



COUNCIL SUMMONS

To Members of the Metropolitan Borough Council

Dear Councillor

You are requested to attend a Meeting of the Sefton Metropolitan Borough Council to be held on **Thursday 5th March, 2015 at 6.30 pm at the Town Hall, Bootle** to transact the business set out on the agenda overleaf.

Yours sincerely,

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

Chief Executive

Town Hall,
Southport

Wednesday 25 February 2015

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

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

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A G E N D A

1. Apologies for Absence

2. Declarations of Interest

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

3. Minutes of Previous Meeting

(Pages 5 - 32)

Minutes of the meeting held on 22 January 2015

4. Mayor's Communications

Public Session

5. Matters Raised by the Public

To deal with matters raised by members of the public resident within the Borough, of which notice has been given in accordance with the procedures relating to public questions, motions or petitions set out in Paragraph 36 to 46 of the Council and Committee Procedure Rules in Chapter 4 of the Council Constitution.

Council Business Session

6. Questions Raised by Members of the Council

To receive and consider questions to Cabinet Members, Chairs of Committees or Spokespersons for any of the Joint Authorities upon any matter within their portfolio/area of responsibility, of which notice has been given by Members of the Council in accordance with Paragraph 48 to 50 of the Council and Committee Procedure Rules, set out in Chapter 4 of the Council Constitution.

7. Programme of Meetings - 2015/16 Municipal Year

(Pages 33 -
58)

Report of the Director of Corporate Services

8. Pay Policy

(Pages 59 -
76)

Report of the Director of Corporate Services

- 9. Treasury Management Policy and Strategy 2015/16** (Pages 77 - 104)
Report of the Head of Corporate Finance and ICT
- 10. The Prudential Code for Capital Finance in Local Authorities - Prudential Indicators** (Pages 105 - 116)
Report of the Head of Corporate Finance and ICT
- 11. Capital Programme 2014/15 and Capital Allocations 2015/16** (Pages 117 - 126)
Report of the Head of Corporate Finance and ICT
- 12. Local Government Act 2003 - Chief Financial Officer's Requirements - Robustness Report** (Pages 127 - 136)
Report of the Head of Corporate Finance and ICT
- 13. Revenue Budget 2015 /16 and 2016/17** (Pages 137 - 178)
Report of the Head of Corporate Finance and ICT

(A copy of the draft Council Tax Resolution will be circulated at the Council Meeting)

- 14. Membership of Committees 2014/15**
To consider any changes to the Membership of any committees etc.

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

COUNCIL

MEETING HELD AT THE TOWN HALL, BOOTLE ON THURSDAY 22ND JANUARY, 2015

PRESENT: The Mayor, Councillor Cluskey, in the Chair
The Deputy Chair, Councillor M. Fearn, Vice Chair

Councillors Ashton, Atkinson, Ball, David Barton, Jo Barton, Maria Bennett, Veronica Bennett, Booth, Bradshaw, Brennan, Brodie - Browne, Burns, Byrom, Carr, Crabtree, Cummins, Cuthbertson, Dams, Dawson, Dodd, Peter Dowd, Dutton, Fairclough, Lord Fearn, Friel, Gatherer, Grace, Hartill, Keith, John Kelly, John Joseph Kelly, Kermode, Kerrigan, Killen, Lappin, Lewis, P. Maguire, Maher, Mahon, McGinnity, S. McGuire, McKinley, Moncur, Murphy, O'Brien, Owens, Page, Preece, Roberts, Robertson, Roche, Thompson, Tweed, Veidman, Webster and Welsh

61. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Mark Dowd, Hands, Hardy, Jones, Papworth, Robinson, Shaw and Weavers.

62. DECLARATIONS OF INTEREST

No declarations of interest were received.

63. MINUTES OF PREVIOUS MEETING

RESOLVED:

That the Minutes of the Council Meeting held on 20 November 2014 be approved as a correct record.

64. MAYOR'S COMMUNICATIONS

Welcome

The Mayor extended a welcome to the Members of the Public present

Public Health Qualification

The Mayor reported that in order to improve the health and wellbeing of our residents, 14 Councillors including himself had successfully completed the Royal Society for Public Health: Level 2 Understanding Health Improvement qualification. The Councillors concerned were Marion

Agenda Item 3

COUNCIL- THURSDAY 22ND JANUARY, 2015

Atkinson, David Barton, Maria Bennett, Sue Bradshaw, Paul Cummins, Lynn Gatherer, John Kelly Paulette Lappin, Michael O'Brien, Catie Page, Diane Roberts, Dave Robinson, Veronica Webster and the Mayor (Councillor Kevin Cluskey).

The certificates had been presented to the Councillors by Dr Janet Atherton, the Director of Public Health in the Mayor's Parlour prior to the meeting and the Mayor extended thanks to the Public Health Team for the opportunity to complete the qualification and encouraged all Councillors to attend the course if they get the opportunity.

Mayoral Charity Cabaret Dinner – 14 March 2015

The Mayor reported that his Mayoral Charity Cabaret Dinner would be held on Saturday 14 March 2015 at the Formby Hall Golf Resort and Spa and the proceeds from the event will be distributed to Mayoral Charities. Tickets were on open sale from the Mayoral and Civic Services Officer in Bootle Town Hall at a cost of £35.

Christmas Toy Appeal 2014

The Mayor expressed his thanks to all the people and organisations that had kindly donated toys for the annual Christmas Toy Appeal 2014 which had benefitted children in the Borough of Sefton.

65. MATTERS RAISED BY THE PUBLIC

The Mayor reported that in accordance with the Council's Petition Scheme set out in Chapter 12 of the Council Constitution, 4 public petitions had been submitted for consideration at the Council meeting.

(1) The Council heard representations from Mrs Nuala Kranas of the Aintree Village Residents Group on behalf of a deputation who had submitted a petition containing 2,850 signatures which stated:

"We the undersigned urge the Council to amend the 'Preferred Option' to Option 1, address the issues surrounding our lack of amenities and infrastructure and work with the community to reflect what they want and not what the developers want, whose only aim is to make big profits from local communities."

Justification:

"Sefton MBC's Local Plan has proposals which will damage the green belt and make Aintree a worse place to live. In the coming months, the Council will undertake a Public Consultation Process. They currently have used inaccurate household population growth information which is 10 years out of date. They do not address the real need for affordable/type of housing but allow developers to build 3/4/5 bedroom executive homes on greenbelt, which none of us would be able to afford. Our amenities are non-existent and they severely underestimate the effect any further development will have on our schools, roads, dentists and GP service. We don't even have a library and the current plan would lead to a decline in the local quality of life."

COUNCIL- THURSDAY 22ND JANUARY, 2015

The following issues were raised by Members of the Council during the debate on the content of the petition:

- the impact of increased traffic in Aintree and Melling and the need for adequate infrastructure to be provided;
- that a traffic survey had been undertaken during a school holiday period;
- that the Peel Holdings development would have a significant impact on the local environment; and
- that the views of all the people who had signed the three Local Plan petitions should not be ignored.

Members of the Council thanked Mrs Kranas for making her representations.

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

RESOLVED:

That the petition be noted and taken into account during the consideration of the report under Minute No. 68 below.

(2) The Council then heard representations from Mr Colin Reader of the Maghull and Lydiate Action Group on behalf of a deputation who had submitted a petition containing 3,060 signatures which stated:

“We ask the Council to listen to the community, to re-examine and vote for option 1, which is building on brownfield sites only and not on green belt and high grade agricultural land, this is now possible due to a sharp fall in housing need.”

Justification:

“Sefton's Local Plan continues to encroach on our beautiful high grade agricultural/green belt land. More accurate up-to-date figures show a significant reduction in housing need. Maghull and Lydiate does not have the infrastructure in place to cater for any additional capacity, roads are already badly congested, schools are oversubscribed, traffic and parking is a major problem and we are already experiencing significant flooding problems.”

The following issues were raised by Members of the Council during the debate on the content of the petition:

- that the proposed scale of the developments in Maghull and Lydiate was not acceptable; would have a significant impact on the population levels in those areas and would raise questions about the ability of partner agencies to provide adequate infrastructure;

Agenda Item 3

COUNCIL- THURSDAY 22ND JANUARY, 2015

- that high quality agricultural land would be used for the proposed developments; and
- that the 30% affordable housing target in the Local Plan would not be met.

Members of the Council thanked Mr Reader for making his representations.

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

RESOLVED:

That the petition be noted and taken into account during the consideration of the report under Minute No. 68 below.

(3) The Council then heard representations from Mr Bob McCann of the Formby Residents Action Group – Opposition From Formby (FRAGOFF) on behalf of a deputation who had submitted a petition containing 3,330 signatures which stated:

“We the undersigned urge the Council to amend the 'Preferred Option', reconsider Option 1, rectify current failings in the Local Plan and fully address infrastructural matters, furthermore work with the community to better reflect their needs and place their concerns above those of the developers, as they are the major stakeholders in Sefton.”

Justification:

“The latest Government figures for Sefton show that population increase in the Borough has been over estimated by more than 50%. Central Government estimate we only need to build about 420 houses per year. Despite this the Council are now proposing to build over 700 homes every year in their Draft Local Plan. As it stands Sefton’s Draft Local Plan does not meet the needs for Formby’s Roads and infrastructure, schools and health services and fails to address flooding and drainage concerns.”

The following issues were raised by Members of the Council during the debate on the content of the petition:

- that the provision of affordable housing and social housing would not be met in accordance with the targets set in the Local Plan;
- that the proposed new developments in Formby would create flooding problems;
- that the Council should follow the example of Liverpool City Council and establish a Greenfield Task Force comprising community and Council representatives;
- that there was a need for the provision of new affordable housing for young people in Formby; and

COUNCIL- THURSDAY 22ND JANUARY, 2015

- that Councillors should recognise the needs of the local community and not the views of their political group or Council officers.

Members of the Council thanked Mr McCann for making his representations.

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

RESOLVED:

That the petition be noted and taken into account during the consideration of the report under Minute No. 68 below.

(4) The Council heard representations from Olivia Blyth and Alex Bond - Townsend of the 'Save the Botanic' Campaign on behalf of a deputation who had submitted a petition containing 4,886 signatures which stated:

"It is understood that Sefton Council may be planning to make staff at Botanic Gardens redundant. Such plans could see the outsourcing of the aviary and the fernery as well as causing significant detriment to the planting within the park. The latest plans throw into real doubt whether Sefton Council know what Southport residents value and hold dear. We the undersigned oppose Labour-run Sefton Councils plans to cut staff and services in the Botanic Gardens."

The following issues were raised by Members of the Council during the debate on the content of the petition:

- Reference has been made to the need for community resilience to enable volunteers and local communities to assist the Council in the delivery of services but the loss of Council staff under this budget saving proposal could result in no support for the Friends of the Botanic Gardens who undertake voluntary work in the park;
- The Botanic Gardens is the 'jewel in the crown' and the 'flagship' for Southport and the lack of flower beds in the park would diminish the number of tourist visitors to the park and Southport; and
- Request made for the Council to meet with the Friends of the Botanic Gardens to discuss the options for the future maintenance of the flower beds in the park.

Members of the Council thanked Olivia Blyth and Alex Bond - Townsend for making their representations.

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

Agenda Item 3

COUNCIL- THURSDAY 22ND JANUARY, 2015

RESOLVED:

That the petition be noted and taken into account during the consideration of the report under Minute No. 69 below.

