

Public Document Pack

MEETING: CABINET
DATE: Thursday 26th February, 2015
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
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The Cabinet is responsible for making what are known as Key Decisions, which will be notified on the Forward Plan. Items marked with an * on the agenda involve Key Decisions

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

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

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

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AGENDA

Items marked with an * involve key decisions

<u>Item No.</u>	<u>Subject/Author(s)</u>	<u>Wards Affected</u>	
1.	Apologies for Absence		
2.	Declarations of Interest Members are requested to give notice of any disclosable pecuniary interest, which is not already included in their Register of Members' Interests and the nature of that interest, relating to any item on the agenda in accordance with the Members Code of Conduct, before leaving the meeting room during the discussion on that particular item.		
3.	Minutes of Previous Meeting Minutes of the meeting held on 5 February 2015		(Pages 5 - 8)
4.	Public Petition - Southport Police Station In accordance with the provisions set out in Chapter 4 of the Constitution, Councillor Dawson has submitted a petition containing 42 signatures on behalf of a local deputation for consideration by the Cabinet which: "Petitions Sefton Council to press the Police and Crime Commissioner to ensure that no plans are made to sell off Southport Police Station until there is a confirmed better-situated Police Station facility within Southport."	Birkdale; Cambridge; Dukes; Kew; Meols; Norwood	
* 5.	Adult Social Care Change Programme - Remodelling of Day Opportunities and Care Act Update Report of the Director of Older People	All Wards	(Pages 9 - 78)

* 6.	<p>Town Centres Working Group - Final Report Report of the Director of Corporate Services</p> <p>Councillor McKinley, the Lead Member of Town Centres Working Group will attend the meeting to outline the key issues and recommendations set out in the report</p>	All Wards	(Pages 79 - 142)
* 7.	<p>Treasury Management Policy and Strategy 2015/16 Report of the Head of Corporate Finance and ICT</p>	All Wards	(Pages 143 - 172)
* 8.	<p>The Prudential Code for Capital Finance in Local Authorities - Prudential Indicators Report of the Head of Corporate Finance and ICT</p>	All Wards	(Pages 173 - 184)
9.	<p>Capital Programme 2014/15 and Capital Allocations 2015/16 Report of the Head of Corporate Finance and ICT</p>	All Wards	(Pages 185 - 194)
10.	<p>Committee in Common (Healthy Living Programme) - Council Representation Report of the Director of Corporate Services</p>	All Wards	(Pages 195 - 198)

THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON TUESDAY 17 FEBRUARY, 2015. MINUTE NO.S 58, 59 AND 61 ARE NOT SUBJECT TO "CALL-IN"

CABINET

MEETING HELD AT THE TOWN HALL, BOOTLE ON THURSDAY 5TH FEBRUARY, 2015

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

ALSO PRESENT: Councillor Booth

55. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Fairclough.

56. DECLARATIONS OF INTEREST

Margaret Carney (Chief Executive) declared a personal interest in Minute No. 59 (Pay Review) and remained in the room during the consideration of that item.

57. MINUTES OF PREVIOUS MEETING

Decision Made:

That the minutes of the Cabinet meeting held on 15 January 2015 be confirmed as a correct record.

58. REVENUE BUDGETS 2015/16 AND 2016/17

Further to Minute No. 48 of the meeting held on 15 January 2015, the Cabinet considered the report of the Head of Corporate Finance and ICT which provided details of options for bridging the outstanding budget gap of £15.478m to achieve the £55m savings for the period 2015/16 to 2016/17.

Decision Made:

That:

- (1) the updated Budget position for 2015/2016 and 2016/17 be noted;
- (2) the means of bridging the identified outstanding Budget gap, set out in paragraph 3.2 of the report be noted;
- (3) that officers be authorised in particular to undertake the necessary actions relating to the saving associated with no incremental

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progression in 2016/17 and more generally any other relevant preparatory steps associated with the recommendations referred to in (4) below, subject to Council approval; and

- (4) the Council be recommended to give approval to:
- (i) the use of Section 106 money as outlined in paragraph 3.2 (a) of the report;
 - (ii) an increase in cremation and burial fees by 5% over inflation;
 - (iii) a further reduction in the CHAMPS budget as outlined in paragraph 3.2.(d) of the report;
 - (iv) the capitalisation of Highways, ICT and systems development currently funded by the revenue budget;
 - (v) an adjustment to the Medium Term Financial Plan which only allows for incremental progression in 2015/16;
 - (vi) the cessation of discretionary support to Parishes for the Council Tax Reduction Scheme; and
 - (vii) the budget assumptions contained in paragraphs 2.2.(a) and 2.2.(b) and 3.2.(h) of the report.
- (5) the option to cease discretionary rate relief for sports clubs be deferred for further consideration.

Reasons for Decision:

To provide the basis on which the Council's two year budget plan would be balanced for the period 2015-2017.

Alternative Options Considered and Rejected:

The Council has a legal obligation to set a balanced and robust budget and to set the Council Tax for 2015/16 before 10 March 2015.

59. PAY POLICY

The Cabinet considered the report of the Director of Corporate Services which provided details of the proposed pay policy produced in accordance with the Localism Act 2011.

Decision Made:

That the Council be recommended to approve the Pay Policy as set out in Annex A to the report.

Reasons for Decision:

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To comply with the Localism Act 2011

Alternative Options Considered and Rejected:

None

60. DESIGNATION OF THE MAGHULL AND MELLING NEIGHBOURHOOD DEVELOPMENT PLAN AREAS

The Cabinet considered the report of the Director of Built Environment which provided details of proposals to designate the Maghull and Melling Neighbourhood Development Plan areas, in accordance with Section 61G(1) of the Town and Country Planning Act 1990 and Part 2 of the Neighbourhood Planning (General) Regulations 2012.

Decision Made:

That approval be given to the designation of the revised Maghull and Melling Neighbourhood Development Plan areas, as set out in the report.

Reasons for Decision:

The Council, as Local Planning Authority (LPA), is required to determine applications submitted for the designation of a Neighbourhood Development Plan area.

Alternative Options Considered and Rejected:

The LPA must decide whether to approve any application or refuse it. If it does decide to refuse the application because it considers the area is not an appropriate area to be designated, it must give reasons to the applicant why it has refused the application.

61. PROGRAMME OF MEETINGS – 2015/16 MUNICIPAL YEAR

The Cabinet considered the report of the Director of Corporate Services which provided details of the proposed Programme of Meetings for the Council, Cabinet and the various Committees/Bodies for the Municipal Year 2015/16.

Decision Made:

That:

- (1) the Programme of Meetings for the Cabinet, Public Engagement and Consultation Panel, Sefton Safer Communities Partnership and the Health and Wellbeing Board for 2015/16 as set out in Annexes A and E of the report be approved; and
- (2) the Council be recommended to:

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- (i) adopt Option 1 in relation to meetings of the Annual and Adjourned Annual Council in May 2015, as detailed in Paragraph 3 of the report; and
- (ii) approve the Programme of Meetings for the Council, Member Briefing Sessions; Regulatory Committees; Overview and Scrutiny Committees and Area Committees for 2015/16 as set out in Annexes B, C and D of the report.

Reasons for Decision:

To enable the business of the Council, Cabinet and the various Committees / bodies to be conducted during the 2015/16 Municipal Year.

Alternative Options Considered and Rejected:

No. The Council has to produce a timetable of meetings.

Report to:	Cabinet	Date of Meeting:	26 th February 2015
Subject:	Adult Social Care Change Programme – Remodelling of Day Opportunities & Care Act Update	Wards Affected:	All Wards
Report of:	Director of Older People		
Is this a Key Decision? Exempt/Confidential	Yes No	Is it included in the Forward Plan?	Yes

Purpose/Summary

This report updates Cabinet on the outcome of the Remodelling of Day Opportunities consultation and seeks approval for associated planned activity.

In addition to this the report asks Cabinet to consider required changes associated with the Care Act 2014

Recommendation(s)

Cabinet is asked to

- i. consider and take account of the current understanding of assessed needs; forecast demographic changes, current and forecast usage rates and the usability and sustainability of the ND day centres
- ii. consider and take account of the detail within the consultation feedback at Annex A in respect of day care and transport together with the Public Sector Equality Duty analysis report at Annex B
- iii. consider and take account of the risks and the mitigating actions identified
- iv. approve the progression to a modernised but reduced day centre estate based on the models of support described
- v. approve the closures and modernisation as described in para 2.8 to 2.10 and authorise Officers implement the plan immediately
- vi. note the intention to engage further with the users and all interested parties of the Chase Heys day centre.
- vii. consider the refreshed Assisted Transport policy at annex C and approve its implementation with effect from 1st April 2015
- viii. be aware of the potential impact of the programme of modernisation on the Specialist Transport Unit and approve Officers to implement in line with the plan including the issue of relevant statutory and contractual notifications, if appropriate to achieve change
- ix. be aware and take account of and note the financial and other risks to the Council.

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

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

Reasons for the Recommendation:

The Council has significant existing responsibilities for Adult Social Care and invests considerable resources (£92 million per annum) into this service. The Adult Social Care Change Programme's overall aim is to develop a model for Sefton Council's Adult Social Care that is sustainable, modern and flexible, delivering the four strategic priorities as set out in the ASC Strategic plan 2013-20 as approved in November 2013, and the delivery of the changes associated with the Care Act 2014.

In developing future plans against a background of reducing resources the core purpose of the Council is assumed to be

- **Protect the most vulnerable** i.e. those people who have complex care needs with no capacity to care for themselves and no other networks to support them.
- **Commission and provide core services** which meet the defined needs of communities and which are not and cannot be duplicated elsewhere.
- **Enable/facilitate economic prosperity** i.e. maximise the potential for people within Sefton to be financially sustainable through employment/benefit entitlement.
- **Facilitate confident and resilient communities** which are less reliant on public sector support and which have well developed and effective social support networks.

In 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 eligible needs and made more appropriate to people who use them. The proposed programme of modernisation recommended in this report has been developed by taking account of current understanding of assessed needs, forecast demographic changes, current and forecast usage rates and the usability and sustainability of the ND day centres. In addition to this the feedback from both phases of the consultation and impact assessment has informed this decision.

When considering the recommendations Cabinet are reminded of these principles

- **Efficiency before cuts** – Protect the impact on communities
- Focus on our **core purpose**.
- Keep the needs of our **citizens at the heart** of what we do rather than think and act organisationally.
- Proactively **manage demand** not just supply.
- Ensure we provide services strictly in line with **eligibility criteria**.
- **Pursue growth/investment** as well as savings.
- Communicate and engage with **people to expect and need less**

New requirements, duties and responsibilities associated with the Care Act 2014 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:

The proposed programme to deliver the modernisation of day opportunities is based on current understanding of assessed eligible needs, forecast demographic changes, the impact assessment, feedback from both phases of the consultation, current and forecast usage rates and the usability and sustainability of the New Directions (ND) day centres. The ND day centre buildings require in the region of £2.7m capital expenditure to maintain them and incur significant general operating costs.

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 Remodelling of Day Opportunities outlined within the report will need to be contained within the available budgets.

With regard to the Care Act 2014 the Council has received New Burdens funding of £1.969m in 2015/16 and this has been incorporated into the Medium Term Financial Plan going forward. There is also a sum of £0.834m within the Better Care Fund associated with the Care Act implementation and this will be captured within the Section 75 Agreement currently being drafted with colleagues in Health. Funding for future years is not yet known.

(B) Capital Costs

There is a report elsewhere on the agenda which includes a request for capital resources in 2015/16 in relation to the Remodelling of Day Opportunities. Plans will be monitored and adjusted throughout the year as work progresses.

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Implications:

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

Financial There is a significant financial risk with potential additional cost for Care Act 2014 implementation and ongoing delivery.
Legal The Children and Families Act 2014 and the Care Act 2014 and subordinate legislation and statutory guidance.
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 1. No Equality Implication <input type="checkbox"/> 2. Equality Implications identified and mitigated <input checked="" type="checkbox"/> 3. Equality Implication identified and risk remains <input type="checkbox"/> The Care Act will have a positive equalities impact with an outcome based needs assessment ensuring that individuals views, needs and wishes are placed at the centre.

Impact of the Proposals on Service Delivery:

The Remodelling of Day Opportunities will enable the delivery of the vision and the model using the approach previously agreed by Cabinet July 2014. Service users, their carers, the Council's preferred provider and estate will be impacted should the recommendations be approved. The outline and impact of the programme of modernisation is described in the report.

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. The known impacts of the proposed changes are described in the report. Adult Social Care's day-to-day operational model will expand and change over the period of the programme.

Demographics indicate a growth in demand for Care and Support services. The Council's strategic commissioning intentions will support market development to meet the range of needs for the individuals of Sefton, offering choice as to how their needs are met. Market shaping activities will encourage the care market to expand, where possible supporting economic growth and access to jobs.

An underpinning principle of the Care Act 2014 is the promotion of health and wellbeing to prevent, reduce or delay the need for care and support focusing on keeping people as independent as possible through prevention and early intervention. Comprehensive

information and advice will enable individuals to make early informed choices about their care and support; those entering the care system will do so through clear pathways and be able to choose how their care and support needs are met through a range of commissioned support or direct payment.

What consultations have taken place on the proposals and when?

Remodelling Day Opportunities – a summary of the consultation report can be found at Annex A. The full report is available as a background document.

The Planning Department have been consulted to establish whether any of the potential proposals were likely to contravene planning rules or meet significant public objection. The Head of Planning has advised that, while further detailed consultation will be required during the design development stages.

The private sector providers of day opportunities and the voluntary sector have been consulted as part of the consultation on the remodelling of day opportunities. The Council's strategic partner and first choice provider New Directions have been involved in the consultation process and are supportive of the recommendations in this report.

The Head of Corporate Finance and ICT has been consulted and any comments have been incorporated into the report. (FD 3423/15)

Head of Corporate Legal Services has been consulted and any comments have been incorporated into the report (LD 2715/15)

Implementation Date for the Decision

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

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Background Papers:

The following papers are available for inspection on the Council website via this link:

<http://modgov.sefton.gov.uk/moderngov/ieListDocuments.aspx?CIId=139&MIId=7725&Ver=4>

Community Services – Remodelling of Day Opportunities

- Consultation report
- Maps

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1. Introduction

- 1.1 The Adult Social Care Change Programme's overall aim is to develop a model for Sefton Council's Adult Social Care (ASC) that is sustainable, modern and flexible, delivering the four strategic priorities as set out in the ASC Strategic plan 2013-20. The strategic plan highlights the Council's commitment to safeguarding how the Council will focus resources on the **most** vulnerable, the need to work with our partners and the community, and the development of the market to deliver the required change. The scope of the programme includes delivery of approved budget savings, designing the new model for Social Care and implementing the changes associated with the Care Act.
- 1.2 The Council is facing the greatest financial challenge in its history and the Adult Social Change Programme must be considered against this background. Members will recall that the Programme is structured around a group of inter-related projects and commissioning activity. The four main projects associated with the programme are
 - Approved savings
 - Awareness, Information, Advice and the Market
 - Care Management Design & Delivery
 - Paying for care and support

The various areas of work cannot be considered in isolation as there are significant dependencies within the programme and across the Council.

- 1.3 The New Burdens monies identified by Government associated with implementing the Care Act and the Better Care Fund are not likely to meet the true cost to the Council of implementing such a significant change, especially given the financial challenge. The additional burdens settlement for 2015/16 is £1.969m. There is flexibility around the usage of the money and it will be allocated around the priorities for implementation of Care Act. There is also a sum of £0.834m contained within the Better Care Fund to support elements of the Care Act implementation from April 2015.
- 1.4 There is an on-going programme of workforce development alongside stakeholder and partner activity, for example, Voluntary, Community Faith sector. Officers have embarked on a series of focussed development workshops with Adult Social Care staff to ensure readiness for the duties under the new act. This has been supplemented by wider workforce briefings to enable information sharing with areas that closely link to Adult Social Care.

2. Community Services – Remodelling of Day Opportunities

- 2.1 In February 2013 Council approved the remodelling of 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. When considering the remodelling of day opportunities the 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.

This report recommends how this modernisation could be delivered. There are over 20 Day Centres operating in the Borough, providing a mix of care for people with physical and learning disabilities, and supporting older people with a variety of long term conditions and dementia. There are different commissioning arrangements for day opportunities, around half of the centres are operated by the Council's strategic partner and first choice provider for Day Care services, New Directions (ND) and are funded by the Council, including building and associated costs, others by the voluntary sector and independent businesses.

2.2 The proposed approach and commissioning outcomes for Community Services (remodelling 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.
- 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 Cabinet will recall that three models of support are envisaged 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.

This means using opportunities in the community and no longer attending a Day Centre setting

- ii. Individuals and their carers are provided with a mix of the above and some community provision within a physical setting.

This means using some opportunities in the community setting and some provision in a Day Centre setting

- iii. People with profound disabilities and complex needs are provided with a range of opportunities to maximise their potential within a range of

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physical settings, whilst at the same time provided with provision within the community which is person centred.

This means continued provision at a Day Centre setting

- 2.4 In July 2014 Cabinet agreed the proposed approach associated with Community Services and noted the intention to commence consultation on the models of support.
- 2.5 The proposed programme that will deliver this modernisation recommended in this report has been developed by taking account of current understanding of assessed needs; forecast demographic changes, current and forecast usage rates and the usability and sustainability of the ND day centres. The ND day centre buildings require significant capital expenditure just to maintain them, in the region of £2.7m, and also incur significant general operating costs.
- 2.6 In addition to this young people with disabilities have for some time expressed a wish for changes in the ways that the Council meets their needs in the future and others are taking the opportunity to plan their care using a direct payment. Numbers of people attending the traditional day centres are falling and the table below provides average occupancy relating to Council commissioned places at ND for 34 weeks in 2014/15;

Day Centre	Places Available per day	Places Available per week	Total	Average Occupancy
Bootle RC ¹	40	200	4,375	46.7%
Mornington Road	30	150	2,144	42.0%
Dunningsbridge ²	102	510	11,892	52.3%
Poplars	8	40	1,187	87.3%
Poplars (Weekend respite)	4	8	251	92.3%
Sandbrook RC ³	54	270	6,572	71.6%
Brook Enterprises	36	180	3,125	51.1%
Chase Heys	18	90	1,202	39.3%
West Park	24	120	1,242	30.4%
Waterloo Park	30	150	2,941	57.7%
Brookdale	24	120	1,852	45.4%
TOTAL	370	1850	36,783	58.5%

Notes:

1. Bootle RC had 58 places per day until 27/10/14. Occupancy based on 58 or 40 as appropriate.
2. Dunningsbridge had 138 places per day until 27/10/14. Occupancy based on 138 or 102 as appropriate.
3. Sandbrook RC had 65 places per day until 21/7/14. Occupancy based on 65 or 54 as appropriate.

- 2.7 The impact assessment and feedback from both phases of the consultation have also been key considerations in recommending the programme of modernisation.

Annex A contains the summarised consultation report for both phases and an equality analysis report is provided at annex B. The headlines of the consultation are provided at paras 2.12 to 2.18.

2.8 Cabinet is asked to consider two changes to the proposals consulted on, that Brookdale Resource Centre remains open and further targeted consultation takes place regarding the newly proposed closure of Chase Heys day centre (see para 2.19). For clarity it is now recommended that Cabinet considers the closure of the following ND day centres:

- Bootle Resource Centre
- Brook enterprises Bootle area
- Sandbrook Southport area
- Orchards Southport area

Those ND day centres proposed to remain open are:

- Dunningsbridge Road modernising existing site or new build (Bootle area)
- Waterloo Park
- Brookdale
- Poplars Southport area
- West Park Southport area
- Mornington Road modernising existing site (Southport area)

Cabinet is also asked to note the intention to engage further with the users and all interested parties of the Chase Heys day centre regarding the newly proposed closure.

2.9 It is anticipated that the proposals would be deliverable within a 2 year timetable. If the recommendation on closures is approved the design and planning could commence during the spring of 2015 and with building works commencing in autumn 2015. During this process service users assessed eligible needs will continue to be met in the most appropriate way, with dignity and safeguarding paramount in any process.

2.10 This programme of work would include

- Resources to inform those impacted by the changes recommended and engagement with service users, their carers and staff to explain the change
- Reassessments – a person centred reassessment of service user needs is an ongoing statutory process underpinned by the Care Act 2014. Consideration of the people's needs will remain at the heart of all implementation plans. If it is agreed that a persons assessed eligible needs are best met by attendance at a day centre they will be able to attend a day centre that is suitable to meet those needs but not necessarily the one they previously attended. For some people community based services will be best placed to meet their needs and their care and support plan will describe how any changes will be managed. These reassessments will commence in April 2015 using the new Care Act criteria and are expected to be completed over a 12 month period.

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- Further developing the market - The market in providing alternative services has been growing and is constantly being developed. The VCF sector in Sefton is dynamic and proactive; decades of local service development has produced a mosaic of local resources across the VCF and independent business sectors that could meet the diversity of individual needs. Through the VCF, personal brokers, family members or carers can potentially source activities that meet the personal preferences of a given individual.
 - Ensuring the design of the day centres and activities within will be carried out with input from service users and carers working with the Council and New Directions. The key themes will be modernising the environment, usability, development of facilities and safety. This will include further engagement with the users and all interested parties of the Chase Heys day centre to close the day centre but not the respite facility.
- 2.11 The above recommendations are based in part on the outcomes of the phased consultation exercises the details of which are set out below. When considering these recommendations Cabinet should be aware that a key part of this process has been a targeted engagement with service users and young people who will potentially be in transition to adult services and their carers. This was also made available for the general community to access (on-line questionnaire and available through public buildings). This approach was used to gather feedback about what their views were in relation to 'the vision, models of support, transport and proposed changes. Other key stakeholders, such as Voluntary Community Faith sector, and all Sefton day centre providers in particular the Council's strategic partner and first choice provider for Day Care services, New Directions, were included in this engagement process.

Outcomes from the phased consultations

- 2.12 Phase 1 of the consultation was based on the:
- vision, model and travel arrangements and
 - the kind of activities people wished to participate in as part of their daily routine

The results of phase 1 of the consultation shaped phase 2. This second phase detailed the proposed changes to both buildings and travel.

- 2.13 The headline response from phase 1 is summarised below.
- Total questionnaire responses: 429 (not all those responding answered all questions)
 - From those responses 80% agreed with the vision.
 - 62% of the respondents agreed that the model, as described, supported the vision.
 - The consultation asked how people travel to a day centre:
 - the majority travelling by Council provided transport (70%)

- 25% being transported by their family or friends and
- 5% by public transport.

The consultation also asked about how users of day centres travel within the community. Responses showed that 82 (19%) people travel by public transport and over 300 (70%) travelled with family or friends.

2.14 The consultation report covering the responses for phase 1 was considered by, Cabinet Member for Older People and Health and with the Project Board they agreed the commencement of phase 2 of the consultation which proposed the changes detailed below.

2.15 Phase 2 of the consultation took account of the responses from phase 1 and was based on a two year programme of modernisation with the following New Direction centres remaining open:

- Dunningsbridge Resource Centre - modernising existing site or new build (Bootle area)
- Chase Heys - modernising existing site or new build (Southport area)
- Waterloo Day Service
- Poplars (Southport area)
- West Park (Southport area)
- Mornington Road (Southport area)

And the potential closure of:

- Bootle Resource Centre
- Brook Enterprise (Bootle area)
- Brookdale (Southport area)
- Sandbrook Resource Centre (Southport area)
- Orchards (Southport area)

2.16 In addition to this Phase 2 of the consultation included questions about transport provision.

2.17 The headline response from phase 2 is summarised below

- Total questionnaire responses of 404 (not all those responding answered all questions), of which 302 were service users or carers.
- 381 people responded to the question on modernisation and expanding some buildings and closing of some buildings. Of which 79% agreed and 21% disagreed.
- 365 people responded to the question on whether public and other transport should be used before the Council provides a service. Of which 52% agreed and 48% disagreed.
- 321 people responded to the question on how the potential removal of Council transport would impact on them. Of which 49% indicated that they were able to

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travel with alternative methods and 51% felt that this would impact on their ability to attend a day centre.

- 2.18 On the whole both phases of the consultation were positively received and feedback from the question and answer sessions at engagement events at day centres with service users and carers and at specifically organised carers events were well attended and constructive. It is to be noted that although the feedback from those people who responded to the questionnaires or attended at an event was overall positive, many did express anxiety over the proposed changes and how it would impact on them personally. The Council recognises that this is a difficult time and will endeavour to ensure the process is carried out as timely and thoroughly as possible. In addition the Council recognises that some concern was raised about the proposals being already agreed. The Council wants to assure respondents and the general public that the feedback from the consultation has been listened to, was understood and fully considered in formulating the recommendations to deliver the programme of modernisation.
- 2.19 Two changes to the proposal consulted on are that Brookdale Resource Centre remains open and Chase Heys day centre closes. A separate consultation exercise will take place with users of and parties interested in Chase Heys as a result of the recommendations. It is important to note that this consultation will focus on the day centre closure and the other provision at this site will remain unaffected. These changes have the potential to take account of need across the borough, allow for further assessment of the potential for service delivery on some sites e.g. Mornington Road, take account of consultation feedback voicing the value of the location and services delivered at Brookdale Resource Centre and the information in the equality analysis report. Following from this a revised programme of work is described in the paragraphs below. Because of the risks and mitigating actions in Annex B and outlined above covering responses and comments from all stakeholders it is proposed that the Council begins the progression to a modernised but reduced day centre estate based on the models of support described above in para 2.3.
- 2.20 The response to the second phase of the consultation identified that the vast majority of respondents wanted modernised buildings and more opportunities in the community. In the south of the borough, Bootle Resource Centre and Brook Enterprises average usage rates are around 50% and it is anticipated that those people who assessed eligible needs could be met by the models of support (ii) and (iii) (outlined in para 2.3) could be accommodated in the modernised facility at Dunningsbridge. This facility would accommodate people with complex disabilities and provide a mixture of care for people with physical and learning disabilities. It is therefore still proposed that a new or re-developed facility on the Dunningsbridge Road site is progressed and these are closed over a two year period. Older people would continue to be offered day care services at Waterloo Day Centre which is also currently under-occupied.
- 2.21 The impact assessment, at Annex B, identifies that whilst all other subsets of disability would be treated proportionally under the proposals consulted on as part of phase 2 (with the restructure of the day care centres being able to cater for them all) it could be interpreted that 'dementia sufferers and their carers' could be put at a particular *disadvantage* when compared to the other sub sets if

Brookdale, a specialist dementia centre, was closed and suitable alternative provision not available.

- 2.22 In the north of the borough the usage levels of Chase Heys and West Park are below 40% capacity, this would allow the merger of the two centres with some people with dementia attending Brookdale if Cabinet approve the changes recommended subject to further consultation regarding Chase Heys. The current users of Chase Heys day centre will continue to receive a service and any change to the way that need is met will be part of the individuals care and support plans. New referrals would be made to Brookdale (for dementia) and West Park.
- 2.23 Poplars RC and the respite unit will remain open should the recommendations in this report be approved. The changes now recommended would enable the Council's strategic partner and first choice provider for Day Care services, New Directions to further develop their business model for West Park so that it could be promoted to private clients.
- 2.24 In addition to the above Mornington Road will be modernised at its current site and accommodate people with complex disabilities and provide care for people with physical and learning disabilities. This means that Sandbrook RC and Orchards RC will close. The original proposals for closures and modernisation were, at the time, the Councils most up to date position using the information it had. Having considered all of the information in the annexes of this report and described above Cabinet is asked to consider this change to the proposed programme of modernisation.
- 2.25 Approximately 70% of day care users receive Council provided transport to and from the centres. The impact assessment identifies that many of these individuals are in receipt of either motability or payments via the national benefit system to pay/contribute towards the cost of travel. The current transport policy is clear that only in very exceptional circumstances should the Council pay for transport. To this end there had been an oversupply of services with a high cost implication. It is therefore legitimate for the Council to return to the letter of the policy (now refreshed) to reduce costs. Before doing so Adult Social Care has sought the views from users on whether they agree to the principle that council transport is last resort for those most in need and the implication this will have for them. Responses can be seen in the consultation report.
- 2.26 In light of the impact assessment, the Care Act 2014, Council's agreed budget principles, anticipated changes in demand, feedback gathered, risks and mitigation the Adult's Assisted Transport policy has been refreshed and is available at Annex C. Cabinet is asked to consider the refreshed policy and agree to its implementation with effect from 1st April 2015.
- 2.27 Cabinet should be aware that the programme of modernisation and associated reassessments will also have an impact on the Specialist Transport Unit including a potential need for compulsory redundancy and changes to commissioning arrangements and the implementation process will take account of this.

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2.28 Cabinet is asked to

- i. consider and take account of the current understanding of assessed needs; forecast demographic changes, current and forecast usage rates and the usability and sustainability of the ND day centres
- ii. consider and take account of the detail within the consultation feedback at Annex A in respect of day care and transport together with the Public Sector Equality Duty analysis report at Annex B
- iii. consider and take account of the risks and the mitigating actions identified
- iv. approve the progression to a modernised but reduced day centre estate based on the models of support described
- v. approve the closures and modernisation as described in para 2.8 to 2.10 and authorise Officers implement the plan immediately
- vi. note the intention to engage further with the users and all interested parties of the Chase Heys day centre.
- vii. consider the refreshed Assisted Transport policy at annex C and approve its implementation with effect from 1st April 2015
- viii. be aware of the potential impact of the programme of modernisation on the Specialist Transport Unit and approve Officers to implement in line with the plan including the issue of relevant statutory and contractual notifications, if appropriate to achieve change.

3. The Care Act 2014

3.1 The Care Act 2014 is a comprehensive piece of legislation which combines some new initiatives with an overhaul of many and varied pieces of legislation that existed for adult social care. Such a major piece of legislation is inevitably supported by a range of secondary legislation (regulations) and government guidance, much of which has yet to be finalised or drafted by the government at this time. The overhaul means that there is one comprehensive source of legislation for adult social care and it codifies many of the Council's existing practices.

3.2 The Cabinet Member has been kept apprised of major departmental activity to prepare for the implementation of the legislation accordingly.

3.3 The new initiatives contained in the legislation include:

- the carers right to have an assessment in their own right (and not simply as part of the care package)
- introduction of national eligibility of assessment criteria (removal of the FACS criteria)
- financial cap on payment for care by an individual. This will only be introduced in April 2016.

3.4 A number of policies will need to be reviewed in due course and if they have any budgetary implications these will need to be considered by Cabinet. New and refreshed policies will include:

- Prisons and approved premises policy
- Delayed Transfers and Pathways Policy

- Charging/Partnership for Care/Contributions Policy
- Mental Health Policy including that relating to Section 117
- Eligibility Policy
- Carers Assessments
- Deferred Payments Policy
- Direct Payments and Personal Budgets Policy

3.5 The need for consultation and engagement will be dependent on each policy and the nature of any service change as a result. Therefore, where significant change is applicable an appropriate level of consultation with key stakeholders will be undertaken.

3.6 For some changes the Council will inform the community on proposed new ways of working. Communications will include references to improved information and advice around preparing for later life needs and costs.

3.7 Staff are undergoing training provided internally by colleagues from within adult social care and corporate legal services to raise awareness and understanding of this legislation.

4. Risks & Challenges

4.1 The Care Act 2014 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. Cabinet are aware that 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.

4.2 The key risks include:-

- The costs of implementation and ongoing delivery of the Care Act could create significant budget pressures
- Capacity might not be sufficient to meet the increase in demand for care assessments and reviews through new duties to support self-funders, carers and prisoners within current resources.
- Changes to ICT
- Community expectation
- Provider failure

4.3 Cabinet is asked to be aware and take account of and note the financial and other risks to the Council.

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 processes and impact assess any potential changes, identifying any risks and

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mitigating these as far as possible. The impact assessments, including any feedback from consultation or engagement where appropriate, will be made available in compliance with the Equality Act 2010.

6. Conclusion

- 6.1 The proposed programme of modernisation of day opportunities will deliver a model that is sustainable, modern and flexible. The recommended changes will enable the Council to focus resources on the most vulnerable, work with our partners and the community, and develop the market to deliver the required change.
- 6.2 It is anticipated that the remodelling will be delivered over a 2 year timetable. The Council has already delivered significant change and understands that change can be difficult, challenging and sometimes uncomfortable for service users, families, carers and the workforce but the Council is at a point where doing more of the same or trying to do more of the same with less is going to fail people. Managing expectation will be key in delivering this programme of change.
- 6.3 With regard to delivering the Adult Social Care Strategic Plan and implementing the Care Act 2014 the scale and pace of the change required cannot be underestimated. The Council will 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 and enable the Council to support those most vulnerable. It is important to note that this risk is likely to be mirrored by our partners and providers of services.
- 6.4 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.

Annex A – Consultation Report Summary

1 Introduction

In July 2014 Cabinet agreed the proposed approach associated with Remodelling of Day Services and noted the intention to commence consultation.

This report details the results of the analysis from the remodelling of day opportunities consultation. The consultation commenced on 16th October 2014 and finished on 29th January 2015. There were two phases within this consultation period. The first, from 16th October 2014 to 13th November consulted on the future vision, model, and the service user's travel arrangements. Also the kind of activities people wished to participate in as part of their daily routine. This was a shorter phase to obtain information and views to frame the second phase on the proposed changes. The first phase results were provided for Cabinet Member of Older People and Health and the Community Service Project Board (management group) to influence, design and to approve the commencement of phase 2. The second phase consulted on proposed changes to both buildings and travel, was from 27th November 2014 to 29th January 2015.

2 Results at a Glance

Phase 1 showed:

- Total questionnaire responses of 429
- From those responses 80% agreed with the vision.
- 62% of the respondents agreed that the model, as described, supported the vision

For the results from phase 1 see appendix A of the full report available as a background document.

Phase 2 Showed:

- Total questionnaire responses of 404 (not all those responding answered all questions), of which 302 were service users of day centres or their carers.
- 381 people responded to the question on modernisation and expanding some buildings and closing of some other buildings. Of which 79% agreed and 21% disagreed.
- 365 people responded to the question on if public and other transport should be used before the Council provides a service. Of which 52% agreed and 48% disagreed.
- 321 people responded to the question on how the potential removal of Council transport would impact on them. Of which 49% indicated that they were able to travel with alternative methods and 51% felt that this would impact on their ability to attend a day centre.

For detailed results of phase 2 see section 4 below and the report available as a background document .

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Conclusion:

On the whole the consultation and the engagement were positively received. Feedback from the presentations and subsequent question and answer sessions at day centres with service users and carers and at specifically organised carer's events proved informative and stimulated a number of questions. This gave the key stakeholders an opportunity to understand more and be able to express their views.

There is a clear indication that people support the vision, model and modernisation. There's a majority view that people should use alternative transport if they have the ability rather than a reliance on Council provided funds and transport. However, when people responded concerning their own situation there was more of hesitancy and anxiety around whether or not they would be able to attend a centre.

At this stage service users and their carers were not provided with information on how individuals can travel as an alternative. An anxiety therefore is naturally expected. However, given that, there was strong support in that 49% of people agreed this approach.

3. The Consultation and Engagement Process

What were the aims of the consultation and engagement process?

The main aims and purpose of the consultation and engagement process was to:

- To provide information to the people who currently utilise day centres, their carers (as appropriate), also local people and communities, service providers, and staff on the vision, model and objectives and potential changes. Also linking in the challenges facing the Council in seeking to modernise Adult Social Care services against the issues faced by the Council with a reducing budget.
- To assist the people who currently utilise day centres, their carers (as appropriate), also local people and communities, service providers, and staff to give us their views on how remodelling can to achieve the objectives as described within the questionnaires and engagement events.
- To engage with other specific groups such as young people preparing for adulthood and users of Day Care who have difficulty understanding to get their views on the modernisation proposals, all the changes and seek views on alternative options.

What we did and why

There was a wide range of methods utilised as part of this consultation to ensure that all interested parties could exercise their views. The range of methods used included:

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- Meetings with specific hard to reach groups assisted by the VCF networks
- Meetings and workshops with partners, providers (internal and external), VCF, professionals and professional bodies
- Engagement events at Sefton New Directions day centres with independent advocates available to provide advice and support to service users and carers.
- Communication with private providers of day care to invite them for discussions and to offer Council officers and independent advocates to attend their centre if they wished.
- Responding to individuals requests for 1 to 1 meetings and discussions
- Responding to written correspondence and emails
- Making available a helpline and responding to all enquiries.
- Specific engagement events with carers in the North and South of the Borough. These were held in the Sefton Carer's Centres with independent advocates available to provide advice and support carers in addition to senior Council officers.
- 'Lesson time' at special schools (Merefield, Rowan Park and Thornton College) to capture thoughts of young persons' preparing for adulthood (aged 14 and over).
- Web based communications such as the website and twitter

Specific processes were developed for young people preparing for adulthood and their parents/carers to ensure young people could give their views on what a good day would look like for them and what they think the future day centre should look like.

Specific measures were taken to ensure that people who have additional needs such as Learning Disability (for example) could exercise their voice and influence the outcomes of the consultation process.

The methods were supported by a number of approaches/tools, which included the following:

- Easy Read questionnaire, letters and documentation sent to all service users in addition to a questionnaire
- Telephone discussions
- Frequently Asked Questions published
- Question and answer updated continually and made available on the website and at day centres following the engagement events
- Press & Media briefings

The targeted audience were:

- Service users and carers

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- Local People and Communities
- Young People preparing for adulthood (14 years and over)
- Elected Members
- Providers of services (Sefton New Directions and all other providers)
- Sefton VCF groups
- Professionals
- Professional bodies
- Hard to reach groups

To ensure that the consultation was robust, fair and unbiased and to provide as much independent support and advice for the service user and carer as possible, VCF and action groups were involved in the planning and design stage of the consultation and also played a major role at the engagement events – assisting service users in understanding and completing questionnaires or giving views, if required. The VCF and action group organisations were also part of a working group taking the consultation forward and part of an information/briefing group that was chaired by the Cabinet Member for Older People and Health and the Director of Adult Social Care.

