4	EIP Service restructure	192,000			192,000		Restructure savings anticipated from various teams across EIP, Whole amount has been identified.
D1.16	Healthy Schools - Transfer function of coordination and consultant roles to schools	25,000			25,000		Final removal of this service to schools in 14/15
Early Intervention and Prevention		217,000	0	0	217,000	0	

		£	Red	Amber	Green	Blue	
Adult Social Care							
E2.6	Central Support	202,000			202,000		Through a reorganisation of Support and Development Services the saving is on target to be achieved, although this will need to be reprofiled against the original proposal, following consultation and review with Service Directors' and Heads of Service
E2.7	Reduced social workers	135,000				135,000	Achieved by VR/VER
D1.14	Assessment & Care Management Teams - Reconfigure teams/skill mix	208,000				208,000	Following the formal consultation process, recruitment to the new structure is complete. VR/VER's have been identified and completed. Staff have been relocated. The new structure will deliver the full saving in 2014/15
D1.15	Reconfiguration of the Supporting People commissioning team	61,000				61,000	Following the formal consultation process, recruitment to the new structure has now been completed. The full saving will be achieved in 2014/15
F1.6	Community Meals - Migrating users to alternative providers	62,000				62,000	This service has now been decommissioned. The £62k is the full year effect of the 13/14 saving
							Current working assumptions has identified that there will be an on-going requirement of at least £3m to enable the Council to meet the needs of the most vulnerable. Over the coming months the redesign of the activity will be developed through consultation and engagement with service users, providers and the wider community. Current schedule is as follows: <ul style="list-style-type: none"> •Review need • Consultation & Engagement • Develop redesign options • Cabinet to consider options • Support service users through migration to alternatives
	<small>New Option (Options F3.2, D1.39, AND D1.41 should be considered as one option)</small> Day Care and respite provision	2,240,000	1,120,000	1,120,000			As 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. A comprehensive directory of services/opportunities within Sefton has also been developed. Council on 6 March 2014 approved £3.9m funding in 14/15 (£3m in future years)to offset the identified high risk of the estimated shortfall in approved ASC savings. The Day Care and Respite saving required £2.55m of this sum
D1.35	Section 117 After Care Funding	200,000		105,000		95,000	£95k has been secured in 13/14 towards this 14/15 saving. A workstream has been set up to review and redesign the pathway
D1.36	NHS Continuing Health Care Funding	400,000		400,000			This is to be looked at in conjunction with CCG's
D1.37	Assistive Technology - Increase use of equipment to ensure users are able to remain in their homes with minimal outside support	200,000		200,000			Promotion of use of Assistive Technology in all relevant areas via social work teams, re-ablement work etc
D1.38	Social Care - Subsidies - Increase client contributions for a range of non-residential services	320,000				320,000	This change has been implemented on the 6th January 2014. 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. The income generation is subject to sustaining sufficient capacity within the financial assessment service (see E2.8 below) This matter is currently being considered and further proposals in this respect may be brought for consideration in due course.
E2.8	Area Finance / Finance Visiting Officers - Review	75,000	75,000				This £75k saving has been deferred from 2013/14 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. A proposal will be presented to Cabinet to offset the saving against additional income anticipated to be generated by Option D.1.38
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	1,200,000		1,200,000			A scoping report is currently being undertaken. The achievability of the saving will be closely monitored
D1.43	Further incremental reductions in housing related support	500,000	250,000	250,000			This saving will be delivered through re-commissioning and further reductions in housing related support services (formerly Supporting People services). Potential for slippage in 2014/15 due to capacity and timing issues.
Adult Social Care		5,803,000	1,445,000	3,275,000	202,000	881,000	

Public Health

£	Red	Amber	Green	Blue						
D1.13	Integration Efficiencies				537,000	537,000	Identification of existing Council activity that falls into the definition of Public Health expenditure as outlined in the ring-fenced grant conditions will enable this saving to be realised			
	Public Health Substance Misuse - Reduce service specification				500,000	500,000	This saving has been achieved following the tender of the integrated substance misuse service and through review of all other expenditure on drugs service.			
	Public Health Integration				100,000	100,000	A further £100k will be charged into the Public Health budget to represent the full cost of central support services to the Public Health function			
	Public Health				1,137,000	0	0	0	1,137,000	

Health and Wellbeing

C10.2	Eze Fitness contract - terminate				18,000		18,000	Saving should be achieved in 2014/15.	
E2.5	Review all management arrangements				-125,000		-125,000	One off saving in 2013/14	
	Libraries - Review of Service				250,000		250,000	Implementation plan agreed by Cabinet 23/5/13	
	Local History and Volunteers (transition)				40,000		40,000	A revised proposal is currently being developed that will achieve the saving.	
	Health and Wellbeing				183,000	0	0	268,000	-85,000

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				261,000		261,000	VCF review ongoing as SLT have asked for wider implications of saving to be considered. Therefore it will not be clear until later in the year whether this saving can be achieved in full or in part.	
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)				3,250,000		3,250,000	Budget reduced. Only risk is if departments cannot remain within cash limited budgets due to excessive inflationary increases, e.g. utilities costs.	
C2.3	Licensing (taxi etc) - Licensing reserve (one-off)				-240,000		-240,000	Reinstatement of one off saving	
	NHS support for Social Care				260,000		260,000	Grant expected to be received. Only risk is being able to justify the use of funding to the NHS.	
	Terms & Conditions - Freezing increments for 2 years				1,500,000		1,500,000	Terms and Conditions changed so increments not being paid.	
	Council Tax - 100% on empty properties from month 2				400,000		400,000	Revision to CTRS has been approved by Council.	
	Levies - To get total 2 year reduction to £4m				2,189,000		2,189,000	To be met from additional resources provided by Transport Authority (£0.650m) with balance from returned sinking fund resources from Waste Disposal Authority	
	Disabled Facilities Grant - Capitalisation				1,000,000		1,000,000	Depends on demand for grants and sufficient alternative resources being identified.	
	Council Tax - Council Tax Increase				1,941,000		1,941,000	Budget Council on 6th March 2014 agreed a Council Tax increase of 1.99%	
	Authority Wide Savings/Financing Options				10,561,000	0	261,000	4,510,000	5,790,000