(At this point in the meeting, the Mayor adjourned the meeting for a period of fifteen minutes and thereafter, the meeting re-convened)

66. QUESTIONS RAISED BY MEMBERS OF THE COUNCIL

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

- Councillor Booth to the Cabinet Member – Communities and Environment (Councillor Hardy)
- Councillor Papworth to the Cabinet Member – Transportation (Councillor Fairclough)
- Councillor Dawson to the Cabinet Member –Corporate Services and Performance (Councillor Tweed)
- Councillor Dawson to the Cabinet Member – Transportation (Councillor Fairclough)
- Councillor Dawson to the Cabinet Member – Older People and Health (Councillor Cummins)

together with the responses given. Supplementary questions from Councillor Dawson were responded to by the Cabinet Member – .Corporate Service and Performance, and Cabinet Member – Transportation.

67. 2014 STRATEGIC HOUSING MARKET ASSESSMENT FOR SEFTON

Further to Minute No. 46 of the meeting of the Cabinet held on 15 January 2015, the Council considered the report of the Director of Built Environment setting out the key findings of the 2014 Strategic Housing Market Assessment (SHMA) for Sefton, which was one of a number of key evidence gathering studies that had been commissioned to inform the Local Plan and the Council's Housing Strategy.

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

COUNCIL- THURSDAY 22ND JANUARY, 2015

“That the 2014 Strategic Housing Market Assessment for Sefton be approved.”

During the debate, the following issues were raised by Members of the Council:

- that the population projections in the SHMA produced by consultants were not credible, but other Members indicated that the findings of the SHMA were based on Government statistics, which were fully taken account of in the study by independent consultants and would be examined by the independent Government Inspector;
- The Keppie Massie Viability Study indicates that it would be difficult to achieve the 30% affordable housing targets on new developments and a comment was made that the Local Plan should stipulate that the targets must be met;
- that the estimated level of affordable housing need per annum in Figure 7.11 of the 2014 SHMA, as set out in the report would not be met across the Borough; and
- The SHMA states that the shortfall between need and supply can be met by the private rented sector but concern raised about how and when this would be achieved.

Following the debate and on a show of hands, the Mayor declared that the Motion was carried by 38 votes to 19 and it was

RESOLVED:

That the 2014 Strategic Housing Market Assessment for Sefton be approved.

68. LOCAL PLAN FOR SEFTON - PUBLICATION DRAFT PLAN

The Council considered the report of the Director of Built Environment in relation to the Local Plan for Sefton. The report presented the Publication Draft Plan, a key stage in the preparation of Sefton’s Local Plan. The Plan set out issues and challenges facing Sefton that included:

- a vision for Sefton looking ahead to 2030
- a strategy for how Sefton’s housing, business and other development needs can be met

Agenda Item 3

COUNCIL- THURSDAY 22ND JANUARY, 2015

- development management policies to help guide development and provide a policy framework for making decisions on planning applications
- detailed site allocations showing how needs can be met
- details of the Publication period and next stages.

The Publication Draft Plan had been developed within the statutory planning framework and it had been considered and scrutinised in detail by the Overview and Scrutiny Committee (Regeneration and Environmental Services) on 9 December 2014; the Planning Committee on 12 January 2015 and the Cabinet on 15 January 2015. Copies of the resolutions from those meetings had been circulated to all Members of the Council, together with a supplementary note produced by the Director of Built Environment which provided information on a number of suggested changes to the Draft Plan.

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

“That the recommendations set out in the report, as amended by the supplementary note be approved, subject to the inclusion of the following additional text:

The Council recognises:

- (i) the concerns of the petitioners and where possible is committed to addressing those concerns;
- (ii) that the Publication Draft Plan had been produced following a lengthy and rigorous planning process and that it had been considered and scrutinised in detail by the Overview and Scrutiny Committee (Regeneration and Environmental Services) on 9 December 2014 and the Planning Committee on 12 January 2015. It was further considered by Cabinet on 15 January 2015;
- (iii) that the Publication Draft Plan had been prepared in accordance with the National Planning Policy Framework produced by the Government;
- (iv) that the Council had a legal obligation to produce a Local Plan that met the requirements of the Framework;
- (v) that as this is a Government led process, the Council had limited discretion to influence the size of the housing requirement;
- (vi) that following the approval of the Publication Draft Plan by the Council, it would be published for a period of eight weeks prior to its submission to the Secretary of State for examination;
- (vii) that members of the public wishing to object to the Publication Draft Plan must do so during the 8 week period in February and March 2015;

COUNCIL- THURSDAY 22ND JANUARY, 2015

- (viii) that all of the comments received on the Publication Draft Plan during the eight week period would be submitted to the Government appointed independent inspector for consideration at the examination hearing. It is only those comments made during that 8 week period that would be considered by the Government Inspector;
- (ix) the need to continue to work with local communities to ensure that the Publication Draft Plan fulfills the aspirations of current and future generations; and
- (x) if local government had more discretion in this process, we may have been able to make different choices, but it had to work within the constraints of current legislation and Government guidance.”

The Leader of Council (Councillor P. Dowd) indicated that the Council was required by law to go through the process of producing a draft Local Plan in accordance with the National Planning Framework. The Government claim that ‘local people make local decisions’ but the reality is very different from that and the Local Plan had been produced in line with what the Council ‘is required to do’ under the Framework and not ‘what we want to do’. Following the eight week consultation period, all of the representations received would be submitted to the Secretary of State and an independent Government Inspector would then be appointed to hold a planning inquiry to determine whether the Submission version of the Plan was robust and sound for a fifteen year period.

The Leader rejected the ‘myth’ that there are Brownfield sites available on the Dunnings Bridge Road corridor and elsewhere in the Borough for housing development, which would prevent the need for any development on Greenfield sites. He also rejected the claims that the Council only had to produce a 5 year plan when the National Planning Framework stipulated a 15 year plan had to be produced. He indicated that Policy HC1 in the Local Plan required 30% of each housing scheme to be provided as affordable housing and Policy HC2 required a minimum of 25% of market dwellings be 1 or 2 bedroom properties and a minimum of 40% of market dwellings be 3 bedroomed properties, but those local stipulations have to be considered alongside Government guidelines which state that the costs of obligations or policy requirements for developing sites must be economically viable for the developer.

The Leader also referred to the provisions in Chapter 9 of the Local Plan which indicated that the Council would work with a range of partners to make sure that infrastructure was provided in the right location when required and, where appropriate, financial contributions would be sought from developers to enhance and provide infrastructure to support new development. He concluded by indicating that there were surplus school places available in the Borough and that a number of ‘myths’ were being promulgated by local groups with regard to the Local Plan which had to be challenged.

Agenda Item 3

COUNCIL- THURSDAY 22ND JANUARY, 2015

During the lengthy debate, the following concerns were raised by Members of the Council:

- that some of the data referred to in the Strategic Housing Market Assessment did not appear to match the Government population projections in the Local Plan which brought into doubt the reliability of the Plan;
- the Local Plan lacked ambition and did not project a positive vision for the Borough – there was too much reliance on new homes and not enough on the provision of services and facilities at a community level;
- that the Local Plan did not include provision for improvements to the Southport to Manchester Rail Line and the electrification of the line from Southport to Wigan in addition to the electrification of the line from Wigan to Manchester; and no consideration had been given to the possible provision of a rail station at the unused park and ride facility at Kew, which showed a lack of vision;
- that the Local Plan did not put enough emphasis on the need for economic growth in Southport, which is reliant on the provision of employment opportunities in the retail, tourism and health care sectors and the provision of proposals for improved transport links to the north and east of Southport to increase the number of visitors to the town;
- that the physical impact of the development proposals for sites at Maghull and Lydiate could increase the population in Maghull by 25% and Lydiate by 35% and the proposals for the use of high grade agricultural land which brought into doubt the claims that the proposals were environmentally sustainable;
- that the affordable housing and social housing targets in the Local Plan could not be achieved due to the economic viability requirements in relation to development;
- that the Local Plan does not address the community concerns with regard to environmental, health and other infrastructure issues;

COUNCIL- THURSDAY 22ND JANUARY, 2015

- that the Local Plan appears to include too much content on the needs of Bootle and the Liverpool City Region and not enough provision for other areas in the Borough;
- that the Local Plan should challenge the Planning Inspector on concerns raised by the community and not present something that he/she will simply accept;
- It was suggested that there was a need for more dialogue with West Lancashire Borough Council and indeed the provision of a joint Local Plan with that Council on proposals for housing developments in the vicinity of the boundary between the two local authorities and the provision of adequate infrastructure, as the local community was concerned about the proposed housing developments just over the boundary in West Lancashire which would increase the number of applications for places in schools in Southport from West Lancashire residents;
- With regard to the proposals for Site MN 2.4 at Moss Lane, Churchtown, Southport, some Members expressed the view that it would not be possible to widen Moss Lane to accommodate the development of the site; and that the proposed number of housing units was too intense for the site; that this would have a detrimental environmental impact on the existing neighbourhood and would lead to infrastructure problems.
- that consideration should be given to the future use of the Bootle Golf Course referred to in Policy NH6;
- that the opportunities for renewable energy referred to in Paragraph 9.33 of the Local Plan should be concentrated in the Mersey Estuary rather than in the Green Belt;
- comment made that Sport England would indicate that the provision of sports facilities in the Borough was poor ;
- that nothing on a Playing Field Strategy had been included in the Local Plan until Sport England raised the issue; that the consultation on the future use of the Ainsdale Hope High School playing fields was inadequate and the scrutiny of the Local Plan by the Overview and Scrutiny Committee (Regeneration and Environmental Services) and Planning Committee was very questionable;

Agenda Item 3

COUNCIL- THURSDAY 22ND JANUARY, 2015

- that there were insufficient school places in the Borough available to meet the demand following the construction of new housing developments and concern raised that two schools in Ainsdale would be knocked down when we will need new schools in the future;
- that there was a lack of data on second homes in the Council Tax Register on Empty Homes and that there is an over - reliance on retail development within the proposed business park south of Formby Industrial Estate which would be to the detriment of the businesses in Formby town centre; and
- that there is a lack of opportunity offered to local community groups to meet with Officers on technical questions appertaining to the Local Plan.

The following issues were also raised by Members of the Council during the debate:

- Other Members of the Council reaffirmed the comments of the Leader of the Council that the Council had a legal obligation to follow the guidance in the National Planning Framework and produce a Local Plan for the next 15 years which was economically and environmentally sustainable;
- that there were insufficient brownfield sites available in the Borough to meet the Government's requirements for the provision of new housing units and this meant that greenfield sites would need to be utilised;
- Reference was made to the detailed provisions made in Policy MN3 (Strategic Mixed Use Allocation – Land east of Maghull) relating to the provision of infrastructure and the financial contributions to be made by developers;
- Reference was made to the detailed recommendations made by the Infrastructure Working Group, which were approved by the Cabinet on 15 January 2015 and would be closely monitored by the Overview and Scrutiny Committee (Regeneration and Environmental Services) and the Cabinet to ensure that the recommendations on infrastructure issues were implemented;

COUNCIL- THURSDAY 22ND JANUARY, 2015

- that the National Planning Framework was flawed and weighted in favour of developers but the Council was legally obliged to implement the guidance;
- that the production and adoption of robust Neighbourhood Plans would help to control aspects of development within the Borough;
- Assurances were given that the views of residents in Maghull on the Local Plan had been taken into account by local Councillors and that the controlling group on Maghull Town Council would make a robust submission to the Planning Inspector;
- Reference was made to the comments made by local residents to a Councillor in Formby seeking the provision of new affordable homes for young people;
- Comment was made that new homes would only be built by developers if there was a demand for them and if there was no demand then they would not be built. The view was expressed that the greater the supply of new houses, the more affordable they would be for new home buyers;
- Reference was made to the detailed scrutiny of the Local Plan as referenced in the minutes of the Overview and Scrutiny Committee (Regeneration and Environmental Services) and Planning Committee and the summary of questions by Councillors and responses given by Officers;
- Reference was made to the detailed reasons for the selection of the Preferred Option for the Local Plan, previously made by the Council in accordance with the Government's requirements, as set out in Section 10 of the covering report to the Local Plan;
- Reference was made to the Council's 'legal duty to co-operate' with adjoining local authorities on the Local Plan, as detailed in the Local Plan; and
- Reference was made to the need for the protection of urban greenspace in Bootle to deal with the concerns about air quality.