The organisations that were involved and collaborated were:

- Sefton Council for Voluntary Services
- Sefton New Directions
- Sefton Partnership for Older Citizens
- Sefton Pensioners Advocacy Centre
- Sefton Carers Centre
- Sefton Carers Action Group
- People First Sefton
- Sefton Advocacy
- Health Watch
- Age Concern

How did we engage?

As the changes mainly affected those currently using day centres, their carers, the day care service providers, potential future users, and alternative service providers (primarily the Voluntary sector) these were subject to the targeted consultation and considered a priority. As it would be a subject of general interest to tax payers we also made available, within reasonable resource constraints, the opportunity for the public to comment either via Sefton's website or questionnaires located in public buildings. This option was advertised through Sefton Council's main webpage and on Twitter through VCF organisations.

Engagement with service users was as follows:

- An introductory letter and questionnaire (with an easy read alternative) was sent to all Sefton service users and their carers (regardless of which day centre they attended).

- Held engagement events at New Direction day centres throughout December 2014 and January 2015
- Invitation sent to all private (non New Directions) day centres offering an event at their centre.
- Director of Adult Social Care gave an appropriate presentation at each New Directions day centre, some carers also attended, with support from Council officers and independent advocates.
- Question and answer sessions at each day centre
- Independent advocates attended the day centres and supported with understanding and if required completion of questionnaire.
- Group or 1 to 1 support sessions
- People First Sefton and Sefton CVS held specific drop-in sessions to assist with understanding and answering issues.
- Carers were not barred from attending if service users wished to have their carer with them
- Telephone calls received from service users.
- Emails received.

Engagement with carers of service users was as follows

- Letter to carers inviting them to specific carer drop in sessions. These were held over two days at the Carer's Centre in both Southport and Waterloo. There was an option to attend mornings, afternoons or up until 7pm in the evening. Senior Council officers and the Director of Adult Social Care attended the sessions answering questions and taking views.
- Carers were allowed in day centres to attend the service user sessions.
- Question and answer session from the events have been published and shared through the website and sent to individuals on request.
- Independent advocates and the Sefton Carers Action Group were available at the session for advice, sign posting and to offer further assistance.
- Telephone and email and letters were received and responded to
- Visit to homes of carers were offered and Council officers did attend.

Engagement with young people preparing for adulthood was as follows:

- Focussed on young people aged over 14 years old – contact was made through their teachers at school. Their parents/carers were advised by letter that also offered them an opportunity to attend at the carer's sessions (above) and to give their views through the questionnaire.
- Within a specially organised lesson at the schools/college the teachers asked the young people:
 - What does a good day look like for you?
 - What activities would you like at future day centres
 - What barriers do you face?
- The sessions were recorded on DVD and some art work was produced.

[Website and other access to Questionnaire and information](#)

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Sefton's website enabled the questionnaire to be completed on line if people had internet access. The information they might need to inform their comments was also available on-line. This made use of Sefton's e-consult technology which processed the responses and provided a report of the results. Also on the webpage was information on and access to:

- Background information and Frequently Asked Questions
- Question & Answers from phase 1 & 2 written comments from the questionnaire
- Question & Answers from service user and carers events
- Access to the questionnaire – Phase 1 and 2
- Linked information to Adult Social Care services and associated partners

A paper version of the questionnaire (with easy read version) was provided for those people who do not have access to the internet. This was distributed through:

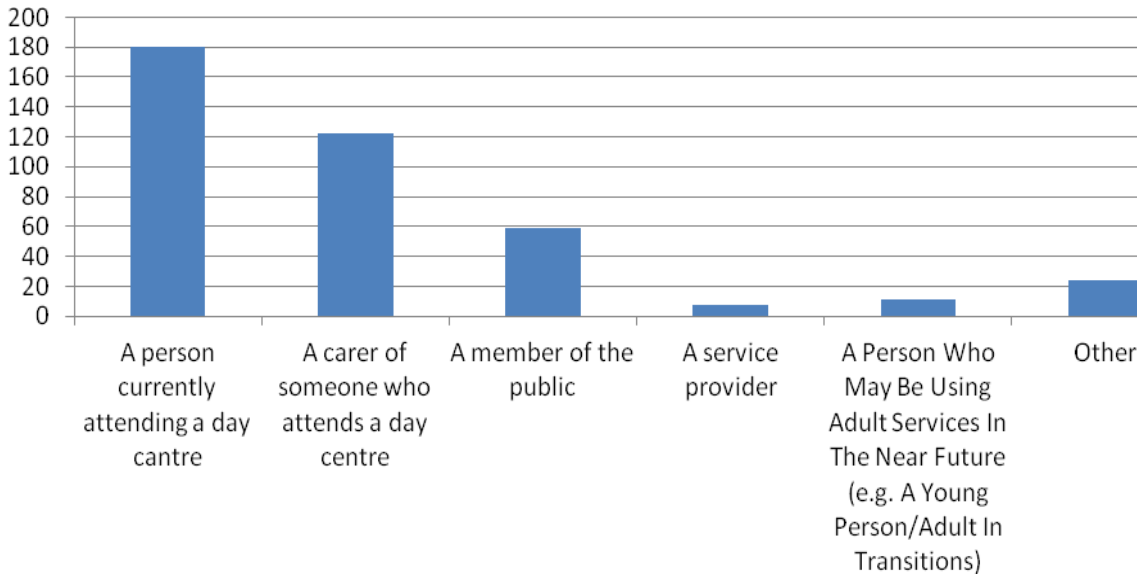
- Post to all service users and carers direct to their recorded address
- Day Centres
- Libraries
- Leisure Centres
- Art Centre
- Town Halls

4. Results of the consultation and engagement:

Phase 1 results are in appendix A of the background document. This report focuses on phase 2 of the consultation, the proposed changes.

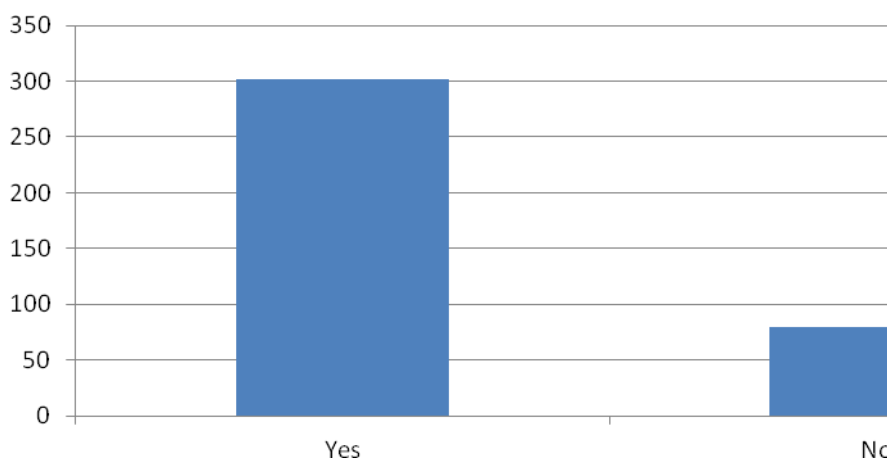
There were 404 responders, from those, not all have answered all questions or made additional comments. The results from the responses on the questionnaire are as follows:

Q1: I am responding as:



The two largest groups responding were service users (180) and carers (122). The category for 'others' covered, for example, service user siblings and care workers.

Q2: Do you agree that we should modernise and expand some of our buildings to better meet needs and close those that are too big and costly to maintain?



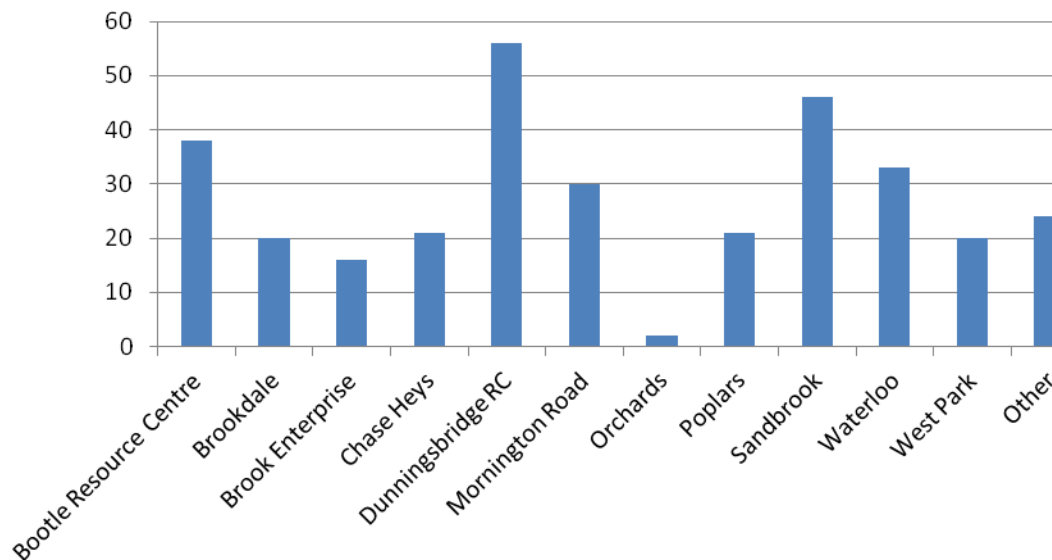
381 people responded to the question on modernisation and expanding some buildings and closing of some buildings. Of which 79% agreed and 21% disagreed. Of those 21% who disagreed there were 6 common themes as follows (All the comments are at appendix B1 of the background document):

1. **Comments on the proposed solution** (10% of people leaving a comment left a comment of this nature) – this is where respondents added their views on how the Council should address the future development of day care, examples of these comments are:
 - a. “As the population of old age is vastly increasing if you sell off buildings and land it will cost twice as much to buy back”

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- b. "Break too big down into smaller units. The need for these centres is growing due to people living longer"
 - c. "Most buildings could be adapted to meet the needs of service users without the need to rebuild"
2. **Comments on opposition to the closure** (30% of people leaving a comment left a comment of this nature) – this is where respondents expressed their outright opposition to modernisation or closures mainly of a particular day centre. Brookdale was particularly highlighted in these comments, examples are:
 - a. "I feel this is wrong and they keep the centres open"
 - b. "All buildings should be kept fit for purpose"
 - c. "Keep the centres and improve them"
3. **Comments on keeping everything the same** (15% of people leaving a comment left a comment of this nature) – this is where people didn't comment on the modernisation or closures but commented that everything should be kept as it is now, examples are:
 - a. "Everything is OK the way it is"
 - b. "Leave things as they are"
 - c. "I am not sure. My son finds change and routine extremely difficult. It would cause a dramatic upheaval for my son. If it doesn't need fixing, leave well alone. A fixed day care provides routine and stability for our disabled son"
4. **Comments that supported the proposals** (22% of people leaving a comment left a comment of this nature) – respondents commented in favour of these proposals, however, some added that there must also be a quality reassessment, examples are:
 - a. "The buildings and service should be fit for purpose – cost should be efficient but not prohibited to service"
 - b. "If too big and costly close it and go to a lesser size building so everyone has the care they need close to home"
 - c. "If not fit for the needs of so many in the new century must go and build appropriate edifices"
5. **Comments on the procedure and process** (5% of people leaving a comment left a comment of this nature) – this is where people felt as though they didn't have enough information to make a decision or they felt that a decision has already been made, examples are:
 - a. "Not enough information given. Which buildings? Which areas? To make an informed decision I have no knowledge of the conditions/size of buildings you want to close"
 - b. "This is a loaded question, the way it is phrased, there can only be a positive response, but that does not consider all the possibilities"
6. **Statements not related to the question** (18% of people leaving a comment left a comment of this nature) – this is where respondents left a statement that wasn't related to the question, examples are:
 - a. "I have a lot of friends here"
 - b. "Would like to stay at the centre"
 - c. "People who want to stay at the centres should be allowed to"

Q3: If you have said you are currently attending a Day Centre or are a carer of somebody who attends a day centre, please tell us which centre or centres you, or the person you care for, go to:



A response has been received covering all New Directions day centres. Those in the 'other' category included service users attending a day centre other than one provided by New Directions (e.g. 1-2-1 in the community)

Q4: How do you think this proposal will impact on you? Please let us know in the box below:

This was a free comment box for people to comment on the above question. 263 people responded to this question leaving a comment sometimes covering a number of issues/topics. There were 6 common themes as follows, (All the comments are at appendix B2 of the background document):

1. **Comments that there would be no impact, a positive impact or they didn't know if there would be** (33% of people leaving a comment left a comment of this nature) –examples of these comments are:
 - a. "If the changes go ahead at Dummingsbridge we will be happy"
 - b. "I've met lovely friends since coming. I am happy that other people may come here in the future. Happy that the building may be modernising"
 - c. "It will positively affect me and my service as we provide a modern community based service and more people will be given the opportunity to access all community based services"
2. **Comments on people's concerns on not being able to deal with the change or becoming isolated, away from their friends** (29% of people leaving a comment left a comment of this nature) –examples of these comments are:
 - a. "I don't want not to see my friends and I enjoy activities. I do drama, cookery etc. This is important to me"
 - b. "I think this would affect me very much as we all get on very well and I think going to a strange place would upset me"
 - c. "The service user is used to these places and finds it difficult to deal with changes of faces and places"
3. **Comments on people expressing serious concerns around the possibility of a lack of support, and/or their condition getting worse and lack of alternative opportunities** in the advent of their centre closing or their reassessment needs

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being met elsewhere away from a centre (28% of people leaving a comment left a comment of this nature) –examples of these comments are:

- a. “I can become anxious and withdrawn. May breakdown in friendships”
- b. “My daughter’s anxiety/depression may escalate. She will get very upset and may become more challenging at home her communication can be affected. She needs continuity as she has a lot of disabilities”
- c. “I would be stuck all day in my flat with no one to socialise with. It would have a knock-on effect on my well-being, my confidence and self-esteem”

4. **Comments on people’s concerns on safeguarding and having general concerns** (15% of people leaving a comment left a comment of this nature) – examples of these comments are:

- a. “To stop transport would prevent me going to my day Centre. I am housebound”
- b. “They would affect me greatly I feel safe and secure and I know all the staff and service users and they know my needs”

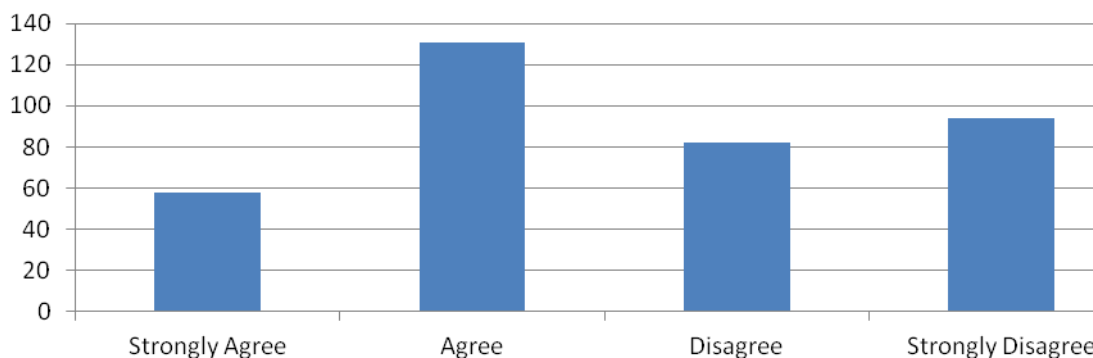
5. **Comments on people’s concerns on increase of costs** (3% of people leaving a comment left a comment of this nature) –examples of these comments are:

- a. “Hopefully I will be able to attend day services without having to pay as my savings will not last much longer and I will no longer be able to afford to pay for any day care”
- b. “My brother has learning difficulties and is currently transported to Dunningsbridge every day. He cannot use public transport as he suffers panic attacks but also does not qualify for mobility benefits. He would therefore need to use taxis which would be very costly and a huge chunk of his money would be used for this which may impact his living costs”

6. **Statements not related to the proposals** (12% of people leaving a comment left a comment of this nature) – this is where respondents left a statement that wasn’t related to the question on the proposals –examples of these comments are:

- a. “I think they are already good”
- b. “More funding to be put into the centres that get used a lot, such as an IT suite for the members to use, creates more opportunities for all of the members”

Q5: Do you agree that people who attend a day centre use available alternative transport options if they are able (e.g. transport from family or friends, bus, taxi,) before the council provides a specialist service?



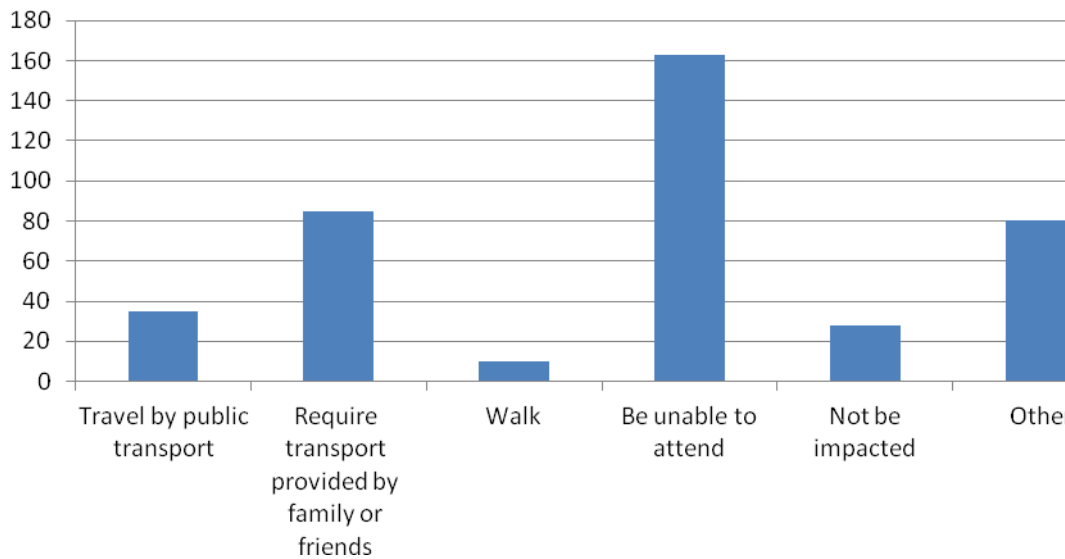
365 people responded to the question on if public and other transport should be used before the Council provides a service. Of which 52% agreed and 48% disagreed. Of

those 48% who disagreed there were 6 common themes as follows, all the comments are at appendix B3 of the background document)

1. **Comments concerning that this would incur extra cost/time** either by costing more in money or taking more time from the carer. (14% of people leaving a comment left a comment of this nature) –examples of these comments are:
 - a. “Could not afford private travel as only have my pension”
 - b. “I can’t use public transport. If I had to make my own way I would have to come by taxi and pay £5 each way. My mum would have to come with me and then make her way home. When it is time to leave my mum would have to come for me and we would then have to return home together by taxi. That is a lot of time out of her day and stops her from making plans also it would cost too much”
2. **Comments on people believing the Council should pay for transport cost regardless** (16% of people leaving a comment left a comment of this nature) – examples of these comments are:
 - a. “Should get free transport”
 - b. “I strongly believe that the Authority should and must provide transport”
3. **Comments on people giving a general statement not relating to the question** (17% of people leaving a comment left a comment of this nature) –examples of these comments are:
 - a. “Give people the opportunity to decide for themselves”
 - b. “You have already made your minds up about Council transport in Southport, so this is time wasting again”
4. **Comments on people’s concerns that it would be difficult to attend a day centre** (29% of people leaving a comment left a comment of this nature) – examples of these comments are:
 - a. “I would have to rely on my support at home to bring me in. People are often off sick or on holiday so staff shortages often happen. I would not be able to go in if this happens”
 - b. “Us older people have not the means of getting to a day centre”
 - c. “My mother is not capable of using transport and I would not be able to take her due to work”
5. **Comments on people’s concerns on safeguarding, risk or health and safety issues** (12% of people leaving a comment left a comment of this nature) – examples of these comments are:
 - a. “Taxi are not really safe as the wheelchair is not anchored down sufficiently and in some cases not at all”
 - b. “Would require an escort to travel with them. Due to epilepsy/total dependence on others”
6. **Comments stating no impact or already have switched to non-Council transport** (12% of people leaving a comment left a comment of this nature) – this is where respondents left a statement that wasn’t related to the question – examples of these comments are:
 - a. “I have a mobility care and my carer drives”
 - b. “We need lots of travel training and then maybe some of us could travel ourselves”

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Q6: If you, as the person attending a day centre, are required to use other transport rather than a Council provided specialist service, how do you think this would impact on you, or if you are their carer, the person you care for?



321 people responded to the question on how the potential removal of Council transport would impact on them. Of which 49% indicated that they were able to travel with alternative methods and 51% felt that this would impact on their ability to attend a day centre. Of the five categories on transport, that provided by family or friends is the most common alternative selected followed by public transport. Note that the 'other' category, when analysed, was used by people to give examples of how they would either travel to the centre or the detail of why they couldn't get to a centre. As such, that category was used as an explanation to support their selection, and didn't add to the weight of the analysis. We have discounted this from our considerations. (All the comments are at appendix B4 of the background document)

Q7: Is there anything else that you would like to tell us about our plans for the future of day opportunities in Sefton? Please tell us what in the box below:

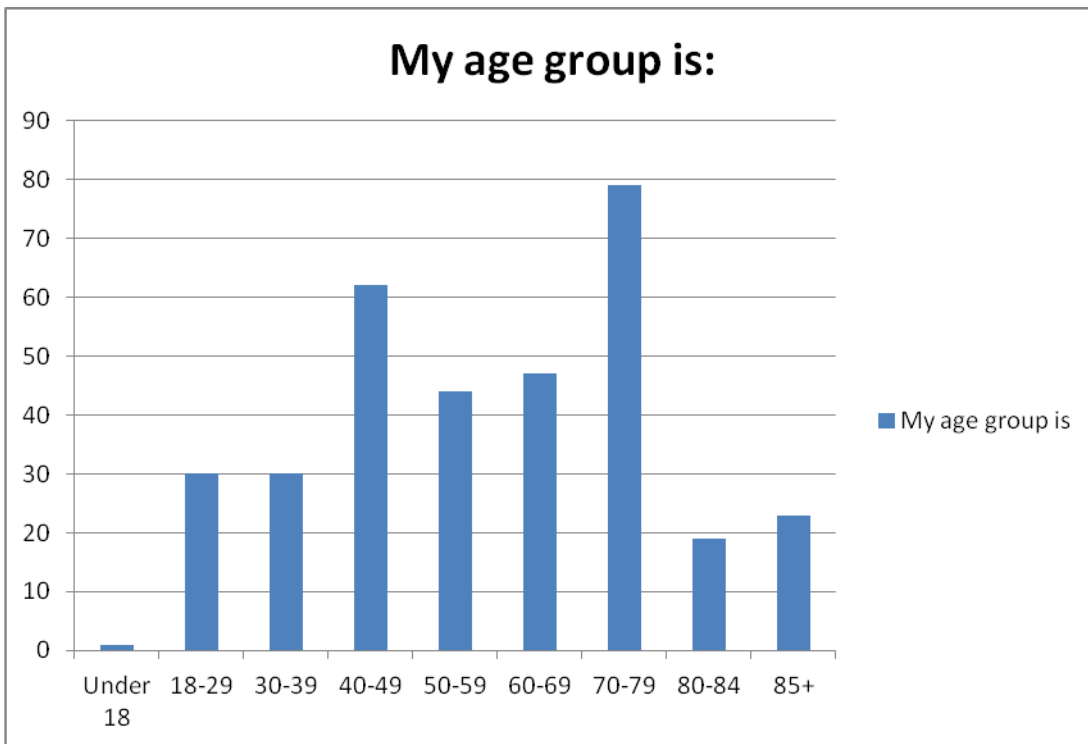
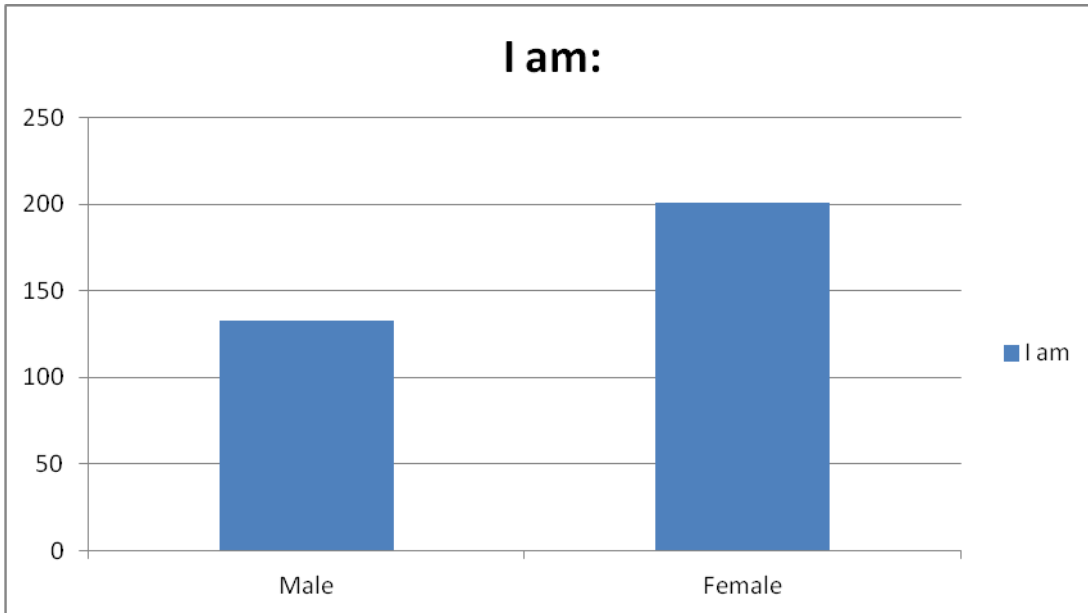
This was a free comment box for people to comment on the above question. 172 people responded to this question leaving a comment, sometimes, covering a number of issues/topics. There were 5 common themes as follows. (All the comments are at appendix B5 of the background document)

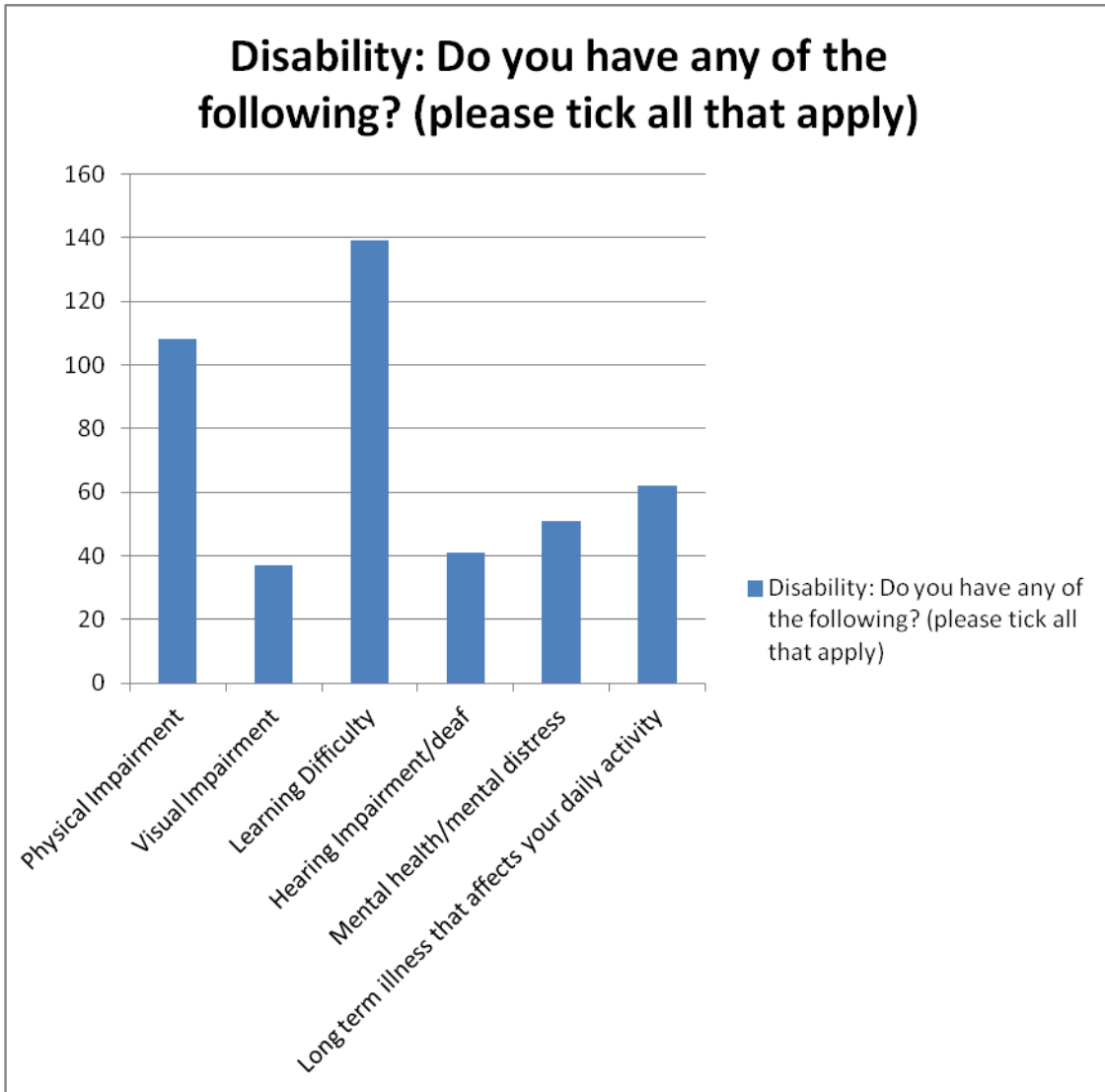
- 1. Comments on anxiety about moving and change** (31% of people leaving a comment left a comment of this nature) –examples of these comments are:
 - a. "Not to lose. It's needed so much. Lots will become ill and isolated"
 - b. "I feel it's all changing and it's all new. I feel a bit nervous about it"
 - c. "When you close centres it has an effect on users and carers and may cause further needs"
- 2. Comments on identifying special aspects of the service with a positive comment** (12% of people leaving a comment left a comment of this nature) –examples of these comments are:

- a. “Brookdale as the only Advanced Dementia Centre in North Sefton, and it would be very difficult to replicate the same facilities into another building. Especially an older building where you would just be adding a smaller unit, probably without outside space. Caring for these particular patients is a very specialised area, and is done extremely well by dedicated staff who are fully trained”
 - b. “It is important to provide a service for those that need it and to give carers a break (they have a difficult job). People at the centre get a lot of support from each other. This is vital for their well-being. They also gain from stimulating activities and therapies”
 - c. “On the whole it’s a good plan”
3. **Comments on disillusionment with the proposals and the process** (13% of people leaving a comment left a comment of this nature) – examples of these comments are:
- a. “I won’t be filling in any more stupid questionnaires we know where this is going”
 - b. “I think the Council already knows what will happen. I am sad because I think I will have to sit looking at the 4 walls and not see my friends and the staff”
4. **Comments on keeping everything the same with no change** (33% of people leaving a comment left a comment of this nature) –examples of these comments are:
- a. “If Brookdale is underutilised what are you going to do to increase public awareness of this invaluable service? Surely advertising/informing people of Brookdale would be more cost effective than closing it and rebuilding/extending another site”
 - b. “Please leave the people using the centres to be able to stay or leave the centre the decision – not yours”
 - c. “The system we have at the moment is perfect for our needs and would not like any change”
5. **Comments on offering other/additional recommendations to improve the service** (11% of people leaving a comment left a comment of this nature) –examples of these comments are:
- a. “I want to be able to go shopping, do drama, go to the theatre”
 - b. “We need at least one day centre in Maghull”

Equality Breakdown of people who responded and completed this part of the questionnaire:

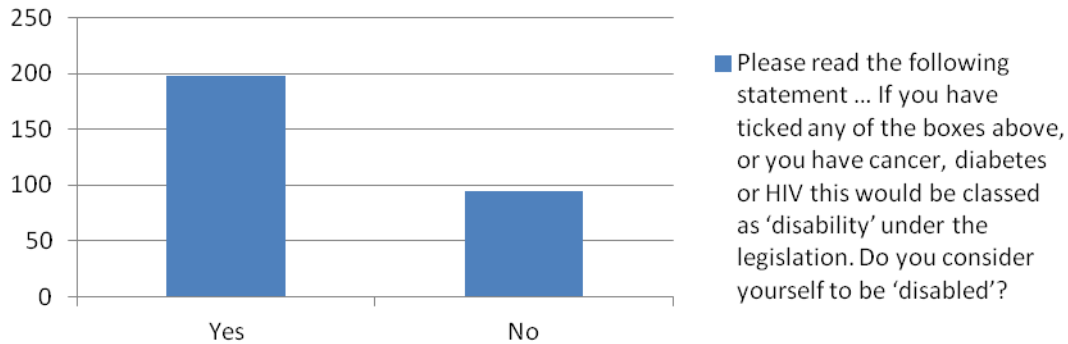
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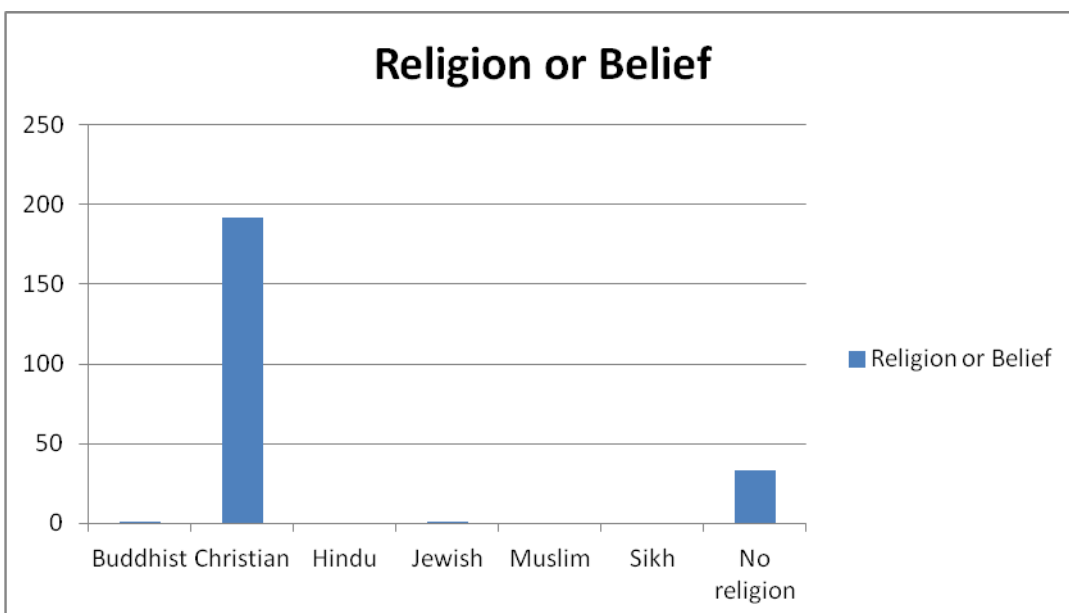
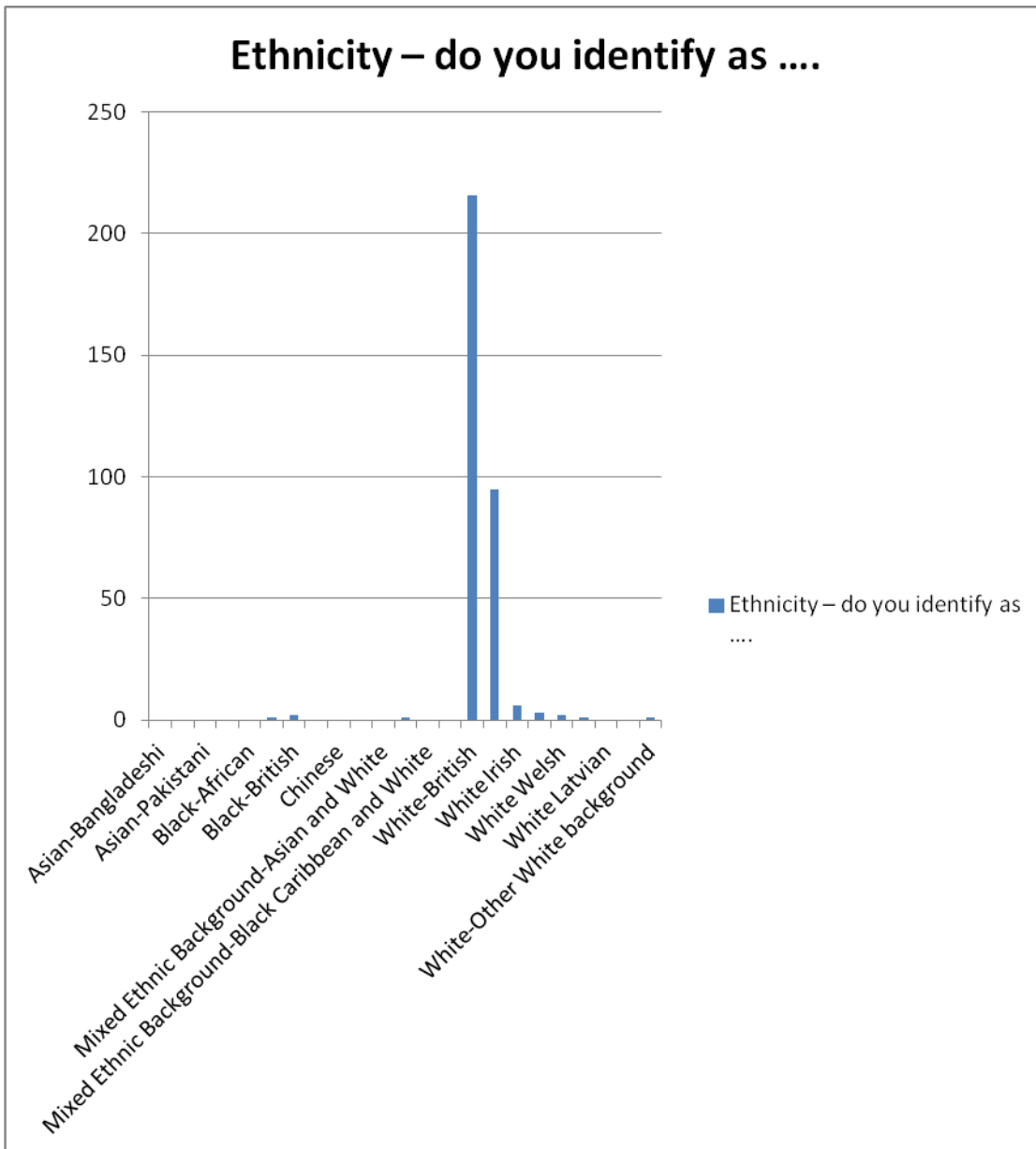




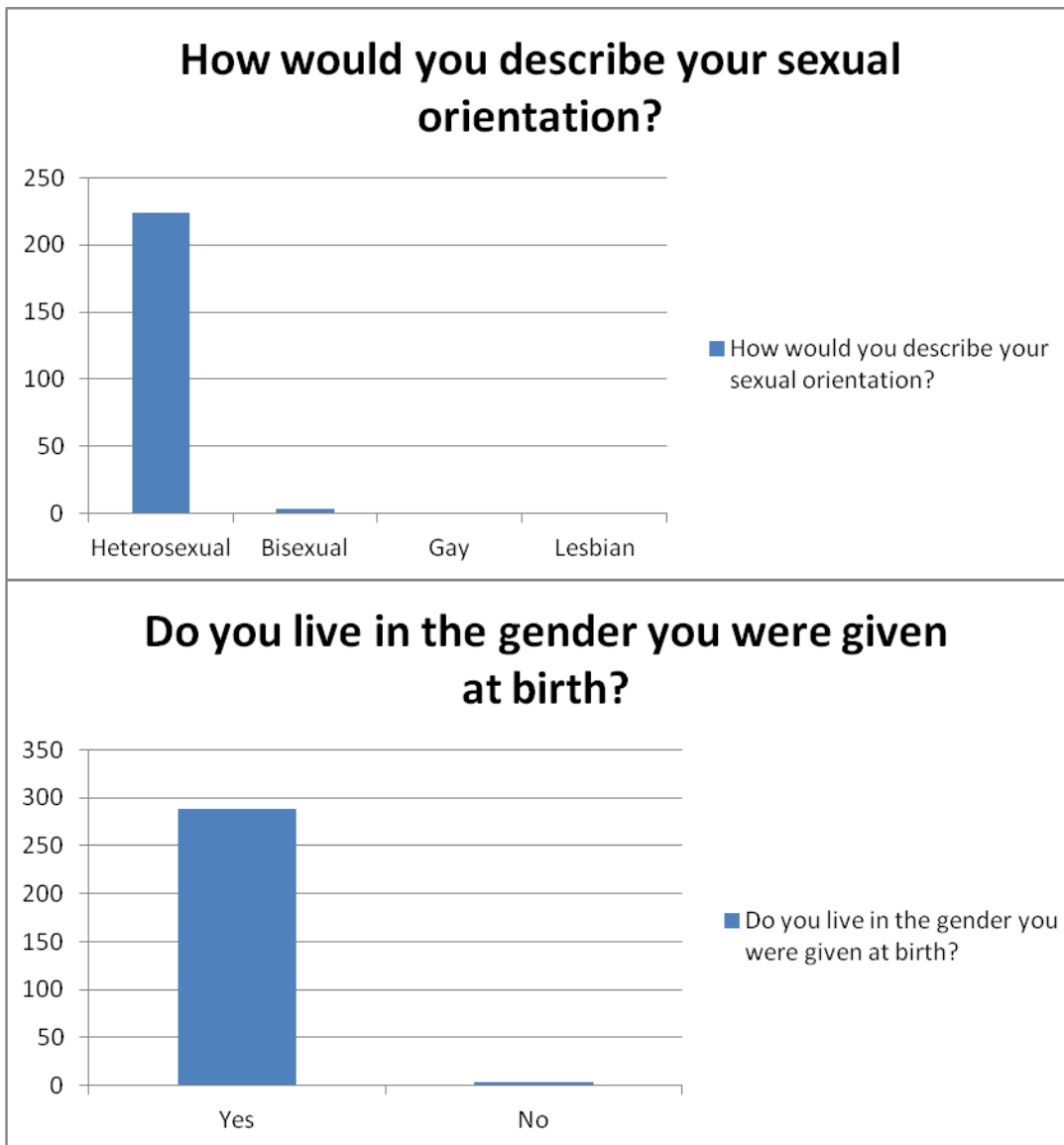
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Please read the following statement ... If you have ticked any of the boxes above, or you have cancer, diabetes or HIV this would be classed as 'disability' under the legislation. Do you consider yourself to be 'disabled'?