Integration

I1.1	Commissioning, Business Intelligence and data				125,000		65,000	60,000	It is anticipated that the Business Intelligence element of £65k will be achieved.
I1.2	Learning & Development, Training, Professional Training and CPD				250,000		250,000	Saving likely to be achieved	
I1.3	Financial Assessments				250,000		250,000	Work ongoing to identify and allocate savings.	
I1.4	Customer Access Point				250,000		250,000	Work ongoing to identify and allocate savings.	
	Integration				875,000	0	500,000	315,000	60,000

Use of One-Off Resources to Support the Budget

	2,122,000				2,122,000				Additional use of one-off resources required in 2014/2015 per decisions of Budget Council on 6th March 2014.
--	------------------	--	--	--	------------------	--	--	--	--

Total Savings Requirement 2014/15

	26,511,000	2,118,150	5,896,000	8,984,850	9,512,000
--	-------------------	------------------	------------------	------------------	------------------

Total Savings Requirement 2012/13 Continuing into 2014/15

	435,000	435,000	0	0	0
--	----------------	----------------	----------	----------	----------

Total Savings Requirement 2013/14 Continuing into 2014/15

	1,893,975	1,012,975	0	881,000	0
--	------------------	------------------	----------	----------------	----------

	2,328,975	1,447,975	0	881,000	0
--	------------------	------------------	----------	----------------	----------

Total Savings Requirement 2013-2015

	28,839,975	3,566,125	5,896,000	9,865,850	9,512,000
--	-------------------	------------------	------------------	------------------	------------------

This page is intentionally left blank

Agenda Item 9

Report to: Cabinet

Date of Meeting: 17 July 2014

Subject: Capital Outturn 2013/14

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 Members of the Capital Outturn for 2013/14.

Recommendation(s)

Cabinet is recommended to note the contents of this report

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

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

Reasons for the Recommendation:

To advise Members of the capital outturn for 2013/14

What will it cost and how will it be financed?

(A) Revenue Costs

None

(B) Capital Costs

There are no capital implications of this report

Agenda Item 9

Implications:

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

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

Impact on Service Delivery:

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT (FD 3066/14) is the author of the report

Head of Corporate Legal Services (LD 2371/14) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

Implementation Date for the Decision

After call in following Cabinet.

Contact Officer: Jeff Kenah

Tel: 0151 934 4104

Email: Jeff.kenah@sefton.gov.uk

Background Papers:

None.

1. Introduction/Background

This report gives details of the Council's overall capital spending in 2013/14 and reasons for major variations in expenditure on individual schemes.

2. 2013/14 Expenditure

2.1 The Authority's capital expenditure for the year was £29.458m, a summary of which is attached at Annex A.

2.2. There was a net rephasing of expenditure of £5.996m (16.91%) when compared to the revised estimate of £35.454m. Members are asked to note that the term rephasing is used in the context of the capital programme as, generally, "underspendings" on projects in a given financial year represent unexpected delays in works and therefore expenditure will usually slip into subsequent years. On the other hand "overspendings" can represent actual cost increases that need to be met from available capital, and potentially revenue, resources or delays in the generation of capital receipts planned to fund the scheme.

2.3. The main reasons explaining the major variations on the 2014/2015 capital programme are detailed below:

a) Young People & Families (Rephasing of £2.010m)

Comments on the major variations are noted below: -

i) **Litherland One School Pathfinder (£0.703m).**

This project is now complete but delays in the resolution of outstanding defects have prevented resolution of the final account. In addition, a portion of the overall IT budget is still retained in order to meet initial refresh costs as required by the funding body. Discussions are ongoing with the contractor regarding the final account but it is currently possible to confirm that there will be a minimum of £150k saving against current budget provisions.

ii) **Capital Maintenance Schemes (£0.698m).**

Many capital maintenance schemes are carried out at schools each year and in total these underspent by £698k due to general slippage and delays. These schemes include the following:

- Netherton Moss Primary roof works (£93k)
- Litherland Moss Primary boiler replacement (£90k)
- Hatton Hill Primary roof works (£87k)
- Emergency Schemes (£74k)
- Kitchen Canopy replacements (£59k)
- Crosby High Sports Hall (£55k)
- Larkfield Primary roof renewal (£52k)
- Meols Cop High Library & Classrooms (£49k)

Agenda Item 9

iii) **Devolved Formula Capital (£0.248m).**

This budget is spent on behalf of individual schools and will be carried forward to 2014/2015 to be spent then.

iv) **Primary Capital Programme (£0.191m).**

Final agreement with regards to the Lander Rd Primary School project has been delayed due to complications following the main contractor going into Administration. The final costs for the Davenhill phases 1 & 2 projects have however now been concluded. Overall it is now possible to confirm an overall saving of £137,184 against current budget provisions.

b) **Transportation (Rephasing of £2.613m).**

Thornton to Switch Island Link Road (**£2.395m**).

Slippage on the scheme has occurred due to persistent wet weather which delayed the start of the earthworks 6 weeks until the 3rd week in February 2014. This earlier start would have generated a significant amount of expenditure.

c) **Economy & Tourism (Rephasing of £1.131m).**

REECH scheme (**£1.057**).

Slippage on this scheme has occurred scheme due to the payments to the Registered Social Landlords being delayed due to audits of the scheme by the Department for Communities and Local Government. Also, this programme has been extended so that expenditure can now be incurred at a slower rate.