Following the lengthy debate, the requisite number of Members having signified their wish that the voting on the Motion should be recorded in accordance with Rule 92 of Chapter 4 in the Council Constitution, the

Agenda Item 3

COUNCIL- THURSDAY 22ND JANUARY, 2015

voting was duly recorded and the Members of the Council present at the time, voted as follows:

FOR THE MOTION:

Councillors Atkinson, Veronica Bennett, Bradshaw, Brennan, Burns, Byrom, Carr, Crabtree, Cummins, Dams, P. Dowd, Fairclough, Friel, Gatherer, Grace, John Kelly, John Joseph Kelly, Kermode, Kerrigan, Killen, Lappin, P. Maguire, Maher, Mahon, McGinnity, McKinley, Moncur, Murphy, O'Brien, Owens, Page, Roberts, Roche, Thompson, Tweed, Veidman, Webster and the Mayor (Councillor Cluskey).

AGAINST THE MOTION:

Councillors Ashton, Ball, David Barton, Jo Barton, Maria Bennett, Booth, Brodie-Browne, Cuthbertson, Dawson, Dodd, Dutton, Lord Fearn, Maureen Fearn, Hartill, Keith, Lewis, S. McGuire, Preece, Robertson and Welsh.

The Mayor declared that the Motion was carried by 38 votes to 20 and it was

RESOLVED: That:

- (1) The Council recognises:
 - (i) the concerns of the petitioners and where possible is committed to addressing those concerns;
 - (ii) that the Publication Draft Plan had been produced following a lengthy and rigorous planning process and that it had been considered and scrutinised in detail by the Overview and Scrutiny Committee (Regeneration and Environmental Services) on 9 December 2014 and the Planning Committee on 12 January 2015. It was further considered by Cabinet on 15 January 2015;
 - (iii) that the Publication Draft Plan had been prepared in accordance with the National Planning Policy Framework produced by the Government;
 - (iv) that the Council had a legal obligation to produce a Local Plan that met the requirements of the Framework;
 - (v) that as this is a Government led process, the Council had limited discretion to influence the size of the housing requirement;
 - (vi) that following the approval of the Publication Draft Plan by the Council, it would be published for a period of eight weeks

COUNCIL- THURSDAY 22ND JANUARY, 2015

- prior to its submission to the Secretary of State for examination;
- (vii) that members of the public wishing to object to the Publication Draft Plan must do so during the 8 week period in February and March 2015;
 - (viii) that all of the comments received on the Publication Draft Plan during the eight week period would be submitted to the Government appointed independent inspector for consideration at the examination hearing. It is only those comments made during that 8 week period that would be considered by the Government Inspector;
 - (ix) the need to continue to work with local communities to ensure that the Publication Draft Plan fulfils the aspirations of current and future generations; and
 - (x) if local government had more discretion in this process, we may have been able to make different choices, but it had to work within the constraints of current legislation and Government guidance;
- (2) the Local Development Scheme as set out in Section 2.6 and Annex A of the report be approved;
 - (3) the Authority Monitoring Report as set out in Section 20 of the report be approved;
 - (4) the further evidence which supports the Draft Plan, as outlined in Section 21 of the report, be approved for consultation;
 - (5) the Draft Plan as amended by the supplementary note be approved for publication;
 - (6) approval be given to the approach to notify people of the Draft Plan, as outlined in Section 22 of the report;
 - (7) the Director of Built Environment be granted delegated powers to make minor editorial changes to the draft Plan before it is published, as referred to in Section 23.1 of the report; and
 - (8) following the end of the publication period, and subject to there being no material change of circumstances, authority be given to the Director of Built Environment to submit the draft Plan to the Secretary of State for examination.

(At this point in the meeting, the Mayor adjourned the meeting for a period of ten minutes and thereafter, the meeting re-convened)

Agenda Item 3

COUNCIL- THURSDAY 22ND JANUARY, 2015

69. MEDIUM TERM FINANCIAL PLAN AND BUDGET 2015 TO 2017

The Council considered the joint report of the Chief Executive and the Head of Corporate Finance and ICT which:

- provided an update on the Council's financial position for 2015/16 and 2016/17 following the Local Government Finance Provisional Settlement 2015/16
- set the financial position in the context of the Council's priorities
- described the process undertaken to deliver a programme of savings options that reflected the need to produce a balanced budget alongside the objective of minimising the impact of the cuts on Sefton communities
- provided the Council with savings options that would contribute to the forecast budget gap for the next two years
- outlined the gap remaining and the timetable for producing a balanced two year budget plan.

The report indicated that since 2011, the Council had faced unprecedented reductions in its resources as a result of cuts in Government Funding. In the preceding 4 years, cuts of £114 million had been identified and implemented. The Council had now received confirmation of the level of Government funding it would receive in 2015/16 and this had confirmed that for the period 2015/16 to 2016/17, further savings of £55 million would need to be identified. This represented a real term reduction of 45% on the 2011 spending level.

Detailed on-going work had sought to identify budget reductions that would meet the two year savings requirement. This process had involved detailed risk assessments, relative prioritisation and the impact on our communities. The process was agreed by Cabinet in November 2014.

Reductions of this level had and would continue to have a significant impact on Council services and outcomes for Sefton communities. It was therefore important that the Council's remaining resources were spent in areas of highest priority that minimised the negative impact on communities. However it was also important to stress that it would be impossible to deliver savings of this magnitude without reducing levels of service across the range of Council activities. This included those services commissioned with public, private, voluntary, community and faith partners to deliver support to our communities.

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

"That the recommendations set out in the report be approved."

Following the debate, the requisite number of Members having signified their wish that the voting on the Motion should be recorded in accordance with Rule 92 of Chapter 4 in the Council Constitution, the voting was duly recorded and the Members of the Council present at the time, voted as follows:

COUNCIL- THURSDAY 22ND JANUARY, 2015

FOR THE MOTION:

Councillors Atkinson, Veronica Bennett, Bradshaw, Brennan, Burns, Byrom, Carr, Crabtree, Cummins, Dams, P. Dowd, Fairclough, Friel, Gatherer, Grace, John Kelly, John Joseph Kelly, Kermode, Kerrigan, Killen, Lappin, P. Maguire, Maher, Mahon, McGinnity, McKinley, Moncur, Murphy, O'Brien, Owens, Page, Roberts, Roche, Thompson, Tweed, Veidman, Webster and the Mayor (Councillor Cluskey).

AGAINST THE MOTION:

Councillors Ball, David Barton, Booth, Brodie-Browne, Cuthbertson, Dawson, Dodd, Dutton, Lord Fearn, Maureen Fearn, Hartill, Keith, Lewis, S. McGuire, Preece, Robertson and Welsh.

ABSTENTION;

Councillor Maria Bennett

The Mayor declared that the Motion was carried by 38 votes to 17 with 1 abstention and it was

RESOLVED: That:

- (1) the approach to identifying options including the Core Purpose as given in paragraph 2.2 and the Budget Principles as given in paragraph 4.2 of the report and endorsed by Cabinet on 27 November 2014 be noted;
- (2) the update of the Local Government Finance Provisional Settlement 2015/16 and the updated Medium Term Financial Plan as outlined in paragraph 3 of the report be noted;
- (3) the work programme timetable in Annex A of the report be noted;
- (4) the budget process undertaken by officers to date as set out in paragraph 4 of the report and the process that officers would be undertaking to conclude the budget plan for the next two financial years, as agreed by Cabinet on 27 November 2014 be noted;
- (5) it be noted that the following items approved by Cabinet on 27 November 2014 and identified in Annex C1 of the report as efficiencies within the existing policy and budget framework were being implemented immediately by officers:

<u>Ref</u>	<u>Service Area</u>	<u>Efficiency</u>	<u>Proposed Budget Net Reduction £000</u>
1	Registration Service	Increased income as result of increased service activity	54

Agenda Item 3

COUNCIL- THURSDAY 22ND JANUARY, 2015

2	Community Equipment	Improved efficiency	72
3	Burials and Cremations Service	Increased income as result of increased service activity	390
4	Catering Services	Increased income as result of increased service activity	66
5	Commercial Waste Skips Services	Increased income as result of increased service activity	45
6	Coroners	Shared service agreed cost reduction due to completion of mortuary	24
7	Commissioning	Decrease in non-staffing expenditure	36
8	Sefton Care Line and Sefton Securities	Increased income as result of increased service activity	238
9	Home Improvements DFG	Re-profiling the allocation of costs and increasing the level of recharges	10
10	SEN 0-4 Inclusion Funding	Improved efficiency	12
11	Procurement	Reduction in non-staffing expenditure	16
12	Members Allowances	Reduce the budget provision for Members Allowances –as agreed by the Council on 5 July 2012	35
13	Learning Support - LAC	Reduction in the LA budget	10
14	Complementary Education	Removal of vacant posts from the establishment	51
15	Education Psychology	Spend to be directed to DSG High Needs Funding	25
16	SEN Assessments & Monitoring	Spend to be directed to DSG High Needs Funding	36
17	DCATCH	The scheme has already closed to new pupils, saving reflects cohorts of pupils completing the programme	30
18	LEA playing fields maintenance	Improved efficiency in maintenance scheme	52
19	Finance	Reduced debt management charges	390
20	Health Protection and Infection Control	Efficiency following re-procurement of service	52
21	Civic Services	Civic Services (Attendants) – Voluntary Redundancy	20

22	Tourism	Revised estimate following policy decision	27
23	Trading Standards	Deletion of vacant post and reduction in supplies / services	114
24	Democratic Services	Voluntary reduction in support staff hours	14
25	General inflation provision	Remove general inflation provision set in MTFP at 2%. This will require all services to deliver general efficiency in the delivery of all services	4,360
26	Additional public health grant	Utilise increase in the public health grant to support the ongoing delivery of the Council's Health and Well Being strategy priorities	544
27	Levies	Merseyside Waste and Recycling Authority and the Integrated Mersey Transport Authority have been requested to support the Council by finding 10% efficiency savings in setting their budgets for 2015/16/17	3,700
28	Review of previous budget assumptions and implications of previous budget decision	The estimates of the financial implications of all budget decisions have been reviewed in the light of implementation of options and subsequent changes in service demand. The original Medium Term Financial Plan can be revised to take account of this updated information.	1,841
28b	Reduced accommodation costs	Lease on Hoghton Street	76
29	Adult Social Care	Social care services will be required to contain net demographic growth within existing budgets for the duration of the plan. The figure has been adjusted to reflect Cabinet's previous decision relating to the underachievement of the services 2014/15 budget savings requirement. This assumption will need to be kept under close scrutiny to ensure deliverability	3,000
		Total Efficiency Savings	15.340

- (6) it be noted that the Equality Impact Assessment information provided, latest recorded position with respect to consultation, the identified risks and mitigating actions and information, and the impact on the community service users, partners and the Council

Agenda Item 3

COUNCIL- THURSDAY 22ND JANUARY, 2015

for each individual proposal in Annex C2 of the report had been taken into account and officers be authorised to take necessary steps to progress the proposals;