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Equality data - disaggregated.

As part of the equality analysis process, all answers to the key questions of:

Q2: Do you agree that we should modernise and expand some of our buildings to better meet needs and close those that are too big and costly to maintain?

Q5: Do you agree that people who attend a day centre use available alternative transport options if they are able (e.g. transport from family or friends, bus, taxi,) before the council provides a specialist service?

Q6: If you, as the person attending a day centre, are required to use other transport rather than a Council provided specialist service, how do you think this would impact on you, or if you are their carer, the person you care for?

are disaggregated to see if there any views from particular protected characteristics that may be hidden by the 'majority view' of collated data

In examining the data in this way it can reveal fundamental issues that may need to be addressed in to meet particular needs.

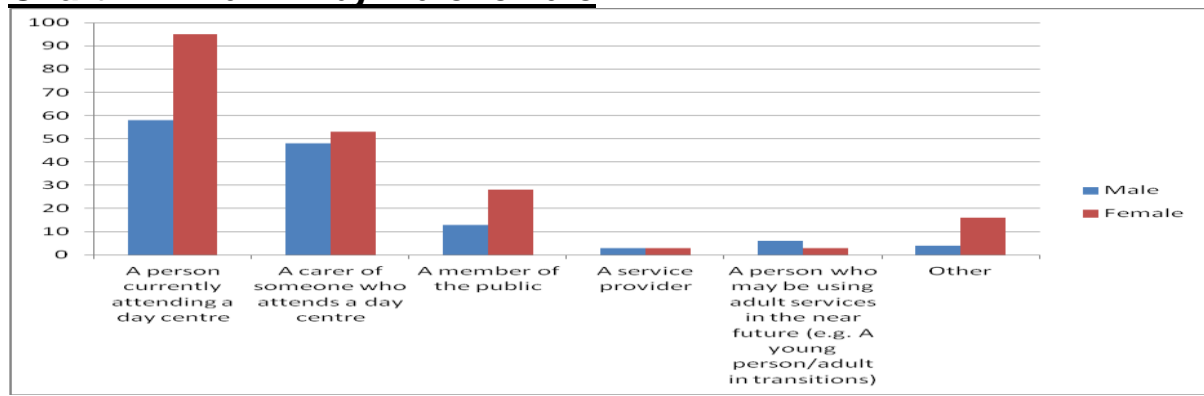
In selecting what data to disaggregate, the focus has been on 'age', 'male /female' and 'disability' as these are the key protected characteristics that have the biggest influence and effect of the proposed changes.

Whilst the other protected characteristics are important to the individual, the data has not been included here due to the extremely small percentages recorded. The data below is simply a 'reporting of the data' as a product of the consultation process – the Equality Analysis report will pick up any issues identified and address them.

Protected Characteristics – Phase 2

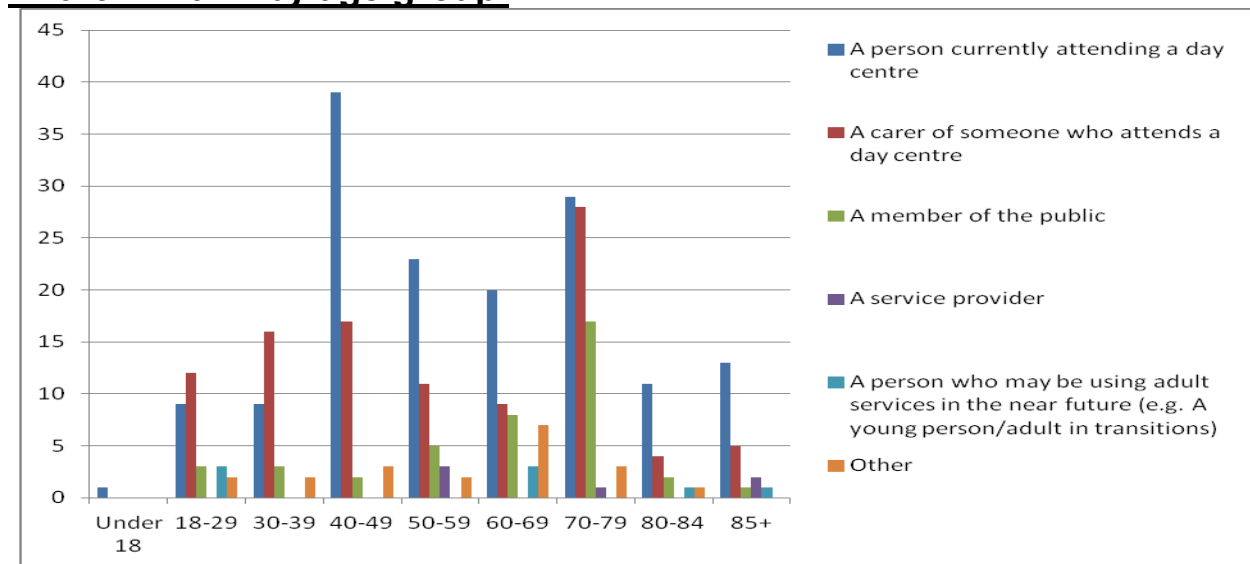
Chart 1 and Chart 2 show the breakdown of those responding to the questionnaire

Chart 1 - 'I am...' by male/female



More female responded than men. Both sexes are present at every category

Chart 2 'I am' by age group.

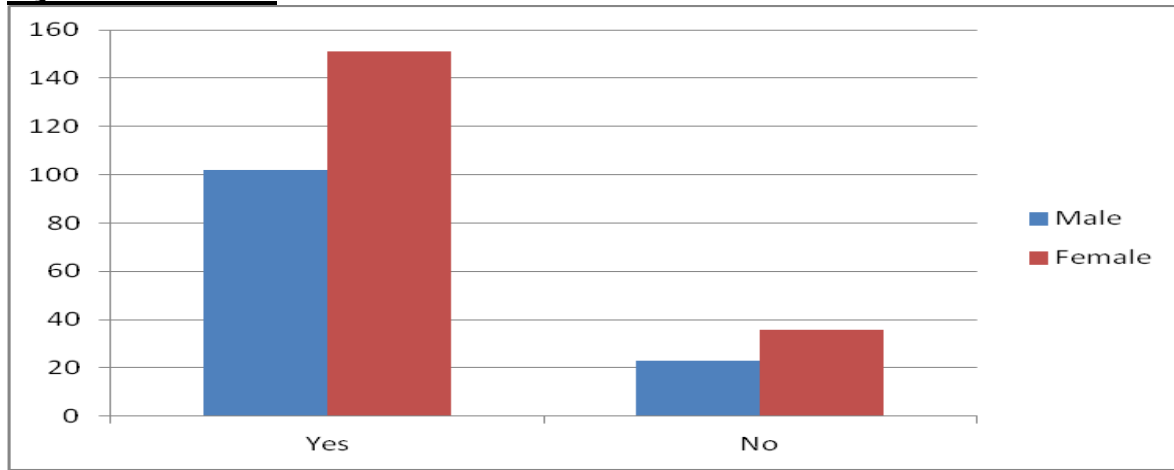


Most responses came from the age groups 40 -59 and 70-79. All age ranges have responded

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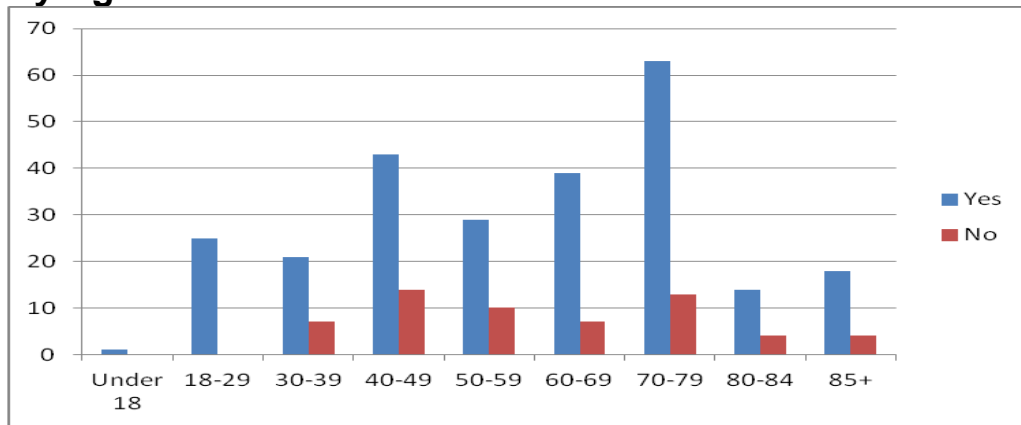
Q2 Do you agree that we should modernise and expand some of our buildings to better meet needs and close those that are too big and costly to maintain?

By Male/female



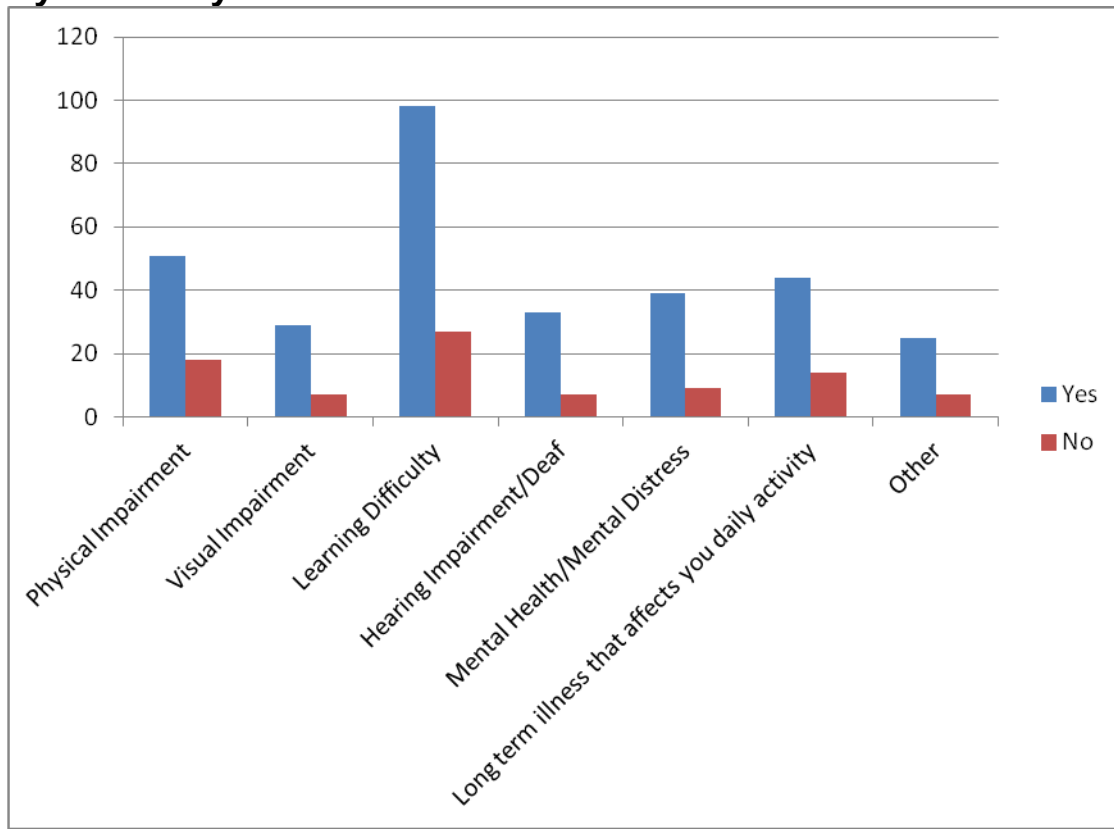
Both sexes are present in each response. Women outnumber men on both opinions of 'yes' and 'no'.

By Age



All age ranges are represented and all agree with the proposal. Strongest agreement is with the 40-49 age group and 70-79 age group

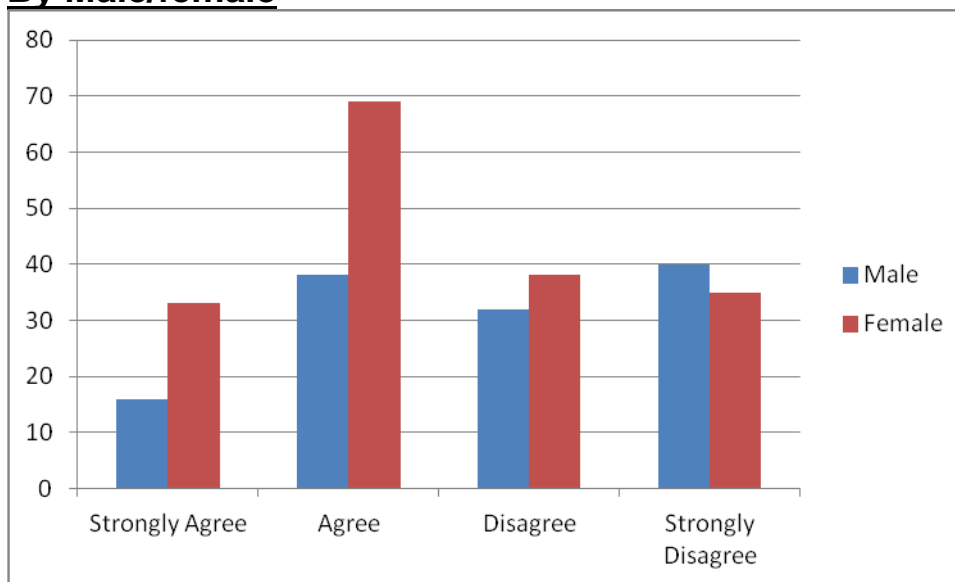
By Disability



This chart is a key chart as it shows that all categories of disability are in favour of the changes to the building.

Q5 Do you agree that people who attend a day centre use available alternative transport options if they are able (e.g. transport from family or friends, bus, taxi,) before the council provides a specialist service?

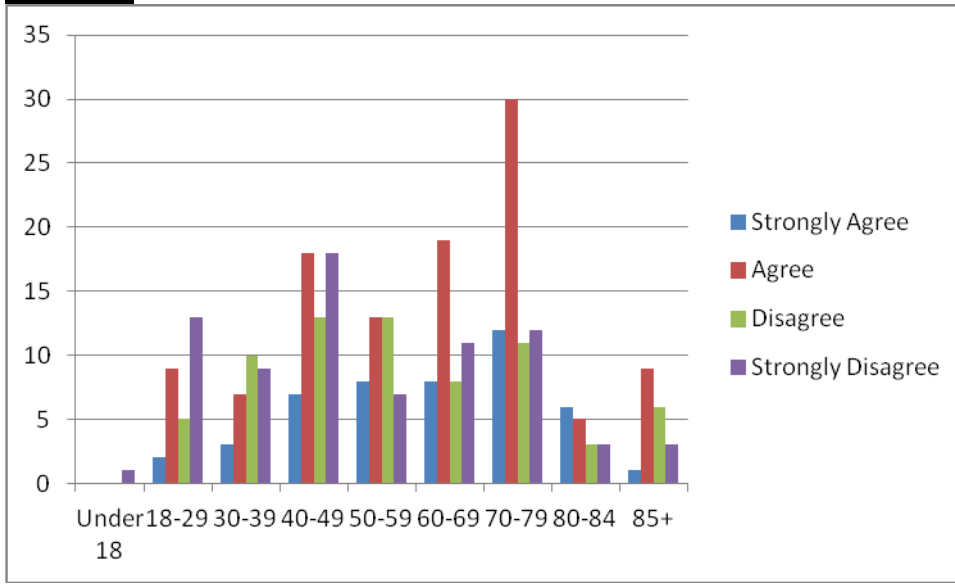
By Male/female



Both sexes have a clear showing in each category. The men are more prone to 'strongly disagree' than the women – who on all other counts outnumber the men in their views.

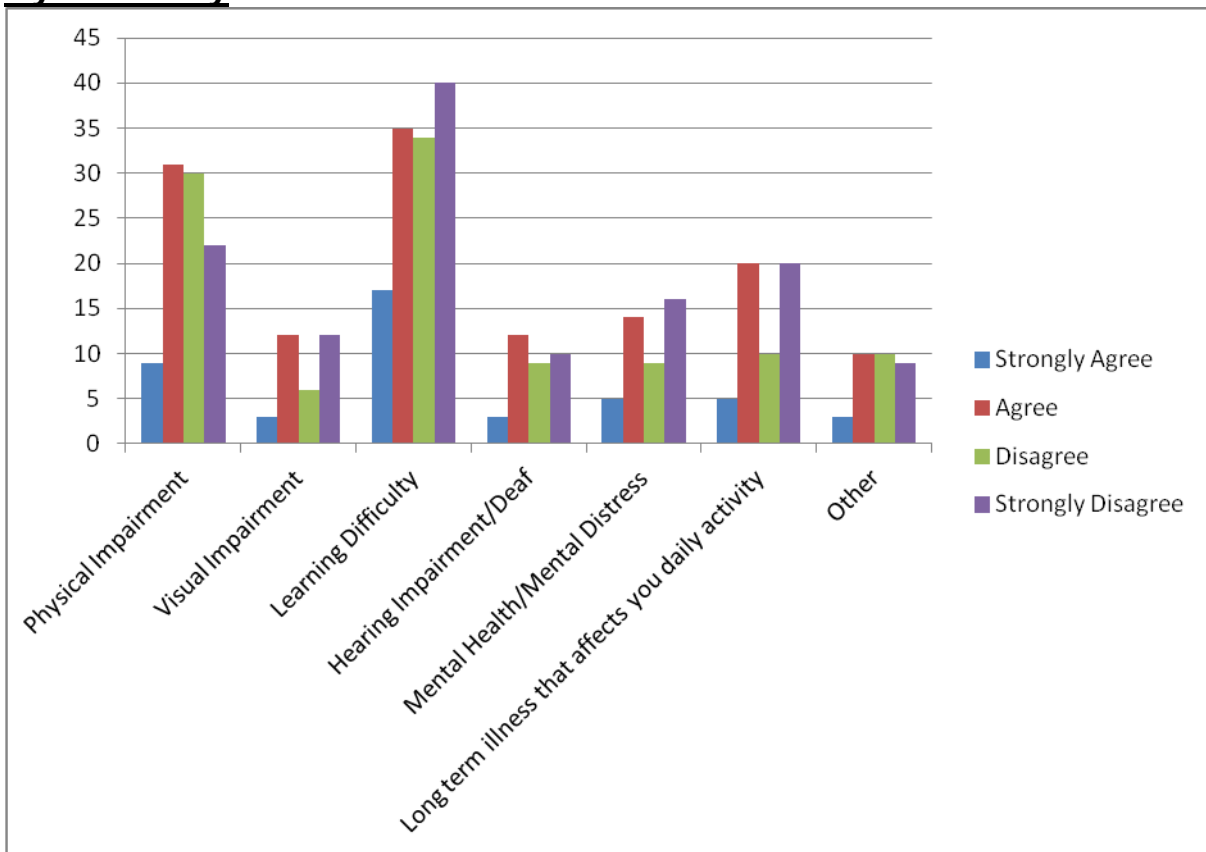
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By Age



Strongly disagree to the principal making alternative transport provision is with the 18-29 age group and 40-49 age group. The strongest agreement comes from the 70-79 age group.

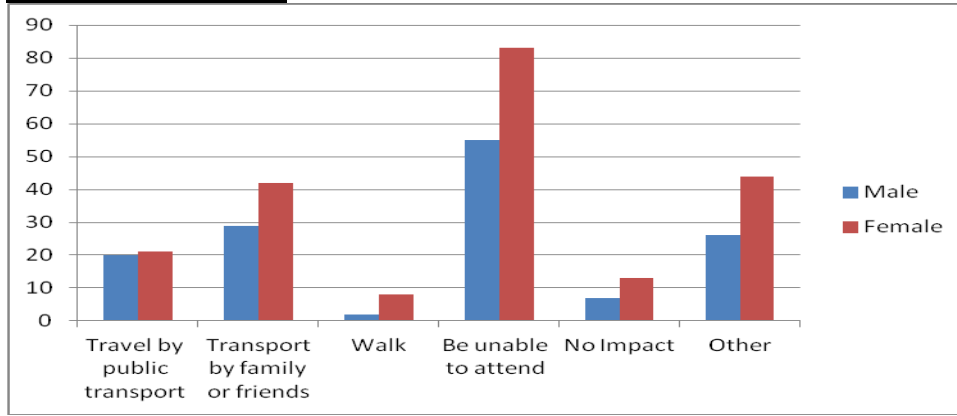
By Disability



The strongest disagreement to the principle of alternative transport provision lays with the category of 'learning difficulty'. All categories have responded.

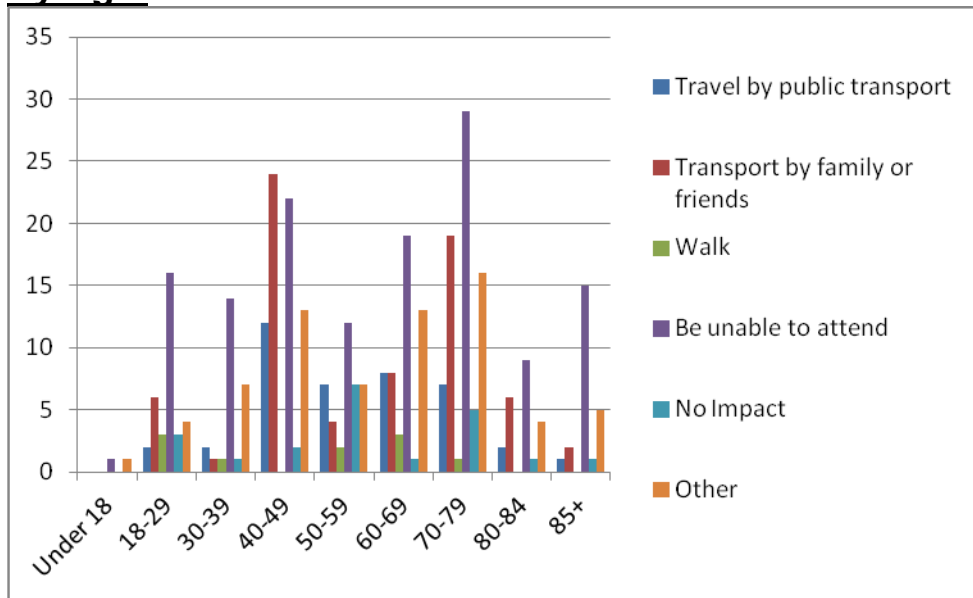
Q6 If you, as the person attending a day centre, are required to use other transport rather than a Council provided specialist service, how do you think this would impact on you, or if you are their carer, the person you care for?

By Male /female



Females are clearly identifying that lack of Council transport would be a clear barrier to accessing the day centres.

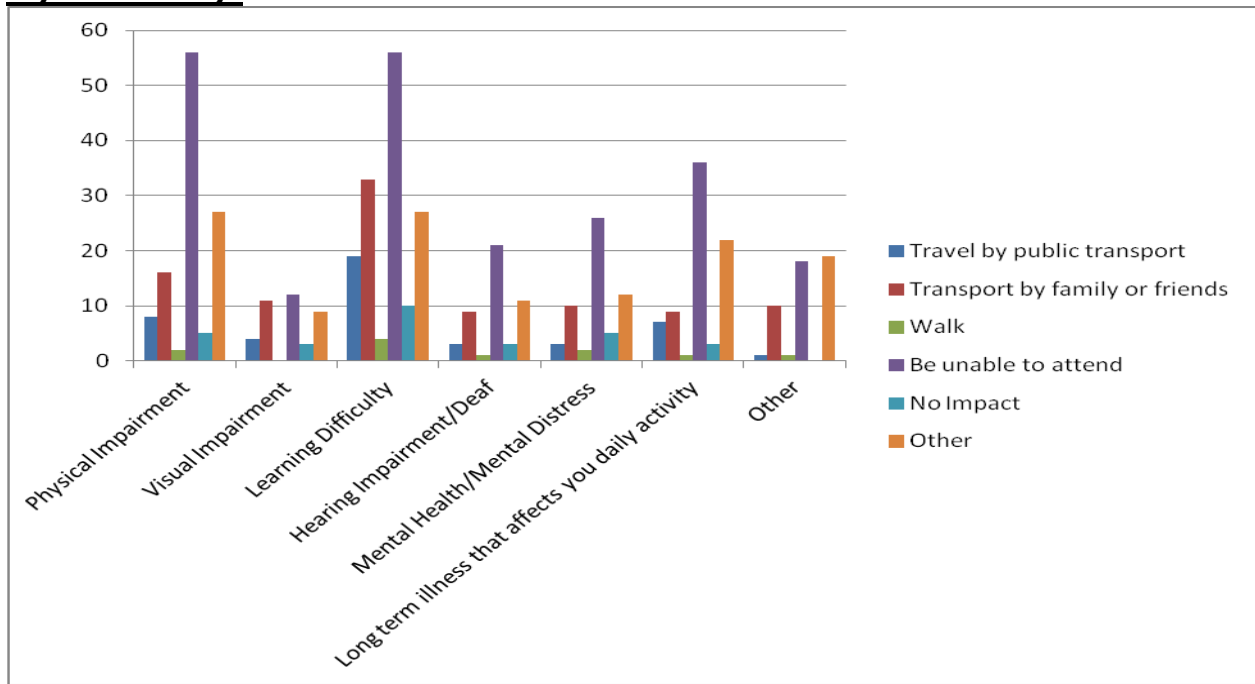
By Age:



The 40 -49 age group and the 70-79 age group are the most likely to worry about being unable to attend

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By Disability:



Of those expressing concern, 'physical impairment' and 'learning difficulty' are clearly indicating problems.

Service User Events

In addition to the questionnaires, which every day service user was sent and had access to, Sefton staff and the Director of Adult Social visited a number of Sefton New Direction day care centres. The Director gave a presentation on the consultation, covering phase 1 and phase 2 proposals. Day care centres belonging to New Directions were the focus of visits to their centres. Although invited no requests were received from the private providers.

The events revolved around a short but appropriate presentation followed by a question and answer session. Independent advocates were present at all events to assist service users understanding and completion of questionnaires if required.

The day centres visited were as follows:

- 4th December 2014 – Sandbrook Resource Centre
- 10th December 2014 – Mornington Road Resource Centre
- 17th December 2014 – Bootle Resource Centre
- 22nd December 2014 – Dunningbridge Resource Centre
- 5th January 2015 – Chase Heys Resource Centre
- 5th January 2015 – West Park Resource Centre
- 9th January 2015 – Brookdale Resource Centre
- 14th January 2015 – Waterloo Park Resource Centre

(Note – those who attend Brook Enterprises were invited to the Dunningbridge meeting; Poplars Resource Centre was not visited due to the nature and capacity of the service users)

The key findings from these events can be summarised as:

The service users asked many questions and wanted to discuss anxieties and worries as well as their views in support on a number of issues. The main conversations revolved around the following topics:

1. **Remodelling** (main topic of conversation); conversation revolved around how it would affect them and where would they be going to.
2. **Consultation**; conversation ranged from the detail in the questionnaire to how decisions will be made
3. **Assessments**; conversations revolved around will there be reassessment and who will be involved and will carers be considered.
4. **Opportunities**; conversations revolved around wanting to stay with friends and not knowing what was available in the community

The full transcript of the questions and answers can be found in appendix C of background document.

Carers Events

Drop-in sessions were available for carers to express their views and to find out more on the proposals. All carers known to the Council were invited to the sessions by a letter sent to their home address. The events were also advertised in the Carer's Centre.

The drop-in sessions were:

- 15th January 2015 from 2pm until 7pm at Waterloo Carer's centre and at the Living Well Centre in Southport
- 16th January 2015 from 10am until 1pm at Waterloo Carer's centre and at the Living Well Centre in Southport

The Director of Adult Social Care attended at Waterloo on the 15th and at Southport on the 16th January. Other senior Council officers attended the other events. Also present were members from the Carer's centre, Sefton CVS representatives and a member from the Sefton Carer's Action Group.

The carers asked a number of questions on many issues, often wanting clarification or to add to the discussion, their key topics of conversation were:

1. Quality of assessment, and the need for robust and consistent approach to assessment including their views and abilities,
2. Concerns over consultation and being kept informed of the detail and the anxiety of not knowing many of the details yet to come
3. Worry over lack of opportunities, either at the 'new developed centres' or 'out in the community'

The full transcript of the questions and answers can be found in appendix D of the background document.

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Young People Preparing for Adulthood Events

Consultation with this cohort focussed on young people preparing for adulthood (identified through the Council's Transitions Team) who are aged over 14 years old. The engagement was through their teachers at their school (Rowan Park, Merefield and Thornton College). Their parents/carers were advised by letter that this was happening and that also they were offered an opportunity to attend the carer's sessions on the 15th/16th January and also to give their views through the questionnaire on the webpage (or indeed to request a paper copy).

Within the specially organised lesson at the schools/college the teachers asked the young people:

- What does a good day look like for you?
- What activities would you like at future day centres
- What barriers do you face?

The sessions were recorded on DVD and some art work was produced.

The key findings from these events can be summarised as:

What is important to make your day go well?		What would you like to do?	
Friends	21	Swimming	14
Music	11	Disco	9
Busy	7	Bowling	8
Football	7	Football	8
Relax	7	Horse riding	8

The main aspirations listed by the young people at Merefield School, best sums up expectations of all the youngsters: 'a life of my own' 'meet up and relax with friends'

The full transcript of the questions and answers can be found in appendix E of the background document.

Meetings/events with other interested parties:

There were a number of meetings and discussions throughout the Borough during the consultation period. This was a mix of adding agenda items on to existing meetings and providing information on the consultation and also attending meetings and events that specifically were being held about the consultation – these are listed below.

In addition to this appendix F of the background document details some more specific contact with service users and carers, in particular visits to carers at their home to discuss in details the proposals and taking their views.

Date	Meeting	Event
16/10/14	Preparing for Adulthood provider, parent and	Strategy meeting for 2, 3 and 5 year priorities – consultation promoted

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Date	Meeting	Event
	professionals	
20/10/14	'Making it Real' Personalisation event	Consultation promoted
11/11/14	SPOC - Sefton Partnership of Older Citizens Forums Bootle meeting at Linacre Mission	Presentation – Phase 1 Number of attendees – 15 Currently Non Users / Carers of users/future users Older People – potential future users Questionnaires issued
26/11/14	SPOC - Sefton Partnership of Older Citizens Forum Southport meeting at Christ Church Southport	Presentation – Phase 1 Number of attendees – 26 Currently Non Users / Carers of users/future users Older People – potential future users Questionnaires issued
27/11/14	Health and Social Care Forum Meeting Crosby Lakeside Activity Centre	Remodelling day opportunities. 1 st phase completed now looking to 2 nd phase VCF partners attended – consultation promotion and questionnaires issued
28/11/14	Carer's Rights drop in event at West Lancs golf club	Stand providing information and officers attended to answer questions. Questionnaires issued.
03/12/14	Health Watch steering group	Consultation promoted. Q&A.
09/12/14	Ability meeting	Consultation promoted. Q&A. Questionnaires issued
11/12/14	Provider forum	Consultation promoted. Q&A. Questionnaires issued
19/12/14	Health and Social Care Forum Extra ordinary meeting (specifically for consultation) Crosby Lakeside Activity Centre	Presentation VCF partners attended. Question & Answer session
08/01/15	SPOC - Sefton Partnership of Older Citizens Forum – Southport	Presentation – Phase 2 Consultation promoted. Q&A. Questionnaires issued
13/01/15	SPOC - Sefton Partnership of Older Citizens Forum – Bootle meeting at Linacre Mission.	Presentation – Phase 2 Number of attendees – 25 Currently Non Users / Carers of users/future users Older People – potential future users
13/01/15	CVS disability network forum special meeting (Sing Plus)	Presentation and Questionnaires issued and independent advocacy helping complete questionnaires
16/01/15	LD Get Involved Group Ainsdale Community Centre	Day Services Consultation. Questionnaires issued and independent advocacy helping complete questionnaires
27/01/15	SPOC - Sefton Partnership of Older Citizens Forum –	Presentation Phase 2 Number of attendees – 43

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Date	Meeting	Event
	Maghull at St Andrews Church Hall	Currently Non Users / Carers of users/future users Older People – potential future users
28/01/15	SPOC - Sefton Partnership of Older Citizens Forum – Southport meeting at Christ Church Southport.	Presentation Phase 2 Number of attendees – 62 Currently Non Users / Carers of users/future users Older People – potential future users

Annex B – Equality Analysis Report

Equality Analysis Report at a glance:

Vision and Model	Meets Public Sector Equality Duty	Ensure assessment process is consistent across service users and of a high quality
New Directions Restructure/modernisation of buildings	Meets Public sector Equality Duty only if mitigation is considered	Recommendation to ensure sufficient dementia provision is available
Assisted Transport policy	Meets Public Sector Equality Duty	Ensure individual circumstances and role and resilience of carer taken in to primary consideration when being assessed for support.
Consultation	Meets Public Sector Equality Duty	Consultation went 'extra mile' to ensure users and carers had the opportunity to air their views.