Agenda Item 9

ANNEX A

Summary of Capital Expenditure 2013/2014

	Revised Estimate	Actual	Rephasing
	£'000	£'000	£'000
Corporate Services	61	21	40
Built Environment			
Economy & Tourism	3,351	2,220	1,131
Environmental	837	753	84
IPI – Admin Builds & Other Properties	789	245	544
IPI – Transportation			
Thornton Switch Island Scheme	4,284	1,889	2,395
Asset Management Development	32	13	19
Highway Maintenance	2,959	2,718	241
Bridges & Structures	234	220	14
Integrated Transport Programme	1,135	1,289	-154
LSTF – Merseyside	85	102	-17
LSTF – Sefton / West Lancs.	155	135	20
LSTF – Major Project	240	289	-49
Sustrans; Linking to Schools	82	79	3
Transport Feasibility Works	141	0	141
	9,347	6,734	2,613
IPI – Housing Services			
Housing Investment	2,999	2,897	102
Housing Strategy	2,027	1,753	274
	5,026	4,650	376
Older People			
Health & Wellbeing			
Arts & Cultural Services	1,486	1,484	2
Sports Services	774	854	-80
Libraries	10	21	-11
	2,270	2,359	-89
Vulnerable People	64	65	-1
Street Scene			
Operational Services	1,535	1,714	-179
Landscape Services	3,405	3,933	-528
	4,940	5,647	-707
Young People & Families			
General	3,476	2,392	1,084
Primary Capital Programme	239	48	191
Capital Maintenance Schemes	3,829	3,131	698
Other Schemes	225	188	37
	7,769	5,759	2,010
Capitalisation – Maintenance Projects	1,000	1,005	-5
Total Expenditure	35,454	29,458	5,996

This page is intentionally left blank

Report to: Cabinet
Council

Date of Meeting: 17 July 2014
24 July 2014

Subject: Capital Scheme Approvals 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? No

Exempt/Confidential

No

Purpose/Summary

To provide Members with details of the latest capital projects that have been recommended for inclusion within the Capital Investment Plan for 2014/15 by the Strategic Capital Investment Group (SCIG).

Recommendation(s)

Cabinet is recommended to:

- i) approve the Adult Social Care Change Programme in the Capital Investment Plan at a cost of £40,000 to be funded from the resources set aside for Adult Social Care Transformation as detail in paragraph 2
- ii) recommends that Council approves the scheme to relocate Air Quality Monitoring Equipment from the land at Hemans Street and Rimrose Road at a cost of £15,000 to be funded from capital receipts as detailed in paragraph 3
- iii) recommends that Council approves that revenue Trajectory funding of £549,000 be capitalised to undertake capital work to provide additional places for early education for 2 year old as detailed in paragraph 4, contingent upon Department of Education (DfE) agreeing to switch the grant funding received from revenue to capital
- iv) approves the inclusion of the Formby Strategic Flood Risk Management Programme at a cost of £50,000 into capital investment plan as detailed in paragraph 5
- v) approves the inclusion of the Merseyside Groundwater Study at a cost of £60,000 into the capital investment plan as detailed in paragraph 6
- vi) approve the inclusion of Parks & Open Spaces related Section 106 Deposits at a cost of £1,579,578 in the Capital Investment Plan as detailed in paragraph 7
- vii) recommend that Cabinet note the urgent decisions taken below by the Leader of the Council in accordance with Chapter 5 [Leader of the Council – Matters Delegated Paragraph 2] of the Council’s Constitution and with the agreement of the Leader of the Council and the Chair of the Overview and Scrutiny (Regeneration and Environmental Services) to invoke Rule 27 of the

Agenda Item 10

Access to Information Procedure Rules and Rule 46 of the Overview and Scrutiny Procedure Rules, as detailed in paragraph 8:-

1. Note the success to date in delivering the REECH Project, and the positive impact it is making on the economic and social well being of Liverpool City Region,
2. Agree that additional ERDF funding up to an estimated value of £3.5m be accepted and an increase in the REECH capital programme expenditure of £3.5m, offset by £3.5m income,
3. Agree that Cabinet Member for Regeneration and Tourism be authorised to approve and to allocate ERDF funding to REECH delivery partners up to the value of ERDF grant allocated to Sefton by the Department for Communities and Local Government
4. Agree that the Head of Corporate Legal Services be authorised to execute all necessary legal agreements with DCLG and any other delivery partners as part of this and any future revisions,

Council is recommended to:

- i) approve the scheme to relocate Air Quality Monitoring Equipment from the land at Hemans Street and Rimrose Road at a cost of £15,000 to be funded from capital receipts as detailed in paragraph 3, and
- ii) approve revenue Trajectory funding of £549,000 be capitalised to undertake capital work to provide additional places for early education for 2 year old as detailed in paragraph 4.

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 advise Members of the increased costs of these 2 previously approved capital schemes and the proposed method of funding the shortfall.

What will it cost and how will it be financed?

(A) Revenue Costs

Any revenue costs of these approvals will be met from existing resources. Specifically £7,000 per annum will be allocated from the New Burdens revenue budget in respect of the Adult Social Care scheme in paragraph 2.

(B) Capital Costs

The capital costs of these new schemes are £5.794m and can be met from various grants, contributions and capital receipts as detailed in the report.

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 3067/14) and Head of Corporate Legal Services (LD 2372/14) 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 are to not approve the schemes which would lead to the new capital work not being carried out.

Implementation Date for the Decision

After call in following Cabinet and after Council

Contact Officer: Jeff Kenah

Tel: 0151 934 4104

Email: Jeff.kenah@sefton.gov.uk

Background Paper

No

1. Introduction/Background

Agenda Item 10

1.1 The Strategic Capital Investment Group met on 23rd June to consider new potential capital schemes and requests members to approve the new capital schemes as detailed in the paragraphs below.

2. Adult Social Care Change Programme – Care Bill & Policy, Procedural Changes

2.1 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. The Care Act 2014 will replace existing adult social care legislation and introduce a range of duties as well as implementing the funding reforms. This coupled with the planned change programme means that there will be a significant impact on policy, procedure and process. It is essential that the community and workforce are supported through this change by efficient and effective information channels.