- (7) the following proposals contained in Annex C2 of the report be approved:

Most Vulnerable

Ref	Service Area	Change Proposal	2014/15 Budget £000	Proposed Budget Reduction £000
30	Children With Disability Service	Continue with the development of, and implement, new eligibility criteria	3,500	315
31	Domiciliary Care	Further explore the use of adaptations, equipment and Assistive Technology Reduce the number of hours, number of calls, or number of carers utilised, where this is appropriate Work in partnership with the voluntary/community sector to facilitate the development and utilisation of low-level alternative/preventative community services Explore more outcome-focused commissioning	5,322	1,560
Total				1,875

Core

Ref	Service Area	Change Proposal	2014/15 Budget £000	Proposed Budget Reduction £000
32	Street Cleansing	Further expand the use of electric vehicles and reduce the number of cleansing operatives delivering a manual service	3,670	360
33	Highways Infrastructure	To continue for a further 2 years the reduction of £800k which was introduced as an annual saving in previous years	6,672	800
		Reduction in Highways Maintenance programmes to focus on preventative, critical		160

		and high risk works		
34	Street Lighting Energy	Invest to save in lighting columns and bulbs to allow reduced hours of lighting	1,180	530
35	Libraries	Review of operation and management of libraries including bookfund and opening times	1,901	270
Total				2,120

Community Resilience

Ref	Service Area	Change Proposal	2014/15 Budget £000	Proposed Budget Reduction £000
36	Aiming High	Continue with the development of, and implement, new eligibility criteria Review and potential cessation of funding for some activities	1,360	400
37	Housing Standards	Reduction in housing enforcement services including cessation of corporate illegal traveller sites co-ordination	450	60
38	Supported Living	Alternative and more efficient ways of meeting assessed care needs	18,435	1,800
39	Neighbourhoods	Reduction and re-prioritisation of activity	778	150
Total				2,410

Economy & Environment

Ref	Service Area	Change Proposal	2014/15 Budget £000	Proposed Budget Reduction £000
40	Planning	Realign and reduce revenue budgets – including consultancy budgets		72
41	Planning	Increase in income across parts of the service Development Management, Building Control, and Technical Support [land charges] in light of economic forecast	958	130
42	Trading Standards	General reduction in enforcement activity. Limit resident service request	480	55

Agenda Item 3

COUNCIL- THURSDAY 22ND JANUARY, 2015

		response		
43	EEMS (Energy and Environment)	Reduction in Carbon reduction service and community energy service	384	84
44	Parks Maintenance	Botanic Gardens shop Closure	2,903 (Parks Maintenance Budget)	45
45		Increase allotment fees by an average of £10 per full size plot in 2016/17 and again in 2017/18. Rates per full size plot will increase to £96 by 2017/18		20
46		The recharging of the cost of statutory checks to sports pavilions and repairs and maintenance of sports pavilions and associated hard infrastructure to sports users		15
47		Further Changes in Style and Standards of Parks Management		144
48		Reduction in GM Contracts		60
49	Coast	Reduction to visitor and site management activities. Extension to the length of the life guard contract on reduced terms. Car-parking income charges	878	150
Total				775

Health & Wellbeing

Ref	Service Area	Change Proposal	2014/15 Budget £000	Proposed Budget Reduction £000
50	Environmental Health	Reduction in front line environmental health regulatory services. Reduction in pest control services but retain full rat control service	1,812	370
51	School Health	Re-specify/recommission the Healthy Child programme for the whole 0-19 age range	1,388	260
52	Yet to be determined			0
53	Sports Leisure	Review and Restructure Management/Administration/ Operations including deletion of Service Manager post	1,044	470

		Re-tender direct debit collection Reduce agency payments		
		Energy efficiency		
			Total	1,100

Running the Council

Ref	Service Area	Change Proposal	2014/15 Budget £000	Proposed Budget Reduction £000
54	Adult Assessments	An end to end review of assessment and review policies, procedures and processes within Adult Social Care	7,580	300
55	Client Contribution	Restructuring and integrating the above service with the specialist Substance Misuse Housing and Welfare Rights Team	586	54
56	Commissioning	Reduction of the Commissioning Service staffing	Budget within Most Vulnerable	144
57	Attendance Welfare Service	Improved administration of legal procedures. Reduced eligibility for service interventions. Increase income	473	192
58	Youth Offending Team	Merge services and potential to reduce management capacity	661	120
59	Outreach Respite Recovery	Restructure the delivery team	635	96
60	Locality Assessment	Redesign of Common Assessment Framework team Implement a stronger Lead Practitioner model Implementation of electronic – common assessment framework (E-CAF)	299	132
61	School Standards and Effectiveness	Reduction in the Local Authority support provided to schools which are not in receipt of statutory	530	60

Agenda Item 3

COUNCIL- THURSDAY 22ND JANUARY, 2015

		intervention, requiring improvement or are assessed at risk of being less than good		
62	Schools Regulatory Services	An end to end review of activity, policies, procedures and processes	449	60
63	14-19 Services	Changes to commissioning arrangements for Information, Advice & Guidance	938	120
64	Children's administrative support	Service redesign	167	63
65	Highway management, development, design and safety.	Changes to charges Service reorganisations	1,135	300
66	Parking	Review of service and charging regimes	-1,524	547
67	Property Management	Closure and disposal of operational properties	1,052	60
68	FCERM (Flood and Coastal Erosion Risk Management)	Reduction in service Reduced response times Reduction in works delivery	362	82
69	Regulatory Services Support	Reduction in administrative support due to changes in working practices and increase to online services	219	24
70	Public Conveniences	Closure of all public conveniences	74	74
71	Bulky Items	Increasing collection charge from £7.50 to £10 per collection	48	48
72	Arts	Review management and opening times at the Atkinson	1,417	240
73	Sports Leisure-Active Sports	Increase in income due to increased charges and new programmes	0	84
74	Sports Leisure Aquatics	Maximise pool time at Meadows offering more swimming lessons to meet demand	-234	36
75	Public Health	Internal restructure to reflect the need to strengthen the influencing role of the team and reduced need for	822	416

		commissioning capacity		
76	Corporate Communications Team	Deletion of vacant posts and Team restructure	400	204
77	Transformation	Reduction of Transformation resource	204	75
78	Legal Services	Restructure of the legal management department Removal of the Monitoring Officer's budget	914	134
79	Finance & ICT Services	Restructuring Finance and ICT services after implementation of new financial system in 2015 Reduce ICT, printing and telephone costs in line with general Council reductions	2,812 552	500 190
80	Learning & Development	Reduction in activity associated with learning and development	623	188
81	Personnel	Reduction in Personnel resource and efficiency savings	1,600	100
86	Business Intelligence & Performance	Restructure	1,077	360
87	Public Health	Reduction in funding for commissioned intelligence work		50
88	Catering	To increase the charge for each meal by 10p in September 2015 (start of the school term) and by a further 10p from September 2016		450
89	Building Cleaning	To increase fees and charges to schools		70
90	Commercial Waste	To increase fees and charges		10
91	Tourism	Additional income from events		13
Total				5,596

Community Resilience

Ref	Service Area	Change Proposal	2014/15 Budget £000	Proposed Budget Reduction £000
82	Housing Related	Further decommissioning and re-commissioning of funded services in accordance with the	2,169	900

Agenda Item 3

COUNCIL- THURSDAY 22ND JANUARY, 2015

	Support	approved Commissioning Intentions and Priorities		
Total				900

Health & Wellbeing

Ref	Service Area	Change Proposal	2014/15 Budget £000	Proposed Budget Reduction £000
83	Integrated Wellness	Integration of Lifestyle services	5,349	3,049
84	Substance Misuse	Reduction in Substance Misuse spend	6,031	740
85	Affordable Warmth	Cessation of SEARCH scheme and Easier Breathing Project	54	54
			Total	3,843
			TOTAL	18, 619

- (8) it be noted that officers would comply with Human Resource policies and procedures and this will include regular HR monitoring reports to the Cabinet Member – Corporate Services and Performance;
- (9) it be noted that figures in the annex of the report were working assumptions of proposals to be considered and the figures should not be seen as predetermining any decisions; and
- (10) it be noted that further options were being developed and assessed and a further report would be presented to Cabinet for consideration in February 2015 and the Council in March 2015.

70. LOCAL COUNCIL TAX REDUCTION SCHEME 2015/16 AND UPDATING THE COUNCIL TAX BASE 2015/16

Further to Minute No. 49 of the Cabinet meeting held on 15 January 2015, the Council considered the report of the Head of Corporate Finance and ICT which provided details of feedback received on the recent consultation exercise regarding the proposed amendments to the Council Tax Reduction Scheme for 2015/16 and details of the updated Council Tax Base for 2015/16.

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

COUNCIL- THURSDAY 22ND JANUARY, 2015

RESOLVED: That:

- (1) the revisions to the current Council Tax Reduction Scheme for 2015/16 summarised in paragraph 3 of the report be approved and adopted to take effect from 1 April 2015;
- (2) the Council Tax Base 2015/16 as set out in Annex B of the report be approved; and
- (3) approval be given to the payment of grants to the Parish Councils in 2015/16 to compensate them for the cost of the Council Tax Reduction Scheme, as set out in Annex B of the report.

71. REFRESH OF THE CARERS STRATEGY FOR SEFTON

Further to Minute No. 50 of the Cabinet meeting held on 15 January 2015, the Council considered the report of the Director of Older People which provided details of the draft Carers Strategy 2014-2019, which provided an overarching framework within which the Council can provide support to Carers to continue to undertake their unpaid caring roles, with a focus on self - reliance, independence and community resilience

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

RESOLVED:

That the Sefton Carers Strategy for 2014 - 2019 be approved.

72. MEMBERSHIP OF COMMITTEES 2014/15

No changes were made to the Membership of Committees.

73. MOTION SUBMITTED BY COUNCILLOR DAWSON

It was moved by Councillor Dawson, seconded by Councillor Brodie - Browne:

"This Council notes:

- (i) the loyalty, bravery and professionalism with which troops recruited in the North West of England, including the Metropolitan Borough of Sefton, conducted themselves during the invasion and occupation of Iraq.
- (ii) widespread concern that the decision to embark upon the Iraq invasion was made based upon false premises and untrue propaganda fed to the British people by representatives of the Government of the time.

Agenda Item 3

COUNCIL- THURSDAY 22ND JANUARY, 2015

- (iii) that the Chilcott Inquiry into the events which led the United Kingdom to embark upon the the invasion and occupation of Iraq, is complete and has been shared, months ago, with former Prime Ministers.
- (iv) that the publication of the Chilcott report has been delayed for many months, without excuse, which is leading to widespread and profound belief by ordinary members of the public that those who supported that war on false premises are covering up these matters.

The Council resolves to write to the Prime Minister, expressing concern at the continuing delays in publication and calling for an immediate publication of the Chilcott report."

An amendment was moved by Councillor P. Dowd, seconded by Councillor Maher that the Motion be amended by the deletion of the text in Paragraphs (ii), (iii) and (iv); and that the final Paragraph be revised to read:

"The Council resolves to write to the Prime Minister, expressing concern at the continuing delays in the publication of the Chilcott report and calls for its publication as soon as possible."

Following a brief debate, it was unanimously agreed that the amendment and Substantive Motion be agreed and it was

RESOLVED:

This Council notes the loyalty, bravery and professionalism with which troops recruited in the North West of England, including the Metropolitan Borough of Sefton, conducted themselves during the invasion and occupation of Iraq.

The Council resolves to write to the Prime Minister, expressing concern at the continuing delays in the publication of the Chilcott report and calls for its publication as soon as possible.