1 What is an Equality Analysis?

An equality analysis is the process by which Officers of the Council assess the potential risk of discrimination to ensure that Elected Members, when taking decisions, do so in the full knowledge of section 149 - statutory Public Sector Equality Duty, the Equality Act 2010.

The primary function of this assessment is to assist Elected Members in understanding any equality implications of the proposed changes to assist and aid their decision. In order to meet equality legislation we have to consider the issues of:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Scope of the Analysis

This analysis will examine the rationale for change, the impact it will have on particular individuals and whether the revised service still meets the Public Sector Equality Duty.

2. Adult Social Care and the legislative framework.

In order to make any assessment it is vital to understand the legislative framework that covers Adult Social Care and of which Adult Social Services has to operate within. To this end the current eligibility for assessment for support and provision of community services are contained within the:-

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- NHS and Community Care Act 1990
- Department of Health's guidance on 'Fair Access To Care Services'
- Prioritising need in the context of Putting People First: A whole system approach to eligibility for social care. Guidance on Eligibility Criteria for Adult Social Care, England 2010
- Adult Social Care Eligibility Criteria For Community Care Services
- Local Authority Circular (93)10

It is statutory duty for the provision of services to meet needs identified for eligible persons is contained within:-

- Section 29 of the National Assistance Act 1948, and
- Section 2 of the Chronically Sick and Disabled Persons Act 1970

The Council currently operates within all the legislation and concerning the 'Fair access to care services' at the level of 'substantial and critical.' It is worth noting that in relation to the 'blind, deaf, dumb and crippled persons s29(1) of the National Assistance Act 1948 (to be repealed by the Care Act in April) it says that a local authority may, with the approval of the Secretary of State, and to such extent has *he may direct..... make arrangements for promoting the welfare of persons to whom this section applies...* and LAC(93) 10 Appendix 2 at paragraph 2 states that:

The Secretary of State hereby approves the making by local authorities of arrangements under s29(1) National Assistance Act 1948.....who are ordinarily resident in their area for all or any of the following purposes -

- a) To provide a social work service and such advice and support as may be needed for people in their own homes or elsewhere
- b) To provide, whether at centres or elsewhere, facilities for social rehabilitation and adjustment to disability including assistance in overcoming limitations of mobility or communication
- c) To provide, whether at centres or elsewhere, facilities for occupational, social, cultural and recreational activities and, where appropriate, the making of payments to persons for work undertaken by them at (a).

This means that the Council does have the power to meet need at a day centre but there is no compulsion to meet need in this way. The Care Act 2014 does not change this.

Given the competing demands on the Council; financial, need to modernise, shift in demand away from centres to Direct payments creating greater autonomy and the oncoming Care Act 2014 requiring local authorities to support the development of a market that delivers a wide range of care and support services that will be available in the community for those suitably assessed. These are all legitimate reasons for reviewing and reshaping services.

In effect, there is a cultural sea change, shaped by the national disabled community from 'housing services in buildings' of which people are assigned to 'person centred purchase of provision', to enable individuals to pick and chose their support package. The caveat

here is that, there will always be some individuals who will need intensive 'building based services' so there will always be some day care provision.

3 Council's proposals:

To meet these challenges, the Council has embarked on a programme of work which will result in significant changes to the way it delivers care to adults.

Amongst these changes are:

1. New model/vision statement of care on how assessed eligible needs are met.
2. New Directions' buildings being reduced and/or modernised
3. Correct application of the 'Assisted Transport policy' in that who will get support with transport provision to and from day centres.

4. Vision & Model statement

The vision statement and model outlines/explains one of the ways the Council will apply the Care Act 2014 eligibility. This enables individuals to understand the direction of travel of how Sefton will apply the legislation in a simple and straight forward way. The 'vision and model' does not negate any statutory legal requirement and the legislation stays paramount. Any individual who feels they have not been supported or their assessed eligible needs met appropriately retains the right of challenge and appeal.

The Council consulted with day care users, carers and all interested parties on whether they felt the vision statement was fair and 80% of responders agreed.

4.1 What is changing?

The vision statement represents a change in direction. Some individuals will continue to have their needs met by traditional day care provision. For others, it may mean that when they are reassessed their needs will be met in different settings. It is the Council's clear position that all assessed eligible need will be met.

The consultation on phase 1 showed strong support for the vision and model. However, the concerns coming from the responders revolved around:

- anxiety and fear of change
- losing their friendship groups
- not knowing what to expect
- not knowing what alternatives are available
- anxiety over the quality of assessment and managing change itself.

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4.2 Does the vision and model meet PSED?

Protected Characteristic	Adverse effect of model	Mitigation	PSED met?	eliminate	advance	FGR
Age: Adult social care targeted at adults 18 and over	none	none	Yes: Assessment process takes in to consideration needs in relation to age.	✓	✓	N/A
Disability; Physical Impairment Learning Difficulty Dementia Mental health/ mental distress Visual Impairment Hearing Impairment /deaf Long term illness that affects your daily activity	Taken as a whole: A) As the model is in specific bands essentially denoting severity, there will be 'cross over points.' The ambiguity at the cross over point may mean that an individual will be assessed down rather than up, therefore not getting the support they need	A) Accurate assessment is a complete requirement. Assessment and reassessment processes will need checks and balances to ensure consistency in approach. Assessments are conducted in a timely and supportive manner and the individuals needs are accurately assessed and eligible needs met Transparency and use of advocacy must be engaged	Yes: Providing : A) Safeguards need to be place to ensure quality	✓	✓	✓
	B) Anxiety of assessment and service provision. The model clearly denotes what type of support an individual will be given	B) People already in the system may have great anxiety around the changes and where they will 'fit in to the scheme'	B) Information and guidance be continually given to existing recipients. Work with Voluntary sector to enable a better understanding of what will happen, the types of	✓	✓	

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Protected Characteristic	Adverse effect of model	Mitigation	PSED met?	eliminate	advance	FGR
	but not the 'actual support they will receive'	of things. Especially if they consider themselves to have extreme conditions that need support and worry that this will be taken away. Care and respect be given to those that will have to transition from one service or day centre to another service or day centre	conditions that people have that will be expected to remain in day care facilities, the types that won't be expected to remain in day care and the kinds of activities in place that are available. Ensure family and carers are an active part of the process and their views are taken in to account.			
gender reassignment	none	none	Yes: Assessment process takes in to consideration needs in relation to gender reassignment.	✓	✓	✓
pregnancy and maternity;	Model assumes static or slowly evolving position, however individual circumstance may rapidly change needed urgent reassessment	May need reassessment to engage appropriate support	Yes; Provided that assessment process can keep up with rapidly changing circumstances with rapidly	✓	✓	n/a
race;	none	none	Yes Assessment process takes in to consideration needs in relation to race	✓	✓	n/a
religion or belief;	None	none	Yes: Assessment process takes in to consideration needs in relation to religion & belief	✓	✓	n/a

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Protected Characteristic	Adverse effect of model	Mitigation	PSED met?	eliminate	advance	FGR
Sex: Male/ Female	Being reassessed in to a different band from friends and thus being separated	All Assessment will consider friendship groups and endeavour to keep friends connected and avoid isolation	Yes: Friendship groups tend to focus on same sex groupings (but not exclusively). Commitment needs to be given to keep individuals connected to their friendship groups	✓	✓	n/a
sexual orientation	none	none	Yes: Assessment process takes in to consideration needs in relation to sexual orientation	✓	✓	n/a

The adoption of the vision and model will encourage more autonomy and self control of personal budgets. This may mean that the sector for 'day care' will diminish across the market place, not only affecting New Directions - Sefton Council's strategic partner - but also VCF and private companies too. There will always be a need for some day care provision and a careful monitoring of the market place will have to be undertaken to ensure that those severely disabled and most in need of day care are not unduly impacted by lack of provision.

5. Day Centres.

5.1 General demography¹ of Sefton:

Age

As outlined in the Sefton Strategic Needs Assessment, Sefton's population is growing increasingly older. The 65+ age group is set to increase by 46% from 59,000 in 2012 to 86,000 in 2037 meaning that Sefton's over 65 age group will rise from accounting for 20% of the population to almost 30% of the population. Sefton has one of the highest proportion of residents aged 65+ and 75+ of all local and comparable LAs.

Sex.

Of a population of 273,200² - 49% are males and 52% are females.

Disability

¹ The categories: age, sex, disability have been highlighted as most relevant to the issue of closures/modernisation of day centres. Whilst issues of ethnicity, religion and belief, sexuality and transgender are important to the individual, and are part of the care plan assessment process for the individual - these do not impact on the volume, through put and sustainability of the buildings.

² <http://www.investsefton.com/investment/demographics/>

Nearly one in five (18 per cent, 11.4 million) of the UK population reported having a limiting long-term health problem or disability in 2011. This proportion has remained unchanged since 2001³

5.2 Council's proposition:

In looking at day care provision, the Council is looking at whole provision offered including that offered by New Directions, the strategic partner of the Council⁴. The Council, working closely with New Directions has inspected each facility with a view to sustainability in the future – to this end several factors came in play, including: a drop in numbers of people attending (as people meet needs in other ways) , condition of buildings, and modernisation of the service facilities in the buildings. In weighing this matrix a number of building were felt to be either or all; too expensive to repair and modernise, under used in an geographical area of oversupply, poorly positioned for future use. As such in order to keep the provision of 'day care' available an interim plan was developed and on which consultation took place.

Centres suggested for closure were:

- Bootle Resource Centre
- Brook Enterprise (Bootle area)
- Brookdale (Southport area)
- Sandbrook Resource Centre (Southport area)
- Orchards (Southport area)

Centres suggested for modernisation and /or expansion were:

- Dunningsbridge Resource Centre - modernising existing site or new build (Bootle area)
- Chase Heys - modernising existing site or new build (Southport area)
- Waterloo Day Service
- Poplars (Southport area)
- Westpark (Southport area)
- Mornington Road (Southport area)

5.3 Day centres and profile of users.

There are around 850 service users of traditional day centres in Sefton. A service user, depending on their assessment, may need to attend the centre daily or perhaps once a week. So, 850 service users represent a mixed level of use of day centres. New Directions provides service to approximately 430 service users of mixed level of service use. In focusing on these (as they are the ones subject to change) then the profile of day care users within New Directions services is as follows:

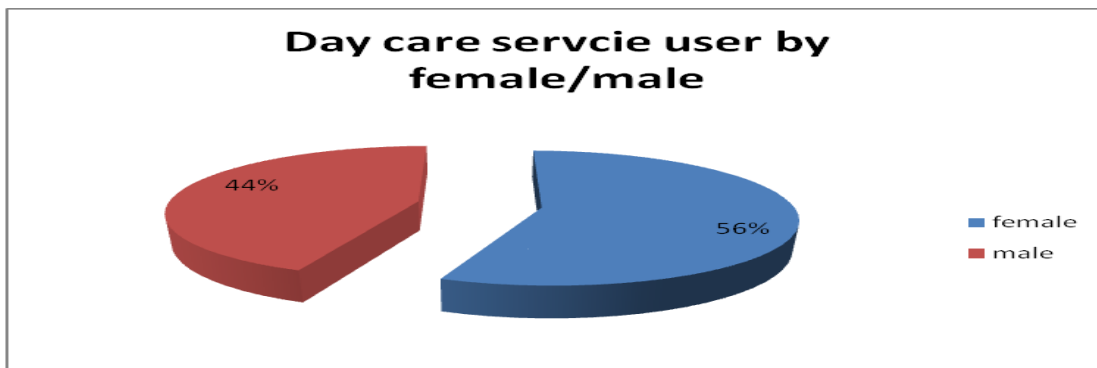
³ <http://www.ons.gov.uk/ons/rel/census/2011-census/key-statistics-and-quick-statistics-for-local-authorities-in-the-united-kingdom---part-1/stb-key-statistics-for-local-authorities-in-the-uk.html>

⁴ Private suppliers of services are not included in the revisions of closures, upgrades and modernisation.

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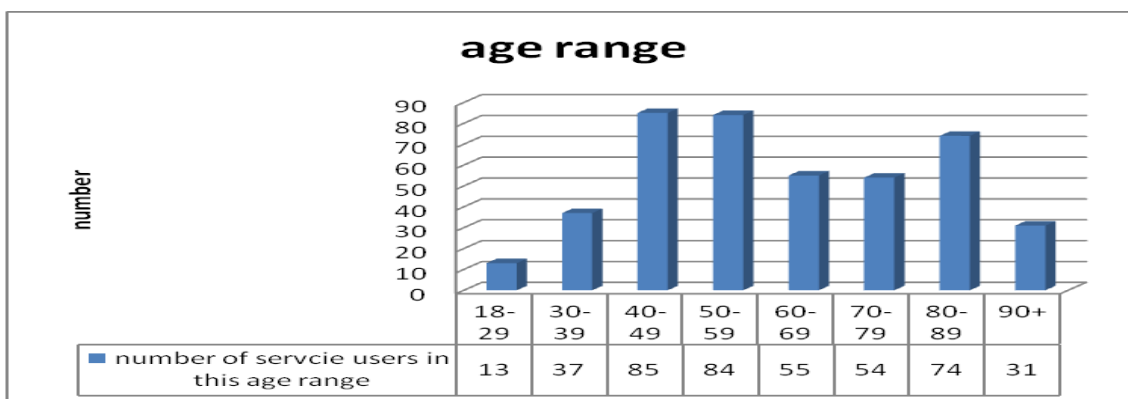
Sex:

Whilst there is a slightly higher proportion of women than men living in Sefton (52% to 49%) this gap starts to widen when looking at users of day care services; there could be several reasons for this such as, women living longer than men or men opting to have their needs met in a different way.



Age:

In looking at the age range, it's clear that there are two main grouping – those from 40 - 60 year old and again at 80 -90 year old.



With this we can see that the SSNA prediction above is accurate as already the 40-59 year olds are the largest cohort, and it is expected to increase as the population ages and suffers ill health and disability related to age.

Disability & Indirect Discrimination:

This table lists all the New Directions Day Centres and the categories of disability/limiting long term illness and how many services users for that category use the centre.

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Service Provider Name	Dementia		Frailty/temporary illness		Learning disability		Mental health		Other vulnerable person		Physical disability		Sensory Disability-Hearing impairment		Sensory Disability-Visual impairment		Total No.	Total %
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%		
Bootle Resource Centre	0.0	0%	1	0.23%	4	2%	4	2%	0.0	0%	46	10.62%	0.00%	2	0.46%	57	13.16%	
Brookdale Resource Centre	2.7	7%	3	0.69%	0.0	0%	3	9%	0.0	0%	2	6%	0.00%	0.00%	20	4.62%		
Chase Heys Resource Centre	0.4	1%	11	2.54%	0.0	0%	1	3%	0.0	0%	7	2%	1	0.23%	22	5.08%		
Dunningsbridge Resource Centre	0.0	0%	0.00%	0%	113	26.1%	0.0	0%	0.0	0%	5	5%	0.00%	0.00%	118	27.25%		
Mornington Rd Resource Centre	0.0	0%	4	0.92%	3	9%	1	3%	1	3%	28	7%	1	0.23%	41	9.47%		
Sandbrook Resource Centre	0.0	0%	0.00%	0%	70	16.1%	0.0	0%	0.0	0%	3	9%	0.00%	1	0.23%	74	17.09%	
The Orchards Resource Centre	1.1	5%	4	0.92%	0.0	0%	0.0	0%	1	3%	7	2%	0.00%	1	0.23%	18	4.16%	
The Poplars - Day Care	0.0	0%	0.00%	0%	0.2	0%	0.0	0%	0.0	0%	0.0	0%	0.00%	0.00%	1	0.23%		
Threads - brook enterprise	0.0	0%	0.00%	0%	1	3%	1.1	0%	0.0	0%	0.0	0%	0.00%	0.00%	6	1.39%		
Waterloo Park Resource Centre	3.7	9%	12	2.77%	0.0	0%	8	5%	3	9%	5.7	25.7%	0.00%	1	0.23%	65	15.01%	
West Park Resource Centre	0.6	1%	2	0.46%	0.0	0%	0.4	2%	0.0	0%	4	2%	0.00%	0.00%	11	2.54%		
Grand Total	38	8%	37	8.55%	196	45.27%	19	9%	5	5%	127	29.33%	3	0.69%	8	1.85%	433	100.00%

Any community within the UK will have an automatic backdrop of around 18% of its population with limiting long term illness and disability – however, communities with a higher proportion of older people (Sefton has the highest proportion of residents aged 65+ and 75+ of all local and comparable LAs), are more likely to see higher rates of dementia.⁵ This means that illness and disability described in columns 3 to 7 will remain proportionate to the population, however column 2 – dementia - will see an exponential growth, not just because the population is growing but also that it is getting older to the point of containing the highest cohort of the oldest.

With this, 'Brookdale' and 'Waterloo Park' may expect to see increased demand placed on them as dementia centres. However on further examination, Waterloo Park figures reveal that many of those labelled as 'dementia' better fit the category of Older People. This means that Brookdale, as a day centre geared toward dementia, with the largest dementia user group is in a strategic position in the north of the borough.

Brookdale has been initially highlighted as a possible closure, if this was to happen then there could be a negative impact on sufferers of dementia service users (and carers) such that it may be construed as 'indirect discrimination'. Section 19 of the Equality Act 2010 says:

(1) A person

(A) discriminates against another (B) if A applies to B a provision, criterion or practice which...

⁵ The prevalence of disability rises with age. Around 6% of children are disabled, compared to 16% of working age adults and 45% of adults over State Pension age <https://www.gov.uk/government/publications/disability-facts-and-figures/disability-facts-and-figures>

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(B) it puts, or would put, persons with whom B shares the characteristic at a particular disadvantage when compared with persons with whom B does not share it,

(C) it puts, or would put, B at that disadvantage, and

(D) A cannot show it to be a proportionate means of achieving a legitimate aim.

Dementia is a sub set within the category of the protected characteristic of 'disability'. As such, whilst all other subsets of disability are to be treated proportionally (with the restructure of the day care centres being able to cater for them all) it can be seen that 'dementia sufferers and their carers' would be put at a particular disadvantage when compared to the other sub sets if Brookdale, a specialist dementia centre, was closed. The clause 1(d), 'proportionate means' cannot be shown on two grounds:

- 1) There are other options that can be taken from the selected pool within this programme of 'modernising day centres' (without Brookdale closing)
- 2) SSNA data and Alzheimer's society data⁶ clearly indicates a growing need for dementia services inferring the need for extra resources in this area not a reduction.

Where indirect discrimination occurs, and it isn't a proportionate means of achieving a legitimate aim, then Council would be in breach of PSED objective 1 'eliminate discrimination' and by default objective 2(a)⁷ and 2(b) 'advance equality of opportunity'.

It must be noted that other providers commissioned by Sefton are able to meet the needs of people living with dementia and that New Directions are not the sole providers in this market.

N.B. It is strongly recommended that the Council considers 'Brookdale' to remain open as it is an additional specialist dementia centre⁸ that contributes to meeting current levels of assessed eligible need.

5.4 Results of consultation

The Council undertook an extensive consultation programme⁹, to ensure all interested parties had the opportunity to air their views and discuss the proposed changes. In reviewing all of the feedback from the various forums, meetings and correspondence the views expressed chime with the views and sentiments expressed via the questionnaire.

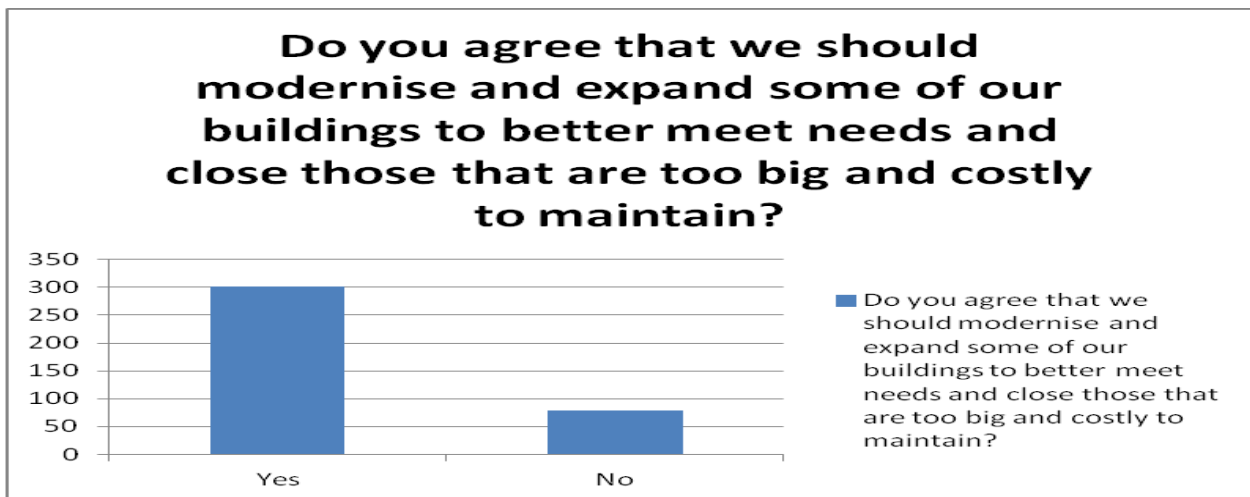
⁶ If current trends continue and no action is taken, the number of people with dementia in the UK is forecast to increase to 1,142,677 by 2025 and 2,092,945 by 2051, an **increase of 40% over the next 12 years and of 156% over the next 38 years.**
http://www.alzheimers.org.uk/site/scripts/documents_info.php?documentID=412

⁷ 2 (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
(b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.

⁸ It is not within the remit of this Equality Analysis to recommend an alternative closure, but by inference the least used, least specialist and one where there are clear alternative placements within a reasonable distance would be candidate.

⁹ See document 'Remodelling of Day Opportunities - Consultation Report' for full details and breakdown

To the general question of whether people agreed with the modernisation of the day centres, there was a substantial majority in agreement.

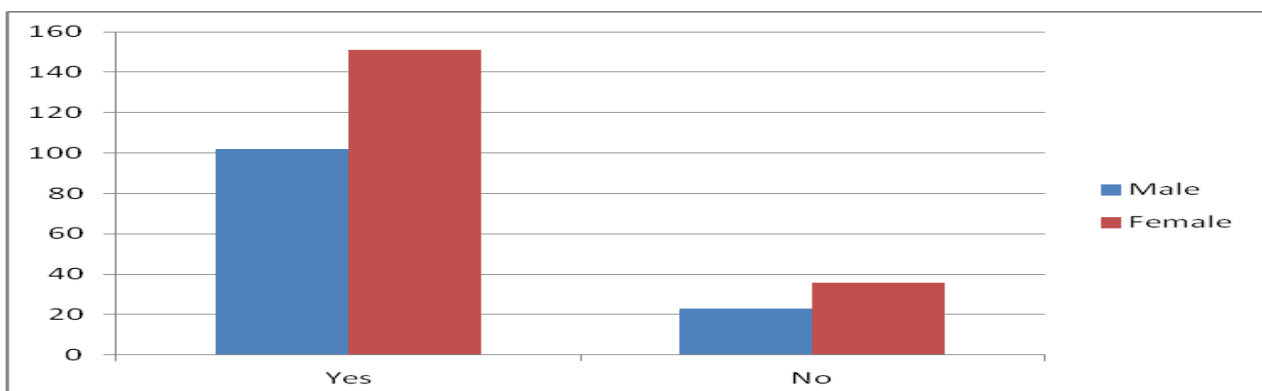


As part of the equality analysis process, all answers were disaggregated to see if any hidden views from particular protected characteristics that may 'go against the grain' of popular consent existed and in by doing so reveal fundamental issues that needed to be addressed to meet the needs of that group.

In disaggregating the data one can see that there is a strong consensus of agreeing to the changes from all parties.

Whilst there were more female respondents than male, chart 1, shows that both sexes were in favour of the changes

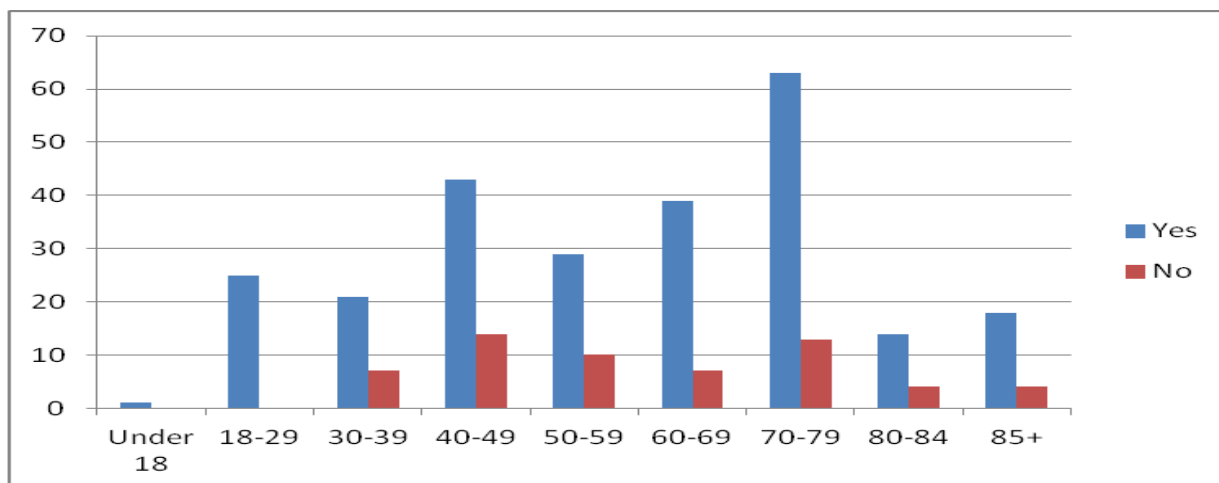
Chart 1 – 'In favour of changes' by male/female



When examining the same question from the perspective of age, one can see that across all age groups there was a strong consensus (chart 2)

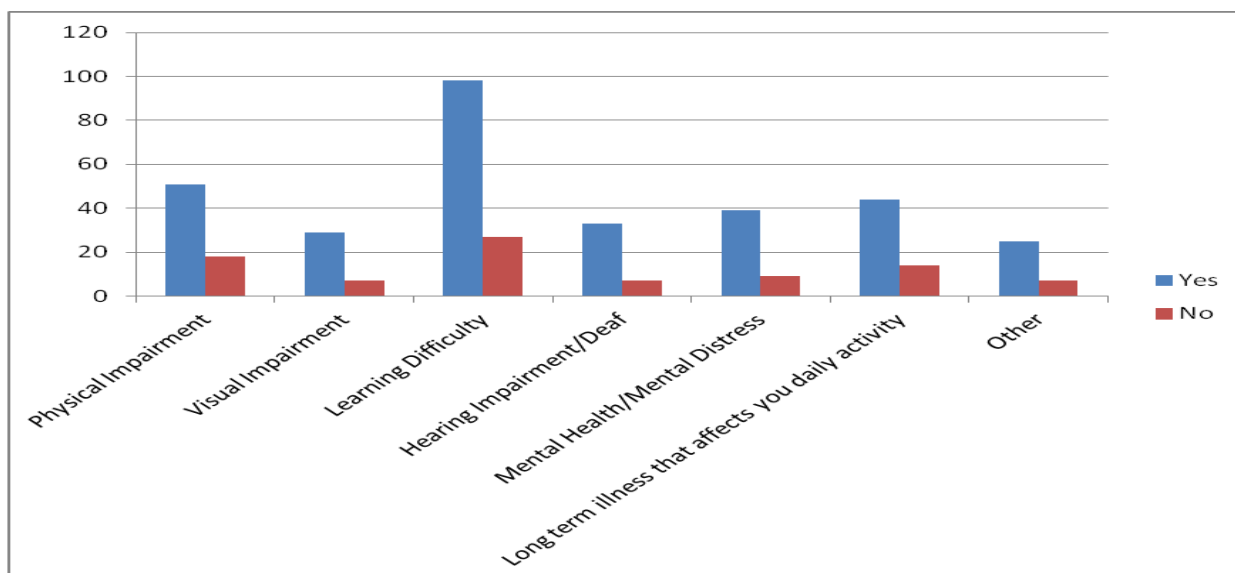
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Chart 2 – ‘In favour of changes’ by age group.



When examining the same question from the perspective of different disabilities, again one can see that there is consensus across all the categories. (chart 3)

Chart 3 – ‘in favour of changes’ by disability



The charts show a clear consensus and a willingness to embrace change on the whole, however, where the questionnaire gave space for comment and drawing on the feedback from events, then a number of themed concerns did emerge linked to how the changes to the day centre may have an impact from the service user point of view.

What is changing, for day care users, is essentially that their centre may be closed and they relocated or they face disruption if the centre they use is expanded and modernised, leading to issues of:

- Anxiety / concerns on not being able to deal with the change or becoming isolated

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Protected Characteristic	Adverse effect of proposal	Mitigation to avoid negative effect	PSED met?	eliminat	advance	FGR
	supportive environment for future day care users.	carers as quickly as possible. Support will be given to cares to help manage the change and assessments will take into account effects of disruption				
gender reassignment;	No Positive effect long term as in better environment	none	yes	✓	✓	n/a
pregnancy and maternity;	Positive effect long term as in better environment	none	yes	✓	✓	n/a
race;	Positive effect long term as in better environment	none	yes	✓	✓	n/a
religion or belief;	Positive effect long term as in better environment			✓	✓	n/a
Sex: male/ female	Positive effect long term as in better environment			✓	✓	n/a
sexual orientation	Positive effect long term as in better environment			✓	✓	n/a

6 Assisted Transport Policy

6.1 Sefton's position and proposal.

Approximately 70% of day care users receive transport to and from the centres, via Council transport services. On further analysis many of these individuals were already in receipt of either motability transport or payments via the national benefit system to pay/contribute towards the cost of travel. On inspection of the transport policy, it was clear that only in very exceptional circumstances should the Council pay for transport. To this end there had been an oversupply of services with a high cost implication. It is therefore legitimate for Council to return to the letter of the policy to reduce costs. Before doing so Adult Social Care has sought the views from users on whether they agree to the principle that Council transport is provided in line with eligibility criteria.

Section 2 of the Chronically Sick and Disabled Persons Act 1970 states that:

1(d) the provision for that person of facilities for, or assistance in, travelling to and from his home for the purpose of participating in any services provided under arrangements made by the authority [as part of their assessed needs]

This shows that there is no automatic right for day care service users to Local authority paid transport, as the local authority's duty is to 'assist' in the facilitation of travel. This could include sourcing alternative means such as family & friends transporting users, self-payment and support with public transport and self-payment of taxis all prior to considering the local authority transport provision.

6.2 The Consultation asked the two following questions:

1. Do you agree that people who attend a day centre use available alternative transport options if they are able (e.g. transport from family or friends, bus, taxi,) before the council provides a specialist service?

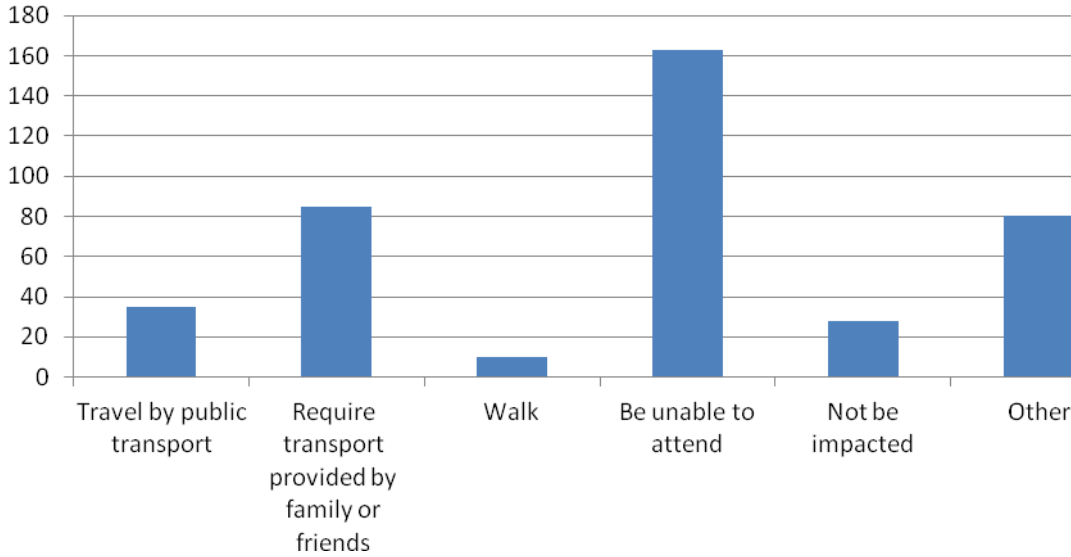
Of which 365 people responded and 52% agreed and 48% disagreed. Whilst there is a slim majority in favour, those that objected did so on several salient grounds such as 'extra cost' would be incurred, 'feeling unsafe' using public transport and the simple belief that 'council should' pay regardless.

2. If you, as the person attending a day centre, are required to use other transport rather than a Council provided specialist service, how do you think this would impact on you, or if you are their carer, the person you care for?

321 people responded to the question on how the potential removal of Council transport would impact on them. Of which 49% indicated that they were able to travel with alternative methods¹⁰ and 51% felt that this would impact on their ability to attend a day centre

¹⁰ The in selecting category 'other' prompted a question box asking what 'the other transport would be' – in effect most people in the 'other category' identified the three options already presented with the addition of 'taxis'

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In disaggregating the data to help find out the profile of those feeling that they may not be able to attend, the data (Chart 4) reveals that more women and men feel affected, (chart 5) the age ranges of 40-49 and 70 -79 particularly affected and (chart 6) those with physical disabilities, and learning difficulty.

Chart 4 – more females feel that the changes to transport will affect their ability to attend.

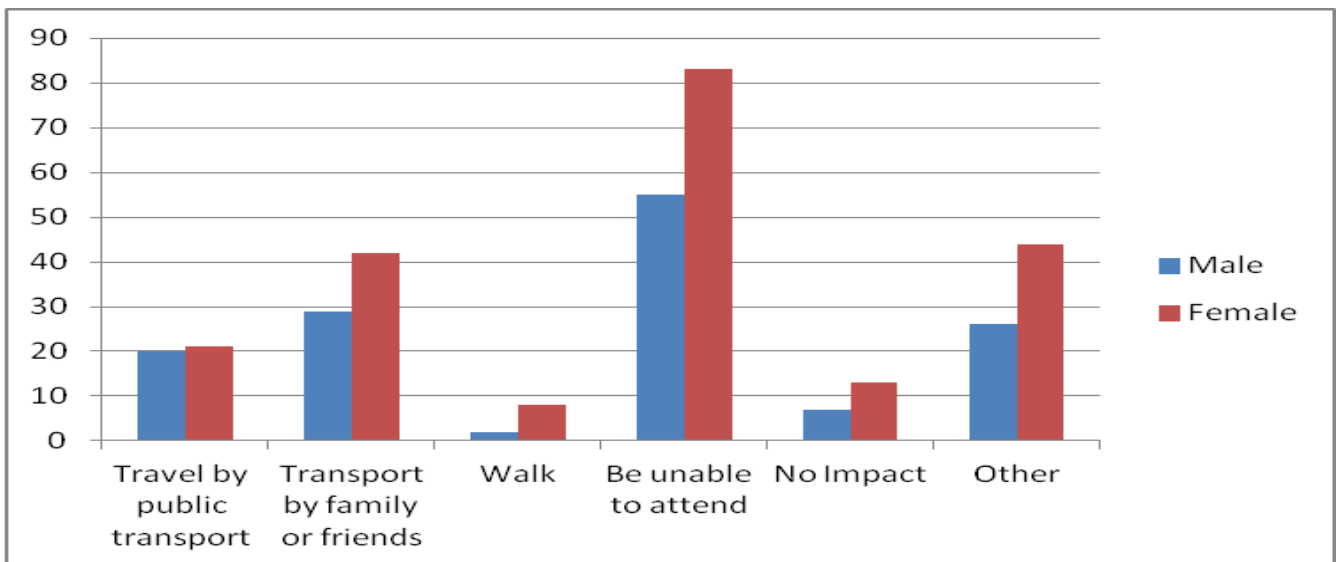


Chart 5 – the age group 70-79 are the group who feel that the change in transport will most affect their ability to attend

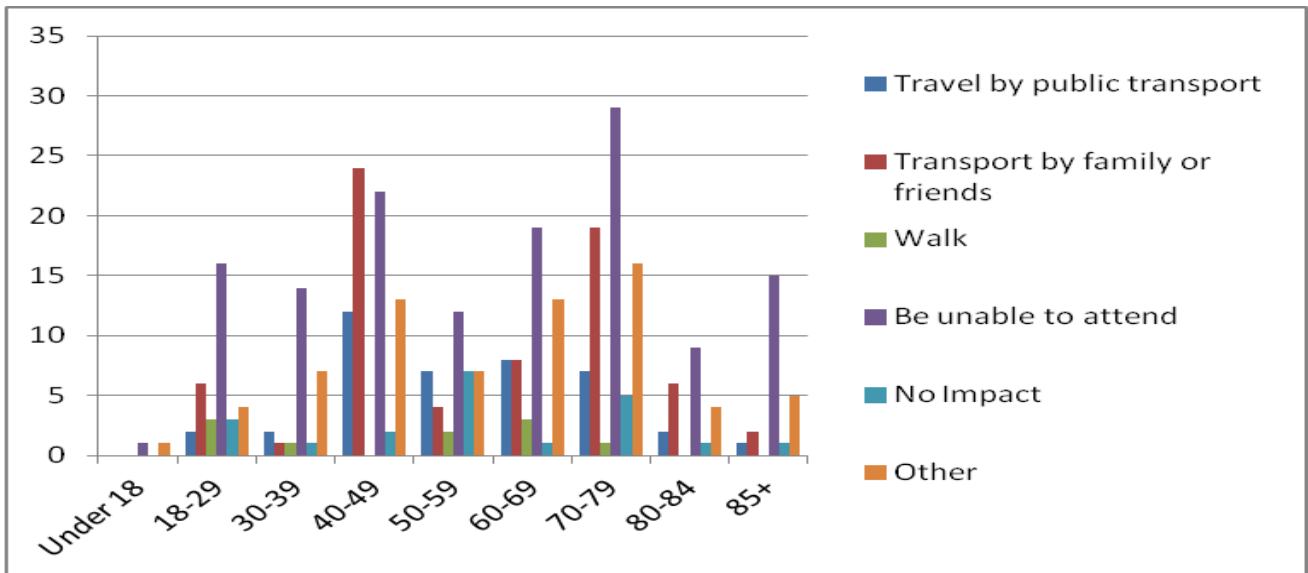
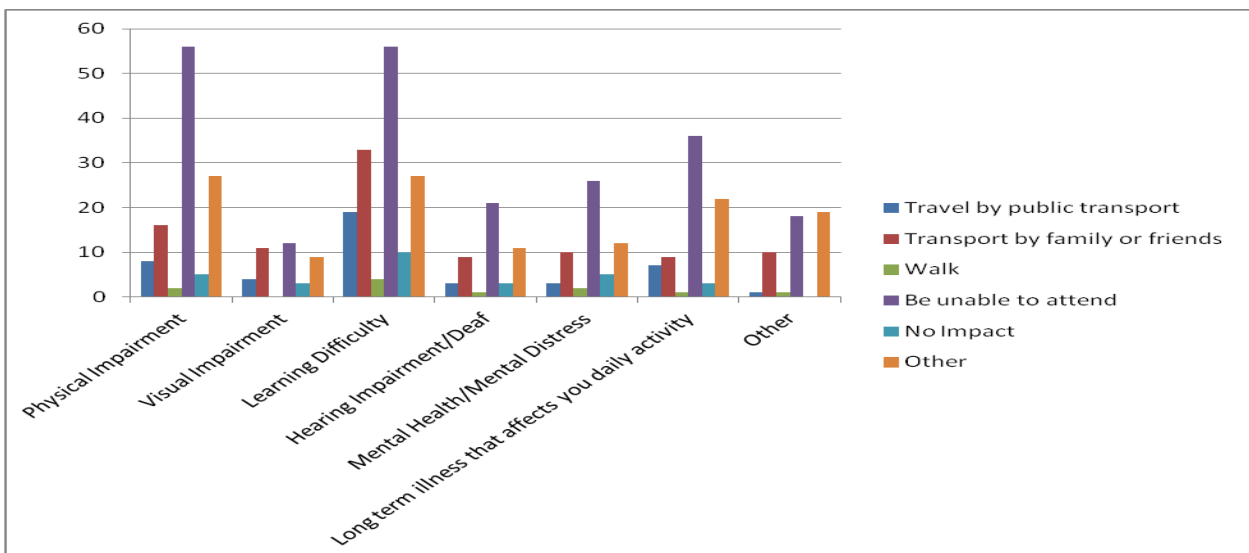


Chart 6 – Physical Impairment and Learning difficulty feel most unable to attend with the changes to transport.