2.2 As one of the ways to support the workforce through this change, the intention is to identify and deploy web enabled procedure manuals. Getting the content and policies and procedures right is crucial to the successful implementation of the change but if the solution is not accessible and easy to navigate, the benefit will not be realised. Children's Social Care currently use a solution called "tri.x" and the intention is to seek a similar solution for Adults and explore the possibility of the existing relationship with "tri.x". This company not only provides procedures but also free policy briefs and practice guides which are sent to customers and made available on a website. They have created a team of in house consultants from across the broad range of children and adult services who monitor emerging good practice, Government policy and legislative changes and work at the interface with Councils to help them keep their manuals up to date. Such a solution will also enable to readily share our policies and procedures with partners and the community.

2.3 The capital cost of the above will be £40,000 and can be funded from the resources set aside for Adult Social Care Transformation which have an uncommitted balance of £767,000. Revenue costs of £7,000 per annum are expected which can be funded from the New Burdens revenue budget.

3. Land at Hemans Street and Rimrose Road, Bootle

3.1 The land at Hemans Street Hemans Street and Rimrose Road is owned by the Council and previously formed part of St Joan of Arc Primary School. Parcel A is held on a 999 year Lease from 25th March 1895 and Parcel B is held freehold. The buildings have been demolished and the remainder of the school site is owned by the Anglican Diocese of Liverpool.

It should be noted that there is an Air Quality Monitoring Station located on Parcel B which and this requires relocation prior to any development or disposal of the site. An alternative Council owned site in close proximity at Crosby Road South has been identified as suitable and the cost of relocation has been estimated at £15,000, and it is proposed that this will be funded from any future capital receipt received from the sale of land.

4 Trajectory Funding 2 Year Old Offer

The Department for Education announced in December 2012 £100m of additional capital funding towards expanding Early Nursery Education for eligible two year olds from lower income households. Sefton's share of this capital allocation was £427,970. This grant was non-ring fenced and could be used for any capital purpose, but it was intended to support implementation of early education for two year olds. It must be noted that the original capital funding available would never have been enough to meet the capacity required.

On 14 May 2013, Council approved for inclusion within the Capital Programme, the allocation of £427,970 towards funding schemes which would build capacity for the Early Education for Two Year Olds from Lower Income Households in 2012/13, and this was fully allocated by the end of 2013/14.

The Department for Education have been keen to see the expansion of 2 year old eligibility and have set a target for local Authorities to achieve 40% take up of eligible 2 year olds to receive 15 hours per week free nursery education by the end of the financial year 2014/15. This has meant having to ensure there is extra capacity to expand place numbers at Nurseries where there is a definite need.

In addition to Capital allocation and Revenue funding for places, one –off Trajectory funding has also been allocated to Local Authorities in 2013/14 and 2014/15. This was revenue funding given, to enable Authorities to plan for the expansion of 2 year old places through support with training and other issues across providers. Sefton has been allocated £1,012,042 for this purpose. The funding is out of Dedicated Schools Grant for Early Years and so is technically ringfenced in its application. Regionally however, trajectory funding has been used more flexibly by many Local Authorities, and in some instances has been capitalised where appropriate, to support larger schemes rather than minor works. Currently £549,251 of this £1,012,042 is still uncommitted and which could be capitalised if required, to support additional capital schemes, after allowing for some ongoing revenue capacity to support future providers. As noted above the Council is obliged to increase the numbers of eligible 2 year olds into nursery education from 20% capacity in 13/14 to 40% of eligible 2 year old children in 14/15. This has prompted the LA to seek out potential nursery providers to ensure we meet this target. By 14/15 we need to have 1429 places for 2 year olds available and we should reach this target by January 2015 subject to having nurseries ready to accommodate the numbers. As the original capital allocation was exhausted at the end of 13/14 and there were other nurseries in the wings requiring to be extended etc to increase numbers, the only way forward is to capitalise this trajectory funding.

As all the original capital funding has been assigned to approved schemes the local authority has been in contact with DfE to seek support in how to increase capacity when capital has been used. The DfE has advised that some LA s have utilised their DSG Early Years Trajectory funding more flexibly through capitalising it to support building extra capacity.

The Strategic Capital Investment Group (SCIG) has recently approved this in principle, subject to approval from the DfE to capitalise the funding. It is therefore recommended that the identified uncommitted Early Years Dedicated Schools Grant trajectory revenue funding of £549,000 is capitalised, to enable the

Agenda Item 10

continued programme of increase in two year old places to be maximised as indicated above.

5 Formby Strategic Flood Risk Management Programme

Formby area has had a number of flooding event incidents primarily from surface water. The area was identified within the Surface Water Management Plan and Preliminary Flood Risk Assessment as being at risk of significant future flooding. The strategy will improve our understanding of flood risk to enable us to take action to reduce this to the community and their improve wellbeing. The strategy will identify the options for flood risk management in Formby. Currently separate schemes fail to achieve the required score necessary for grant aid, the strategy will review the flood risk and improve the scoring by improving the understanding of the flooding mechanism, assess Formby as a whole, look for opportunities for collaborative funding from other flood risk management authorities (Environment Agency and United Utilities). The overall outcome would be to reduce and manage flood risk in Formby.

Funding source – North West Regional Flood and Coastal Committee

Funding Amount - £50,000

Funding status – Approved

Cost to Council - Nil

6 Merseyside Groundwater Study

Groundwater flooding impacts on a number of properties across Merseyside. The susceptibility to groundwater flooding maps shows large areas at high or very high risk of flooding across the county. However, there are a number of recorded events in areas at low risk that appear to follow geological fault lines. This 5 year pilot study seeks to establish a series of monitoring point across the county to better understand the localised groundwater flood risk. Groundwater trigger levels will be identified that could lead to the development of a warning system. The project will improve understanding of groundwater flooding mechanism within Merseyside and specifically to Sefton. This will enable Sefton Council, working in partnership with other flood risk managers, to undertake the appropriate flood risk management options. This will involve working with local communities and supporting them to become more resilient to the risk of flooding.

Funding source – North West Regional Flood and Coastal Committee

Funding Amount - £60,000

Funding status – Approved

Cost to Council – Nil

7 Parks & Open Spaces Planning Section 106 Approvals

7.1 Section 106 agreements, also known as planning obligations, are agreements between developers and local planning authorities that are negotiated as part of a condition of planning consent.