Report to: Council

Date of Meeting: 5 March, 2015

Subject: Programme of Meetings – 2015/16 Municipal Year

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 of a Programme of Meetings for the 2015/16 Municipal Year.

Recommendations:

That

1. 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 be approved; and
2. 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 noted.

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

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Jobs and Prosperity		√	
3	Environmental Sustainability		√	
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 7

Reasons for the Recommendation:

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

What will it cost and how will it be financed?

(A) Revenue Costs

None.

(B) Capital Costs

None.

Implications:

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

Legal	
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 Programme of Meetings for 2015/16 will be published on the Council's website for the benefit of the residents of Sefton and the wider general public. This will raise awareness of the Council's political management system and allow the opportunity for the public to engage in the Council's democratic processes.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD 3386/15) has been consulted and notes there are no direct financial implications arising from this report.

Head of Corporate Legal Services (LD 2678/15) has been consulted and has no comments on the report

Are there any other options available for consideration?

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

Implementation Date for the Decision

Immediately following the Council meeting.

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

Background Papers:

There are no background papers available for inspection.

1. Introduction/Background

1.1 The Council is required to establish a Programme of Meetings for the 2015/16 Municipal Year.

1.2 The following annexes are attached to the report:

- Annex A - Programme of Meetings for the Cabinet in 2015/16
- Annex B - Programme of Meetings for the Council, Members' Briefing Sessions and Regulatory Committees in 2015/16
- Annex C - Programme of Meetings for the Overview and Scrutiny Committees in 2015/16
- Annex D - Programme of Meetings for the Area Committees in 2015/16
- Annex E - Programme of Meetings for the Public Engagement and Consultation Panel, Sefton Safer Communities Partnership and the Health and Wellbeing Board in 2015/16.

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

2. Programme of Meetings 2015/16

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

- Five Ordinary Council Meetings to be held every 8 weeks on a Thursday commencing at 6.30 p.m. plus the Budget Council Meeting to be held on 3 March 2016.
- Council will not meet on the same day as Cabinet.
- Members' Briefing Sessions to be held at 5.00 p.m. prior to the five Ordinary Council Meetings.

Agenda Item 7

- No meetings will be held:
 - In the period between Christmas and New Year (Dec 2015/Jan 2016).
 - In April 2016 except for the meetings of the Planning Committee, Cabinet and Council.
- As far as possible no meetings will be held during the school half term holiday weeks.
- The venues for all meetings (other than Area Committees) alternate between Bootle and Southport Town Halls.
- Cabinet Meetings to be held on a Thursday at 10.00 a.m. The first meeting to be held on 4 June 2015.
- Planning Committee to meet every four weeks on a Wednesday, commencing at 6.30 p.m.
- Planning Visiting Panel to meet 2 days prior to each meeting of the Planning Committee to undertake site visits as agreed by the Committee.
- Each of the 4 Overview and Scrutiny Committees to meet bi monthly, 5 times during the year commencing at 6.30 p.m. – the main Overview and Scrutiny work will be done by the Working Groups to be established on an ad hoc basis.
- Special meeting of the Overview and Scrutiny Committee (Performance and Corporate Services) to be held on 16 February 2016 to scrutinise the Cabinet budget process.
- Overview and Scrutiny Management Board to meet 5 times per year, commencing at 4.30 p.m.
- Licensing and Regulatory Committee to meet quarterly on a Monday commencing at 6.30 p.m.
- Meetings of the Licensing Sub-Committee to be convened as and when required.
- Audit and Governance Committee to meet every quarter (4 meetings per year) on a Wednesday commencing at 3.00 p.m. in order to meet statutory requirements etc.
- Pay and Grading Committee to be convened as and when required.
- Each Area Committee to meet quarterly and commence at 6.30 p.m. The meetings will be held at venues across the Committee's geographical area at suitable venues.
- Health and Wellbeing Board to meet 4 times per year.
- The dates for the Public Engagement and Consultation Panel, which are not public meetings are included in the Corporate Calendar.

3. Annual and Adjourned Annual Council Meetings

- 3.1 As referred to in 2.1 above, as far as possible, no meetings are arranged during the school half-term holiday weeks. However, following the programme of meetings approved during previous years, the Adjourned Annual Council meeting would be held on 26 May 2015 which is during school half-term. Accordingly, Cabinet at its meeting held on 5 February 2015 considered two options relating to this matter. Option 1 avoids the Annual and Adjourned Annual Council meetings being held in half-term; whilst Option 2 retains the Adjourned Annual Council meeting on 26 May 2015 during half-term. The Options are set out below:-

Option 1

Annual Council meeting – Tuesday, 19 May 2015

Adjourned Annual Council meeting – Thursday, 21 May 2015

Option 2

Annual Council meeting – Thursday, 21 May 2015

Adjourned Annual Council meeting – Tuesday, 26 May 2015

- 3.2 Cabinet, at its meeting on 5 February 2015, has recommended that Council adopt Option 1 to avoid the Adjourned Annual Council meeting being held during school half-term week
- 3.3 Option 1 is now included on Annex B and the calendar of meetings attached to this report.
- 4. Cabinet, Public Engagement and Consultation Panel, Sefton Safer Communities Partnership and the Health and Wellbeing Board**
 - 4.1 At its meeting held on 5 February 2015 Cabinet also approved the Programme of meetings for Cabinet, Public Engagement and Consultation Panel, Sefton Safer Communities Partnership and the Health and Wellbeing Board for 2015/16 and these are set out in Annexes A and E of the report.
 - 4.2 Accordingly, Council is recommended to note the dates of such meetings.
- 5. Calendar of Meetings**
 - 5.1 A copy of the Calendar of Meetings for 2015/16 is attached.

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ANNEX A
METROPOLITAN BOROUGH OF SEFTON
PROGRAMME OF CABINET MEETINGS - 2015/2016

Meeting	Day	Time	Venue	2015								2016					
				May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
CABINET	Thur.	10.00 a.m.	B		4				3		5		14	18		7	
			S			2			1		3		4	10			

Key to Venues:

B - Bootle Town Hall

S - Southport Town Hall

ANNEX B
METROPOLITAN BOROUGH OF SEFTON
PROGRAMME OF COUNCIL, MEMBERS' BRIEFING SESSIONS AND REGULATORY COMMITTEE MEETINGS ETC. - 2015/2016

Meeting	Day	Time	Venue	2015								2016					
				May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
COUNCIL	Thur.	6.30 p.m.	B	21←					17				28		3→		24↓ Tue
			S*	19↑ Tue			16				19				21		20°
MEMBERS' BRIEFING SESSIONS Prior to each Ordinary Council Meeting	Thur.	5.00 p.m.	B						17				28				
			S				16				19				21		24 Tue
AUDIT AND GOVERNANCE COMMITTEE	Wed.	3.00 p.m.	B		24							9					
			S						9					23			
DEALS (FOR PERSONNEL ISSUES) - as and when required	Thur.	-															
PLANNING AND REGULATORY COMMITTEE	Mon.	6.30 p.m.	B		22								11				
			S						21						21		
LICENSING SUB-COMMITTEE - as and when required			B														
			S														
PLANNING COMMITTEE	Wed.	6.30 p.m.	B		↓3/10			5	30		18		13		9	27	
			S			8			2	21		16		10	30		
PLANNING VISITING PANEL	Mon	10.00 a.m.	B		8	6	3	1 Tue 28	19	16	14	11	8	7 29 Tue	25		
PAY AND GRADING COMMITTEE – as and when required																	

↑ Annual Meeting 2015/16 - commences at 6.00 p.m. (*Venue to be determined)
 ← Adjourned Annual Meeting - Appointment of Committees etc. for 2015/16 (Tuesday)
 → Budget Meeting
 †Mandatory Planning Committee

° Annual Meeting 2016/2017 - commences at 6.00 p.m. (Venue to be determined)
 ↓ Special Meeting - Appointment of Committees etc. for 2016/2017 (Tuesday)

ANNEX C
METROPOLITAN BOROUGH OF SEFTON
PROGRAMME OF MEETINGS FOR OVERVIEW AND SCRUTINY COMMITTEES - 2015/2016
(All Tuesday)

Meeting	Venue	2015								2016				
		May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
OVERVIEW AND SCRUTINY COMMITTEE (Health and Social Care) (6.30 p.m.) (Tue)	B		30				20					1		
	S					1				5				
OVERVIEW AND SCRUTINY COMMITTEE (Performance and Corporate Services) (Tue) (6.30 p.m.)	B					8				12	*16			
	S		16					3				8		
OVERVIEW AND SCRUTINY COMMITTEE (Regeneration and Environmental Services) (4.30 p.m.) (Tue)	B			7					10			15		
	S					15				19				
OVERVIEW AND SCRUTINY COMMITTEE (Children's Services) (4.30 p.m.) (Tue)	B					22				26				
	S		23					17				22		
OVERVIEW AND SCRUTINY COMMITTEE (Management Board) (4.30 p.m.) (Tue)	B					22		10				1		
	S		16							5				

* Special meeting to consider Budget proposals.

ANNEX D
METROPOLITAN BOROUGH OF SEFTON
PROGRAMME OF MEETINGS FOR AREA COMMITTEES 2015/2016

Meeting	Day	Time	Venue	2015								2016				
				May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
CENTRAL SEFTON	Wed/Thu	6.30 p.m.	TBC		4			16				7		10		
SOUTH SEFTON	Mon/Wed	6.30 p.m.	TBC		11			9				18		16		
SOUTHPORT	Wed	6.30 p.m.	S		24			23			2			23		

Venues:

TBC – to be confirmed
 Southport Town Hall

ANNEX E
METROPOLITAN BOROUGH OF SEFTON
PROGRAMME OF MEETINGS FOR PARTNERSHIP MEETINGS- 2015/2016

Meeting	Day	Time	Venue	2015								2016				
				May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
PUBLIC ENGAGEMENT AND CONSULTATION PANEL ^	Fri	10.00 a.m.	B			10		18		13		22		18		
			S													
SEFTON SAFER COMMUNITIES PARTNERSHIP	Thu	10.00 a.m.	B		11		13		15		10	21		17		
			S													
HEALTH AND WELLBEING BOARD	Wed.	2.00 p.m.	B		17			16			2			16		
			S													

^ Meetings video conferenced to Southport Town Hall

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Agenda Item 7

SEFTON COUNCIL CALENDAR OF MEETINGS 2015/16

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

Agenda Item 7

JUNE 2015		
MON	1	
TUE	2	
WED	3	6.30 MANDATORY PLANNING COMMITTEE TRAINING SESSION (B)
THU	4	10.00 CABINET (B) 6.30 CENTRAL SEFTON AREA COMMITTEE
FRI	5	
SAT	6	
SUN	7	
MON	8	10.00 PLANNING VISITING PANEL
TUE	9	
WED	10	5.00 PLANNING TRAINING SESSION (B) 6.30 PLANNING COMMITTEE (B)
THU	11	10.00 SEFTON SAFER COMMUNITIES PARTNERSHIP (B) 6.30 SOUTH SEFTON AREA COMMITTEE
FRI	12	
SAT	13	
SUN	14	
MON	15	
TUE	16	4.30 OVERVIEW AND SCRUTINY MANAGEMENT BOARD (S) 6.30 OVERVIEW AND SCRUTINY (PERFORMANCE AND CORPORATE SERVICES) (S)
WED	17	2.00 HEALTH AND WELLBEING BOARD (B)
THU	18	
FRI	19	
SAT	20	
SUN	21	
MON	22	6.30 LICENSING AND REGULATORY (B)
TUE	23	6.30 OVERVIEW AND SCRUTINY (CHILDREN'S SERVICES) (S)
WED	24	3.00 AUDIT AND GOVERNANCE (B) 6.30 SOUTHPORT AREA COMMITTEE
THU	25	
FRI	26	
SAT	27	
SUN	28	
MON	29	
TUE	30	6.30 OVERVIEW AND SCRUTINY (HEALTH AND SOCIAL CARE) (B)
JUNE 2015		