Whilst the criteria (who should receive support) and threshold (amount of people able to receive support) of the policy has not changed, it's been the practice of over providing transport beyond the remit of the policy that now causes consternation, in that, day care users consider the clarification of the process as a 'taking away of a benefit'.

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6.3 Does the Assisted Transport policy and reassessment meet PSED?

Protected Characteristic	Adverse effect of proposal	Mitigation to avoid negative effect	PSED met?	eliminat	advance	FGR
Age	The 70-79 years old particular perceive a negative impact.	Age and resilience will be taken in to account on reassessment	yes	✓	✓	n/a
Disability; <i>All disability but in particular:</i> <ul style="list-style-type: none"> • Physical Impairment • Learning Difficulty • Long term illness that affects your daily activity 	The core concern arises from the anxiety and experience that having a disability and limiting long term illness makes travel difficult, especially the use of public transport and can lead to a sense of and actual vulnerability.	Needs and options will be accurately assessed, in conjunction with the needs and resilience of the carer. Help and support will be given if an individual doesn't qualify for Council transportation as part of independence living and training. Carer/Advocate will be involved in this process. Monitoring needs to be in place to capture any concerns/ episodes around safeguarding and health and safety. Work with partners, (e.g. Travel companies, Police to alert them to community needs) including the voluntary sector in order to develop and deliver training and support for day care users in how to access and use	yes	✓	✓	✓

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Protected Characteristic	Adverse effect of proposal	Mitigation to avoid negative effect	PSED met?	eliminat	advance	FGR
		public transport. Transport assessment is part of the needs assessment – this has to be of a high and consistent quality across the board.				
gender reassignment;	safeguarding	In addition to the issues raised under disability – an individual perceived to be transitioning by the public can be subject to hate crime. The assessment process needs to take this in to consideration.	yes	✓	✓	n/a
pregnancy and maternity;	safeguarding	Pregnancy and resilience will be taken in to account on reassessment	yes	✓	✓	n/a
race;	safeguarding	In addition to the issues raised under disability – Sefton is 98% visually white, an individual perceived to be from a minority by the public can be subject to hate crime. The assessment process needs to take this in to consideration.	yes	✓	✓	✓
religion or belief;	safeguarding	In addition to the issues raised under	yes	✓	✓	✓

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Protected Characteristic	Adverse effect of proposal	Mitigation to avoid negative effect	PSED met?	eliminat	advance	FGR
		disability – Sefton is 98% Christian and non religious. An individual perceived to be from a different religion by the public can be subject to hate crime. The assessment process needs to take this in to consideration				
Sex: male/ female	Women have identified a greater concern.	Gender and resilience will be taken in to account on reassessment	yes	✓	✓	n/a
sexual orientation	none	Sexual orientation and resilience will be taken in to account on reassessment	yes	✓	✓	✓

As part of working with the service users and prior to assessments it may be beneficial to give information on the actual statutory duty of the Council so service users can see that service is being aligned with the legislation.

7. Other Items of interest.

7.1 Communications received from the voluntary sector, private business and members of the public did not express any equality concerns outside of those mentioned above.

7.2 Brookdale users/cares and supporters' views have been acknowledged and lend weight to the view expressed.

7.3 Sefton's Council for Voluntary Services and other voluntary groups have endorsed the proposed changes. CVS have identified that there are over 4000 services available for those with personal budgets wanting to develop their own individual care support package that meet diverse needs across all protected characteristics.

7.4 'Young people preparing for adulthood', as the immediate cohort who will move in to Adult Social Care identified the following:

What is important to make your day go well?		What would you like to do?	
Friends	21	Swimming	14
Music	11	Disco	9
Busy	7	Bowling	8
Football	7	Football	8
Relax	7	Horse riding	8

The main aspirations listed by the young people at school, best sums up expectations of all the youngsters: 'a life of my own' 'meet up and relax with friends'.

8. Consultation

Consultation was a comprehensive approach that extended in to the day centres, voluntary organisations hosting carer's event and schools directly to hold Q & A sessions with service users and carers and potential future service users.

All interested parties were included in the process.

Questionnaires were constructed to capture all protected characteristics and as always it remains voluntary for responders in whether or not they wish to fill this in. The large percentage of people giving up information around their protected characteristic shows trust in the system and an understanding of why this information is important to us. Sefton's demography was reflected in the feedback.

9. Conclusion.

The proposed changes, following the mitigation outlined above, will meet the Public Sector Equality Duty.

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Annex C – Assisted Transport Policy

1. Introduction

Social Care is changing and Sefton Council is developing modern, flexible approaches to adult social care that will support people and their carers to remain independent, enabling them to lead fulfilling lives and is financially sustainable. This includes seeking to ensure that as many people live and travel as independently and safely as possible within their own communities. Travel is an important aspect of everyday life, which should be achievable, where possible, independently.

The purpose of this policy is to provide a strategic approach to transport support that is consistent with the Council's strategic aims and outcomes for Adult Social Care. This policy outlines a consistent and equitable way of supporting older people, adults with disabilities and/or mental ill health and support for carers in provision of 'assisted transport' in line with eligibility criteria. The policy applies to all adults aged 18 years and above who access support provided directly or commissioned by Adult Services Social Care; there is a separate policy for Children & Young People.

The Council will commission services to meet individual need subject to our resources.

2. Legal Framework

It should be noted that assisted transport is not a statutory responsibility and therefore not normally provided, however will be considered in 'very exceptional' circumstances in line with the eligibility criteria as outlined and explained within this policy.

The Care Act 2014 provides the legal framework for this policy effective from 1st April 2015.

3. The Aims of the Policy

The aim of this policy is to reflect National and Local priorities as set out in the Care Act 2014 and in Sefton's Health and Wellbeing Strategy complementing Sefton Council's approach to delivering Adult Social Care.

The policy promotes the following principles:-

- Independence and enablement
- Provision of person-centred and personalised care
- Choice and Control
- Dignity
- Improved quality of life
- Health and Wellbeing
- local services
- Ensuring safety

- Informal support

The promotion of commonly available transport options will be encouraged, such as public transport and people using their own vehicle. Also walking, or mobilising with the use of aids, either independently or with support, utilising transport assistance costs and concessionary travel.

The Council has recently adopted a set of key principles for how it provides and delivers services going forward. The proposals in this policy link into the Council's commitment to these principles as follows:

- Focus on our **core purpose**.
- Keep the needs of our **citizens at the heart** of what we do rather than think and act organisationally.
- Proactively **manage demand** not just supply.
- Ensure we provide services strictly in line with **eligibility criteria**
- Communicate and engage with **people to expect and need less**

The Council will ensure the transport needs of children in transition to adulthood are assessed in a timely manner, so that options to promote independence and use mainstream transport have been explored.

4. Principles of Providing Transport

The following principles and pathway will be adhered to:-

- Safety of every person is paramount.
- All those who access services arranged by the Council will be needs assessed.
- People who can travel to a community activity, either independently or with assistance from family, friends or other support will do so.
- If in receipt of a mobility allowance this should be utilised by them to purchase private transport, e.g. taxis.
- Transport will only be considered when assessed as eligible.
- In circumstances where a person is eligible for assisted transport, charges will be levied for that provision.

5. Eligibility Criteria for Assisted Transport

All social care services are subject to eligibility criteria. Following a social care assessment or reassessment that identifies eligible needs, the Council will, if required, consider all transport options before considering the provision of transport using the following guidance:-

Transport may be provided where:-

- For specific health and safety reasons specialised transport arrangements may be necessary.
- Where a person is unable to access services without supervision or support due to, for example, cognitive or sensory impairment.

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- Where a person receives the lower rate mobility element of Disability Living Allowance or Personal Independence Payment, this benefit should be fully utilised to support their transport needs to and from community activities, however if this is insufficient to meet the transport costs then assisted transport will be considered.
- Where a person has no access to transport and cannot walk, use assisted mobility (wheelchair/aids) or use public transport, either independently or with support, in line with the transport policy, assisted transport will be considered.

Transport will not be provided where the following options are available:-

- Where a person is able to walk, use assisted mobility (motorised scooter, wheelchair/aids) either independently or with support from family, friends, support worker, volunteer etc. to get to a local community service, then transport will not be provided and they will be required to travel to the service independently.
- Where a person can use public transport, voluntary transport, Dial a Ride or similar services either independently or with support (family, friends, carer, support worker etc.) to get to and from community activities, then transport will not be provided and they will be required to travel to the service independently.
- Where a person receives the higher rate mobility element of Disability Living Allowance or Personal Independence Payment, then transport will not be provided and they will be required to fully utilise the benefit to support their transport needs to and from community activities.
- Where a person has a private car, including a car leased through the Motability scheme, then transport will not be provided and they will be required to travel to the service independently using that vehicle.
- Where a person uses their own vehicle or Motability car, no petrol costs or other expenses will be considered.

This list is not exhaustive and a range of factors that are relevant to a particular person will also be considered when assessing someone's needs and would contribute to identifying if transport was required to meet their needs. This 'strength based approach' will support the development or maintenance of skills in independent travel and ensure efficient use of the Council's resources. Where transport is provided the assessed need for the assistance to access services will need to be clearly documented.

6. Assessment of Need

Consideration will be given to transport in the initial assessment of a person's needs and any subsequent review and will be provided in accordance with section 5 above.

A person's assessment and review will focus on the 'assets or strengths' of a person and will identify their potential to learn road safety and orientation skills so that they can travel safely and independently to and from community activities, and arrangements will need to be made to ensure support is provided.

7. Re-assessment & review

All transport arrangements will be reviewed as part of the reassessment. The criteria detailed above will apply. Where a service user is accustomed to assisted travel this will not be a criteria for the continuation of such provision. Where it is felt that an individual may already be able, or could develop the skills to travel independently, an assessment for independent travel, including an assessment of risk, will be carried out, and an appropriate transport package will be identified. However, transitional plans will be put in place to ensure any risks are managed and access to a service is maintained, e.g. whilst the service user undertakes a programme of travel training, should such an option become available.

8. Eligible Carers Needs

Section 5 outlines the criteria for assistive transport and there may be some circumstances where it may be determined that a carer can be provided with transport, for the person that they care for, up to an agreed maximum commitment each week. This may result in a carer providing transport on certain days of the week, with Council providing transport either through the assisted transport provision or alternative arrangements agreed within the support plan on the remaining days. These arrangements must meet the requirements of the carer's assessment. Details of the arrangement must be recorded in both the services user's and carer's assessments.

9. Equality

Providing Council transportation is not an automatic right or statutory duty. However, under the second objective of public sector equality duty 'advancing equality of opportunity' in certain circumstances transport or support with transport costs may be needed to meet an assessed need.

10. Charging for Transport

Where assisted transport is provided, the Council operates a charging policy. A person will be charged a fair rate for the cost of each journey made using assisted transport in accordance with the Care Act 2014 and the principles in the Care and Support Statutory Guidance. Where an individual is in receipt of Disability Living Allowance, the mobility component of their DLA will be disregarded for the purposes of completing their financial assessment in line with The Social Security Contributions and Benefits Act 1992. There will be no charge for people subject to Section 117 Mental Health Act 1983 or Independent Living Fund recipients.

The Social Security Contributions and Benefits Act 1992 provides in relation to the mobility component of a disability living allowance:

'73 (1) Subject to the provisions of this Act , a person shall be entitled to the mobility component of a disability living allowance for any period in which he is

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over the relevant age and throughout which (a) he is suffering from physical disablement such that he is either unable to walk or virtually unable to do so.

(14) A payment to or in respect of any person which is attributable to his entitlement to the mobility component, and the right to receive such a payment, shall (except in prescribed circumstances and for prescribed purposes) be disregarded in applying any enactment or instrument under which regard is to be had to a person's means.'

11. Appeals

Any appeals against a decision regarding transport provision should be directed to:

Service Manager
Merton House
Stanley Road
Bootle
L20 3UU

Appeals against charging should be directed to:

Finance Charging Team
Merton House
Stanley Road
Bootle
L20 3UU

12. Complaints

Complaints can also be made through Sefton Council's Health and Social Care Complaints Team:

Health and Social Care Complaints
Customer Response Team
Sefton Council
Merton House
Stanley Road
Bootle
L20 3UU

13. Review of the Policy

The policy reflects our current position and will be reviewed at least annually.

Report to: Cabinet **Date of Meeting:** 26 February 2015

Subject: Town Centre Working Group Final Report

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

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

Exempt/Confidential No

Purpose/Summary

To present formally the Final Report of the Town Centres Working Group

Recommendation

That the recommendations of the Infrastructure Working Group, as set out in paragraph 9 of its Final Report and detailed below, be approved:-

1. That the Director of Built Environment be requested to review the Town Centre Strategies in order that there is a co-ordinated and systematic approach to Town Centre Development that links into other strategies across the Council.
2. That the Director of Street Scene be requested to produce individual cleansing programmes for each commercial centre across the Borough, recognising that one size doesn't always fit all.
3. That the Director of Built Environment, as part of any future Parking Review, be requested to investigate the possibility of undertaking a more focused and robust approach to a cost/benefit analysis. The Parking Review has now been completed.
4. That the Director of Built Environment be requested to investigate the work that has been undertaken by Maghull Community Enterprise in designing and opening a Pop-up Shop known as "The Emporium" with a view to designing a Sefton Model for Pop-up Shops in order that other Town Centres across the Borough could adopt a similar approach.
5. That the Director of Built Environment, as resources allow, assign appropriate Officers to the Town Teams across the Borough in order that those Officers may offer support and guidance in promoting and improving Town Centres, assets and tourist attractions associated with individual Town Centres across the Borough as a possible income generator.
6. That the Director of Built Environment (Regeneration) in consultation with the Director of Corporate Services (Neighbourhoods) be requested to engage with local businesses, the Community, Voluntary and Faith sectors to encourage the development of the Borough's Town Centres with a view to evidencing engagement with those groups to develop a proposed work programme that is effective and inclusive.

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7. That an Officer and Member Working Group be established consisting of Officers from Built Environment (Regeneration) and Corporate Services (Neighbourhoods) and Members along with any other relevant Officers to take the task of Town Centre Development forward.
8. That the Director of Built Environment be requested to draft clear criteria to support Community Social Enterprise that reduce bureaucracy and create a greater understanding and empathy towards local business to include a consideration of rate rebates for social enterprises equivalent to registered charities when additional social value and support for community development can be clearly demonstrated.
9. That through the investment strategies for Bootle, Crosby and Southport, the Director of Built Environment be requested to contact the Town Centres and suggest that they conduct a mapping exercise of landlords in each of their Town Centres, using the Cabinet Member for Regeneration and Tourism Capital Fund.
10. That the Director of Corporate Services be requested to investigate the possibility of landlords using the empty rate relief regime provided this leads to enterprise development, job creation and longer term economic and social value.
11. That the Director of Corporate Services be requested to ensure that Charity Shops continue to be inspected prior to awarding relief and reviewed from time to time to ensure that relief criteria are met, with any abuse reported being investigated and appropriate action taken accordingly.
12. That the Director of Built Environment be requested to investigate the possibility of using the lampposts outside the Bootle Strand Shopping Centre as advertising space and a possible income generator and if this proves to be successful, adopt a similar principle, wherever possible, throughout the Borough.
13. That the Working Group welcomes that the Director of Built Environment intends to consult and seek local community representation in relation to any proposal to draft an investment strategy that impacts on that local community.
14. That, in the spirit of the One Council vision, all Directors and Heads of Service be requested to consider how their individual Departments actions impact on Town Centre development and how the development or decline then impacts on local residents and citizens.
15. That the Working Group seeks reassurance from the Council that the regeneration of the Borough's Town Centres should not be delayed or blocked due to any unnecessary internal procedures within the Council by adopting local protocols that seek to support local community activities in a positive and supportive way.
16. That investment and operational planning be more closely aligned through the Director of Built Environment.
17. That the Director of Built Environment, as resources allow, be requested to submit a quarterly progress report to the Overview and Scrutiny Committee (Regeneration and Environmental Services) detailing the proactive work being done to promote and create

vibrant Town Centres across the Borough.

18. That the Director of Built Environment, as resources allow, be requested to submit a six monthly performance monitoring report to the Overview and Scrutiny Committee (Regeneration and Environmental Services), setting out progress made against each recommendation of this Final 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:

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

Alternative Options Considered and Rejected:

The Cabinet could refuse approval of the recommendations.

What will it cost and how will it be financed?

Any financial implications arising for the Council as a direct result of this report will be met within existing resources.

Implications:

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

Financial
Legal
Human Resources
Equality

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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:

Not applicable

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT has been consulted and notes the report indicates no direct financial implications for the Council. Any financial implications arising for the Council as a direct result of this report will be met within existing resources (FD3418/15).

The Head of Corporate Legal Services (LD 2710/15.) have been consulted and has no comments on the report.

The Director of Built Environment

Implementation Date for the Decision

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

Contact Officer: Ruth Harrison

Tel: 0151 934 2042

Email: ruth.harrison@sefton.gov.uk

Background Papers:

There are no background papers available for inspection

1. Introduction/Background

- 1.1 The Overview and Scrutiny Committee (Regeneration and Environmental Services) established the Town Centres Working Group to consider the development of Town Centres across the Borough . Accordingly, the Working Group has met on numerous occasions to undertake such review and its Final Report, together with associated recommendations, is attached.
- 1.2 The Overview and Scrutiny Committee (Regeneration and Environmental Services) met on 20 January 2015 to consider the Final Report and resolved (Minute No. 25) that “the Overview and Scrutiny Committee (Regeneration and Environmental Services) supports the contents of the Town Centres Working Group Final report and recommends Cabinet to agree the recommendations as set out in paragraph 9 of that report”
- 1.3 The Cabinet is recommended to approve the Town Centres Working Group’s Final Report.

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**OVERVIEW AND SCRUTINY COMMITTEE
(REGENERATION & ENVIRONMENTAL SERVICES)**



**TOWN CENTRES WORKING GROUP
FINAL REPORT
NOVEMBER 2014**

Overview
& Scrutiny



Overview & Scrutiny

**'Valuing
Improvement'**

www.sefton.gov.uk
scrutiny@sefton.gov.uk

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LEAD MEMBER'S INTRODUCTION

I am very pleased to introduce this Overview and Scrutiny Final Report for Regeneration and Environmental Services.

The context for the investigations undertaken by the Working Group was to conduct a review of policy related to town centres based on the terms of reference agreed at the scoping meeting. The intention is to assist the Council in its policy deliberations by making a series of improvement recommendations based on the evidence given during investigations and the key findings of the process. We requested that all witnesses produce a SWOT analysis as part of their input, which enabled the Working Group to ask directed questioning in a focused way, thereby quickly getting to the crux of the matter in hand.

This report is timely as the scale of cuts imposed on Authorities such as ours has drastically reduced the ability of the public sector to make positive interventions to support growth, and stimulate demand through increased employment. Our town centres are suffering shortfalls in demand partially as a result of falling incomes due to downward pressure on wages and the changing nature of shopping habits and the emergence of online shopping via the internet. These factors inevitably threaten the long term viability of traditional town centres. These challenges cannot be ignored and the investigation has enabled us to highlight some of the positive innovative work undertaken by the Council, in this respect the Council continues to act as the catalyst for change that otherwise would not happen if left to the private sector alone. The various Council sponsored initiatives are different and reflect the fact that one size doesn't fit all, however what they will provide is a framework for identifying and sharing good practice.

I am pleased with the results of the work as I do believe it provides a basic template/action plan that, if implemented, will ensure that the Council's assets are organised in an effective whole organisation manner where we can continue to have a positive impact on town centres in spite of the very difficult times the public sector finds itself in.

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I wish to thank all those people who took part in interviews and facilitated visits and for giving up their valuable time to inform the Working Group. I am tremendously grateful to my fellow Working Group Members for their commitment to our project and I would like to thank Ruth Harrison for her support and professionalism throughout this process.



Councillor Patrick McKinley
Lead Member of the Economic Development and Development of Local Town Centres and Economies Working Group; and
Chair of the Overview and Scrutiny Committee (Regeneration & Environmental Services)

1.0 BACKGROUND

- 1.1 At its meeting on 18 September 2012, the Overview and Scrutiny Committee (Regeneration and Environmental Services) resolved that:-

Councillors Bennett, Gatherer, Jones, Lappin, McKinley and Maguire be nominated to serve on the Employment Development and the Development of Local Town Centres and Economies Working Group.

- 1.2 At its meeting held on 13 November 2012, the Overview and Scrutiny Committee (Regeneration and Environmental Services) were informed that Councillor Weavers had also joined the Working Group.

- 1.3 At its meeting on 22 January 2013, the Overview and Scrutiny Committee (Regeneration and Environmental Services) resolved that:-

- 1.4 Councillor Dutton replace Councillor Jones on the Employment Development and Development of Local Town Centres and Economies Working Group.

- 1.5 Details of Working Group meetings are as follows:-

Date	Activity
26.10.12	Scope Review
13.9.13	Re-affirm Terms of Reference and Objectives; and Interview Key Witness – Alan Young, Sefton MBC
4.10.13	Interview Key Witnesses: Mark Catherall, Southport BID and Andrew Walker, Sefton MBC.
18.10.13	Interview Key Witness – Dave Marrin – Sefton MBC
15.11.13	Interview Key Witness – Hugh Evans – Southport BID
17.01.14	Next Steps Meeting
31.01.14	Interview Key Witness – Catherine Caddick, Crosby Town Centre
14.02.14	Interview Key Witness – Bob Greenhalgh, Manager, Bootle New Strand Shopping Centre
28.02.14	Interview Key Witness – Nick Thompson, Waterloo Town Team
13.03.14	Interview Key Witness – Pete Spiers, “A Better Crosby”
27.03.14	Interview Key Witness – Ged Gibbons
10.04.14	Interview Key Witness – Cabinet Member- Regeneration and Tourism
	Reflections from Members – Next Steps
	Consider Draft Final Report (Employment Development)

- 1.6 For the purposes of conducting this review, Members agreed to investigate Employment Development first, and to consider Development of Local Town Centres and Economies in a later session. This report addresses the town centres objectives of the Working Group.

- 1.7 Members of the Group drafted and agreed the following terms of reference and objectives of the review:-



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2.0 TOWN CENTRES

2.1 Terms of Reference

- (1) To engage with town centre stakeholders including centre managers, town centre businesses, Council services supporting town centre functions, trade bodies, and town centre users
- (2) To scrutinise the Council's performance as regards the vitality, viability and economic potential of Sefton's Town Centres
- (3) To make recommendations for the improvement of Sefton's town centres and the contribution of the private, public and Voluntary Community and Faith sectors to their prosperity.

Objectives

- (1) To understand the role of Town Centres in the local economy and the many functions they fulfil
- (2) To focus on a list of settlements which make up Sefton's Town Centres and profile their performance using available data, including the impact of the "double dip" recession
- (3) To review stakeholder perceptions of the value, effectiveness and long-term prospects of each of the listed centres
- (4) To critically assess the Council's policy towards town centre improvement, in terms of core functions (cleaning, safety & movement, planning), and additional activity such as marketing, regeneration and town centre management
- (5) To understand the new national policy context for town centre improvement set out in the Portas Review and subsequent announcements, and assess the implications for Sefton
- (6) To make recommendations to Cabinet for short, medium and long-term action on the priorities identified above.

3.0 METHODS OF ENQUIRY

- Background reading
- Presentations



4.0 RESEARCH AND BACKGROUND INFORMATION

4.1 Town Centres

- 4.1.1 Almost 90% of us live and work in towns and cities. Nearly all of us depend on them for meeting friends and colleagues, for shopping, entertainment, leisure, culture, public services and transport. As individuals and families, we depend on them for jobs. As businesses, we depend on them for our survival, profits and growth.
- 4.1.2 High Streets are changing, and there is a realisation that retail space **will** have to shrink in some cases to survive. This does not mean that high streets should disappear or stop reinventing themselves; just that they will simply be different in the future.
- 4.1.3 The business of town centres is a serious and highly complex subject requiring energy, skill and enterprise. That is what we are seeing with the Town Team phenomenon, where a group of like-minded people have come together to establish their Town Team, and begin creating marketing material to illustrate what they want to do to make their place better. Indeed, simply having the conversation is a great catalyst to start implementing this change.
- 4.1.4 The business of town centres is more than just retail – it includes businesses across the board in all guises, and from both private and public sectors. The town centre is a community, one that needs to be dynamic, and change with the times. Times have changed, and turning the clock back is not an option – although the careful conservation of certain town centre features to encourage character and belonging is.
- 4.1.5 It is a fact that that Internet and multi-channel (“omni commerce”) trading will increase, especially with the development of “smart phones” and this must be embraced. All physical retailers will have to grasp new technology for future survival.
- 4.1.6 A town centre that offers its own diverse and distinctive environment, with a strong sense of place, is a magnet that attracts people to work, visit and live. However, it has to meet several key challenges in order to survive and succeed:
- It must be easily accessible, clean and safe at all times of the day.
 - It must have its own unique identity, using architecture, events, marketing and all forms of media to reinforce vital points of difference.
 - It must have professional, active management.

For all the above to happen, stakeholders and organisations should come together rather than fight for recession-squeezed resources.

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- 4.1.7 Sefton is home to a number of national and strategic assets which lie at the heart of the city region's prosperity: the Port of Liverpool at Seaforth, the maritime cluster of port-related businesses; important employment centres including Dunningbridge Road and Southport Business Park; a rejuvenated Seafront and Town Centre in Southport; major visitor destinations including golf, events and the award-winning natural coast; location of choice for household name companies such as Santander and Fujitsu; a data communications hub (Hibernia Atlantic, The Vault); a major Office Quarter in Bootle with the headquarters of the Health & Safety Executive, and three Further Education learning and enterprise sites.
- 4.1.8 Southport is the premier visitor destination and was once the primary shopping destination for Merseyside and the North West. It's also an important seaside resort destination which provides key leisure facilities for visitors and tourists. The future is in Leisure and its core retail/leisure offer is at the heart of a cluster of hospitality businesses and their supply chains. The town's distinctive infrastructure and public domain defines its identity and underpins conference, golf and shopping-led visits from the UK and beyond.
- 4.1.9 In the recent past there has been planning permission granted for retail allocation for example Sainsburys, Southport, Members agreed that such developments will have a detrimental affect on the Boroughs Town Centres. There is an urgent need for Town Centre Strategies to be developed across the Borough.
- 4.1.10 Bootle is identified as the second largest shopping centre in Sefton and the key retail and service sector destination in the south of the Borough and in that respect the Group interviewed the Bootle Strand Manager, as detailed in paragraph 5.7 of the report.
- 4.1.11 The economic downturn has lasted more than five years and has had a dramatic impact on Town Centres. Falling retail sales, reduced consumer spending, increased business failures, rising vacancies and the growth of Internet Shopping have resulted in "fragile" business consumer and investor confidence in retailing and High Streets.
The recession and competition from out of town malls have resulted in closed-down businesses, run-down high streets and the proliferation of charity shops and betting offices, creating a spiral of decay.
- 4.1.12 It has become apparent that "temporary is the new permanent". Whereas 20 years ago retailers tended to sign 15 or more years leases or more on shop premises, they now sign much shorter deals. Landlords have to pay business rates on their premises if they stand empty for more than three months, so they're prepared to lease them to charities for little or nothing, just to avoid being hit by rates. This means that we're seeing many more charity shops or temporary users and "pop-up shops".



In the past these used to be a seasonal phenomenon, around Bonfire Night (selling fireworks etc.) and Christmas, but now some premises are hosting pop-ups all year round. We can not do things the way they were done in the past.

(Reference: Recommendation 4 to the report).

4.1.13 In the past there was resistance to having too many food and drink outlets on our high street due to concerns about breaking up the retail line. That changed some years ago and it could be said that the cafe culture has helped sustain our town centres in keeping them vibrant places that visitors and the local community want to visit. The introduction of street theatre, in pedestrianised Town Centres, to compliment the cafe culture should be encouraged with management of such activities being through the Neighbourhood Plan.

4.1.14 During the time spent researching Town Centres the Group took a view that looking at our Town Centres from a retail-focus missed a real opportunity to explore the wider activities that take place in Town Centres and that their success doesn't and shouldn't depend on shops alone; they also need offices and services. Some thought is required to attracting service providers and office-based users to remain in or relocate to Town Centres. This will become more important as the population gets older and is living longer as people in their seventies and eighties, along with other age groups, don't want to have to make a special journey to visit a health centre.

4.1.15 The Working Group also recognised that it can't be assumed that the affluent Town Centres are best equipped for the future. Each Town Centre needs to develop an identity and scale which works for its local community. There isn't a "one size fits all" solution for all the Town Centres. Different Town Centres will need different approaches. There needs to be a balance of competing needs while ensuring an environment in which investment can flourish and a vibrant mix of uses thrives.

(Reference: Recommendation 5 to the report).

4.1.16 The Working Group explored the issue that Local Authorities are responsible for a diverse range of assets including theatres, cinemas, civic centres, schools, parks, care homes and leisure centres. With this in mind it could be stated that Local Authorities are stewards of their localities and have an important economic development remit and planning powers as well as the diverse asset base stated above. It became apparent that while there was a need to drive efficiency in the use of all public assets, it makes financial sense to encourage assets that give Town Centres a focal point, lever in resources and create strong multiplier effects in local economies.

(Reference: Recommendation 5 to the report).

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4.2 Sefton's Town Centres

4.2.1 The following Town Centres make up the Borough of Sefton:

- Southport
- Formby
- Bootle
- Maghull
- Crosby Village
- Waterloo

4.3 Transport and Access

4.3.1 The Working Group were advised that in line with City Region City Deal, Sefton Council was leading a Liverpool City Region Steering Group to develop a package of sustainable transport measures and minor highway improvements, aimed at improving access to the Port of Liverpool for all modes of transport. A major highway scheme is a possible long term outcome. The Working Group welcomed those plans as Members believed that any transport improvements should improve transport access to Town Centres beyond the Port.

5.0 KEY WITNESSES – SWOT ANALYSIS AND SUMMARY OF STATEMENTS

5.0.1 Members of the Working Group gathered evidence through various methods, including presentations and briefings and receiving reports. Evidence was also given when Members had the opportunity to interview key witnesses, various Officers and Partners.

5.0.2 As part of their brief, key witnesses were asked to submit a SWOT analysis of their service.

5.0.3 The following points are a summary of the discussions held with key witnesses who had been invited to attend Working Group meetings:-



5.1 **Alan Young – Strategic Planning and Information, Sefton MBC**

SWOT Analysis – General issues relating to all Town Centres

Weaknesses

- Recent major retail developments at Liverpool 1, 'Project Jennifer' and the opening of M&S, Next, and TK Maxx at Aintree Retail Park (using planning loopholes) have and will likely draw trade away from established centres.
- The recent 'National Planning Policy Framework' (NPPF) has reduced the Council's ability to successfully resist 'out-of-centre' retail developments.
- The rise of internet shopping is taking a greater proportion of retail expenditure away from town centres.

Opportunities

- First signs of economic recovery
- Availability of development opportunities in and around most centres in Sefton

Threats

- Online retail expenditure is forecast to significantly increase in the years ahead.
- Inflation continues to erode disposable incomes.
- Uncertain investment climate and reluctance to invest in town centres.
- Perception about lack of free car parking
- Business rates perceived by some retailers as being high relative to profitability

Bootle Town Centre

Strengths

- Adjacent to the Bootle Office Quarter – the Strand is used by a large number of office workers.
- In an area of high density housing – a large and loyal catchment population lives within walking distance.
- Recently opened Asda is trading well, with evidence of linked trips to-and-from the Strand
- Presence of M&S as the key 'anchor' retailer
- Recent investments by Wilkinson and Tesco in new stores within the Strand. New Aldi and Lidl stores constructed near to the Strand.
- Good public transport links, by both bus and rail.

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Weaknesses

- Recent major retail developments at Liverpool 1, 'Project Jennifer' and the opening of M&S, Next, and TK Max at Aintree Retail Park compete with existing centres.
- Somewhat dated (at least in part) 1960s shopping centre building. Adjacent to poor quality 1960s office blocks, some of which are vacant.
- Many of the units within the Strand are of a size which is poorly suited to modern retail requirements
- The recent loss of key tenants including TJ Hughes, JD Sports.
- 19% of units were vacant at July 2011, accounting for 11.9% of floorspace. This is higher than the national average. The rear of the Strand is currently largely vacant.
- Bootle has declined 13 places in its national retail ranking, from 247th in 2005, 267th in 2007 and 260th in 2011.
- ASDA sells similar goods to shops in the Strand, but with free parking
- Centre closes down completely at 17:30 – very limited night time economy

Opportunities

- Expansion of Hugh Baird College has and will bring more students to the area, providing more customers for shops in the Strand.
- Potential re-development opportunity at the large car park site fronting Stanley Road accessed via Trinity Road.
- Potential to convert large office buildings to new uses
- Central Government staff relocating from Liverpool into Bootle buildings giving short term boost to numbers
- The Strand has recently been acquired by a new investor
- Public realm improvements to Stanley Road frontage

Threats

- Public sector spending cuts are likely to mean there are fewer office workers in Bootle in the years ahead (the Office Quarter is dominated by public sector occupiers)
- Benefit reform (including the 'Bedroom Tax') is likely to reduce local spending power.

Southport Town Centre

Strengths

- Recent investments in the Atkinson Centre, Kings Gardens and the Market Hall.
- Benefits from being a Merseyside and wider high quality tourism destination. Tourism economy draws in additional visitors to the centre.
- Major visitor attractions e.g. Flower Show, Air Show, Royal Birkdale, etc.
- Attractive historic Town Centre, particularly Lord Street.
- Relatively affluent catchment population
- Railway station centrally located bringing visitors straight into the Town Centre.
- Strong and active private sector groups/traders associations etc.
- Small boutique streets/arcades e.g. Wesley Street and Wayfarers Arcade, with independent retailers.
- Attraction of successful cafe culture.



Weaknesses

- Catchment area is reduced by coastal location.
- The development of Liverpool 1 has inevitably drawn some trade away.
- Few redevelopment opportunities to expand/develop new retail floor space within the Town Centre.
- Many existing units are too small and/or are poorly suited for major chain stores.
- Prominent vacant units.
- Poor quality pedestrian linkages between Lord Street and the Promenade.
- 13.4% of units were vacant at July 2011, accounting for 13.6% of floor space. This is higher than the national average.
- Southport has declined 37 places in its national retail ranking, from a peak of 44th in 2005 to 81st in 2011.
- Poor transport links from the east.
- Station site and other gateways are perceived as visually unattractive.
- The convenience of car parking.
- Perceived issue with the Evening Economy.

Opportunities

- Development opportunity at the former “Pleasureland” Site on the Promenade.
- Potential Business Improvement District – from March 2014.
- Refurbishment of the former Waitrose building on Tulketh Street.

Threats

- National chains looking to reduce number of stores due to changing consumer habits, and already having a presence in Liverpool One or Manchester.
- A growing trend in low end retail operators.

Formby District Centre

Strengths

- Low vacancy rates (6.9% in August 2011).
- Presence of Waitrose at the main “anchor” retailer. This is the only Waitrose in Merseyside which attracts customers from a wider catchment.
- Affluent catchment population with high disposable income.
- A number of specialist independent shops.
- Good balance between retail/leisure/services users.
- Central Pool, leisure facilities, and a number of GP surgeries are located next to the centre – brings in additional people.
- Attractive Town Centre environment, including planters and trees. Buildings generally in good condition.