7.2 The process for approving the inclusion of S106 money within the capital programme has been reviewed. The purpose of this review has been to speed up the process of completing the works and to retain accountability for the use of S106 money. This report is the first time that this new process has been applied

Agenda Item 10

therefore the figures referred to within this report are only for those new S106 schemes, and does not include previously considered S106 monies.

The latest Section 106 deposits that have been recommended to be spent by Planning Committee on Parks & Open Spaces total £1,579,578 and, once approved in the Capital Investment Plan, will be spent in the following areas:

Ward	Amount (£)	Location
Blundellsands	44,234	Tree Planting at Various Locations
	77,010	Alexandra Park
Church	138,800	Tree Planting at Various Locations
	6,293	Rimrose Valley Park
	101,465	Brookvale & Chaffers Fields
	90,778	Seafront Gardens
	70,000	Crosby Coastal Park
	80,000	Seaforth Area Replacement MUGA
	28,632	Potters Barn Park
Ford	5,220	Tree Planting at Various Locations
	8,175	Hatton Hill Park
Linacre	149,006	Tree Planting at Various Locations
	3,086	North Park
	209,850	South Park
	70,334	Bowersdale Park
	15,536	Derby Park
Litherland	24,979	Tree Planting at Various Locations
	126,407	Mellanear Park
	34,171	Captain's Green
	90,733	Johnson Bowling Green
Ravenmeols	13,999	Tree Planting at Various Locations
	38,700	Duke St. Park
Victoria	24,134	Tree Planting at Various Locations
	75,106	Moorside Park
	25,646	Runnells Lane
	7,472	Coronation Park
Total	1,559,766	

8 REECH Project

- 8.1 Cabinet at its meeting on 10th October 2013 considered a report entitled '2013/2014 Budget Update'. In addition to budgetary issues the report also made reference to the REECH Project.

Agenda Item 10

- 8.2 The report stated that Sefton Council as the Accountable Body for the sub-regional REECH Project had been invited to bid for additional ERDF funding to extend and expand the activities being undertaken by the REECH Project. This would involve more domestic premises being retrofitted with energy saving technologies and the expansion of this work into the non-domestic sector. The retrofitting of energy saving technologies in SME premises would help them to become more competitive by controlling their costs, and would lead to the development of a strong low carbon supply chain in the sub-region, thereby creating jobs and employment opportunities in this fast growing sector.
- 8.3 The Cabinet agreed the report and suggested that the “Council be recommended to give approval to an increase in the REECH Project capital programme expenditure of £5m, to be offset by £5m income”, which was approved by the Council at it’s meeting on 21st November 2013.

9 Current Situation

- 9.1 The REECH Project is one of the major success stories of the current European Programme, and the Liverpool City Region. It is the only multi-million pound project being delivered across the whole of the sub-region for which Sefton Council is the Accountable Body. Started in January 2011, and with an end date of then December 2013, the project has not only been extended to December 2015, but has also expanded both in terms of additional ERDF grant and retrofit activities being undertaken. It now includes the non-domestic sector, which involves undertaking resource assessments of SME premises and then providing ERDF financial incentives to undertake physical works in the form of energy saving measures and electric vehicle charging points.
- 9.2 The REECH Project has been subject to an internal audit, and two external audits by DCLG. On all three occasions the REECH Project has been recognised as being well managed and delivering in accordance with strict ERDF/EU and Sefton procurement regulations. The REECH Project is also the recipient of the RetroExpo “Winner of the DECC Retrofit Pioneer Award”, thus it’s success being recognised nationally and by the Department for Energy and Climate Change.
- 9.3 This success has led to DCLG officers asking the REECH Team to act as a ‘soak up’ vehicle for any underspend of ERDF funds. The current European Programme is coming to an end next year, and the DCLG is very concerned that it may not be able to spend all the allocation it has been given by EU. The scale of this potential underspend is still being determined by DCLG officers, but in order to ensure that REECH is able to move very quickly into the delivery mode, it is very important that all the necessary steps are in place.
- 9.4 These include for example REECH delivery partners having their match funding in place, schemes all designed, costed and tendered in accordance with ERDF/EU procurement rules, and Sefton being ready to accept any additional ERDF funding beyond that already approved by the Council.

10 Decision by the Leader of the Council

- 10.1 In early June officers from DCLG indicated that they are definitely struggling to meet their de-commitment targets for this year, and unless a significant amount of this ERDF money is spent and claimed by October 2014 it will be lost to the region. Further more it will also put in doubt the delivery of the next European Programme (2014 to 2020).
- 10.2 The Department for Communities and Local Government approached Sefton Council, which is managing the successful REECH Project, and offered additional £5.1 million on top of the additional £1.0m offered earlier this year, which is on top of the original allocation of £7.7million provided in January 2011. Officers from the REECH Project have consulted REECH delivery partners, and have been given assurances that **subject to getting the ERDF grant immediately they can deliver the required de-commitment targets.**
- 10.3 In order for Sefton Council to quickly accept this additional grant from DCLG and then enter in to delivery contracts with REECH partners the Leader of the Council in accordance with Chapter 5 [Leader of the Council- Matters Delegated – Paragraph 2] of the Council’s Constitution and with the agreement of the Leader of the Council and the Chair of the Overview and Scrutiny (Regeneration and Environmental Services) invoked Rule 27 of the Access to Information Procedure Rules and Rule 46 of the Overview and Scrutiny Procedure Rules in respect to:-
- An additional ERDF funding up to an estimated value of £3.5m to be accepted and an increase in the REECH capital programme expenditure of £3.5m, offset by £3.5m income,
 - Cabinet Member for Regeneration and Tourism to be authorised to approve and to allocate ERDF funding to REECH delivery partners up to the value of ERDF grant allocated to Sefton by the Department for Communities and Local Government
 - The Head of Corporate Legal Services to be authorised to execute all necessary legal agreements with DCLG and any other delivery partners as part of this and any future revisions,
- 10.4 The acceptance of additional ERDF funding will have no financial implications on Council’s core budgets or on Economic Regeneration reserves. This is because the expenditure of £3m will be fully met from income of £3m in the form of ERDF grant.