Agenda Item 7

JULY 2015		
WED	1	
THU	2	10.00 CABINET (S)
FRI	3	
SAT	4	
SUN	5	
MON	6	10.00 PLANNING VISITING PANEL
TUE	7	6.30 OVERVIEW AND SCRUTINY (REGENERATION AND ENVIRONMENTAL SERVICES) (B)
WED	8	5.00 PLANNING TRAINING SESSION (S) 6.30 PLANNING COMMITTEE (S)
THU	9	
FRI	10	10.00 PUBLIC ENGAGEMENT AND CONSULTATION PANEL (B)
SAT	11	
SUN	12	
MON	13	
TUE	14	
WED	15	
THU	16	5.00 MEMBERS' BRIEFING (S) 6.30 COUNCIL (S)
FRI	17	
SAT	18	
SUN	19	
MON	20	
TUE	21	
WED	22	
THU	23	
FRI	24	
SAT	25	
SUN	26	
MON	27	
TUE	28	
WED	29	
THU	30	
FRI	31	

Agenda Item 7

AUGUST 2015		
SAT	1	
SUN	2	
MON	3	10.00 PLANNING VISITING PANEL
TUE	4	
WED	5	5.00 PLANNING TRAINING SESSION (B) 6.30 PLANNING COMMITTEE (B)
THU	6	
FRI	7	
SAT	8	
SUN	9	
MON	10	
TUE	11	
WED	12	
THU	13	10.00 SEFTON SAFER COMMUNITIES PARTNERSHIP (B)
FRI	14	
SAT	15	
SUN	16	
MON	17	
TUE	18	
WED	19	
THU	20	
FRI	21	
SAT	22	
SUN	23	
MON	24	
TUE	25	
WED	26	
THU	27	
FRI	28	
SAT	29	
SUN	30	
MON	31	BANK HOLIDAY
AUGUST 2015		

Agenda Item 7

SEPTEMBER 2015		
TUE	1	10.00 PLANNING VISITING PANEL 6.30 OVERVIEW AND SCRUTINY (HEALTH AND SOCIAL CARE) (S)
WED	2	5.00 PLANNING TRAINING SESSION (S) 6.30 PLANNING COMMITTEE (S)
THU	3	10.00 CABINET (B)
FRI	4	
SAT	5	
SUN	6	
MON	7	
TUE	8	6.30 OVERVIEW AND SCRUTINY (PERFORMANCE AND CORPORATE SERVICES) (B)
WED	9	3.00 AUDIT AND GOVERNANCE (S) 6.30 SOUTH SEFTON AREA COMMITTEE
THU	10	
FRI	11	
SAT	12	
SUN	13	
MON	14	
TUE	15	6.30 OVERVIEW AND SCRUTINY (REGENERATION AND ENVIRONMENTAL SERVICES) (S)
WED	16	2.00 HEALTH AND WELLBEING BOARD (B) 6.30 CENTRAL SEFTON AREA COMMITTEE
THU	17	5.00 MEMBERS' BRIEFING (B) 6.30 COUNCIL (B)
FRI	18	10.00 PUBLIC ENGAGEMENT AND CONSULTATION PANEL (B)
SAT	19	
SUN	20	
MON	21	6.30 LICENSING AND REGULATORY (S)
TUE	22	4.30 OVERVIEW AND SCRUTINY MANAGEMENT BOARD (B) 6.30 OVERVIEW AND SCRUTINY (CHILDREN'S SERVICES) (B)
WED	23	6.30 SOUTHPORT AREA COMMITTEE
THU	24	
FRI	25	
SAT	26	
SUN	27	
MON	28	10.00 PLANNING VISITING PANEL
TUE	29	
WED	30	5.00 PLANNING TRAINING SESSION (B) 6.30 PLANNING COMMITTEE (B)

SEPTEMBER 2015

Agenda Item 7

OCTOBER 2015		
THU	1	10.00 CABINET (S)
FRI	2	
SAT	3	
SUN	4	
MON	5	
TUE	6	
WED	7	
THU	8	
FRI	9	
SAT	10	
SUN	11	
MON	12	
TUE	13	
WED	14	
THU	15	10.00 SEFTON SAFER COMMUNITIES PARTNERSHIP (B)
FRI	16	
SAT	17	
SUN	18	
MON	19	10.00 PLANNING VISITING PANEL
TUE	20	6.30 OVERVIEW AND SCRUTINY (HEALTH AND SOCIAL CARE) (B)
WED	21	5.00 PLANNING TRAINING SESSION (S) 6.30 PLANNING COMMITTEE (S)
THU	22	
FRI	23	
SAT	24	
SUN	25	
MON	26	SCHOOL HALF-TERM HOLIDAY WEEK
TUE	27	
WED	28	
THU	29	
FRI	30	
SAT	31	
OCTOBER 2015		

Agenda Item 7

NOVEMBER 2015		
SUN	1	
MON	2	
TUE	3	6.30 OVERVIEW AND SCRUTINY (PERFORMANCE AND CORPORATE SERVICES) (S)
WED	4	
THU	5	10.00 CABINET (B)
FRI	6	
SAT	7	
SUN	8	REMEMBRANCE SUNDAY
MON	9	
TUE	10	4.30 OVERVIEW AND SCRUTINY MANAGEMENT BOARD (B) 6.30 OVERVIEW AND SCRUTINY (REGENERATION AND ENVIRONMENTAL SERVICES) (B)
WED	11	
THU	12	
FRI	13	10.00 PUBLIC ENGAGEMENT AND CONSULTATION PANEL (B)
SAT	14	
SUN	15	
MON	16	10.00 PLANNING VISITING PANEL
TUE	17	6.30 OVERVIEW AND SCRUTINY (CHILDREN'S SERVICES) (S)
WED	18	5.00 PLANNING TRAINING SESSION (B) 6.30 PLANNING COMMITTEE (B)
THU	19	5.00 MEMBERS' BRIEFING (S) 6.30 COUNCIL (S)
FRI	20	
SAT	21	
SUN	22	
MON	23	
TUE	24	
WED	25	
THU	26	
FRI	27	
SAT	28	
SUN	29	
MON	30	
NOVEMBER 2015		

Agenda Item 7

DECEMBER 2015		
TUE	1	
WED	2	2.00 HEALTH AND WELLBEING BOARD (B) 6.30 SOUTHPORT AREA COMMITTEE
THU	3	10.00 CABINET (S)
FRI	4	
SAT	5	
SUN	6	
MON	7	
TUE	8	
WED	9	3.00 AUDIT AND GOVERNANCE (B)
THU	10	10.00 SEFTON SAFER COMMUNITIES PARTNERSHIP (B)
FRI	11	
SAT	12	
SUN	13	
MON	14	10.00 PLANNING VISITING PANEL
TUE	15	
WED	16	5.00 PLANNING TRAINING SESSION (S) 6.30 PLANNING COMMITTEE (S)
THU	17	
FRI	18	
SAT	19	
SUN	20	
MON	21	SCHOOL CHRISTMAS BREAK
TUE	22	
WED	23	
THU	24	COUNCIL OFFICES CLOSED
FRI	25	CHRISTMAS DAY
SAT	26	
SUN	27	
MON	28	BANK HOLIDAY
TUE	29	COUNCIL OFFICES CLOSED
WED	30	COUNCIL OFFICES CLOSED
THU	31	COUNCIL OFFICES CLOSED
DECEMBER 2015		

Agenda Item 7

JANUARY 2016		
FRI	1	NEW YEAR'S DAY
SAT	2	
SUN	3	
MON	4	
TUE	5	4.30 OVERVIEW AND SCRUTINY MANAGEMENT BOARD (S) 6.30 OVERVIEW AND SCRUTINY (HEALTH AND SOCIAL CARE) (S)
WED	6	
THU	7	6.30 CENTRAL SEFTON AREA COMMITTEE
FRI	8	
SAT	9	
SUN	10	
MON	11	10.00 PLANNING VISITING PANEL 6.30 LICENSING AND REGULATORY (B)
TUE	12	6.30 OVERVIEW AND SCRUTINY (PERFORMANCE AND CORPORATE SERVICES) (B)
WED	13	5.00 PLANNING TRAINING SESSION (B) 6.30 PLANNING COMMITTEE (B)
THU	14	10.00 CABINET (B)
FRI	15	
SAT	16	
SUN	17	
MON	18	6.30 SOUTH SEFTON AREA COMMITTEE
TUE	19	6.30 OVERVIEW AND SCRUTINY (REGENERATION AND ENVIRONMENTAL SERVICES) (S)
WED	20	
THU	21	10.00 SEFTON SAFER COMMUNITIES PARTNERSHIP (B)
FRI	22	10.00 PUBLIC ENGAGEMENT AND CONSULTATION PANEL (B)
SAT	23	
SUN	24	
MON	25	
TUE	26	6.30 OVERVIEW AND SCRUTINY (CHILDREN'S SERVICES) (B)
WED	27	
THU	28	5.00 MEMBERS' BRIEFING (B) 6.30 COUNCIL (B)
FRI	29	
SAT	30	
SUN	31	
JANUARY 2016		

Agenda Item 7

FEBRUARY 2016		
MON	1	
TUE	2	
WED	3	
THU	4	10.00 CABINET (S)
FRI	5	
SAT	6	
SUN	7	
MON	8	10.00 PLANNING VISITING PANEL
TUE	9	
WED	10	5.00 PLANNING TRAINING SESSION (S) 6.30 PLANNING COMMITTEE (S)
THU	11	
FRI	12	
SAT	13	
SUN	14	
MON	15	SCHOOL HALF-TERM HOLIDAY WEEK
TUE	16	6.30 OVERVIEW AND SCRUTINY (PERFORMANCE AND CORPORATE SERVICES) BUDGET MEETING (B)
WED	17	
THU	18	10.00 CABINET (BUDGET) (B)
FRI	19	
SAT	20	
SUN	21	
MON	22	
TUE	23	
WED	24	
THU	25	
FRI	26	
SAT	27	
SUN	28	
MON	29	
FEBRUARY 2016		

Agenda Item 7

MARCH 2016		
TUE	1	4.30 OVERVIEW AND SCRUTINY MANAGEMENT BOARD (B) 6.30 OVERVIEW AND SCRUTINY (HEALTH AND SOCIAL CARE) (B)
WED	2	
THU	3	6.30 BUDGET COUNCIL (B)
FRI	4	
SAT	5	
SUN	6	
MON	7	10.00 PLANNING VISITING PANEL
TUE	8	6.30 OVERVIEW AND SCRUTINY (PERFORMANCE AND CORPORATE SERVICES) (S)
WED	9	5.00 PLANNING TRAINING SESSION (B) 6.30 PLANNING COMMITTEE (B)
THU	10	10.00 CABINET (S) 6.30 CENTRAL SEFTON AREA COMMITTEE
FRI	11	
SAT	12	
SUN	13	
MON	14	
TUE	15	6.30 OVERVIEW AND SCRUTINY (REGENERATION AND ENVIRONMENTAL SERVICES) (B)
WED	16	2.00 HEALTH AND WELLBEING BOARD (B) 6.30 SOUTH SEFTON AREA COMMITTEE
THU	17	10.00 SEFTON SAFER COMMUNITIES PARTNERSHIP (B)
FRI	18	10.00 PUBLIC ENGAGEMENT AND CONSULTATION PANEL (B)
SAT	19	
SUN	20	
MON	21	6.30 LICENSING AND REGULATORY (S)
TUE	22	6.30 OVERVIEW AND SCRUTINY (CHILDREN'S SERVICES) (S)
WED	23	3.00 AUDIT AND GOVERNANCE (S) 6.30 SOUTHPORT AREA COMMITTEE
THU	24	
FRI	25	GOOD FRIDAY
SAT	26	
SUN	27	
MON	28	EASTER MONDAY
TUE	29	10.00 PLANNING VISITING PANEL
WED	30	5.00 PLANNING TRAINING SESSION (S) 6.30 PLANNING COMMITTEE (S)
THU	31	