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Weaknesses

- Low density housing means that fewer people live within walking distance.
- Some distance from the Formby train stations.
- Not located on a major through road.
- The convenience of car parking.
- The Police Station has recently closed.
- Perception that there are too many charity shops in the centre.

Opportunities

- Development opportunity at former Holy Trinity Primary School.

Maghull District Centre

Strengths

- Low vacancy rates (6.2% in August 2011)
- Relatively affluent catchment population with higher disposable income.
- Thriving and bustling discount retail environment at peak periods.
- Good mix of conventional retail and service facilities (banks/building societies etc.) affording linked trips.

Weaknesses

- Severed by major roads from residential areas to the east resulting in poor connectivity.
- Poor quality, unattractive 1960s units in “Maghull Square”.
- Limited availability of car parking.
- The main supermarket (Morrisons) is relatively small compared to those in other similar sized centres
- Significant distance from Maghull Train Station.
- Perception that subways and passageways facilitate opportunities for crime and anti-social activity.
- Perception of poor quality public realm.

Opportunities

- Maghull Square and adjacent land is in a single ownership. Potential opportunity to reconfigure or redevelop this land with modern town centre floor space.
- Council-owned redevelopment opportunity at Stafford Moreton Way (former library and youth centre – both currently vacant)

Threats

- Landowners intentions regarding implementing recent planning approval at Maghull Square and uncertainty for tenants.



Crosby District Centre

Strengths

- Relatively affluent catchment population with higher disposable income.
- Low rents in locations such as Cooks Road and Endbutt Lane has seen a number of independents start up.
- Good transport links by both road and public transport (bus)

Weaknesses

- Uncertainty following the refusal of Sainsbury's proposals in 2010.
- The pedestrianisation of Moor Lane has been subject to criticism.
- The Centre is surrounded by busy roads on all sides. This inhibits pedestrian access into the centre.
- The main shopping parades back on to Liverpool Road/Moor Lane, providing an unattractive street frontage.
- Vacant land and buildings in and around the Centre.
- Traffic congestion in and around the Town Centre.
- A number of prominent empty units
- The convenience of car parking
- Centre shuts down at 17:30 with little activity thereafter
- Centre is looking tired and dated.
- Lack of identity for the Centre.
- Low rental in peripheral roads means the centre is spreading down Coronation Road and others.

Opportunities

- The Council is currently seeking to prepare an Investment Strategy for Crosby Centre.
- Potential to redevelop one or more of the Council-owned car parks on the edge of the Centre, and other vacant/under-used sites.
- A private sector group has formed to help guide future development.
- The continuing growth of Crosby Market and the potential Crosby Night Market.

Threats

- Sainsbury's have confirmed that they are no longer interested in expanding their current store.
- Proximity to Liverpool City Centre.
- High rents in the Centre may deter independent retailers.

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Waterloo District Centre

Strengths

- Large proportion of independent and local, committed retailers.
- Good public transport links by both bus and rail.
- In an area of relatively high density housing – a large catchment population lives within walking distance.
- Proximity to the beach attracts additional visitors in summertime.
- Good opportunities for night time activity after shops close.
- Cinema continues to succeed against all expectations.

Weaknesses

- Proximity of residential dwellings to bars/restaurants causing harm to amenity.
- Perceived dominance of non-retail uses.
- Congestion on Crosby Road North.
- Pressure on car parking spaces close to shops.

Opportunities

- Potential redevelopment/refurbishment sites on Crosby Road North, Brighton Road, and elsewhere.
- Potential for better use of former Bus interchange.
- Potential improvements to junction with Haigh Road to relieve congestion.

General Issues Discussed:

Unitary Development Plan

- The Council's policy position is as set out on our adopted UDP where the Council seek:-
 - To protect Sefton's retail hierarchy
 - To give priority to Town Centres and only allow development at out of town centres, based on a sequential approach (i.e. town centres first, edge of centres then out of centre and then where a clear need with no major detrimental impact on town centres.
 - As far as possible to only allow bulky goods retail sales on our retail parks, although there are exceptions where "planning loopholes" have been exploited.

National Planning Policy Framework

- The National Planning Policy Advice was published in March 2012. It:
 - Continues to support competitive Town Centres and existing retail hierarchies
 - Continues to apply tests to out of centre development but now limits them to applying a sequential test, as referred to above.



Local Plan

The Council has now prepared draft policies supporting the retail hierarchy in existing town, district and local centres.

The Council are not proposing any new retail allocations.

There is a separate Working Group reviewing the Local Plan and findings of that review are proposed to be available towards the end of July/beginning of August.

Other Issues

There is little doubt that the demand for retail floor space is going to reduce over the next five years due to changing retail habits and the internet. Some national figures indicate up to 20%.

Major food stores, which have anchored retail growth in many town centres, are cutting back radically their investment programmes. This means that new food stores are likely to be smaller than in the past and will only happen when there is a significant unmet demand or “market gap”.

Challenges for Sefton (but not unique to Sefton) include:-

- Planning positively in a situation where retail demand is reducing.
- Ensuring that other non-retail uses can fill the void left by vacant retail floor space.
- Ensuring that particularly Bootle and Southport maintain the vitality and viability in difficult times.
- How do we revitalise the Crosby Centre post-Sainsbury’s withdrawal from proposals to build a new food store? (this was a big issue at the local plan consultation amongst Crosby residents).
- The Local Plan process can enable but can’t, in itself, deliver much needed town, district and local centre investment.
- The challenge will be to positively engage with key landowners, retailers and developers.

(Reference Recommendation 1 and 5 to the report).

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5.2 **Mark Catherall – Southport Business Improvement District Development Officer – Sefton MBC**

Town Centre Management

Strengths

- Town Teams established in 4 Towns: Crosby, Maghull, Southport and Waterloo.
- A strong Partnership approach in a number of Towns across the Borough.
- Town Centres along with Town Centre Management models high on the local and National agenda.
- Sefton M.B.C Neighbourhoods Team provide some support, guidance and co-ordination to Town teams.

Weaknesses

- Many centres lack a clear vision with little buy-in from the private sector.
- Reduced resources mean it's difficult for Sefton MBC to facilitate any town centre management approach.
- Lack of a Strategic Policy for Town Centres across the Borough.
- Lack of promotion in relation to the "Green Pound".

Opportunities

- A Business Improvement District proposal for Southport .
- Funding for Town Centres available from the Portas funds, High Street Innovation Fund and Development Fund.
- Approved funding for Bootle, Crosby and Southport Investment Strategies.
- Increased Leisure facilities.

Threats

- The disillusion of the private sector.
- Continuing reduction of public spending.
- Local Authority Bureaucracy along with fees driving the private sector away (Town Centre Management Involvement).
- Consumer habits are changing – difficult questions to be asked regarding retail being converted to residential.
- Car parking charges will always be controversial – need to strike a careful balance – Lord Street Parking was being used by the retail workers so the occupation of spaces all day by retail proprietors/staff vehicles was deterring shoppers away – Pay and Display can be useful as it ensures a higher turnover of shoppers.

(Reference: Recommendation 1 to the report)



5.3 **Andrew Walker – Head of Direct Services – Sefton MBC**

Strengths – Security

- Sefton Security operate from the Head quarters at Linacre Lane which is the alarm receiving centre. Sefton Council are the only Local Authority to receive a triple Gold Star accreditation for the operation of the Security System.
- Throughout Sefton there are 3.5 thousand cameras of which 100 monitor public areas and Town Centres. Sefton Security have a number of systems in place. One of the most valuable features of those is that the police have I-Pads that are compatible with the cameras, which means that they can be directed as required, in liaison with Sefton Security and can ascertain what, if any, assistance is required.
- Sefton Security has been awarded 3 Gold Stars which means that the Council can undertake certain privileges and make independent decisions in terms of Security and Cameras and this allows the Council to operate and trade.
- Sefton Security are audited six times per year – every incident is recorded and the monitors are reviewed in that respect.
- Security across the Borough's Town Centres is deemed a strength, in terms of prospective business investors.

Strengths – Cleansing

- The Council collects refuse from commercial operations/businesses, providing a service that's cost effective. Local Authorities have a statutory duty to provide commercial refuse collection and in that respect some Local Authorities seem to have taken a different approach by pricing themselves out. Sefton provides a Service that is cost-effective and we see that as a strength.
- Street cleansing is a visible positive that can be seen by all who visit or trade in the Town Centres across the Borough.

Weaknesses/Threats - Security

- Some of the older cameras are 10/11 years old. Technology has and will continue to move on at a rapid rate, but with no budget to update or renew the equipment, the Council needs to look at innovative ways of updating the existing cameras.
- The I-Pads used by the Police can only be linked to the 3 G cameras and as stated earlier, many of the cameras are relatively older.

Weaknesses/Threats – Cleansing

- Culture issue in that a vast majority of visitors have no interest in the amount of litter generated so there are disposal issues along with litter picking.
- Fewer Enforcement Officers to enforce the local laws of littering (pavement culture).

Opportunities - Security

- Sefton Security are currently undertaking a review of all the cameras across the Borough and will rank them in order of replacement need.



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Opportunities – Cleansing

- Transformation may allow the opportunity to review the smaller issues of different agreements previously agreed in terms of side alleys along with new and innovative ways of providing a cleansing service.
- Number of different agencies involved in Street Cleansing, with different Departments responsible for various and different elements of the service. Over the past 12 months the Council has made progress in re-aligning all those elements to cleansing in order that the service is no longer disjointed.

(Reference: Recommendation 2 and 7 to the report).



5.4 Dave Marrin – Service Manager, Traffic and Transportation – Sefton MBC

Town Centre Parking Policies

Parking continues to be an emotive and sometimes difficult issue and one where a consistent, strategic approach is required, but has been lacking. Consequently, as part of Phase 2 of the Parking Review a framework will be developed that can be presented to Members and agreed for the Authority. Key stimuli for the work are:

- Ongoing parking review – initially focusing on management and enforcement, but second stage will include strategy and policies.
- Emerging Local Plan – in terms of development requirements, allocations and the need to prepare a coherent set of development policies.
- Existing policies and standards coming under increasing scrutiny about whether they are effective or appropriate.
- Request from Development Control colleagues for a coherent strategy and specific, agreed policies that they can present to developers.
- Parking surveys undertaken in 2010 in Bootle and Southport, but no use made of results yet.

Strengths

- Established Operation / Management.
- Public Awareness of existing arrangements.
- Flexible – reflects local circumstances.

Weaknesses

- Lack of control over competition.
- Lack of clearly defined and agreed policies.
- Public perception.
- Is it fit for purpose? – response to economic situation.
- Clarity about what is needed / desired.

Opportunities

- Local Plan
- Policy Review (Parking Review)
- Managing Traffic in Town Centres
- Upgrade of Operational Systems (payment methods)
- New Developments

Threats

- Competition – Private Operators
- Lack of Control over Competition
- Ongoing Economic Situation
- Town Centre Viability
- Operational Systems at end of life.
- New Developments

(Reference: Recommendation 3 to the report)



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5.5 Hugh Evans – Southport Improvement District

Key points:-

- There have been misgivings in relation to the value of the Portas Review.
- Towns throughout the Borough have seen an increase in empty properties.
- The Government have moved on apace with Business Improvement Districts (BID). One of the advantages to BID is that it devolves the running of business to the proprietors themselves.
- Southport began the process of a BID in March 2013 when a consultation began. It's important that a BID is produced that's owned and managed by the businesses themselves.
- A well produced BID should increase footfall, reduce crime and make the Town a vibrant and great one to visit, looking and feeling nice in order that visitors have a desire to return.
- The Southport BID will need to make improvements to the look and feel of the Town, improve signage and focus on improvements to the side streets and businesses operating there.
- The levy formula is based on the rateable value of the property. All money collected is spent on projects agreed by the proprietors and the scheme only works well if businesses work collectively together for the good of the Town. A cap has been introduced for those businesses with a rateable value of £2000 so that they do not pay a levy.
- Businesses include retail, accommodation and hospitality.
- Sefton Council's involvement in the BID is as follows:-
 - Supportive in progressing the BID (expertise within the Council to advise and guide)
 - Resource to follow the BID through.
 - Manage the levy payments.
 - The Council will have one of the twelve seats on the Board.
 - Help and assistance with base line agreements.
 - Ensure the Council delivers on what it has said it would deliver.
 - Evaluation of the impact of the BID will be done by producing an Annual Report identifying all the achievements, what has worked well and what has not worked so well, demonstrating how footfall has increased and crime decreased as a result of the BID and the interventions in place.

(Reference: Recommendation 5 to the report)



5.6 **Catherine Caddick – Proprietor of business, Crosby Town Centre**

Key points:

- Condition of Crosby Village has deteriorated over the years and the town is in great need of regeneration; for the proprietors it is soul destroying. It's not a great shopping experience.
- Too many betting shops and charity shops.
- Maghull Developments have erected hoardings that are not in keeping with the quality of the high street in Crosby. They are a health hazard and unprofessional and need to be able to withstand the elements. Past experience has demonstrated that Maghull Developments are unapproachable. Since the proposal of Sainsbury's trading in Crosby collapsed, very little progress has been made on that site. If Sainsbury's had gone ahead it would be open now with 2/3 hours free parking which would have encouraged increased footfall. The ideal would be to operate a minimum of 2 hours free parking with the introduction of a tariff thereon thereafter.
- In 1993 Crosby Town Centre was badly pedestrianised and two years earlier car parking charges were introduced. Instead of addressing the issues it's spiralled out of control.
- People are frustrated. Crosby town looks and feels tired, and doesn't portray a positive image of the town. If the general housekeeping such as painting the lampposts and cleaning the town up was addressed, then businesses operating in the area would have a fighting chance. It's the little things that let the Town down, such as the caging around the Christmas tree being left for some time after the tree had been taken down.
- ABetterCrosby has established a Town Team in Crosby with various representatives in eligible positions across Crosby and the Team was successful in obtaining £10,000 of Portas monies.
- There doesn't seem to be any spirit in Crosby but if proprietors, residents and visitors saw the Town moving forward then the Town and spirit would evolve, thereby making it a wonderful place to visit with a happy ambiance.
- Car parking charges has become a fund raiser for the Local Authority. If the money or a percentage of the money went back into the Town for development and improvement work, then this would also contribute to the progress of the Town.
- Having been involved with the Business Village Partnership many years ago which was a vehicle for Crosby to have a voice, Town Teams provide a similar opportunity. Establishing a Town Team would require some communication and commitment from local Councillors and some key players.

(Reference: Recommendation 5 to the report)



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5.7 Bob Greenhalgh, Bootle Strand Centre Manager

Strengths

- The Strand attracts shoppers from local Community and Neighbourhoods (95% live within Bootle, loyal shoppers) along with office workers in the area. The Health and Safety Executive employ approximately 1200 Members of staff and Hugh Baird College has approximately 2500 students who may shop at the Strand.
- Strong traffic links to the Strand.
- New owners who have stated they intend to be in it for the long haul and are committed to spending money on the Centre to try to increase footfall. They have drawn up a 10 year plan involving significant investment to make aesthetic improvements to the Centre, making it an enjoyable shopping experience in order that shoppers spend more time in the Centre and return.

Weaknesses

- Loss of major retailers (T.J.'s, International Clothing, Thorntons, Textile World, Clinton Cards)
- Reduced footfall by 12% (190,000/week reduced to 165,000/week)
- Unable to attract any of the major retailers.
- Port – unloading and loading the vessels used to take up to 3 days which meant all the staff on the vessels were visiting the Strand and spending money. Now the operators turn the loading and unloading around in a day so the Strand has lost that trade.
- An attempt was made at attracting evening trade. However, it never portrayed the appropriate image, atmosphere and ambiance so the idea was rejected by the tenants at their tenants meeting.

Opportunities

- The possibility of using the lampposts outside the Strand as advertising space, possible income generator.
- Valentines promotions.
- Theme activities.
- The use of vacant units as kiosks for Community Groups and local schools.
- We have been Members of the Chambers of Commerce. This didn't give the Centre many benefits, but it provided networking opportunities and gained new contacts in order that the Centre can use local trades people for work such as signage.
- Intention to have markets outside the Centre on a six weekly basis to increase footfall/trade.
- Introduction of incentives to attract traders to rent units and to continue to remain in the Centre.
- Need to look at alternative uses for the Centre.



Threats

- On-line shopping has contributed to reduced footfall, with a predicted 20% of surplus space.
- There are 28 flats located within the Centre that are tired and in need of investment and improvement works.
- The conversion of St. Georges House into flats would prove difficult and creating residential units wouldn't provide a viable return unless rents of £800+/week were secured.

(Reference: Recommendations 4 & 10 to the report)

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5.8 **Nick Thompson - Waterloo Town Team**

Strengths

- The coast.
- The seaside.
- Seafront Gardens.
- Restaurants and Pubs.
- Active local communities.
- Church ward forum.
- Active and supportive Councillors.
- Resilient High Streets.
- Good public transport and highway links.
- Good relationships with SMBC.
- Strong voluntary sector.
- Good mix of different types of housing.
- Connectivity to the wider city region.

Weaknesses

- Poor image regarding pubs/drunken behaviour.
- Illegal parking on South Road.
- Linear structures of South Road and St. John's Road can lead to disconnection.
- The need to develop a strong traders association.
- SMBC relationship can be overwhelming and contradictory.
- Retail based economy.
- Subject to downturns in the economy.
- Little promotion of Waterloo as the area where the Gormleys begin.
- Lack capacity to progress work programme.

Opportunities

- Need to develop a stronger traders association.
- Recognition by the Portas and SMBC through high street fund that Waterloo has potential.
- Port development could offer jobs to local residents.
- Tourism – promotion of the Gormleys.
- Improved Street Scene.
- Develop branding for the area.
- Continual development of the Waterloo Town Team.
- Access to the wider city region's opportunities.



Threat

- Port development could lead to environmental degradation, increase in traffic and little benefit for local people regarding the accessing of jobs.
- Lack of local support.
- Council cuts.
- Hidden poverty affecting the area.
- Lack of affordable housing.
- Poor community engagement by lack of public or private agencies.
- Small businesses and projects not taken seriously.
- Regeneration agencies with no local knowledge.
- Local agencies fail to understand lack of capacity.

A Town Team has been established in Waterloo. The journey began 4 years ago. It was important to have the right, like-minded representatives on the Team. The Team comprises of representation from Traders, Voluntary Groups, Faith Sectors and Statutory Bodies from Health, Police and the Fire Service.

There was a desire from all representatives to create a Strategy to shape Waterloo into a great place to live, work and visit.

The successful bid for Portas money gave Waterloo Town Team a goal and focus. The team gelled well together, and it became clear that Waterloo is one of Sefton's hidden gems. Tapping into visitors attractions is important and a golden opportunity and one advantage is Waterloo being in front of Gormleys statues.

(Reference: Recommendation 5 to the report)

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5.9 **Pete Spiers, Adrian Swift and Jamie Scott - A Better Crosby**

Key Issues:

- Great Crosby is a relatively large suburb of the Liverpool City Region, comprising around 21,000 households and 52,000 residents.
- This large catchment area should be well capable of supporting a successful and vibrant Crosby Village centre.
- Over the last 10-15 years, the strength and vitality of Crosby Village has suffered dramatically, as a result of the combined impact of limited investment, poor pedestrian and cycle access, parking constraints and costs, and a rising number of vacant properties.
- In 2010, Sainsbury's announced plans to develop a new superstore in Crosby Village. Although this development would have led to much needed investment in the area, there were concerns by residents and local politicians about the proposed scale and design of the development and it did not receive planning permission.
- A local community group, ABetterCrosby, was formed in 2010 with the aim of bringing about positive change in the Crosby area by building on its heritage and looking to help direct its future in a more positive manner.
- It was recognised that a much wider consensus of local community groups, traders and politicians was required in order to effect meaningful change of Crosby Village.
- In 2011, The Crosby Area Partnership (CAP), formed The Crosby Village Redevelopment Group (CVRG). The aim of the group was to start developing a clear strategy to support the revitalisation of Crosby Village.
- The CAP's 2012 outline Business Plan highlights the key initiatives and actions that are required to support the transformation of Crosby Village into the thriving retail and leisure area that the residents of Crosby would like to see.
- The inability of Crosby Village to attract a much wider variety of stores and restaurant/cafe facilities is symptomatic of a number of issues:-
 - A general lack of investment in Crosby Village and its stores.
 - Ownership of parts of the Village real estate being in the hands of property development companies which are prepared to wait, rather than to actively invest in the area.
 - General poor access issues, with pedestrians and cyclists having to negotiate busy road crossings and inadequate "pay and display" parking spaces for car users.
 - Residents preferring to use other local centres, with superior facilities, for their retail and leisure needs (eg Formby, Southport, Aintree)
 - A lack of confidence by traders and residents to engineer change.
- Over the last 10-15 years, Crosby Village has suffered from the classic "vicious circle" of a lack of attractive shops, leading to lack of customers, leading to an even greater lack of shops. There is a real danger that unless action is taken to reverse these trends and to break this vicious circle, the decline of Crosby Village could become terminal.



- Crosby Area Partnership has identified a number of strategic initiatives, featured in the outline business plan, to help underpin the realisation of Crosby Area Partnership’s vision for Crosby Village. The initiatives are grouped in three core areas:-
 - Business Promotion and Attracting More People
 - Investment
 - Transport and Access
- For each initiative, specific targets and measures have also been identified to help support the monitoring process.

1. Business Promotion /Attracting More People	
<i>Active Marketing and Promotional Activity</i>	
<u>Targets</u>	<u>Measured by</u>
<ul style="list-style-type: none"> • Secure Crosby as a Fairtrade town 	<ul style="list-style-type: none"> • At least 4 events each year including “Annual Goose Fair”, Christmas Lights Switch on
<ul style="list-style-type: none"> • Annual event programme developed in conjunction with local businesses to complement the area and encourage more footfall for retail and leisure activities 	<ul style="list-style-type: none"> • Ideas include a website advertising services available, retailers joining together to offer online ordering and delivery services
<ul style="list-style-type: none"> • Using the concept of Totally Local, develop a brand identity for Crosby that all local businesses can sign up to 	<ul style="list-style-type: none"> • Measure increase in footfall, turnover rate of car parks as Key Performance Indicators
<ul style="list-style-type: none"> • Develop an understanding of Crosby’s customer base and potential for improvement 	<ul style="list-style-type: none"> • Promotion of ideas with businesses, property owners and developers in Crosby Village.
<ul style="list-style-type: none"> • Research and develop practical ideas for promoting mixed use retail in Crosby village 	<ul style="list-style-type: none"> • Preparation of “Investment and Opportunities Prospectus”
<ul style="list-style-type: none"> • Undertake a “Good News” campaign 	<ul style="list-style-type: none"> • Development of positive relationship with local media, including regular news releases and updates on achievements

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2. Investment	
<i>New Business Start-Ups</i>	
<u>Targets</u> Innovative new businesses in other parts of Crosby provide exemplars of what can be achieved with the right approach in the right location.	<u>Measured by</u>
<ul style="list-style-type: none"> Develop a business incubator programme to offer seed funding for new business initiatives and support focusing on promoting retail development and usage. Ideas include the development of a local retail and service sector academy to support utilising expertise of existing businesses to share ideas, guidance and tips on how to set up and run a successful small business and small grants to allow potential retailers to test the market with their business idea in Crosby Village. 	<ul style="list-style-type: none"> Attracting funding packages via the Local Economic Partnership, Invest Sefton (and other similar bodies) from public and private sources
<ul style="list-style-type: none"> Work with landlords so that unused upper floor accommodation is made available to local start-up entrepreneurs for offices and workshops. 	<ul style="list-style-type: none"> Examination of feasibility of establishing a Community Interest Company to promote and if necessary undertake the provision of appropriate space, e.g. underused upper floors; provision of "micro-business" space, e.g. stalls, kiosks for specialist traders, etc .
<ul style="list-style-type: none"> Increase expertise in the Partnership to support businesses 	<ul style="list-style-type: none"> Establishment of links with the National Skills Academy for Retail and number of participants/local businesses undertaking training/courses.
	<ul style="list-style-type: none"> Invest expert speakers on relevant subjects
	<ul style="list-style-type: none"> Benchmark good practice elsewhere.



2. Investment	
<i>Built Environment (continued)</i>	
<u>Targets</u>	<u>Measured by</u>
<ul style="list-style-type: none"> Raise the standard and quality of design of new development in Crosby Village 	<ul style="list-style-type: none"> Working with Sefton Council and other partner agencies to pursue external funding opportunities for capital improvement works and amount of funding attracted.
	<ul style="list-style-type: none"> Amount of Section 106 and Section 278 monies raised in conjunction with development opportunities as they arise and ensuring that it is allocated to enhancement projects in and around Crosby Village.
<i>Development Opportunities</i>	
<u>Targets</u>	<u>Measured by</u>
<ul style="list-style-type: none"> To capitalise on investment opportunities when they come along with focus on best outcome for Crosby 	<ul style="list-style-type: none"> Proactive and constructive engagement with Sainsbury's and Maghull Group on potential investment proposals through Design Charettes, Workshops and consultations.
<ul style="list-style-type: none"> To influence development in and the regeneration of Crosby Village 	<ul style="list-style-type: none"> Promotion of the role of centres in the preparation of an "Economic Strategy for Sefton", in the Sefton Core Strategy, in the Local Transport Plan and other such strategies at the appropriate stage of consultation.

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3. Transport and Access	
<i>Crosby Cycling Hub</i>	
<u>Targets</u> A network of cycle routes will be introduced, with a focal hub in the village, connecting all schools into the village. A key route to the station and beach will be created, feeding into the Sefton Coastal Park, and links to Liverpool and Southport.	<u>Measured by</u>
<ul style="list-style-type: none"> • Cycle training for school children and their families is provided in the village. 	<ul style="list-style-type: none"> • The length of cycle routes improving physical accessibility into the village.
<ul style="list-style-type: none"> • Tourist routes linking the village, beach, train and the Iron Men bring people in. 	<ul style="list-style-type: none"> • Number of secure cycle parking stands/facilities provided in Crosby Village.
<ul style="list-style-type: none"> • A cycle friendly cafe/cycle hire/community venue created in the village 	<ul style="list-style-type: none"> • Numbers of school children receiving cycling proficiency training.
<ul style="list-style-type: none"> • This network drives new internet use which is linked into marketing of the whole village. 	<ul style="list-style-type: none"> • The success in promoting Local Sustainable Transport Initiatives to owners and employees of business and services in the village.
	<ul style="list-style-type: none"> • The attraction of Local Transport Plan/Merseytravel funding
<i>Promotion of Local Public Transport</i>	
<u>Targets</u> Working in partnership with Merseytravel and bus operators to encourage more people to use public transport to get to Crosby Village.	<u>Measured by</u>
<ul style="list-style-type: none"> • Promotion of the No. 53 Quality Bus Partnership. 	<ul style="list-style-type: none"> • Regular meetings with Partnership Officers at Merseytravel.
<ul style="list-style-type: none"> • Local circular bus service between rail stations and key shopping areas including Crosby Village, St. John's and South Road (all in the Crosby/Waterloo area). 	<ul style="list-style-type: none"> • Dissemination of information about services via media; via availability of travel/service information leaflets to local residents; collection of data from operators to measure success.
<ul style="list-style-type: none"> • Improved bus facilities for users around Crosby Village. 	<ul style="list-style-type: none"> • Commissioning of Feasibility Studies for both proposals.

3. Transport and Access	
<i>Promotion of Local Public Transport (continued)</i>	
<u>Targets</u>	<u>Measured by</u>
<ul style="list-style-type: none"> Longer term ambition of a new bus station 	<ul style="list-style-type: none"> Inclusion of proposals in Local Transport Plan programmes
<i>Access to Village Centre</i>	
<u>Targets</u>	<u>Measured by</u>
<ul style="list-style-type: none"> Look at potential for de-pedestrianisation of Moor Lane in Crosby Village to encourage more passing trade and improve security at night. Particularly relevant to potential Sainsbury's development. 	<ul style="list-style-type: none"> Preparation of feasibility study by Council in conjunction with any forthcoming developing/redevelopment proposals.
<ul style="list-style-type: none"> In conjunction with Sefton MBC, research innovative new ways of looking at parking charges in Crosby Village. 	<ul style="list-style-type: none"> Agree an access and parking strategy with Council including encouraging and facilitating short-stay parking in the village.
<ul style="list-style-type: none"> Further exploration of parking issues within residential streets surrounding Crosby Village, particularly in relation to potential Sainsbury's development. 	<ul style="list-style-type: none"> Negotiate with Council about possibility of managing pricing structure to encourage visits and increase dwell times at quieter periods.

(Reference: Recommendations 5, 6 & 11 to the report)

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5.10 **Ged Gibbons – Regional Chairman of the Association of Town and City Management**

Key points:

- Town Centre Management – need to have individuals with a “can do” mentality and who want to drive a shared vision forward. It’s difficult to deliver actions with individuals that have a parochial vision and we need to have “like minded” people on board. Beware of the Progress Prevention Officer.
- “If you always do what you’ve always done then you’ll always get what you’ve always had.”
- Threats to town centres: online shopping, budget cuts – no funds to pay for Town Centre Managers, conflict in managing the hope, expectation and demand of the younger generation – lifestyles have changed.
- Retail offer has changed; individuals are shopping around. Town Centres are seeing an increase in shops such as Poundland, Home Bargains, Pound World, B&M, charity shops etc.
- Two different shopping experience:-
 - Basic regular shopping for food and other everyday incidentals; and
 - Leisure – sense of destination.
- The culture of all the town centres throughout the Borough are all diverse; they all have their own character – one size doesn’t fit all – important to tap into opportunities such as publicising local historic buildings to increase footfall by way of visitor attractions.
- Requirement in the future for the private sector to work with the public sector, less funding with greater demand – essential to look at the make-up of town centres; the competition needs to be balanced with different players.
- Town teams should have regular meetings with the Head of Planning Services and draft a 10 year plan with a clear vision.

(Reference Recommendations 1, 4 & 12 to the report)



5.11 Ian Maher – Cabinet Member for Regeneration and Tourism

Key points:-

Town Centres play a key role in making communities attractive and vibrant places to live. They also generate investment and jobs and attract visitor spend from a wide catchment area. If Town Centres go into decline, then they reduce opportunity for everyone. For these reasons, the future of Sefton's Town Centres is one of six top priorities endorsed by Cabinet.

Town Centres are varied and need to be looked at individually:

- Town Centres (many convenience and comparison goods, wide catchment area, variety of non-retail uses, extensive transport links, investment opportunities, major public realm) – Southport and Bootle.
- District Centres (mainly convenience goods, smaller catchment area, mainly retail, local transport links, opportunities for investment and/or re-modelling, modest public realm) – Crosby, Formby, Maghull, Waterloo.
- Local Centres (convenience goods, small scale, retail, local catchment area) – Ainsdale, Birkdale, Churchtown, Old Roan, Netherton, Linacre Bridge.

The SWOT analysis below looks at issues facing all these different types of centre, but solutions will need to be tailored to the prospects of each centre.

Strengths

- Retail/leisure offer of Southport.
- Office Quarter and College campus sustain the Bootle offer.
- All suburban residential areas are served by District and Local centres, which help define their identity.
- Commitment of Southport Town Centre ratepayers to the future of the Town.
- Entrepreneurship strong in centres that have struggled (e.g. Maghull Emporium).

Weaknesses

- In South Sefton, social deprivation caps purchasing power and limits growth.
- For centres with a coastal location, the size of the natural catchment area is constrained by the sea.
- Declining residential population of Sefton.

Opportunities

- Investment strategies commissioned for Bootle and Crosby Centres (Southport to follow).
- Growing support from businesses and government for Town Centre Partnerships.
- Continuing interest in Sefton from the multiples.
- Opportunities to innovate in Town Centre enterprise e.g. pop-up shops, markets, events.
- The conditional use of business rates relief to secure social value e.g. local jobs.



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Threats

- The superstore revolution, reducing the market share of small independent traders.
- Competition from the internet, especially for non-food and digital goods.
- Competition from out-of-town Centres including Liverpool One and the Trafford Centre.
- Failure of Government to reset rateable values for commercial premises.
- The slow recovery from the recession.

(Reference: Recommendations 4, 5, 6, 7, 8 & 12 to the report)



5.12 Christine Finnigan, Partnership and Local Taxation Officer and Angela Ellis, Customer and Transactional Services Support Manager, Sefton MBC.

Key Issues:

- Charities, Voluntary or not-for-profit organisations may be entitled to help and support with their Business Rates bill – charitable relief/discretionary relief may be applied for and this can reduce the bill by 80-100%.
- Collection rates are improving
- Three New Rate Reliefs:
 - Rateable Value – retail businesses with a rateable value of £50,000 or less are eligible for a new additional special discount worth £1000 which relates to the rate bills Sefton has approx. 150 businesses which fall under this category. Letter to be sent to all those businesses which are eligible.
 - Retail Relief: Empty properties – Re-occupancy – A shop/unit empty for more than 12 months and re-occupancy occurs, the new occupier receives 50% off rates for the first 2 years.
 - All empty properties are exempt from paying business rates for three months after they become vacant.
- Sefton has approx. 200 empty shops of which 150 benefit from retail relief.

(Reference: Recommendations 8&9 to the report)

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5.13 Jane Gowing, Head of Planning Services

Key Issues:

Planning – town centres, changes of use, retail developments etc.

National Planning Policy framework - “the purpose of the planning system is to contribute the achievement of sustainable development”. There are 3 dimensions of “sustainable development” running through planning;

Economic role – building strong economies by ensuring sufficient land of the right type in the right place at the right time to support growth and provision of infrastructure.

Social role – supporting strong, vibrant and healthy communities by providing a supply of housing required to meet the needs of present and future generations, high quality built environments, accessible local services that support its health, social and cultural well being.

Environmental role – protecting or enhancing our natural, built and historic environment, prudent use of resources, minimise waste pollution and adapting to climate change etc.

‘These 3 roles should not be taken in isolation because they are mutually dependent – e.g. economic growth can secure higher social and environmental standards and well designed buildings and places can improve the lives of people and communities.’

‘Economic, social and environmental gains should be sought jointly and simultaneously through the planning system.’

Major new (retail) developments – how do we assess (social) impacts?

Legislation and case law establish the various planning issues that can (and can’t) be taken into account when making decisions on planning applications. These are wide and include issues like;

- Highways impacts
- Impacts on neighbours’ amenity – e.g. through hours of operation, noise disturbance, loss of light etc.
- Economic impacts - £investment, jobs created, contribution to regeneration objectives etc.
- Ecology/environment issues – e.g. harm to habitats, species, mitigation etc
- Policies in the Development Plan – does the application comply?
- Design
- Retail impacts.

Issues that can’t be taken into account:

- Competition – e.g. too many charity shops already
- Loss of value (house prices)
- Covenants
- Matters covered by other legislation – e.g. Building Regulations



How do we access retail impacts of new supermarkets?

Developments over 2,500 sq. M. need to be accompanied by a Retail Impact Assessment (RIA),

This includes various technical and other information such as: breakdown of floorspace and uses (comparison or convenience shopping); amount of existing and proposed trading (£); trade draw – where will customers come from and how many?; are existing premises over trading?; site assessment /sequential test– why here?; Policy analysis; new jobs created; **vitality and viability assessment** etc.

The RIA is prepared by specialist retail consultants with recommendation regarding the likely impacts of the development in the locality taking into account the issues set out above.

National Planning Policy Framework – Ensuring Vitality of Town Centres

Local Plans should recognise town centres as the heart of communities and policies should protect their vitality and viability.

Define a network and hierarchy of town centres – e.g. local centre, town centre etc.

Promote competitive town centres and provide customer choice and a diverse retail offer.

Allocate appropriate edge of centre sites for main town centre uses – if no sites are available.

Allocate sites in other accessible locations that are well connected to the town centre.

Sequential test- to planning applications for retail that are not in an existing centre.

Applicants and Local Authority should demonstrate flexibility on issues of store format and scale.

Where an application fails the sequential test or will have a **significant adverse impact** it should be refused. Need to be able to demonstrate that impact and harm in order to refuse.

Vacant uses; Use Classes Order

Various changes in the UCO mean that more uses than ever before can now change without the need for planning permission. The following sets out those uses ordinarily found within town centres and as such excludes industrial/office uses.

At present there are three types of permitted change:

- a) Those not requiring prior-approval to the Council and not time-limited.
 - b) Those not requiring prior-approval to the Council but can only operate for a two-year period.
 - c) Those that require prior-approval to the Council and not time-limited.
- a) No prior approval/not time-limited

From	To
A2 (professional and financial services) when premises have a display window at ground level	A1 (shop)
A3 (restaurants and cafes)	A1 or A2
A4 (drinking establishments)	A1 or A2 or A3
A5 (hot food takeaways)	A1 or A2 or A3
Casinos (sui generis)	D2 (assembly and leisure)

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Note: A1 uses include but are not limited to shops, retail warehouses, hairdressers, funeral directors, travel and ticket agencies, post offices, pet shops, sandwich bars, domestic hire shops, internet cafes.

A2 uses include professional and financial services (other than health or medical services) such as banks, building societies, estate and employment agencies, betting shops.

b) No prior approval/time-limited

Since 30 May 2013:

Buildings with A1, A2, A3, A4, A5, B1, D1 and D2 uses will be permitted to change use for a single period of up to two years to A1, A2, A3 and B1 uses.

c) Prior approval/not time limited

Since 6 April 2014:

A1 (under 150m. sq./A2 to C3 (Residential). This is not applicable within Conservation Areas (only Lord Street and Chapel Street benefit).

A1 to Bank/Building Society/Friendly Society/Credit Unions (mentioned explicitly to the exclusion of any other A2 use such as a bookmakers).

6.0 Key Opportunities – Business Improvement District (BID)

- 6.1.1 A BID is a flexible funding mechanism to manage a clearly defined retail, commercial or industrial area.