Agenda Item 10

Report to: Cabinet

Date of Meeting: 19 June 2014

Subject: Appointment of Representatives on Outside Bodies 2014/15

Report of: Director of Corporate Services **Wards Affected:** All

Is this a Key Decision? Yes

Is it included in the Forward Plan? Yes

Exempt/Confidential No

Purpose/Summary

To consider the appointment of the Council's representatives to serve on the Outside Bodies as set out in the attached appendices for 2014/15 or for periods longer than one year. The appendices show the proposed appointments for 2014/15 following nominations submitted by the three Political Groups on the Council.

Recommendation(s)

The Cabinet is requested to:

1. approve the proposed representation on the various Outside Bodies set out in Appendix 1 for a twelve month period expiring in May 2015; and
2. approve the proposed representation on the Outside Bodies set out in Appendix 2 for the term of office indicated.

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 11

Reasons for the Recommendation:

The Cabinet has delegated powers set out in Chapter 5, Paragraph 41 of the Constitution to appoint the Council's representatives to serve on Outside Bodies.

What will it cost and how will it be financed?

(A) Revenue Costs

None arising from this report. The Council pays annual membership subscriptions to a number of the bodies from existing budgetary provision and the annual levy to the North Western Inshore Fisheries and Conservation Authority.

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

Impact on Service Delivery:

The appointment of Council representatives on to the Outside Bodies will ensure that the interests of residents of Sefton are taken into account by each Body.

What consultations have taken place on the proposals and when?

The Chief Executive and Service Directors have been consulted on the list of Outside Bodies.

The Head of Corporate Finance (FD2999) confirms that the annual cost of the subscriptions is met from existing revenue budgets.

The Head of Corporate Legal Services (LD2303/14) have been consulted and have 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

Contact Officer: Steve Pearce

Tel: 0151 934 2046

Email: steve.pearce@sefton.gov.uk

Background Papers:

There are no background papers available for inspection.

Agenda Item 11

1. Introduction

- 1.1 The Cabinet has delegated authority in the Council Constitution to appoint Council representatives to serve on Outside Bodies. The majority of the appointments are reviewed on an annual basis and the proposed representation for 2014/15 is set out in **Appendix 1** to this report. The Cabinet is requested to appoint representatives to serve on the bodies set out in the Appendix for the next twelve month period expiring in May 2015.
- 1.2 A small number of appointments are for a period of over one year. These are for charitable bodies and governing bodies. The proposed representation on these bodies is set out in **Appendix 2** to this report. The Cabinet is requested to appoint representatives whose term of office expires in 2014, or where there are vacancies, which are highlighted in bold type in the Appendix.
- 1.3 A high number of the places on Outside Bodies are historically allocated to the most appropriate Cabinet Member and the remainder are allocated dependent on the number of places available, to the most appropriate Local Councillor(s). The details of the links to Cabinet Portfolios are set out in the two appendices.
- 1.4 The annual appointments to the Merseyside Joint Authority Bodies and the Sefton Borough Partnership Thematic and Area Partnerships for 2014/15 were agreed at the Adjourned Annual Council Meeting held on 3 June 2014.

2. New Appointments made during 2013/14

- 2.1 During the course of 2013/14, the Cabinet approved the Council's representation on the following NHS Foundation Trusts and the details are set out in Appendix 2 of the report:
- Aintree Hospital University NHS Foundation Trust - Council of Governors
 - Liverpool Women's NHS Foundation Trust - Council of Governors
 - Southport and Ormskirk Hospital NHS Trust - Shadow Council of Governors

3. Appointments Discontinued

- 3.1 The Council's representation on the following bodies has been discontinued during the last twelve months for the reasons given:

Body	Reason
Community Foundation for Merseyside	The Council is no longer required to appoint representatives on to this body
Liverpool City Region Local Transport Body	This body has been dissolved following the establishment of the Liverpool City Region Combined Authority.
Local Government Association – Urban Commission	The Local Government Association General Assembly at its meeting on 23 January 2014 agreed to disband the Urban Commission, with effect from February 2014

Sefton Equalities Standing Group	This body became the Sefton Equalities Partnership following a review of its role in July 2013 and it was determined that no formal Elected Member representation was required
University of Liverpool Court	The University has received approval from the Privy Council for a revised statutory framework which makes no provision for a University Court. Therefore, the Council is no longer required to appoint representatives on to this body

4. Local Government Association General Assembly

- 4.1 Councillor Maher has attended meetings of the Local Government Association General Assembly during the 2012/13 and 2013/14 and it is proposed in Appendix A to this report that he should continue to be the Council's representative for 2014/15 and be authorised to use the allocated 5 votes on behalf of the Council. It should be noted that the Liberal Democrat Group have nominated Councillor Robertson to be the Council's representative for 2014/15.

5. Joint Health Scrutiny Committees

- 5.1 The Overview and Scrutiny Committee (Health and Social Care) at its meeting on 6 May 2014 and the Council at its meeting on 3 June 2014 approved a protocol which had been developed as a framework for the operation of joint health scrutiny arrangements across the local authorities of Cheshire and Merseyside. The protocol allows for the scrutiny of substantial developments and variations of the health service; and discretionary scrutiny of local health services.
- 5.2 The protocol provides a framework for health scrutiny arrangements which operate on a joint basis only. Each constituent local authority has its own local arrangements in place for carrying out health scrutiny activity individually.
- 5.3 All relevant NHS bodies and providers of NHS-funded services are required to consult local authorities when they have a proposal for a substantial development or substantial variation to the health service. Those authorities that agree that any such proposal does constitute a substantial development or variation are obliged to form a joint health overview and scrutiny committee for the purpose of formal consultation by the proposer of the development or variation.
- 5.4 A joint committee will be composed of Councillors from each of the participating authorities within Cheshire and Merseyside in the following ways:
- where 4 or more local authorities deem the proposed change to be substantial, each authority will nominate 2 elected members; and
 - where 3 or less local authorities deem the proposed change to be substantial, then each participating authority will nominate 3 elected members.