MARCH 2016

Agenda Item 7

APRIL 2016		
FRI	1	
SAT	2	
SUN	3	
MON	4	SPRING HOLIDAY
TUE	5	
WED	6	
THU	7	10.00 CABINET (B)
FRI	8	
SAT	9	
SUN	10	
MON	11	
TUE	12	
WED	13	
THU	14	
FRI	15	
SAT	16	
SUN	17	
MON	18	
TUE	19	
WED	20	
THU	21	5.00 MEMBERS' BRIEFING (S) 6.30 COUNCIL (S)
FRI	22	
SAT	23	
SUN	24	
MON	25	10.00 PLANNING VISITING PANEL
TUE	26	
WED	27	5.00 PLANNING TRAINING SESSION (B) 6.30 PLANNING COMMITTEE (B)
THU	28	
FRI	29	
SAT	30	
APRIL 2016		

Agenda Item 7

MAY 2016		
SUN	1	
MON	2	BANK HOLIDAY
TUE	3	
WED	4	
THU	5	COUNCIL ELECTIONS
FRI	6	
SAT	7	
SUN	8	
MON	9	
TUE	10	
WED	11	
THU	12	
FRI	13	
SAT	14	
SUN	15	
MON	16	
TUE	17	
WED	18	
THU	19	6.00 ANNUAL COUNCIL – PROVISIONAL DATE
FRI	20	
SAT	21	
SUN	22	
MON	23	
TUE	24	6.30 ADJOURNED ANNUAL COUNCIL (B) – PROVISIONAL DATE
WED	25	
THU	26	
FRI	27	
SAT	28	
SUN	29	
MON	30	BANK HOLIDAY SCHOOL HALF-TERM HOLIDAY WEEK
TUE	31	

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Agenda Item 8

Report to: Cabinet
Council

Date of Meeting: 26 February 2015
5 March 2015

Subject: Pay Policy

Report of: Director of Corporate Services

Wards Affected:

Is this a Key Decision? No

Is it included in the Forward Plan? Yes

Exempt/Confidential No

Purpose/Summary

To recommend a Pay Policy for the Council as required by the Localism Act 2011.

Recommendation(s) That

Cabinet

The proposed Pay Policy at Annex A to this report be recommended to the full Council for approval.

Council

The proposed Pay Policy at Annex A to this report be approved.

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

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

Reasons for the Recommendation: To comply with the Localism Act 2011

Agenda Item 8

What will it cost and how will it be financed?

(A) Revenue Costs N/A

(B) Capital Costs N/A

Implications:

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

Legal The Council has the following duties under the following sections of the Localism Act 2011 :-
Section 38- The Council must prepare a Pay Policy Statement for each financial year which sets out its policies relating to the remuneration of its chief officers and its lowest-paid employees and the relationship between the remuneration of its chief officers and its employees who are not chief officers.

Section 39-The Council's Pay Policy Statement must be approved by resolution of the authority before it comes into force and prior to 31st March immediately preceding the financial year to which it relates.

Section 40- With regard to its functions under sections 38 and 39 [above] ,the Council must have regard to any guidance issued or approved by the Secretary of State

Human Resources The Pay Policy has been amended and updated to reflect any changes that have occurred since the last report.

Equality

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

Impact on Service Delivery: N/A

What consultations have taken place on the proposals and when? N/A

The Head of Corporate Finance (FD3391/15) notes that this report is to meet the Authorities statutory duties under the Localism Act 2011 to produce an Annual Pay Policy statement and has no other financial implications.

Head of Corporate Legal Services (LD 2683/15) have been consulted and has no comments on the report.

Are there any other options available for consideration? No

Implementation Date for the Decision: Immediately following the Council meeting.

Contact Officer: Mark Dale
Tel: 0151 934 3949
Email: mark.dale@sefton.gov.uk

Background Papers:

DCLG guidance: “Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act 2011”.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5956/2091042.pdf

DCLG further guidance: “Openness and Accountability in Local Pay Guidance under Section 40 of the Localism Act 2011 – Supplementary Guidance”

<https://www.gov.uk/government/publications/openness-and-accountability-in-local-pay-supplementary-guidance>

Agenda Item 8

INTRODUCTION/BACKGROUND

1. This report deals with a requirement in the Localism Act 2011 (the Act) which became statute in November 2011. The Act introduces a requirement for Local Authorities to agree and publish an Annual Pay Policy Statement effective from December 2011. The Department of Communities and Local Government (DCLG) also published statutory guidance on openness and accountability in local pay.
2. This report outlines the amendments to the pay policy.
3. On 20th February 2012 the DCLG issued statutory guidance “Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act 2011”. Local Authorities in England are required to take account of the supplementary guidance when preparing their Pay Policy Statements.
4. At its meeting on 23rd January 2013 Council agreed the Pay Policy Statement for 2013/14 which included specifically a mechanism for the consideration of new appointments which have a remuneration package of £100,000 or above. Full Council, in accordance with the Pay Policy, have the opportunity to vote on this remuneration prior to a new appointment with a recommendation made by the Employment Procedure Committee. No changes are proposed and this process will remain in force.
5. Council also agreed that in relation to severance packages for senior officers. It is recommended in respect of any severance package of £100,000 or above that full Council are given an opportunity to vote to determine in respect of the Chief Executive, Deputy Chief Executive and Service Directors. This would be after a recommendation from Pay and Grading Committee. All other employees’ severance packages of £100,000 or above are to be determined by the Pay and Grading Committee and may come before Full Council as part of the Budget process.
6. The reasoning for utilising the Pay and Grading Committee was to allow operational effectiveness in seeking the approval of such payments, leaving Full Council to deal with Senior Officers as detailed above.
7. The Pay Policy itself has been shortened to remove some details which are referenced elsewhere in the interests of providing a more readable document. No substantial changes have occurred in the Policy.

PAY POLICY 2014/ 2015

(As required by the Localism Act 2011)

<u>Contents</u>	<u>Para(s)</u>
A. Opening Statement	1-4
B. Scope of Policy	5
C. Availability of Policy	6
D. Decision Making	7-13
E. Senior Officers Pay	14-27
F. Educational Professionals/Educational Psychologist/	28-34
G. Youth & Community Workers	35-36
H. National Joint Council (NJC) Employees	37-39
I. NJC Agreement	40-42
J. Ad hoc arrangements	43-45
K. Market Supplements Policy	46-47
L. Other pay	48-52
M. Pay Protection	53
N. Pay Relationships	54-59
O. Other Terms and Conditions	60-63
P. Employees Transferring into the Council	64-67
Q. Living Wage	68-69
R. Re-employment of staff in receipt of redundancy pay	70-73

Note: Reference is made in this policy to various national and local terms and conditions agreements, and policies. Where access is available the hyperlinks have been provided;

National Pay Agreements within Local Government

1. JNC Chief Executive Terms and Conditions of Service.
2. JNC Chief Officer Terms and Conditions of Service:
3. Local Government Pension Scheme: www.lgps.org.uk
4. NJC Terms and Conditions of Service (Green Book): [green book](#)
5. NJC Terms and Conditions of Services for Craft Workers (Red Book).
6. Soulbury Terms and Conditions of Service: (Education & Young People)
7. Teachers Pension Scheme: www.teacherspensions.co.uk
8. Youth and Community Workers Terms and Conditions of Service (Pink Book):
(Education & Young People)

Sefton Council – Local Pay Policies

1. Local Government Pension Scheme - Discretionary Powers: [Local Government Pension Scheme](#)
2. Non-Standard Working Arrangements and Associated Payments [non-standard working arrangements](#)

Senior Salary Pay Bandings -

These can be accessed through the following link: [senior salary pay bandings](#)

Agenda Item 8

SEFTON COUNCIL PAY POLICY

(As required by the Local Government transparency code 2014 and the Localism Act 2011)

A. OPENING STATEMENT

1. The aim of this policy is to help maintain and improve the quality of service provision by ensuring that all employees are valued and receive proper reward for their work and contribution. It also serves to satisfy the requirements of the Localism Act 2011 relative to pay accountability.
2. It is recognised that both financial and non-financial rewards are necessary to attract, retain and motivate employees. As such there needs to be a close link between reward and the overall approach to people management, including workforce planning and development strategies. There needs to be a fair balance between changing organisational needs and the aspirations of individuals. Equally there needs to be a recognition of the financial constraints of the current economic climate and the imperative to manage public monies responsibly.
3. This policy will assist in managing pay and other rewards in a fair, equitable, responsible and transparent manner. The Council supports the principle of equality of opportunity in employment. In this regard every endeavour will be made to ensure that employees receive equal treatment, irrespective of their age, gender, race, colour ethnic origin, family commitments, marital status, sexual orientation, disability or religious beliefs.
4. All pay related decisions will be taken in compliance with the provisions of The Equality Act 2010, The Employment Rights Act 1996, The Employment Relations Act 1999, the Employment Act 2002, The Employment Act 2008, The Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000, The Fixed Term Employees' (Prevention of Less Favourable Treatment) Regulations 2002, all as amended.

B. SCOPE OF POLICY

5. This policy covers all employees other than those in schools.

C. AVAILABILITY OF POLICY

6. This policy is available on the transparency pages of Sefton's website [Pay policy](#)

D. DECISION MAKING

7. The pay policy aspects of this document are the responsibility of the Pay & Grading Committee with any recommendations for change being subject to the approval of the Council.
8. The policy will be reviewed by the Committee at least once every municipal year and referred to the Council for consideration prior to the beginning of the subsequent municipal year on 1st April. As no substantive change has occurred for 2015/16 the matter has proceeded through Cabinet and Council
9. The authority to make decisions in accordance with the policy (i.e. its application) is in accordance with the delegations described in the Council's constitution, which can be found in the documents library on Sefton's website
10. The Employment Procedure Committee will decide on the remuneration package for Senior Officer positions in cases where the proposed remuneration is over £100,000. This aspect will be debated at the point when the decision is made to fill the post. A recommendation will then be made to the full Council who will have the opportunity to vote on the remuneration proposed. The remuneration must be agreed prior to an appointment offer being made.
11. In accordance with the guidance in respect of Section 40 of the Localism Act, any severance payment of £100,000 which will potentially be made to the Chief Executive, Deputy Chief Executive and any Service Directors will be subject to an opportunity of Full Council vote following a recommendation from Pay and Grading Committee.
12. In respect of any other Officers, Council has delegated the determination of severance packages of £100,000 or above to the Pay and Grading Committee. The detail of such packages may come before Full Council as part of the Budget process.
13. In respect of the definition of severance payment (for the purposes of paragraphs 11 and 12), this is defined as:
 - (a) A redundancy payment
 - (b) Any capital cost to the pension fund
 - (c) Any other contractual payments are due to the employee
 - (d) Any other payments which the Local Authority may seek to make

E. SENIOR OFFICERS PAY

14. Senior officers are defined as those currently earning £50,000 and above. The £50,000 threshold is applied as per the Local Government transparency code 2014, issued by the Department for Communities and Local Government [CLG].