The Local Government Act 2003 allows local businesses and other stakeholders to form a partnership to improve their area: improvements which must be additional to services the Council already provides.

The BID business plan is put to a ballot and must be agreed both by the Council and by the majority of business ratepayers (and a majority of the (Rateable Value) in the area).

The Council, as billing authority, is then authorised to levy an additional rate on all balloted businesses (whether they supported the BID or not), and to pass the revenue onto the BID Company (BidCo).

The BidCo is responsible for delivery of the business plan and is accountable to its ratepayers and to the Council. It is normally a not-for-profit limited company, and is governed by the Business Improvement District (England) Regulations 2004.

Every BidCo is required to periodically re-ballot business ratepayers to renew consent to the levy and the business plan.

- 6.1.2 BIDs are a tried and tested method of regenerating town centres, commercial districts and some tourism zones. There are currently 126 formal BIDs in the UK, of which 39 have been successfully renewed. Around 80% of ballots for a new BID return a “yes” vote. BIDs on Merseyside include City Centre BID and The Commercial District.
- 6.1.3 Tourism BIDS (TBIDs) are new and actively being promoted by Visit England who have established an “Early Adopters” group to help develop and share best practice. Sefton and its Southport BID are invited members of that group.
- 6.1.4 Sefton has had previous experience of BIDs. About 120 businesses in Chapel Street, Southport were balloted in 2006 and 2007, but on both occasions declined by the narrowest of margins to become a BID. This is believed to be mainly due to the opposition of the Arcadia Group which had a national policy of not joining BIDs. However, Arcadia’s presence in the town centre has since reduced and the climate has changed considerably in the High Street, with much greater interest in collaboration.

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- 6.1.5 Southport has a strong core group of retailers, attraction operators and other town centre and seafront businesses, who have worked with each other and alongside the Council in Southport Partnership, Southport Tourism Business Network, and most recently in Southport Town Team.
- 6.1.6 This core business group had demonstrated a real willingness to take a leadership role. The business group established a Development Group and have submitted their manifesto.
- 6.1.7 The BID is projected to raise a total of £2.4 million over 5 years; this includes the levy and voluntary contributions along with other revenue streams.
- 6.1.8 The ballot papers for the BID were sent out on 27 February 2014, the deadline for return being 27 March 2014 and the successful result was announced on 28 March 2014.
- 6.1.9 Southport BID was launched on 1 June 2014. This is a fantastic opportunity for Southport, “The Classic Resort”, to re-establish itself by undertaking some key initiatives grouped together in two main priorities: Promoting and Improving. In considering the two main initiatives, the Working Group agreed that the following should be considered.

6.2 Research: Key Drivers – Town Centre Change – A Struggling Economy

- 6.2.1 UK consumers are struggling in the aftermath of one of the deepest and most prolonged recessions in recent history. Higher taxes, heavier indebtedness and tighter lending conditions will keep town centre spending more muted than in the previous two decades.
- 6.2.2 With consumers expected to suffer for the foreseeable future we can assume town centre footfall will continue to fall, or at least remain depressed. The pressure on retailers and other town centre businesses is unlikely to improve in the short-term. They will need to adjust to the fact that most customers will not only have less disposable income, but may also exhibit different behaviour – a thrifty and price conscious outlook.

6.3 Research: Key Drivers – Town Centre Change – Ageing Society

- 6.3.1 We live in an ageing society and in some areas Southport in particular, over half the residents are 60 years of age or over.
- 6.3.2 An ageing consumer base will increase the requirement in town centres for facilities such as good access, health services, and public conveniences. This may lead to a growing demand for safer and cleaner environments for socialising and leisure activities.



6.4 Research: Key Drivers – Town Centre Change – Changing Consumers

- 6.4.1 The economy, demographic change and technology will shape the behaviour of future consumers.
- 6.4.2 Future consumers are likely to be characterised by 5 key drivers: service, expectation of choice, technology use, the pursuit of value and the desire for experiences.
- 6.4.3 It is likely that town centres will be impacted to some degree by the 5 key future consumer trends:
- An ageing population: will lead to specific demands for particular services and facilities, as well as an attractive and safe environment in which to shop and socialise.
 - Ever increasing demand for choice: will place town centre operators under pressure to break from traditional business models to satisfy the demand for convenience.
 - The continuing rise of e-commerce: may take trade from traditional retailers, yet mobile technology will be so embedded in people's lives that town centre operators could embrace and exploit it for their own benefit.
 - The demand for value is here to stay: there will be an increasing demand for good value but with high quality goods and services.
 - Leisure time will continue to be very important, more than ever before. If Town Centres are to survive the Leisure element of the Town Centre offer should be exploited accordingly: people's expectations are ever higher, in a world where innumerable options compete for their attention. If town centres are to compete they will need to offer people a viable alternative where they can shop, eat, work and play in a unique cultural, social, and exciting environment.

6.5 Research: Town Centre Futures: Responding to Change – Ageing Population

- 6.5.1 Maximising access, whether parking or public transport.
- 6.5.2 Creating safe and attractive environments for shopping.
- 6.5.3 Ensuring the provision of important facilities such as toilets and mobility.
- 6.5.4 Fostering community spirit through local cultural and social events.
- 6.5.5 Bringing important public and private services (such as health) on to the high street.
- 6.5.6. A greater focus on good service, often on a face-to-face basis, will no doubt be attractive to older consumers.

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6.5.7 Greater opportunities for informal leisure and socialising.

6.6 Research: Town Centre Futures: Responding to Change – Economic Uncertainty

6.6.1 Supporting local businesses (e.g. through favourable rents and lease terms).
(Reference paragraph 5.12 to the report: Witness Statement – Christine Finnigan)

6.6.2 Supporting “pop up” businesses and short-term/seasonal enterprises.
(Reference recommendation 4 to the report)

6.6.3 Setting up town centre business and entrepreneurship mentorship schemes.
(Reference recommendation 4 to the report)

6.6.4 Providing town centre based re-training opportunities.

6.6.5 Achieving a favourable balance between budget, mass, and premium retailers.

6.6.6 Avoid the clustering of value retailers, bookmakers, bars, and fast-food outlets.
(Reference paragraph 5.13 to the report: Witness Statement – Jane Gowing)

6.6.7 Supporting and fostering local markets, community and participation.

6.7 Research: Town Centre Futures: Responding to Change – Consumer Change

6.7.1 Get to know your people and strike an appropriate balance between the 5 consumer drivers of value, service, experience, choice and technology.

6.8 Research: Key Findings - Demography

6.8.1 The population of the UK is projected to increase by 4.9 million between 2010 and 2020. This is based on an annual average growth rate of 0.8%, a higher rate of growth than that experienced over the past four decades.
We also live in an ageing society, a trend set to continue with the median age of the population expected to rise from 39.7 in 2010 to 42.2 by 2035.

6.8.2 Some population projections refer to the following:-

- In 5 years time there will be half a million fewer teenagers and young adults.
- In 10 years time there will be 3 million more people aged 70 and above.
- The proportion of middle aged people will fall.
- In some areas, over half the residents will be 60 or over.
- By 2017 people over 60 will make up close to 24% of the population (in some areas more).



6.9 Research: Key findings - Impact on Towns and Centres

6.9.1 Although we can only speculate about the impact of demographic change, we can draw a number of logical conclusions.

6.9.2 First, the growth in the number of older people in society will have an obvious impact on pension provision and health costs. Considering the elderly have the lowest incomes of any adult age group (although some have significant asset, holdings), it is possible that the growing size of this group may depress overall consumer spending.

6.9.3 It might also be assumed that certain businesses will benefit from the ageing population such as those providing health services, mobility products or organised holidays. However, it would be wrong to assume the elderly for the future will behave like those of yesteryear. Indeed, any of the post-war 'baby boomer' generation who are now reaching retirement are both technologically savvy, fashion conscious, and driven by a very different moral code, than their parents. We should assume they will want many of the same products and services as younger customers.

(Reference recommendation 2 to the report)

6.9.3 An ageing consumer base is likely to increase the requirement in town centres for certain facilities such as good access, health services and public conveniences. It is also likely to lead to a growing demand for safer and cleaner local environments for socialising and leisure activities, with a focus on facilities such as cafes and community centres.

6.9.4 The expected decrease in the proportion of young consumers will also have an impact, for instance, it may be speculated that this may lead to less demand for particular services, such as bars, which appeal to this group. Yet, it is the increase in the proportion of people of working age that is perhaps of greatest significance who are value led, a trend which is unlikely to diminish in the face of economic constraints and burgeoning choice, both on- and off-line. It is fair to assume that this age group in particular will continue to drive the trend towards highly convenient, value led retail and leisure for the foreseeable future.

6.10 Research: Key Findings - Future technology

6.10.1 If there is one thing that can be predicted with some certainty is that multi-channel consumption is here to stay.



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6.11 Research: Key Finding - E-commerce

6.11.1 The UK online retail sector is the largest and most mature in Europe, having experienced significant growth over the last decade. The growth in e-commerce has far outpaced store-based trading, and a continuation of this pattern in the next few years should be expected. Between 2011 and 2015, the proportion of all retail spending accounted for by the internet is expected to increase by 8.9% to 12.1% albeit at a slower rate of growth than has been experienced in the past.

6.11.2 The internet is increasingly used for bargain hunting and discount dealing, a trend expected to continue for the foreseeable future. Research has revealed online customer's increasing tendency to browse between competitors' websites and also on social forums. This suggests that customers are becoming even more savvy and are spending time researching best value. It is also thought that internet users are increasingly using Cashback, Social Shopping and Voucher sites to hunt for a good deal.

6.12 Research: Key Findings - M-Commerce

6.12.1 UK consumers are pioneers of M-commerce, with visits to retail websites using smartphones increasing dramatically in recent years. There are 48.5 million mobile subscribers in the UK, and smartphone usage is increasing rapidly, with estimates of as many as 20 million users in 2011. At present the M-commerce audience is young: 63% of mobile email users are aged 18-24. However, it is reasonable to expect the median age will increase as older consumers begin to adopt smart phone technology. Associated with the rise in M-commerce is the growth in social networking. Smartphone technology allows for real-time and location specific networking, where the sharing of comments, opinions, information, and images, with a wide audience, is now the norm for many people.

Emerging statistics can help us think about what the future may hold for M-commerce:

73% of connected smart phone users use their phone while shopping

45% of mobile users in the UK aged 16 and above use a smartphone

69% of smartphone users regularly surf the internet

71% of smartphone users search to find information about goods and services after seeing an advert

M-commerce accounted for just 2% of E-commerce in 2011, but this is expected to rise to 7% by 2016.

6.12.2 It is expected that M-commerce will grow rapidly and we can expect it to become an increasingly important means for consumers to research and buy goods and services, engage with companies, and each other.



6.13 Research: Key Findings: Technological Innovation

6.13.1 Technological innovation is changing the way we behave, particularly in terms of how we communicate, and buy goods and services. This is likely to have far-reaching consequences for the way we shop and use town centres.

Perhaps the greatest threat for traditional retail, and not just town centres, is the trend for using the Internet to search for the best deals – people increasingly find it a more effective and less costly place to buy what they need.

Logically, we might expect to see traditional town centres suffer, given the impact online shopping has had on categories such as books, music, and electronics.

Smartphone technology offers consumers the ability to access information at speed and on the go, research and purchase goods anywhere, and communicate instantaneously. While E-commerce itself might understandably worry town centre operators, M-commerce offers opportunities for innovation on the high street. As such, engagement with this technology may afford an important means to boost the vitality of our town centres.

6.14 Research: Key Findings - Future consumers

6.14.1 The economy, demographic change and technology will shape the behaviour of future consumers. Combined with existing drivers such as the demand for convenience, experience and choice, a composite picture can be painted of the UK consumer in 2020 and could be characterised by 5 key drivers:-

- Getting Older – “Focus on good service and leisure in nice, safe, local places”.
- Expect Choice – “Want to be able to shop and live on own terms. Businesses must meet our needs – anywhere and anytime”.
- Use technology – “Technology is part of life, used for information, shopping, socialising and deal hunting”.
- Driven by Value – “New outlook, less credit, high costs, depressed income”.
- Want experiences – “Leisure is important. Individuals want places that offer unique retail, cultural, social experiences”.

6.14.2 The impact of future consumer trends and groups on town centres will vary from town to town dependent on the exact make up of the local population. For example, the existence of value driven Family Value and Hard Pressed groups may ensure some businesses struggle to cope with the low consumer spending that this entails, while businesses in town centres with a high volume of Retiring in Style or Juggling Parents may experience the opposite situation.



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However, it is arguable that all town centres will be impacted to some degree by the 5 key future consumer trends:

An ageing population: will lead to specific demands for particular services and facilities, as well as an attractive and safe environment in which to shop and socialise.

Ever increasing demand for choice: will place town centre operators under pressure to break from traditional business models to satisfy the demand for convenience.

The continuing rise of e-commerce: may take trade from traditional retailers, yet mobile technology will be so embedded in people's lives that town centre operators could embrace and exploit it for their own benefit.

The demand for value is here to stay: there will be an increasing demand for good value but high quality goods and services.

Leisure time will continue to be important: people's expectations are ever higher, in a world where innumerable options compete for their attention. If town centres are to compete, they will need to offer people a viable alternative where they can shop, eat, work, and play in a unique cultural, social, and exciting environment.

6.15 Research: Key Findings - The Portas Review

6.15.1 Understandably, there are growing calls from business, the public sector, town centre managers, and ordinary people, for society to get to grips with the problems facing town centres. Questions about what has happened, why, and what we want from our town centres going forward have become increasingly vocal.

6.15.2 Yet the most important question is the how. How can businesses, communities, landlords and local councils pull together to address decline and deliver vibrant and engaging town centres fit for the twenty-first century?

Mary Portas's recommendations aimed to kick-start the beating heart of our communities. She recognised community life as a prerequisite for economic vitality and vice versa, and described future town centres as diverse multifunctional centres for shopping, socialising, living and working – the ultimate destination for experiences unavailable anywhere else.

Portas's comprehensive list of recommendations focus on the following five themes:

1. Town centres must be run like businesses
2. The conditions to help businesses flourish must be fostered
3. The problem of competition must be addressed
4. Landlords' roles and responsibilities must be better defined
5. The local community must feel encouraged to participate in their town centre's future.

6.15.3 The recommendations were purposefully broad in scope and high level. While some challenged the thinking of the local community, town centre managers and local councils, others could only be readily implemented by central Government. The report rightly acknowledged that there was no such thing as



a generic town centre, and 'a one size fits all' approach would simply not work.

6.15.3 The review's recommendation of the creation of Town Teams, with the specific remit to deliver the change required to improve their places, is highly important. It will be their responsibility to develop unique plans tailored to the needs of their towns.

6.15.4 What is the right strategy for my town centre?

The Portas Review encourages town centre managers, as the enablers of change, to collaborate with local people, businesses, and landlords, to implement strategies to create vibrant sustainable places which meet the long-term needs of the community at large. This is a laudable objective with the potential to arrest decline and place town centres firmly at the heart of our communities once again.

6.15.5 The challenge of limited budgets and the weight of expectation that they 'have to do the right thing' will no doubt place Town Teams under significant pressure to select well conceived and impactful strategies, which in turn deliver positive change.

Arguably, the key to selecting the right strategies is for Town Teams to understand the needs of their community, in detail. Consequently, they must get to know their places and the people who use them.

7. Conclusions

Prepare place-based investment and marketing strategies for the principal town centres (Southport, Bootle, Crosby)

These strategies to cover (as a minimum):

- development of local leadership, with appropriate governance arrangements to involve all stakeholders (Business Improvement District as the most advanced level of engagement)
(Reference paragraph 6.0 to the report)
- preparation of a vision and a strategy for getting there
(Reference recommendation 1 and 7 to the report)
- product development, in terms of consolidating and re-modelling the central business district, matching the supply and demand for premises and attracting fresh investment (public and private) where the centre has a unique advantage
- quality environments, with attention to access by bus and cycle as well as car, parking, safety, lighting, signposting and additional street cleaning/maintenance
(Reference recommendation 2 and 3 to the report)



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- business development, such as promotion of pop-up shops/incubators, business mentoring, training and apprenticeships, digital inclusion, a commitment to a “Sefton Welcome”
(Reference recommendation 4 to the report)
- place marketing, so the offer is placed before potential customers and clearly distinguished in a crowded marketplace
- co-ordinated use of Council leverage, so its landholdings, head leases, investments, Local Plan, development control policies, business support, employment services and rates relief policies all point in the same direction for each centre.
(Reference recommendation 1 to the report)

Consider “triage” so stronger centres are bolstered to grow and invest and weaker centres (or the very weakest) are helped to adjust gracefully as traditional customers switch to the internet, edge-of-town centres or alternative centres.

Each area should be encouraged to develop a Neighbourhood Plan to include a Town Centre Strategy for the associated Town serving that area. Town Centre Strategies will need to address the impacts and pressures Town Centres will experience such as a struggling economy, changing consumers, economic uncertainty, future technology, E-commerce, M-commerce, Technological Innovation and the future consumers as identified throughout the review.

8. Monitoring Of Recommendations

Members of the Working Group stressed the importance of a robust monitoring and evaluation mechanism following the conclusions of the review and observations and comments from Cabinet.

The Working Group agreed that:

- Each recommendation agreed by the relevant Cabinet Member should have an action/implementation plan completed by the identified officer, including timescales and milestones for completion.
- The action/implementation plan could be the substance for the six-monthly Overview and Scrutiny Committee monitoring and evaluation report.
- The Overview and Scrutiny Committee (Regeneration and Environmental Services) should receive a six monthly monitoring report, setting out progress made against each of the recommendations.
(Reference recommendation 14 to the report)

9. Recommendations – Town Centres

1. That the Director of Built Environment be requested to review the Town Centre Strategies in order that there is a co-ordinated and systematic approach to Town Centre Development that links into other strategies across the Council.
2. That the Director of Street Scene be requested to produce individual cleansing programmes for each commercial centre across the Borough, recognising that one size doesn't always fit all.
3. That the Director of Built Environment, as part of any future Parking Review, be requested to investigate the possibility of undertaking a more focused and robust approach to a cost/benefit analysis. The Parking Review has now been completed.
4. That the Director of Built Environment be requested to investigate the work that has been undertaken by Maghull Community Enterprise in designing and opening a Pop-up Shop known as "The Emporium" with a view to designing a Sefton Model for Pop-up Shops in order that other Town Centres across the Borough could adopt a similar approach.
5. That the Director of Built Environment, as resources allow, assign appropriate Officers to the Town Teams across the Borough in order that those Officers may offer support and guidance in promoting and improving Town Centres, assets and tourist attractions associated with individual Town Centres across the Borough as a possible income generator.
6. That the Director of Built Environment (Regeneration) in consultation with the Director of Corporate Services (Neighbourhoods) be requested to engage with local businesses, the Community, Voluntary and Faith sectors to encourage the development of the Borough's Town Centres with a view to evidencing engagement with those groups to develop a proposed work programme that is effective and inclusive.
7. That an Officer and Member Working Group be established consisting of Officers from Built Environment (Regeneration) and Corporate Services (Neighbourhoods) and Members along with any other relevant Officers to take the task of Town Centre Development forward.
8. That the Director of Built Environment be requested to draft clear criteria to support Community Social Enterprise that reduce bureaucracy and create a greater understanding and empathy towards local business to include a consideration of rate rebates for social enterprises equivalent to registered charities when additional social value and support for community development can be clearly demonstrated.

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9. That through the investment strategies for Bootle, Crosby and Southport, the Director of Built Environment be requested to contact the Town Centres and suggest that they conduct a mapping exercise of landlords in each of their Town Centres, using the Cabinet Member for Regeneration and Tourism Capital Fund.
10. That the Director of Corporate Services be requested to investigate the possibility of landlords using the empty rate relief regime provided this leads to enterprise development, job creation and longer term economic and social value.
11. That the Director of Corporate Services be requested to ensure that Charity Shops continue to be inspected prior to awarding relief and reviewed from time to time to ensure that relief criteria are met, with any abuse reported being investigated and appropriate action taken accordingly.
12. That the Director of Built Environment be requested to investigate the possibility of using the lampposts outside the Bootle Strand Shopping Centre as advertising space and a possible income generator and if this proves to be successful, adopt a similar principle, wherever possible, throughout the Borough.
13. That the Working Group welcomes that the Director of Built Environment intends to consult and seek local community representation in relation to any proposal to draft an investment strategy that impacts on that local community.
14. That, in the spirit of the One Council vision, all Directors and Heads of Service be requested to consider how their individual Departments actions impact on Town Centre development and how the development or decline then impacts on local residents and citizens.
15. That the Working Group seeks reassurance from the Council that the regeneration of the Borough's Town Centres should not be delayed or blocked due to any unnecessary internal procedures within the Council by adopting local protocols that seek to support local community activities in a positive and supportive way.
16. That investment and operational planning be more closely aligned through the Director of Built Environment.
17. That the Director of Built Environment, as resources allow, be requested to submit a quarterly progress report to the Overview and Scrutiny Committee (Regeneration and Environmental Services) detailing the proactive work being done to promote and create vibrant Town Centres across the Borough.
18. That the Director of Built Environment, as resources allow, be requested to submit a six monthly performance monitoring report to the Overview and Scrutiny Committee (Regeneration and Environmental Services), setting out progress made against each recommendation of this Final Report.





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10. ACKNOWLEDGEMENTS AND THANKS

In producing this report on Economic Development and Development of Local Town Centres and Economies, acknowledgements and thanks are attributed to the following individuals for their time and input:-

- All Key Witnesses
- Mark Long, Head of Economy and Tourism and Lead Officer to the Review

Thanks must also go to the Members of the Working Group who have worked hard and dedicated a great deal of time to this review, namely:-



**Councillor Patrick
McKinley
(Lead Member)**



**Councillor Denise
Dutton**



**Councillor Lynn
Gatherer**



**Councillor Paulette
Lappin**



**Councillor Peter
Maguire**



**Councillor Fred
Weavers**

**Overview
& Scrutiny**



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Sefton Council 



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Agenda Item 7

Report to: Cabinet
Council

Date of Meeting: 26 February 2015
5 March 2015

Subject: Treasury Management Policy & Strategy 2015/2016

Report of: Head of Corporate Finance & ICT

Wards Affected: All

Is this a Key Decision? No

Is it included in the Forward Plan? No

Exempt/Confidential No

Purpose/Summary

To advise Cabinet of the proposed procedures and strategy to be adopted in undertaking the Treasury Management Function in 2015/2016.

Recommendation(s)

Cabinet recommend to Council : -

- a) The Treasury Management Policy Document for 2015/2016 (Annex A) be agreed;
- b) The Treasury Management Strategy Document for 2015/2016 (Annex B) be agreed;
- c) The amendment to Banking arrangements contained within the Financial Procedures Rules of the Constitution (Para 3) be agreed; and
- d) The basis to be used in the calculation of the Minimum Revenue Provision for Debt Repayment in 2015/2016 (Para 5) be agreed.

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

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

Reasons for the Recommendation:

To enable the Council to effectively manage its treasury activities.

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What will it cost and how will it be financed?

- (A) Revenue Costs
There are no financial implications as a result of this report.
- (B) Capital Costs
None.

Implications:

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

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

Impact on Service Delivery:

None.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT is the author of the report (FD 3415/15)

The Head of Corporate Legal Services has been consulted and has no comments on the report (LD 2707/15).

Are there any other options available for consideration?

None.

Implementation Date for the Decision

With effect from 1st April 2015.

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

Background Papers:

None

1. Background

- 1.1. The Council has previously adopted CIPFA's revised 2001 Code of Practice on Treasury Management in the Public Services which recommends the production of annual Treasury Management Policy and Strategy Documents, and the revision to The Code in 2009 following the Icelandic bank collapse. The Council has also adopted the revisions contained within the 2011 Code.
- 1.2. In addition, the Council has also adopted, and incorporated into both documents:
 - a) The requirements of the 2003 Prudential Code for Capital Finance in Local Authorities; and,
 - b) An Investment Strategy produced in line with guidance from the then Office of the Deputy Prime Minister concerning the investment of surplus funds. This sets out the manner in which the Council will manage its investments, giving priority to the security and liquidity of those investments.
- 1.3. The adopted Council Policy has enabled the finance service to achieve reductions in debt management costs of over £3m in the last three years. This is a result of the proactive work which the Treasury Management Team deliver through rigorous cash flow management and longer term forecasting of financing requirements. The introduction of loans to local businesses and the utilisation of a charity and church based property management portfolio has further added to the key aims of the Council relating to economic investment and value for money.

2. Treasury Management Policy and Strategy Documents

- 2.1. The Code requires the Council to produce:
 - a) A Treasury Management Policy Document – which outlines the broad policies, objectives and approach to risk management of its treasury management activities;
 - b) A Treasury Management Strategy Document – This sets out specific treasury activities which will be undertaken in compliance with the Policy in 2015/2016; and
 - c) Suitable treasury management practices, setting out the manner in which the organisation will seek to achieve these policies and objectives, prescribing how it will manage and control those activities.

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

- 2.2. The proposed Policy and Strategy Documents are attached at **Annex A and B** respectively.

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

3. Financial Procedure Rules – Banking Arrangements

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

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

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

SEFTON COUNCIL

TREASURY MANAGEMENT

POLICY

2015/2016



CORPORATE FINANCE AND ICT

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1. Treasury Management Policy

1.1. The Council defines Treasury Management as:

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

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

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

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

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

2. Treasury Management Strategy

2.1. The Annual Strategy Document sets out in detail how the Treasury Management Activities are to be undertaken in a particular financial year to comply with the Council's Policy. The strategy for 2015/2016 is attached at **Annex B**.

3. Delegated Powers

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

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

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

4. **Reporting Requirements/Responsibilities**

4.1. Council

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

4.2. Cabinet

Cabinet will:

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

4.3. Audit and Governance Committee

Audit and Governance Committee will:

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

4.4. Head of Corporate Finance and ICT

The Head of Corporate Finance and ICT will:

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

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

4.5 Borrowing and investments

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

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

SEFTON COUNCIL

TREASURY MANAGEMENT

STRATEGY

2015/2016



CORPORATE FINANCE AND ICT

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SEFTON COUNCIL

Treasury Management Strategy

1. Introduction

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

2. Treasury Management Strategy 2015/2016

- 2.1. The Strategy for 2015/2016 covers:
 - a) Treasury Limits in force which will limit the borrowing activity of the Council (2.2);
 - b) Prudential Indicators 2015/2016 to 2017/2018 (2.3);
 - c) Interest Rates (2.4);
 - d) Capital Borrowing (2.5);
 - e) Debt Rescheduling opportunities (2.6);
 - f) Borrowing in advance of need (2.7);
 - g) Investment Strategy (2.8).
- 2.2. Treasury Limits for 2015/2016

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

The overall or Affordable Borrowing Limit (Authorised limit as per Prudential Indicators 2015/2016).	Maximum	£172.500m
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It is a statutory duty under S.3 of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the 'Affordable Borrowing Limit'. The Affordable Borrowing Limit takes into account the Council's current debt, an assessment of external borrowing to fund the Capital Programme in 2015/2016, the need to fund capital expenditure previously met from internal funding, and cash flow requirements.

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

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

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

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

2.3. Prudential Indicators

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

2.3.1 Interest Rate Exposure Indicators

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

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

Upper Limit for Interest Rate Exposures	2015/16 %	2016/17 %	2017/18 %
Upper limit for fixed interest rate exposure expressed as a percentage of net outstanding principal sum	340	340	340
Upper limit for variable interest rate exposure expressed as a percentage of net outstanding principal sum	-20	-20	-20

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2.3.2 Non Specified Investment Indicator

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

Upper Limit on Non-Specified Investments	2015/16 %	2016/17 %	2017/18 %
Upper limit on the value of non-specified investments as a percentage of total investments (including long term investments, and investments without credit ratings or rated below A-)	40	40	40

2.3.4 Debt Maturity Indicators

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

Maturity Structure of Fixed Rate Borrowing During 2015/2016	Upper Limit %	Lower Limit %
Under 12 month	35%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	40%	0%
10 years and above	90%	25%

Policy on the use of external service providers

The Council employs Capita Treasury Solutions Limited as its treasury consultants. Capita were engaged for the first time with effect from 01/04/2014, following a tendering exercise for the contract. The Council recognises that responsibility for treasury management decisions rests with

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

2.3.5 Principal sums invested for periods longer than 364 days

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

2.3.6 Credit risk

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

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

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

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

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

2.4. Interest Rates

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

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

2.4.2. **Annex B2** gives details of Capita's central view regarding interest rate forecasts. Capita's forecast is for official interest rates to remain at 0.5% until September 2015, then rising to 0.75% until the end of the financial year.

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

2.5. Capital Borrowing

2.5.1 The Authority currently holds £144.956m of loans, an decrease of £2.350m on the previous year as part of its strategy for funding previous years' capital programmes as set out below:

Debt Portfolio	
Average Interest Rate	4.44%
<u>Debt Outstanding – Fixed Rate</u>	£m
PWLB	123.946
Other Borrowing	15.760
Other Long Term Liabilities	<u>5.250</u>
Total Debt	144.956

The category of other borrowing (£15.760m) represents finance lease liabilities.

Other long term liabilities (£5.250m) represent transferred debt from the Merseyside Residuary Body.

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

The Council's forecast borrowing requirement for 2015/2016 is as follows:

Borrowing Requirement	Estimate £m
New Borrowing	8.522
Replacement Borrowing	<u>10.000</u>
Total Borrowing	18.522

The new borrowing represents the unsupported borrowing as required by the Capital Programme in 2015/16. As noted in 2.5.4 below the Council is internally borrowed, and may take additional borrowing if required in order to reverse this position.

2.5.3. The Capita forecast for interest rates is set out at **Annex B2**. This would suggest that the following strategy is followed:

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

2.5.4. The authority borrows from the PWLB in order to fund part of the capital programme, the maximum that we can borrow being the Capital Financing Requirement (CFR). PWLB borrowing as at 31 January 2015, plus lease liabilities and other long term liabilities, is £144.956m, as against a CFR of £202.000m for 2015/16. This position is classed as being internally borrowed which does have the advantage of reducing exposure to interest rate and credit risk. To be internally borrowed is a conscious decision to use cash balances to fund capital expenditure, rather than borrow from the PWLB. This position can be reversed at any time by borrowing from the PWLB.

2.5.5. 2015/16 is expected to experience a continuation of a low bank rate. Hence, internal borrowing is a sensible option where interest rates on deposits are much lower than the current PWLB borrowing rates, but this will be reviewed should interest rates change.

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

2.5.7. Against this background, caution will be adopted in undertaking borrowing in 2015/2016. The Head of Corporate Finance and ICT will monitor the interest

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

2.5.8. External v Internal Borrowing

2.5.9. The Council currently has a difference between gross debt and net debt (gross debt net of cash balances) of £54m. The general aim of the strategy would be to reduce the difference between the two in order to reduce the credit risk of holding investments.

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

2.6. Debt Rescheduling Opportunities

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

The lower interest rate environment and changes in the rules regarding the premature repayment of PWLB loans has adversely affected the scope to undertake meaningful debt restructuring. However, the situation will be monitored and the Council will consider the option of debt restructuring during 2015/2016, should the financial circumstances change.

2.7 Borrowing in advance of need

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

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

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

The total amount borrowed will not exceed the authorised borrowing limit of £172,500m. The maximum period between borrowing and expenditure is

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

2.8 The Use of Financial Instruments for the Management of Risks

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

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

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

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

2.9. Investment Strategy

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

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

- The security of capital
- The liquidity of capital

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

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

Specified Investments are those which satisfy the following conditions:

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

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

2.9.4 The Council's investment portfolio as at 26th January 2015 is set out below:

Investments Portfolio	£m
Specified Investments	51.720
Non-Specified Investments	<u>0.000</u>
Total	51.720

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

2.9.6 The Council Strategy will be:

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

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

Investment	Reason	Risk
Term deposits made with banks as listed in annexe B4, following the investment criteria as listed in annexe B3. Deposits also acceptable on an overnight call basis. Can also deposit with Local Authorities.	Certainty of rate of return and repayment of capital	Liquid, with potential for deterioration in credit risk. Most Local Authorities are not credit rated.
Certificates of Deposit with Banks and Building	Certainty of rate and liquid	If not held until maturity, can be sold

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

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

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

It is NOT proposed that the Council will be making any Non Specified Investments in 2015/2016 that do not comply with the above, however, should the situation change, the Head of Corporate Finance and ICT will report to Cabinet requesting appropriate approval to amend the Strategy before any such investments are made.

2.9.7 The Bank of England Base Rate has remained significantly low at 0.5%. Capita's projection of interest rates is to remain at 0.5% to September 2015 rising to 0.75% until the end of the financial year (**Annex B2**). Given the volatility of the market, the forecasts can only be used as a general guide to the future position. Consequently for 2015/16, the Authority has taken a prudent view and budgeted for an investment return based upon Capita's base rate projection during 2015/16.

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

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

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

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

2.9.11 The current list of Banks at **Annex B4** has been produced for information; this takes account of the most up-to-date credit ratings available in respect of the Banks and Building Societies named, and utilising Capita's creditworthiness advice. It has also been rationalised to only include institutions that are backed by a non-UK sovereign rating of AA+, which implies that national Governments ability, but not willingness, to support the Banks if they were facing financial difficulties. It should be noted that a maximum of £25m can be invested with any one country outside of the UK. The organisations listed will be monitored daily with the assistance of Capita to ensure they continue to meet the requirements for high credit quality as outlined at **Annex B3**. In the event of a change in credit rating or outlook, the Council, with advice from

Capita, will evaluate its significance and determine whether to include (subject to Cabinet approval) or remove the organisation from the approval list.

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

2.9.15 Performance monitoring

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

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

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

2.10 Member and Officer training

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

In order to address this, the Service Manager – Treasury & Capital has obtained the CIPFA/Association of Corporate Treasurers sponsored qualification CertITM-PF, which is aimed at giving a solid grounding in treasury management and which is tailored to the public sector. Training will be provided for Members of the Audit & Governance Committee on 25th March 2015 and it is intended for such training to occur at least annually.

**CAPITA INTEREST
RATE FORECAST**

Capita's Interest Forecast as at 26th January 2015

PWLB rates and forecast shown below have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012.