Agenda Item 11

- 5.5 To avoid inordinate delays in the establishment of a relevant joint committee, it is suggested in the protocol that constituent authorities should arrange for delegated decision making arrangements to be put in place to deal with such nominations at the earliest opportunity and in making their nominations, each participating authority is asked to ensure that their representatives have the experience and expertise to contribute effectively to a health scrutiny process.
- 5.6 At the present time, one Joint Health Scrutiny Committee currently exists, comprising of representatives of Knowsley and Sefton Councils, which was established to consider and comment on the proposals and consultations undertaken for changes to Vascular Services in the areas covered by the two Councils by such a date specified by the Cheshire and Merseyside Vascular Review Project Board (NHS Merseyside and NHS Cheshire).
- 5.7 The proposed representation on the Joint Health Scrutiny Committee (Vascular Services) for 2014/15 is set out in Appendix A to this report, together with the proposed representation on any other Joint Health Scrutiny Committees which may be established during the forthcoming Council Year as referred to in paragraph 4.4 above.

6. Sefton Chamber of Commerce – Member Council

- 6.1 The Sefton Chamber of Commerce and Industry was wound up last year and absorbed into the Liverpool and Sefton Chamber of Commerce. The Chief Executive of the Liverpool & Sefton Chamber of Commerce has indicated that they are in the process of setting up a Member Council for the Sefton Chamber, which will be completed in time for their Annual General Meeting to be held in August and that they would like a representative from Sefton Council to be part of the Sefton Chamber Member Council and the proposed representation is set out in Appendix A to this report.

APPOINTMENTS TO OUTSIDE BODIES 2014/15 APPROVED BY THE CABINET

ANNUAL APPOINTMENTS TO EXPIRE IN MAY 2015

<u>ORGANISATION</u>	<u>CABINET PORTFOLIO</u>	<u>NUMBER OF REPRESENTATIVES</u>	<u>PROPOSED REPRESENTATIVE(S)</u>
British Destinations	Regeneration and Tourism	1	Cabinet Member – Regeneration and Tourism (Councillor Maher) or nominee
Formby Pool Trust – Board	Children, Schools, Families and Leisure	2	Councillor Page and Head of Corporate Finance and ICT (Margaret Rawding)
Frank Hornby Trust	Communities and Environment	1	Councillor Kermode
Joint Health Scrutiny Committee (where 3 or less local authorities request the scrutiny of a substantial variation to a service)	Older People and Health	3	Chair (Councillor Page) and Vice Chair (Councillor Robinson) of the O & S Committee (Health and Social Care) and one Lib Dem Member (Councillor Dawson) (Lab 2/Lib1/Con 0)
Joint Health Scrutiny Committee (where 4 or more local authorities request the scrutiny of a substantial variation to a service)	Older People and Health	2	Chair (Councillor Page) and Vice Chair (Councillor Robinson) of the O & S Committee (Health and Social Care)
Joint Overview and Scrutiny Committee – Cheshire and Merseyside Vascular Service Review	Older People and Health	3	Chair (Councillor Page) and Vice Chair (Councillor Robinson) of the O & S Committee (Health and Social Care) and one Lib Dem Member (Councillor Dawson) (Lab 2/Lib1/Con 0)
Liverpool City Region Cabinet	Leader of the Council	1	Leader of the Council (Councillor P. Dowd) (Substitute Deputy Leader – Councillor Maher)
Liverpool City Region Child Poverty and Life Chances Commission	Children, Schools, Families and Leisure	1	Cabinet Member – Children, Schools, Families & Leisure (Councillor Moncur)

<u>ORGANISATION</u>	<u>CABINET PORTFOLIO</u>	<u>NUMBER OF REPRESENTATIVES</u>	<u>PROPOSED REPRESENTATIVE(S)</u>																
Liverpool City Region Combined Authority Employment and Skills Board	Regeneration and Tourism	1	Cabinet Member – Regeneration and Tourism (Councillor Maher)																
Liverpool City Region Combined Authority Housing and Spatial Planning Board	Regeneration and Tourism	1	Cabinet Member – Regeneration and Tourism (Councillor Maher) (Substitute: Chair of Planning Committee – Councillor Veidman)																
Liverpool City Region Local Enterprise Partnership Board	Leader of the Council	1	Leader of the Council (Councillor P. Dowd)																
Liverpool John Lennon Airport Consultative Committee	Communities and Environment	1	Councillor Roche (Substitute: Councillor Dams)																
Local Government Association: General Assembly	Corporate and Performance	1	Councillor Maher (5 votes)																
Local Solutions	Communities and Environment	1	Councillor Roche																
Mersey Forest Steering Group	Communities and Environment	1	Councillor Lappin																
Mersey Port Health Committee	Communities and Environment	6	<table border="0"> <tr> <td><u>Member</u></td> <td><u>Substitute</u></td> </tr> <tr> <td>Councillor Dodd</td> <td>Councillor Lewis</td> </tr> <tr> <td>Councillor John Kelly</td> <td>Councillor Mahon</td> </tr> <tr> <td>Councillor Roche</td> <td>Councillor Robinson</td> </tr> <tr> <td>Councillor Roberts</td> <td>Councillor Kerrigan</td> </tr> <tr> <td>Councillor Page</td> <td>Councillor Thompson</td> </tr> <tr> <td>Councillor Weavers</td> <td>Councillor Jo Barton</td> </tr> <tr> <td>(Lab 4/Lib Dem 2/Con 0)</td> <td></td> </tr> </table>	<u>Member</u>	<u>Substitute</u>	Councillor Dodd	Councillor Lewis	Councillor John Kelly	Councillor Mahon	Councillor Roche	Councillor Robinson	Councillor Roberts	Councillor Kerrigan	Councillor Page	Councillor Thompson	Councillor Weavers	Councillor Jo Barton	(Lab 4/Lib Dem 2/Con 0)	
<u>Member</u>	<u>Substitute</u>																		
Councillor Dodd	Councillor Lewis																		
Councillor John Kelly	Councillor Mahon																		
Councillor Roche	Councillor Robinson																		
Councillor Roberts	Councillor Kerrigan																		
Councillor Page	Councillor Thompson																		
Councillor Weavers	Councillor Jo Barton																		
(Lab 4/Lib Dem 2/Con 0)																			