Capita Asset Services Interest Rate View													
	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Bank Rate View	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.75%	1.75%	2.00%
3 Month LIBID	0.50%	0.50%	0.60%	0.80%	0.90%	1.10%	1.10%	1.30%	1.40%	1.50%	1.80%	1.90%	2.10%
6 Month LIBID	0.70%	0.70%	0.80%	1.00%	1.10%	1.20%	1.30%	1.50%	1.60%	1.70%	2.00%	2.10%	2.30%
12 Month LIBID	0.90%	1.00%	1.10%	1.30%	1.40%	1.50%	1.60%	1.80%	1.90%	2.00%	2.30%	2.40%	2.60%
5yr PWLB Rate	2.20%	2.20%	2.30%	2.50%	2.60%	2.80%	2.90%	3.00%	3.20%	3.30%	3.40%	3.50%	3.60%
10yr PWLB Rate	2.80%	2.80%	3.00%	3.20%	3.30%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.20%
25yr PWLB Rate	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
50yr PWLB Rate	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
Bank Rate													
Capita Asset Services	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.75%	1.75%	2.00%
Capital Economics	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	-	-	-	-	-
5yr PWLB Rate													
Capita Asset Services	2.20%	2.20%	2.30%	2.50%	2.60%	2.80%	2.90%	3.00%	3.20%	3.30%	3.40%	3.50%	3.60%
Capital Economics	2.20%	2.50%	2.70%	3.00%	3.10%	3.20%	3.30%	3.40%	-	-	-	-	-
10yr PWLB Rate													
Capita Asset Services	2.80%	2.80%	3.00%	3.20%	3.30%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.20%
Capital Economics	2.80%	3.05%	3.30%	3.55%	3.60%	3.65%	3.70%	3.80%	-	-	-	-	-
25yr PWLB Rate													
Capita Asset Services	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
Capital Economics	3.25%	3.45%	3.65%	3.85%	3.95%	4.05%	4.15%	4.25%	-	-	-	-	-
50yr PWLB Rate													
Capita Asset Services	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
Capital Economics	3.30%	3.50%	3.70%	3.90%	4.00%	4.10%	4.20%	4.30%	-	-	-	-	-

Please note – The current PWLB rates and forecast shown above have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012

FITCH RATING EXPLANATION

Short term rating

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

F1 – highest credit quality - + denotes exceptionally strong

F2 – good credit quality

F3 – fair credit quality

Long term rating

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

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

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

Viability rating

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

Aaa – highest fundamental credit quality

aa – very high fundamental credit quality

a – high fundamental credit quality

bbb – good fundamental credit quality

bb – speculative fundamental credit quality

b – highly speculative fundamental credit quality

ccc – substantial fundamental risk

cc – very high levels of fundamental credit risk

c – exceptionally high levels of fundamental credit risk

f – failed

Support rating

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

1 – extremely high probability of external support

2 – extremely high probability of external support

3 – moderate probability

4 – limited probability

5 – cannot rely on support

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

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

SEFTON COUNCIL - STANDARD LENDING LIST

ANNEX B4

Weekly Credit List: 23/01/2015															
Institution Benchmark: iTraxx Senior Financials Index 59.63 (67.21)	Credit Ratings														
Institution Benchmark: iTraxx Senior Financials Index + 95% Confidence Level 67.48 (76.33)															
:	Fitch Rating					Moody's Ratings					S&P Ratings				
.	Long Term Status	Long Term	Short Term	Via-bility	Sup port	Long Term Status	Long Term	Short Term	FSR Stat us	FS R	Long Ter m Stat us	Long Term	Short Term	CAPITA Suggested Duration (CDS Adjusted with manual override)	
Australia	SB	AAA	-	-	-	SB	Aaa	-	-	-	SB	AAA	-	Not Applicable	
Australia and New Zealand Banking Group Ltd	SB	AA-	F1+	aa-	1	SB	Aa2	P-1	SB	B-	SB	AA-	A-1+	R - 6 mths	
Commonwealth Bank of Australia	SB	AA-	F1+	aa-	1	SB	Aa2	P-1	SB	B-	SB	AA-	A-1+	R - 6 mths	
Macquarie Bank Limited	SB	A	F1	a	3	SB	A2	P-1	SB	C-	SB	A	A-1	G - 100 days	
National Australia Bank Ltd	SB	AA-	F1+	aa-	1	SB	Aa2	P-1	SB	B-	SB	AA-	A-1+	R - 6 mths	
Westpac Banking Corporation	SB	AA-	F1+	aa-	1	SB	Aa2	P-1	SB	B-	SB	AA-	A-1+	R - 6 mths	
Canada	SB	AAA	-	-	-	SB	Aaa	-	-	-	SB	AAA	-	Not Applicable	
Bank of Montreal	SB	AA-	F1+	aa-	1	NO	Aa3	P-1	SB	C+	NO	A+	A-1	O - 12 mths	
Bank of Nova Scotia	SB	AA-	F1+	aa-	1	NO	Aa2	P-1	NO	B-	NO	A+	A-1	O - 12 mths	
Canadian Imperial Bank of Commerce	SB	AA-	F1+	aa-	1	NO	Aa3	P-1	SB	C+	NO	A+	A-1	O - 12 mths	
National Bank of Canada	SB	A+	F1	a+	1	NO	Aa3	P-1	SB	C	NO	A	A-1	R - 6 mths	
Royal Bank of Canada	SB	AA	F1+	aa	1	NO	Aa3	P-1	SB	C+	NO	AA-	A-1+	O - 12 mths	
Toronto Dominion Bank	SB	AA-	F1+	aa-	1	NO	Aa1	P-1	SB	B	NO	AA-	A-1+	O - 12 mths	
Denmark	SB	AAA	-	-	-	SB	Aaa	-	-	-	SB	AAA	-	Not Applicable	
Danske Bank	SB	A	F1	a	1	SB	A3	P-2	SB	C-	NO	A	A-1	G - 100 days	
Finland	SB	AAA	-	-	-	SB	Aaa	-	-	-	SB	AA+	-	Not Applicable	
Nordea Bank Finland plc ~	SB	AA-	F1+	aa-	1	NO	Aa3	P-1	SB	C	NO	AA-	A-1+	O - 12 mths	

Pohjola Bank	SB	A+	F1	-	1	NO	Aa3	P-1	SB	C-	NO	AA-	A-1+	O - 12 mths
Germany	SB	AAA	-	-	-	SB	Aaa	-	-	-	SB	AAA	-	Not Applicable
Deutsche Bank AG	NO	A+	F1+	a	1	NO	A3	P-2	SB	D+	NO	A	A-1	G - 100 days
DZ Bank AG (Deutsche Zentral-Genossenschaftsbank)	SB	A+	F1+	-	1	SB	A1	P-1	SB	C-	SB	AA-	A-1+	O - 12 mths
Landesbank Hessen-Thuringen Girozentrale (Helaba)	SB	A+	F1+	-	1	NO	A2	P-1	SB	D+	SB	A	A-1	R - 6 mths
Landwirtschaftliche Rentenbank	SB	AAA	F1+	-	1	SB	Aaa	P-1	-	-	SB	AAA	A-1+	P - 24 mths
NRW.BANK	SB	AAA	F1+	-	1	SB	Aa1	P-1	-	-	SB	AA-	A-1+	P - 24 mths
UniCredit Bank AG (Suspended)	NO	A+	F1+	a-	1	NO	Baa1	P-2	SB	D+	NO	A-	A-2	N/C - 0 mths
Hong Kong	SB	AA+	-	-	-	SB	Aa1	-	-	-	SB	AAA	-	Not Applicable
The Hong Kong and Shanghai Banking Corporation Ltd	SB	AA-	F1+	aa-	1	SB	Aa2	P-1	SB	B	SB	AA-	A-1+	O - 12 mths
Luxembourg	SB	AAA	-	-	-	SB	Aaa	-	-	-	SB	AAA	-	Not Applicable
Banque et Caisse d'Epargne de l'Etat	-	-	-	-	-	NO	Aa1	P-1	SB	C	SB	AA+	A-1+	P - 24 mths
Clearstream Banking	SB	AA	F1+	aa	1	-	-	-	-	-	SB	AA	A-1+	P - 24 mths
Netherlands	SB	AAA	-	-	-	SB	Aaa	-	-	-	SB	AA+	-	Not Applicable
Bank Nederlandse Gemeenten	NO	AAA	F1+	-	1	NO	Aaa	P-1	-	B-	SB	AA+	A-1+	P - 24 mths
Cooperatieve Centrale Raiffeisen Boerenleenbank BA (Rabobank Nederland)	NO	AA-	F1+	-	1	NO	Aa2	P-1	NO	B-	NO	A+	A-1	O - 12 mths
ING Bank NV	NO	A+	F1+	a	1	NO	A2	P-1	SB	C-	NO	A	A-1	R - 6 mths
Nederlandse Waterschapsbank N.V	-	-	-	-	-	NO	Aaa	P-1	-	C+	SB	AA+	A-1+	P - 24 mths
Norway	SB	AAA	-	-	-	SB	Aaa	-	-	-	SB	AAA	-	Not Applicable
DnB Bank	-	-	-	-	-	NO	A1	P-1	SB	C-	SB	A+	A-1	R - 6 mths
Singapore	SB	AAA	-	-	-	SB	Aaa	-	-	-	SB	AAA	-	Not Applicable
DBS Bank Ltd	SB	AA-	F1+	aa-	1	SB	Aa1	P-1	SB	B	SB	AA-	A-1+	O - 12 mths
Oversea Chinese Banking Corporation Ltd	SB	AA-	F1+	aa-	1	SB	Aa1	P-1	SB	B	SB	AA-	A-1+	O - 12 mths
United Overseas Bank Ltd	SB	AA-	F1+	aa-	1	SB	Aa1	P-1	SB	B	SB	AA-	A-1+	O - 12 mths
Sweden	SB	AAA	-	-	-	SB	Aaa	-	-	-	SB	AAA	-	Not Applicable
Nordea Bank AB	SB	AA-	F1+	aa-	1	NO	Aa3	P-1	SB	C	NO	AA-	A-1+	O - 12 mths
Skandinaviska Enskilda Banken AB	PO	A+	F1	a+	1	NO	A1	P-1	SB	C-	NO	A+	A-1	R - 6 mths

Swedbank AB	PO	A+	F1	a+	1	NO	A1	P-1	SB	C-	NO	A+	A-1	R - 6 mths
Svenska Handelsbanken AB	SB	AA-	F1+	aa-	1	NO	Aa3	P-1	SB	C	NO	AA-	A-1+	O - 12 mths
Switzerland	SB	AAA	-	-	-	SB	Aaa	-	-	-	SB	AAA	-	Not Applicable
Credit Suisse AG	SB	A	F1	a	1	NO	A1	P-1	NO	C-	NO	A	A-1	R - 6 mths
UBS AG	SB	A	F1	a	1	NO	A2	P-1	SB	C-	NO	A	A-1	R - 6 mths
U.K	SB	AA+	-	-	-	SB	Aa1	-	-	-	SB	AAA	-	Not Applicable
Abbey National Treasury Services plc	SB	A	F1	-	-	NO	A2	P-1	-	-	-	-	-	R - 6 mths
Bank of New York Mellon (International) Ltd	SB	AA-	F1+	-	1	-	-	-	-	-	-	-	-	O - 12 mths
Barclays Bank plc	SB	A	F1	a	1	NO	A2	P-1	SB	C-	NO	A	A-1	R - 6 mths
Citibank International Plc ~	SB	A	F1	-	1	SB	A2	P-1	SB	C-	SB	A	A-1	G - 100 days
Close Brothers Ltd	SB	A	F1	a	5	SB	A3	P-2	SB	C	-	-	-	G - 100 days
Credit Suisse International ~	SB	A	F1	-	1	NO	A1	P-1	-	-	NO	A	A-1	R - 6 mths
Goldman Sachs International ~	SB	A	F1	-	-	SB	A2	P-1	-	-	SB	A	A-1	G - 100 days
Goldman Sachs International Bank ~	SB	A	F1	-	-	SB	A2	P-1	SB	D+	SB	A	A-1	G - 100 days
HSBC Bank plc	SB	AA-	F1+	a+	1	NO	Aa3	P-1	SB	C	NO	AA-	A-1+	O - 12 mths
MBNA Europe Bank	NO	A-	F1	-	1	-	-	-	-	-	-	-	-	G - 100 days
Merrill Lynch International	NO	A	F1	-	1	-	-	-	-	-	SB	A	A-1	R - 6 mths
Morgan Stanley & Co. International plc ~	-	-	-	-	-	PO	A3	P-2	-	-	SB	A	A-1	G - 100 days
Santander UK plc	SB	A	F1	a	1	NO	A2	P-1	PO	C-	NO	A	A-1	R - 6 mths
Standard Chartered Bank	NO	AA-	F1+	aa-	1	SB	A1	P-1	SB	B-	NO	A+	A-1	R - 6 mths
Sumitomo Mitsui Banking Corporation Europe Ltd ~	SB	A-	F1	-	1	SB	A1	P-1	SB	C	NO	A+	A-1	G - 100 days
UBS Ltd ~	SB	A	F1	-	1	NO	A2	P-1	-	-	NO	A	A-1	R - 6 mths
U.S.A	SB	AAA	-	-	-	SB	Aaa	-	-	-	SB	AA+	-	Not Applicable
Bank of America, N.A.~	NO	A	F1	a-	1	SB	A2	P-1	SB	C-	SB	A	A-1	R - 6 mths
Bank of New York Mellon, The	SB	AA-	F1+	aa-	1	SB	Aa2	P-1	SB	B-	SB	AA-	A-1+	O - 12 mths
BOKF, NA	SB	A	F1	a	5	SB	A1	P-1	SB	B-	SB	A	A-1	R - 6 mths
Citibank, N.A. ~	SB	A	F1	a	1	SB	A2	P-1	SB	C-	SB	A	A-1	G - 100 days
HSBC Bank USA, N.A.	SB	AA-	F1+	a-	1	SB	A1	P-1	SB	C-	NO	AA-	A-1+	O - 12 mths
JPMorgan Chase Bank NA	SB	A+	F1	a+	1	SB	Aa3	P-1	SB	C	SB	A+	A-1	O - 12 mths

Northern Trust Company	SB	AA-	F1+	aa-	5	SB	A1	P-1	SB	B-	SB	AA-	A-1+	O - 12 mths
State Street Bank and Trust Company	SB	AA-	F1+	aa-	1	SB	Aa3	P-1	SB	B-	SB	AA-	A-1+	O - 12 mths
U.S. Bancorp	SB	AA-	F1+	aa-	5	SB	A1	P-1	-	-	SB	A+	A-1	O - 12 mths
Wells Fargo Bank NA	SB	AA-	F1+	aa-	1	SB	Aa3	P-1	SB	C+	SB	AA-	A-1+	O - 12 mths
Coventry BS	SB	A	F1	a	5	SB	A3	P-2	SB	C	-	-	-	G - 100 days
Leeds BS	SB	A-	F1	a-	5	SB	A3	P-2	SB	C	-	-	-	G - 100 days
Nationwide BS	SB	A	F1	a	1	NO	A2	P-1	SB	C	NO	A	A-1	R - 6 mths
AAA rated and Government backed securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collateralised LA Deposit*	-	AA+	-	-	-	-	Aa1	-	-	-	-	AAA	-	No Data Available
Debt Management Office	-	AA+	-	-	-	-	Aa1	-	-	-	-	AAA	-	No Data Available
Supranationals	-	AAA	-	-	-	-	Aaa	-	-	-	-	AAA	-	No Data Available
UK Gilts	-	AA+	-	-	-	-	Aa1	-	-	-	-	AAA	-	No Data Available
Lloyds Banking Group plc	NO	A	F1	a-	1	NO	A2	-	-	-	NO	A-	A-2	Not Applicable
Bank of Scotland Plc	NO	A	F1	a-	1	NO	A1	P-1	SB	C-	NO	A	A-1	Not Applicable
Lloyds Bank Plc	NO	A	F1	a-	1	NO	A1	P-1	SB	C-	NO	A	A-1	Not Applicable
Royal Bank of Scotland Group plc	NO	A	F1	bbb	1	NO	Baa2	P-2	-	-	NO	BBB+	A-2	Not Applicable
National Westminster Bank Plc	NO	A	F1	bbb	1	NO	Baa1	P-2	NO	D+	NO	A-	A-2	Not Applicable
The Royal Bank of Scotland Plc	NO	A	F1	bbb	1	NO	Baa1	P-2	NO	D+	NO	A-	A-2	Not Applicable

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Report to: Cabinet
Council

Date of Meeting: 26 February 2015
5 March 2015

Subject: The Prudential Code for Capital Finance in Local Authorities – Prudential Indicators 2015/2016

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

Recommendation(s)

Cabinet recommend to Council :

- a) The Prudential Indicators as detailed in the report, and summarised in Annex A, be approved as the basis for compliance with The Prudential Code for Capital Finance in Local Authorities;
- b) Relevant Prudential Indicators be amended, should any changes to unsupported borrowing be approved as part of the 2015/2016 Revenue Budget;
- c) It be noted that estimates of capital expenditure may change as grant allocations are received (paragraph 2.2); and
- d) Delegated authority be given to the Head of Corporate Finance & ICT to manage the Authorised Limit and Operational Boundary for external debt as detailed in Section 5 of the report.

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

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

Agenda Item 8

Reasons for the Recommendation:

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

What will it cost and how will it be financed?

(A) Revenue Costs

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

(B) Capital Costs

None.

Implications:

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

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

Impact on Service Delivery:

None.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT is the author of the report (FD 3416/15).

The Head of Corporate Legal Services has been consulted and has no comments on the report (LD 2708/15)

Are there any other options available for consideration?

None.

Implementation Date for the Decision

With effect from 1 April 2015.

Contact Officer: Margaret Rawding
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Background Papers:

None.

BACKGROUND:

1. Introduction

1.1. The CIPFA Prudential Code for Capital Finance in Local Authorities (The Prudential Code) was introduced following the Local Government Act 2003. It details a number of measures/limits/parameters (Prudential Indicators) that are required to be set each financial year. The approval of these limits will ensure that the Council complies with the relevant legislation and is acting prudently and that its capital expenditure proposals are affordable. This report presents for approval the Prudential Indicators required to be set by the Council in 2015/2016 to comply with the code.

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

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

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

2. Prudential Indicator – Capital Expenditure

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

2.2. The actual capital expenditure that was incurred in 2013/2014 and the estimates for the current and future years capital programme recommended for approval are:-

	<u>2013/2014</u> <u>Actual</u> <u>£m</u>	<u>2014/2015</u> <u>Estimate</u> <u>£m</u>	<u>2015/2016</u> <u>Estimate</u> <u>£m</u>	<u>2016/2017</u> <u>Estimate</u> <u>£m</u>	<u>2017/2018</u> <u>Estimate</u> <u>£m</u>
Childrens Services	5.759	7.267	3.753	0.745	0
Housing – General Fund	4.650	4.437	2.345	0.000	0
Technical Services	7.789	19.511	5.524	1.000	1.000
Other Services	11.260	13.245	9.656	0.680	0.050
Total	29.458	44.460	21.278	2.425	1.050

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

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3. Prudential Indicator – Financing Costs/Net Revenue Stream

- 3.1. This indicator measures the total capital financing costs of capital expenditure as a proportion of the total level of income from Government grants and local Council Taxpayers.
- 3.2. Estimates of the ratio for the current and future years and the actual figures for 2013/2014 are:

Financing Costs/Net Revenue Stream					
	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
General Fund	5.3	5.9	5.9	6.5	6.7

- 3.3. The estimates of financing costs include current commitments and proposals contained in the capital programme. The 2013/2014 percentage is lower than future projections as the future years projections reflect reduced levels of funding from the Government. The increase in the ratio masks the fact that the level of new borrowing in future years is reduced as the Capital Investment Plan reduces in scale.

4. Prudential Indicator – Capital Finance Requirement

- 4.1. The Capital Financing Requirement indicator reflects the Authority's underlying need to borrow for a capital purpose. This is based on historic capital financing decisions and a calculation of future years planned capital expenditure requirements.
- 4.2. Estimates of the end of year Capital Financing Requirement for the current and future years are set out in the table below:

Capital Financing Requirement					
	<u>31/03/14</u>	<u>31/03/15</u>	<u>31/03/16</u>	<u>31/03/17</u>	<u>31/03/18</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
General Fund	208.314	202.700	202.000	194.000	187.000

- 4.3. The reduction in the CFR reflects the reduced borrowing required for the capital programme as spending falls over time.
- 4.3. CIPFA's Prudential Code for Capital Finance in Local Authorities includes the following statement as a key indicator of prudence:

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

5. Prudential Indicator – Borrowing Limits

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

5.2. The Operational Boundary

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

5.2.2. In respect of the Operational Boundary it is recommended that the Council approves the following limits for the next three financial years. These limits separately identify borrowing from other long-term liabilities arising from the transferred debt from the now defunct Merseyside Residuary Body.

Operational Boundary				
	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Borrowing (long-term)	146.000	153.000	153.000	152.000
Other long term liabilities	5.500	4.500	4.500	4.500
Total	151.500	157.500	157.500	156.500

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

5.3. The Authorised Limit

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

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borrow i.e. the authorised limit. The authorised limit determined for 2015/2016 will be the statutory limit determined under section 3 (1).

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

Authorised Limit				
	<u>2014/2015</u> <u>£m</u>	<u>2015/2016</u> <u>£m</u>	<u>2016/2017</u> <u>£m</u>	<u>2017/2018</u> <u>£m</u>
Borrowing (short & long-term)	161.000	168.000	168.000	167.000
Other long term liabilities	5.500	4.500	4.500	4.500
Total	166.500	172.500	172.500	171.500

- 5.3.3 The increase in the authorised limit between 2014/15 and 2015/16 reflects the additional borrowing required by the capital programme for schemes such as Thornton Switch Island.

6. Prudential Indicator – Actual External Debt

- 6.1. The Prudential Code requires that in setting indicators for 2015/2016, the Council reports its actual levels of external debt as at 31 March 2014. The Council's actual external debt at 31 March 2014 was £144.956 comprising £123.946m borrowing, £15.760m in respect of finance lease liabilities, and £5.250m other long-term liabilities.

7. Gross Debt and the Capital Financing Requirement

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

Authorised Limit				
	<u>2014/2015</u> <u>£m</u>	<u>2015/2016</u> <u>£m</u>	<u>2016/2017</u> <u>£m</u>	<u>2017/2018</u> <u>£m</u>
CFR	202.700	202.000	194.000	187.000
Gross Debt	-141.491	-148.035	-147.683	-147.161
Net	61.209	53.965	46.317	39.839

8. Prudential Indicator – Impact on Council Tax

- 8.1. Under the Prudential Code, Local Authorities are able to decide the level of borrowing required to meet the demands of the capital programme. Any unsupported borrowing will have to be funded by Council Taxpayers. As such, these indicators are a key measure of affordability of unsupported borrowing undertaken to support capital investment decisions.
- 8.2. The indicators for the impact on Council Tax of unsupported borrowing are to reflect any ADDITIONAL/NEW unsupported borrowing approval.
- 8.3. Due to current budget constraints no new starts have been included within the 2015/2016 capital programme, that are financed from borrowing.
- 8.4. In the event that any amendments are made to the New Starts Capital Programme, the indicator will be recalculated accordingly.

9. Prudential Indicator – Treasury Management

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

9.2 Interest Rate Exposure

- i) An upper limit on its fixed interest rate exposures for 2015/2016 – 2017/2018 of 340% of its net outstanding principal sums;
- ii) An upper limit on its variable interest rate exposures for 2015/2016 – 2017/2018 of -20% of its net outstanding principal sums.

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

9.3 Debt Maturity Profile

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

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

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9.4 Investments Over 1 Year

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

10. **Monitoring Prudential Indicators**

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

Summary of Prudential Indicators.

ANNEX A

Capital Expenditure - 2012/2013 to 2016/2017 (Para 2)					
	2013/2014 £m Actual	2014/2015 £m Estimate	2015/2016 £m Estimate	2016/2017 £m Estimate	2017/2018 £m Estimate
Education	5.759	7.267	3.753	0.745	0
Housing – General Fund	4.650	4.437	2.345	0.000	0
Technical Services	7.789	19.511	5.524	1.000	1.000
Other Services	11.260	13.245	9.656	0.680	0.050
TOTAL	29.458	44.460	21.278	2.425	1.050

Financing Costs/Net Revenue Stream (Para 3)					
	2013/2014 Actual	2014/2015 Estimate	2015/2016 Estimate	2016/2017 Estimate	2017/2018 Estimate
	5.3	5.9	5.9	6.5	6.7

Capital Financing Requirement (Para 4)					
	2013/2014 £m Actual	2014/2015 £m Estimate	2015/2016 £m Estimate	2016/2017 £m Estimate	2017/2018 £m Estimate
	208.314	202.700	202.000	194.000	187.000

Operational Boundary(Para 5)				
	2014/2015 £m	2015/2016 £m	2016/2017 £m	2017/2018 £m
Borrowing	146.000	153.000	153.000	152.000
Other long term liabilities	5.500	4.500	4.500	4.500
Total	151.500	157.500	157.500	156.500

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Authorised Limit (Para 5)				
	2014/2015 £m	2015/2016 £m	2016/2017 £m	2017/2018 £m
Borrowing	161.000	168.000	168.000	167.000
Other long term liabilities	5.500	4.500	4.500	4.500
Total	166.500	172.500	172.500	171.500

Gross and Net Debt (Para 7)				
	2014/2015 £m	2015/2016 £m	2016/2017 £m	2017/2018 £m
CFR	202.700	202.000	194.000	187.000
Gross Debt	-141.491	-148.035	-147.683	-147.161
Net	61.209	53.965	46.317	39.839

Unsupported Borrowing (Para 8)			
	2015/2016 £m	2016/2017 £m	2017/2018 £m
General Fund	0.000	0.000	0.000

Impact on the Band D Council Tax (Para 8)			
	2015/2016 £	2016/2017 £	2017/2018 £
	0.00	0.00	0.00

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

Fixed Rate Debt Maturity (Para 9)

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

Investments over 1 Year (Para 9)

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

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Report to: Cabinet
Council

Date of Meeting: 26 February 2015
5 March 2015

Subject: Capital Programme 2014/2015 and Capital Allocations 2015/2016

Report of: Head of Corporate Finance & ICT

Wards Affected: All

Is this a Key Decision? Yes

Is it included in the Forward Plan? Yes

Exempt/Confidential

No

Purpose/Summary

To provide Members with details of the 2015/2016 Capital Allocations received to date and to consider their use in the development of a new starts programme for 2015/2016. The report outlines £16.1m of new investments which are aimed to improve the facilities and services to residents throughout Sefton.

Recommendation(s)

Cabinet is recommended to:

- i) Note the 2015/2016 capital allocations received to date, see paragraph 3.2;
- ii) Request Council to approve for inclusion within the Capital Investment Plan the Capital schemes to be funded from the 2015/2016 Single Capital Pot as outlined in Appendix A and the Prudential Borrowing Scheme in Appendix B.
- iii) Approve the increase in the existing Capital Programme for business growth grants from £1.3m to £1.55m, to be met from external funding.

Council is recommended to give approval for inclusion within the Capital Investment Plan, the Capital schemes to be funded from the 2015/2016 Single Capital Pot as outlined in Appendix A and the Prudential Borrowing Scheme in Appendix B.

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

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

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Reasons for the Recommendation:

To update Members on the 2014/2015 Capital Investment Plan, inform Members of the 2015/16 Capital Allocations received to date and to allow Members to consider how these allocations should be utilised. Also to seek approval for a scheme to be funded from Prudential Borrowing.

What will it cost and how will it be financed?

(A) Revenue Costs

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

(B) Capital Costs

All allocations included in this report are capital grants.

Implications:

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

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

Impact on Service Delivery:

The Capital Programme has been proposed to enhance the services provided through schools, day care, housing support and transport infrastructure. This will be to the benefit of residents and businesses across Sefton, as well as providing improvements in value for money in the delivery of services as part of modernisation of service delivery.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT (FD 3421/15) is the author of the report
The Head of Corporate Legal Services (LD 2713/15) has been consulted and has no comments on the report.

Are there any other options available for consideration?

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

Implementation Date for the Decision

After Cabinet and Council.

Contact Officer: Jeff Kenah
Tel: 0151 934 4104
Email: Jeff.kenah@sefton.gov.uk

Background Papers:

None.

1. Introduction/Background

- 1.1 This report updates the 2014/2015 Capital Investment Plan and provides details of the Government Capital Allocations that have been notified to date for 2015/2016 with a view to the Cabinet considering the use of the non-ringfenced allocations in the development of a new starts programme for 2015/2016.
- 1.2 The Council, having reviewed its two year financial plan, is now in a position to invest in the key areas which deliver against the priority services as outlined in previous report. A wide range of services will receive capital investment in the region of £16.1m over the coming eighteen months in addition to an already significant capital programme. Development of schools, including kitchen facilities will support the education and early years agenda and disabled facilities grant at a level significantly higher than the Government allocation will support the needs of the disabled and residents requiring housing adaptation support. The local economy will benefit from £3.8m of highways improvements in addition to the current investment on the Brooms Cross Scheme which will improve transport links. The report also highlights the £2.4m investment being made in modernising the facilities for adult social care and in particular the day care support which will be reconfigured to meet the changing needs of vulnerable adults in response to extensive consultation with the service users.

2. Revised Capital Investment Plan 2014/2015

- 2.1 The level of prudential borrowing currently required for the Capital Investment Plan is £4.5m for 2014/2015. This comprises £2.7m for Street Scene, £0.35m for Health & Wellbeing, £0.15m for Investment, Programme & Infrastructure, £0.3m for other schemes and £1m for Repairs and Maintenance Capitalisation.
- 2.2 Schemes to be funded from the Single Capital Pot Allocations for 2014/2015 were approved as follows:

	2014/2015 £m
Non ring-fenced grant allocations 2014/2015	9.938
Funding b/f from 2013/2014	0.719
Resources committed from previous approvals	(0.812)
Total Grant Funding	9.845
Capital Receipts	2.050
Total Resources Available	11.895
Schemes approved by Council 6/03/2014 - Pre-allocated Schemes	5.771
Schemes approved by Council 6/03/2014 – Emergency & Health & Safety	1.788
Schemes approved by Council 6/03/2014 – High Priority /	1.480

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Invest to Save or Leverage	
Schemes approved by Council 6/03/2014 – High Priority	2.856
Total SCP schemes approved	11.895

3. Government Capital Allocations 2015/2016

- 3.1 It should be noted that for 2015/2016 a single capital pot will again be in operation. This means that all non-ring-fenced grants will initially be held centrally, and bids will need to be made in order to secure funds for capital projects.
- 3.2 The table below itemises those capital allocations that have been received for 2015/2016. The 2014/2015 figures, where applicable, are shown for comparison. All allocations are non-ringfenced, with the exception of Devolved Formula Capital.

Description of Allocation	2014/2015 £'000	2015/2016 £'000	Variation £'000
Children's Services – Devolved Formula Capital (ring-fenced)	440	446	+6
Children's Services – Basic Need	1,040	1,571	+531
Children's Services – Capital Maintenance / School Condition Allocation	2,290	2,078	-212
Universal Infant Free School Meals	396	0	-396
Total Department for Education	4,166	4,095	-71
Disabled Facilities Grant	1,628	1,959	+331
Total Housing	1,628	1,959	+331
Department of Health Capital Grant	837	849	+12
Total Department for Health	837	849	+12
Highways Maintenance	2,130	2,895	+765
Integrated Transport Block	1,398	902	-496
Additional Highway Maintenance	219	0	
Total Transportation	3,747	3,797	+50
Total Allocations	10,378	10,700	+322

4. Capital Strategy – Single Capital Pot Approvals

- 4.1 A revised Capital Allocation Framework and Capital Strategy was approved by Cabinet and Council on 28 February 2013. This outlined the use of a single capital pot into which all non-ring-fenced funds will be placed, and for which bids must be made in order to secure funding for capital schemes. As can be noted in paragraph 3.2, grant allocations of £10.700m have been received for 2015/2016.
- 4.2 The Strategic Capital Investment Group (SCIG) met on 9th February 2015. The purpose of this meeting was to review and assess bids received for capital funding from the single capital pot in order to recommend to Cabinet and Council a Capital Investment Plan for 2015/2016. As part of this process an initial 'gateway assessment' of bids was undertaken by a Capital Investment Bids Panel

consisting of the Council’s Service Directors. This panel offered suggestions to SCIG as to the assessment of bids considered within the framework of the Capital Allocation Framework and Capital Strategy. The capital bids have been classified into five distinct groups as follows (the approved bids by group are included within **Appendix A**):

- **Ring-Fenced (£0.446 2015/16)** – These funds are ring-fenced by Government and therefore must be used for the purpose for which they were issued. These relate to Schools’ Devolved Formula Capital.
- **Pre allocated (£5.297m 2015/2016)** – These are funds which are non-ring-fenced by Government however, in accordance with previous years’ protocols, are considered appropriate to the original suggested purpose. Therefore they have been “internally ring-fenced” to be used in the spirit in which they were given. The reasons for this include contractual obligations, the potential for clawback, and reduced funding levels in future years. These schemes include the Local Transport Plan, funding which is administered by Merseyside Integrated Transport Authority (MITA). However, these funds are allocated to deliver a programme of work, the detail of which would be agreed by the Cabinet Member.
- **Single Capital Pot bids – Emergency/Health & Safety Requirements (£1.8m 2015/2016)** – capital bids that are recommended as a priority against this pot.
- **Single Capital Pot bids – High Priority / Invest to Save or Leverage Schemes (£1.1m in 2015/2016)** - capital bids that, if approved, will draw upon the single capital pot.
- **Single Capital Pot bids – High Priority Schemes (£4.615m in 2015/2016 and £2.921m in 2016/2017)** - capital bids that, if approved, will draw upon the single capital pot.

4.3 In order to allow all schemes identified as a high priority to progress, it is proposed to augment capital allocations by utilising capital receipts already received and anticipated in the 2015/2016 financial year to the total value of £3m (£1m from 2014/2015 that has already been received and £2m is anticipated for 2015/2016).

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

	2015/2016 £m
Non-ring-fenced grant 2015/2016 (para 4.1)	10.254
TOTAL GRANT FUNDING	10.254
CAPITAL RECEIPTS	3.000
TOTAL RESOURCES	13.254
Resources committed from previous approvals	(0.353)
Pre allocated	(5.297)
Single capital pot bids – recommended Emergency / Health & Safety	(1.800)
Single capital pot bids –	(1.100)

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recommended High Priority / Invest to Save or Leverage	
Single capital pot bids – recommended High Priority Schemes	(4.615)
TOTAL ALLOCATED	13.165
UNALLOCATED	0.089

- 4.5 Any underspend on any scheme will be returned to the Single Capital Pot
- 4.6 It should be noted that the most advantageous use of the Council’s grant funding, both ring-fenced and non-ring-fenced, will be made, to ensure that the Council’s priorities are achieved.

5 Invest to Save scheme

- 5.1 The scheme outlined in Appendix B totalling £1,505m in 2015/2016 will be funded by prudential borrowing and therefore do not require any support from the Single Capital Pot. This was considered by SCIG and is now being put forward for approval by Cabinet for inclusion in the Capital Investment Plan.

6. Regional Growth Funding

- 6.1. The current Capital Programme includes an allocation of £1.3m for the business growth grants which are externally funded through the Liverpool City Region Local Enterprise Partnership. The programme has several stated objectives including the creation of jobs and securing private sector investment within the Liverpool City Region. The Sefton component of these grants has been successful and is able to attract a further £0.25m, which will enable the delivery of more plans for growth. This additional £0.25m is fully externally funded and the completion date for project spend is 30th September 2015.
- 6.2. Cabinet are requested to increase the Capital Programme for this Project from £1.3m to £1.55m.

APPENDIX A

BID NUMBER	Funding required 2015/2016 £	Funding required 2016/2017 £	Scheme name	Scheme description	Applicant Department
RINGFENCED CAPITAL ALLOCATIONS					
1	445,875		Devolved	Capital grant	Learning &

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			Formula Capital – Ringfenced resource	given directly to schools to spend	Support Services
	445,875	0			
PRE ALLOCATED					
1	1,500,000		Disabled Facility Grants	To support expenditure of £2.4m on issuing Disabled Facility Grants	Strategic Housing (IPI)
2	902,000		Local Transport Plan, Integrated Transport Block Capital Programme	Various transport network improvements.	Investment Programmes & Infrastructure
3	2,895,000		Local Transport Plan, Highway Maintenance Block Capital Programme	To undertake capital maintenance of the Highway Network	Investment Programmes & Infrastructure
	5,297,000	0			
SINGLE POT BIDS –EMERGENCY / HEALTH & SAFETY RECOMMENDED					
4	900,000		School General Maintenance Schemes - 2015/16	22 projects at 18 schools 15 Primary, 1 High school & 2 PRUs	Learning & Support Services
5	900,000		Corporate Essential Maintenance Fund	To undertake essential maintenance to non school buildings	Investment Programmes & Infrastructure
	1,800,000	0			
SINGLE POT BIDS – HIGH PRIORITY / INVEST TO SAVE OR LEVERAGE SCHEMES					
6	1,100,000		Highway Maintenance Preventative Treatments	To maintain highway network. Spend to Save scheme	Investment Programmes & Infrastructure
	1,100,000	0			
HIGH PRIORITY SCHEMES					
7	1,400,000	1,000,000	Adult Social Care Change Programme; Remodelling Day Centres	Works to remaining Day Centres following remodelling	Older People

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8	1,000,000		Capitalisation of Highways and ICT expenditure	Capitalisation of Highways and ICT expenditure	IPI / Corporate Finance & ICT
9	500,000		Street Lighting Structural Programme	Replacement & Treatment of decaying street lighting columns	Investment Programmes & Infrastructure
10	80,000	300,000	Cooking kitchens at 2 schools a part of rolling programme	Alteration and refurbishment of kitchens at Thomas Grey and Ursuline Primary Schools	Learning & Support Services
11	85,000		Fees to develop schemes for future bids	Fees for remodelling & refurbishment of 3 schools schemes	Learning & Support Services
12	300,000	661,000	Kew Woods Primary School	Extension and Remodelling for an additional half form entry	Learning & Support Services
13	100,000	260,000	Norwood Primary School	Extension and Remodelling for an additional full form entry	Learning & Support Services
14	500,000	400,000	Great Crosby RC Primary School	Extension and Remodelling for an additional half form entry	Learning & Support Services
15	650,000	300,000	Litherland Moss Primary School	Admin block extension & kitchen & boiler hse replacement	Learning & Support Services
TOTAL	4,615,000	2,921,000			
GRAND TOTAL	13,257,875	2,921,000			

APPENDIX B

BID NUMBER	Funding required 2015/2016	Funding required 2016/2017	Scheme name	Scheme description	Funding Source
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Agenda Item 9

	£	& Future Years £			
INVEST TO SAVE SCHEME					
1	1,505,000		Leisure Centres – Invest to Save	Building & Infrastructure changes to Dunes Splashworld, Crosby Lakeside Adventure Centre and Meadows Leisure Centre	Prudential Borrowing funded by additional income achieved
TOTAL	1,505,000	0			

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Report to: Cabinet

Date of Meeting: 26 February 2015

Subject: Committee in Common (Healthy Living Programme) – Council Representation

Report of: Director of Corporate Services

Wards Affected: All

Is this a Key Decision? No

Is it included in the Forward Plan? No

Exempt/Confidential No

Purpose/Summary

To seek approval to the appointment of a Sefton Council representative to serve on the Committee in Common (Healthy Living Programme).

Recommendation

That Councillor Paul Cummins be appointed as the Council’s representative to serve on the Committee in Common (Healthy Living Programme).

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

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

Reasons for the Recommendations:

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

What will it cost and how will it be financed?

(A) **Revenue Costs** None.

(B) **Capital Costs** None.

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Implications:

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

Legal Cabinet has the authority to appoint representatives to outside bodies where the appointment is a Cabinet function or has been delegated by the Council .
Human Resources
Equality
1. No Equality Implication <input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated <input type="checkbox"/>
3. Equality Implication identified and risk remains <input type="checkbox"/>

Impact on Service Delivery:

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

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT has no comments on this report because the contents of the report have no financial implications. (FD 3401/15)

The Head of Corporate Legal Services (LD 2693/15) has been consulted and has no comments on the report

Are there any other options available for consideration?

No

Implementation Date for the Decision

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

Contact Officer: Paul Fraser

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Background Papers:

None

1. Introduction/Background

- 1.1 At its meeting held on 21 January 2015, the Health and Wellbeing Board considered a report of the of the Chief Officer of South Sefton and Formby and Southport Clinical Commissioning Groups (CCGs) advising that in late 2014, a “Committee in Common” for the CCGs of South Sefton, Knowsley and Liverpool was established with the aim of agreeing options for the future delivery of Hospital Services in the Liverpool geographic area, through the Healthy Liverpool Programme; that the three CCGs had adopted the “Committee in Common” within their structure, with the 3 Committees meeting simultaneously, with the same agenda; and that the meetings are held on a quarterly basis.
- 1.2 The report sought a nomination from Sefton Council to be a member of the “Committee in Common” (Healthy Living Programme).
- 1.3 The Health and Wellbeing Board resolved that Cabinet be recommended to nominate the appointment of Councillor Paul Cummins (as a representative of Sefton Council) as a co-opted, non-voting member on the Committee in Common.
- 1.4 A copy of the report considered by the Health and Wellbeing Board can be viewed by using the following link
<http://modgov.sefton.gov.uk/moderngov/documents/s57528/FD%203384%20-%20Committee%20in%20Common-f-l.pdf>

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