<u>ORGANISATION</u>	<u>CABINET PORTFOLIO</u>	<u>NUMBER OF REPRESENTATIVES</u>	<u>PROPOSED REPRESENTATIVE(S)</u>
Merseyside Community Safety Partnership	Communities and Environment	1	Cabinet Member – Communities and Environment (Councillor Hardy) and the Head of Governance, Partnerships and Neighbourhoods (Andrea Watts)
Merseyside Pension Fund Pensions Committee	Corporate and Performance	1	Cabinet Member - Corporate Services and Performance (Councillor Tweed) or nominee
Merseyside Playing Fields Association	Children, Schools, Families and Leisure	1	Councillor Cummins (Substitute: Councillor Moncur)
Merseyside Third Sector Technology Centre (3TC)	Regeneration and Tourism	1	No formal Council nomination made.
North Western Local Authorities' Organisation	Corporate Services and Performance	1	Cabinet Member – Corporate Services and Performance (Councillor Tweed) (Substitute: Councillor Moncur)
PATROL (Parking and Traffic Regulations Outside London) Adjudication Joint Committee	Transportation	1	Cabinet Member - Transportation (Councillor Fairclough) or nominee (NB - Nominated Member <u>and</u> substitutes must be Cabinet Members)
REECH Steering Group (Renewables and Energy Efficiency in Community Housing)	Regeneration and Tourism	1	Cabinet Member - Regeneration and Tourism (Councillor Maher)
Sefton Chamber of Commerce - Member Council	Regeneration and Tourism	1	Cabinet Member – Regeneration and Tourism (Councillor Maher)
Sefton Coast Partnership Board	Communities and Environment	3	Cabinet Member – Communities and Environment (Councillor Hardy) and Councillors Booth and Dutton
Sefton Council for Voluntary Service	Communities and Environment	3	Councillors M. Fearn, Robinson and Veidman

<u>ORGANISATION</u>	<u>CABINET PORTFOLIO</u>	<u>NUMBER OF REPRESENTATIVES</u>	<u>PROPOSED REPRESENTATIVE(S)</u>
Sefton Cycling Forum	Transportation	3	Councillors Cluskey, Hartill and Weavers
Sefton Education Business Partnership	Children, Schools, Families and Leisure	3	Cabinet Member - Children, Schools, Families and Leisure (Councillor Moncur) and Councillors Keith and McKinley
Sefton New Directions Limited Board	Older People and Health	3	Councillor Brennan, Mr. D. Rimmer and Chief Executive (Margaret Carney)
Sefton Sports Council	Children, Schools, Families and Leisure	3	Cabinet Member - Children, Schools, Families and Leisure (Councillor Moncur), and Councillors Cummins and Preece
Southport Pier Trust	Regeneration and Tourism	3	Councillors Byrom, Crabtree and Lord Fearn
Stanley Religious Education (SACRE) Advisory Committee	Children, Schools, Families and Leisure	3	Councillors Bennett, Dorgan and Hands
The John Goore Charity, Lydiate	Communities and Environment	1	Councillor Kermode
Trans Pennine Trail Members Steering Group	Transportation	2	Cabinet Member - Transportation (Councillor Fairclough) and Chair of the Planning Committee (Councillor Veidman) or their nominees

APPOINTMENTS TO OUTSIDE BODIES 2014/15 APPROVED BY THE CABINET

APPOINTMENTS FOR A PERIOD OF OVER ONE YEAR

<u>ORGANISATION</u>	<u>CABINET PORTFOLIO</u>	<u>NUMBER OF REPRESENTATIVES</u>	<u>REPRESENTATIVE(S)</u>	<u>TERM OF OFFICE EXPIRES</u>
Merseyside Strategic Flood and Coastal Risk Management Partnership	Communities and Environment	1	Councillor Papworth (Deputy representative – Councillor McKinley)	31.5.2017 (4 year appointment)
North West Reserve Forces and Cadets Association	Communities and Environment	1	Councillor Byrom	31.5.2017 (3 year appointment)
North Western Inshore Fisheries and Conservation Authority	Communities and Environment	2	Councillor John Joseph Kelly or nominee and Coast and Countryside Services Manager (David McAleavy)	31.5.2015 (4 year appointment)
<u>CHARITIES</u>				
Ashton Memorial Fund, Formby	Communities and Environment	1	Councillor Page	31.5.2015 (4 year appointment)
Consolidated Charities of Thomas Brown and Marsh Dole	Communities and Environment	2	Councillor Killen Councillor Dutton	26.6.2018 26.6.2016 (4 year appointment)
Halsall Educational Foundation	Children, Schools, Families and Leisure	1	Councillor Grace	31.5.2016 (2 year appointment)

Page 105

Agenda Item 11

<u>NHS FOUNDATION TRUST GOVERNING BODIES</u>				
Aintree University Hospital NHS Foundation Trust Council of Governors	Older People and Health	1	Councillor Cummins	31.5.2015 (3 year appointment)
Liverpool Women's NHS Foundation Trust Council of Governors	Older People and Health	1	Councillor Killen	31.9.2017 (3 year appointment)
Southport and Ormskirk Hospital NHS Trust - Shadow Council of Governors	Older People and Health	1	Councillor John Joseph Kelly	31.9.2017 (3 year appointment)
<u>SCHOOL GOVERNING BODIES</u>				
St. Lawrence High School, Formby	Children, Schools, Families and Leisure	1	Councillor Grace	31.5.2017 (3 year appointment)
Waterhouse School, Southport	Children, Schools, Families and Leisure	1	Councillor Lappin	31.7.2016 (3 year appointment)
St. Mary's College, Crosby	Children, Schools, Families and Leisure	2	Councillors John Joseph Kelly and Papworth	31.5.2016 (3 year appointment)