Agenda Item 8

15. Individual Senior Management pay is set out in data published on the Council's website in accordance with the Local Government transparency code 2014.
16. Senior officers (other than those paid under the Soulbury agreement) are paid in accordance with the HAY job evaluation method and HAY Pay structure which was constructed pre 2009 on the recommendation of HAY consultants taking account of market value.
17. Chief Executive – the Salary comprises of 5 incremental points within a salary band ranging from £138,543 rising to £152,403. *NOTE: The current Chief Executive is on the maximum of the grade but since February 2011 has volunteered a 10% reduction. The actual payment is £137,163 p.a.*
18. Deputy Chief Executive paid on a Personal grade.
19. Service Directors and Senior Management – Paid relative to Hay grades 6, 5, 4, 3, and 2. Ranging from £44,847 - £99,447
20. The terms and conditions for the post of Chief Executive are in accordance with the Joint National Council (JNC) Scheme for Chief Executives. In the case of HAY Grades 5 - 2 the terms and conditions are as per the JNC Scheme for Chief Officers. In the case of HAY Grade 6 the terms and conditions are in accordance with the National Joint Council (NJC) Scheme for Local Government services employees (known as the "Green Book").
21. HAY grades are allocated to posts using the HAY job evaluation system. This system enables the factors of a job to be analysed and translated into a points score which, in turn, is related to the appropriate grade associated with the score.
22. Each year the HAY group are consulted as to what is an appropriate pay rise. The HAY Group advise based on predicted awards in the general market (Public and Private Sector), the amount of inflation, and the Retail Prices Index. This is also balanced against the National Joint Council Pay award and the ability of the Council to meet the pay bill.
23. At the time of writing this report (Dec 2014) discussions are still ongoing relative to the Pay award to be awarded to HAY graded officers. The figures given above will be amended, if appropriate, once this decision has been made.

Local government Transparency Code relative to Senior Officers pay

24. Part 2.2: of the Local government Transparency Code relative to Senior officers pay stipulates that specific information must be published annually. This information includes; Organisation charts and Senior Salaries

Organisation chart

25. The organisation chart must cover staff whose salary is £50,000 or above. The following information must be provided;
- grade
 - job title
 - local authority department and team and contact details
 - whether permanent or temporary staff
 - salary information in £5,000 brackets and
 - salary ceiling (the maximum salary for the grade).

Senior salaries

26. The Council must publish details for whose remuneration in that year was at least £50,000
- in brackets of £5,000 along with the job title
 - the information is not solely based on salary but will include all remuneration i.e. overtime pay
 - employees whose salaries are £150,000 or more must be identified by name
 - details of post responsibilities must be provided for each of the Senior Officer roles.
 - The information must be produced and published not later than 2 February 2015 and annually thereafter and will be published on the council website.
27. This information will be produced once the details of any pay award have been agreed.

F. EDUCATION PROFESSIONALS PAY [Soulbury Agreement]

28. The Soulbury Committee provides national collective bargaining machinery for advisory staff in Local Authorities. Nationally it covers approximately 10,500 staff including: education improvement professionals, education psychologists, and young people's/community service managers. In addition to the annual pay increase, the Soulbury Committee also determines the national salary framework.
29. The Soulbury agreement provides three separate sets of pay spines for Education Improvement Professionals (EIPs), Educational Psychologists Scale A and Scale B for Senior and Principal staff and Trainee and Assistant Educational Psychologists.

Education Improvement Professionals (EIPs)

Spine Point	Salary from 1.9.2013
Ranges from spine point 1	32, 677

Agenda Item 8

To spine point 50	86,488
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30. The Education Improvement Professionals (EIPs) salary scales consist of not more than four consecutive points, based on the duties and responsibilities of the posts and the need to recruit and motivate staff. Minimum starting points are defined in the pay conditions for Senior and Principal EIPs and include an extended range to accommodate structured professional assessments.
31. The second set of spines, for educational psychologists, comprises a single scale for main grade psychologists; a pay spine for senior and principal educational psychologists; and a scale for unqualified assistant educational psychologists.

EDUCATIONAL PSYCHOLOGISTS – SCALE A

Spine Point	Salary from 1.9.013
Ranges from spine point 1	34,273
To spine point 11	50,745

32. The salary scales consist of six consecutive points, based on the duties and responsibilities of the posts and the need to recruit, retain and motivate staff and include extension to scale to accommodate structured professional assessment points.

SENIOR & PRINCIPAL EDUCATIONAL PSYCHOLOGISTS – SCALE B

Spine Point	Salary from 1.9.13
Ranges from spine point 1	42,969
To spine point 18	63,571

33. The Salary scales consist of not more four consecutive points, based on the duties and responsibilities of the posts and the need to recruit, retain and motivate staff and include an extension to range to accommodate discretionary scale points and structured professional assessments.

TRAINEE EDUCATIONAL PSYCHOLOGISTS

Spine Point	Salary from 1.9.13
Ranges from spine point 1	£22,019
To spine point 6	£30,075

ASSISTANT EDUCATIONAL PSYCHOLOGISTS

Spine Point	Salary from 1.9.13
Ranges from spine point 1	£27,067
To spine point 4	£30,377

34. The Soulbury agreement does not set its own specific conditions of service. Instead it provides that:

“The conditions of service of Soulbury officers shall be not less favourable than those prescribed for the local government services staff of the authority”

G. Youth and Community Workers

35. The pay of Youth and Community Workers is determined from pay points prescribed by the Joint National Council (JNC). There are two ranges of pay points, one for Youth and Community Support Workers and one for Professional staff. The Youth and Community pay structure ranges from Pay point 1- £14,283 to Pay point 17- £25,830. The Professional pay structure ranges from Pay point 11- £20,796 to Pay point 30- £36,741.
36. At the time of writing this report (Dec 2014) the Soulbury and Youth and Community Workers had yet to reach an Agreement in Terms of the National Pay award applicable. These figures will be amended, as appropriate, once this agreement has been concluded.

H. NATIONAL JOINT COUNCIL EMPLOYEES

37. The largest proportion of employees are paid in accordance with the NJC (Green Book) terms and conditions of employment and in conjunction with a locally determined grading structure that is derived from the spinal column points (SCPs) provided by the NJC for Local Government Services pay scales. It is influenced by market values and is ‘shaped’ to reward employees fairly relative to job requirements.
38. Grades are allocated to posts using the Local Government Single Status Job Evaluation Scheme which forms part of the NJC (Green Book) terms and conditions of employment.
39. The grading structure and the arrangements for applying the job evaluation scheme are agreed with the local trade unions.

I. NJC PAY AGREEMENT

40. Following the conclusion of the respective consultations by the National Employers and Trade Unions sides, agreement has been reached on a long term pay deal to run from 1st January 2015 to 31st March 2016. The pay scales applicable for NJC staff effective from January 2015 range from SCP 5 £13,500 to SCP 49- £42,957.

Agenda Item 8

41. It has been agreed that Spinal Column Point 5 will be deleted with effect from 1 October 2015. At that point employees on SCP5 shall progress to SCP6.
42. In terms of job evaluation Grade A (jobs with a points score of up to 235) will then become a spot grade of SCP 6. Grade B will then become SCP 7-9 (jobs with a points score from 236 – 260).

J. AD HOC PAY ARRANGEMENTS (Craft Employees and Capita Grades)

43. Sefton currently employs a very limited number of staff on the former “Red Book” conditions. The salaries this group of employees have been assimilated to NJC grades. However, a small number of ad hoc terms and conditions still stem from the Red book. These terms and conditions will be reviewed in due course with a view to applying locally agreed terms.
44. In addition, some staff have TUPE'd in from Capita on the salaries and Terms and conditions applied during the Capita contract. These roles will be reviewed in due course with a view to applying the NJC or HAY job evaluation and grades as appropriate and the locally agreed allowances.
45. The NJC pay award will not be applied to Capita grades given that the grades are not directly related to a NJC defined paypoint.

K. MARKET SUPPLEMENTS POLICY

46. The Council aims to recruit and retain the best possible employees with the skills, knowledge and experience needed to deliver excellent services and to meet its corporate objectives. There may be times when the grading of a post results in an inability to successfully recruit or retain to particular posts. In such cases it may be appropriate to pay a market supplement in addition to the salary to ensure that appointments can be secured. In these circumstances, the potential for the application of a Market Supplement Rate will need to be objectively justified. Such payments are lawful under the Equality Act 2010 where there is evidence to justify that market factors are the “material factor” for the post attracting a higher rate of pay than other posts with the same score. In order to establish equality of pay the Council needs factual evidence to prove that paying any Market Supplement Rate is “a proportionate means of achieving a legitimate aim”.
47. At the time of writing no posts currently attract a Market Supplement. Any cases will be subject to formal approval, annual reviews, and supplementary reviews following any pay award agreements or incremental advancement. In addition, the Joint Trade Union forum will be provided with details of any positions which have been approved for the Market Supplement Payment.

L. OTHER PAY

48. **Returning officer** The Council has to appoint a Returning Officer for elections. This is usually a senior officer of the Council who performs the role in addition to his/her normal duties. Appointment as a Returning Officer is deemed to be separate remunerable employment.
49. **Acting up payments** Employees are not eligible for honoraria or ex gratia payments under current Council policy. However, an employee who, following a fair selection arrangement, performs the full duties and responsibilities of a higher graded post on a temporary basis, will be paid in accordance with the higher graded post for the specified period and without any commitment to permanency in that post. This is known as “Acting Up”. It is an operationally practical arrangement applied throughout the workforce. It is an expedient measure that should maintain for as short a period as possible – normally less than 12 months.
50. **Advisory Staff in Local Authorities – [Soulbury Agreement]** In each of the separate Soulbury pay spines there is provision for employees to receive up to three further spine points under the Structure Professional Assessment (SPA) system. This element of the pay structure is based on performance assessment and forms part of the overall pay structure. Progression under the SPA system is subject to local assessment against nationally prescribed criteria.
51. **NJC Employees- Non-Standard Working Arrangements and Associated Payments**
In accordance with the NJC provisions the Council pays allowances in respect of employees who are required to work outside “normal” working hours.
52. On 17th February 2011 Cabinet approved a package of terms and conditions changes following consultation with the trade unions. The changes were implemented with effect from 1st April 2011, initially for two years, and have since been adopted as an ongoing contractual arrangement to assist with the budget savings.
- M. PAY PROTECTION**
53. In certain circumstances where employees suffer a loss in basic pay as a result of the actions of the employer, 12 months’ pay protection is available.
- N. PAY RELATIONSHIPS**
54. The Local Government Transparency Code 2014 Part 2.2 para 41 and Section 38 of the Localism Act 2011 requires local authorities to produce information relative to pay dispersion i.e. the relationship between remuneration of Senior Officers and the remuneration of other staff. The information in this section illustrates the Councils pay dispersion.
55. The highest level of (*full time equivalent – FTE*) employee remuneration in the Council is associated with the post of Chief Executive – para17 refers.

Agenda Item 8

56. The lowest level of (FTE) employee remuneration is £12,435 p.a. With effect from 1.1.2015 the figure will increase to £13,500 p.a. (NJC Spinal Column Point 5). With effect from 1.10.2015 the figure will increase £13614 (NJC Spinal Column Point 6).
57. The median level of actual basic pay for central staff is £15,882 p.a. The median level of actual pay including contractual allowances (e.g. overtime, shift pay etc) is £17,333 p.a.
58. The ratio listed compares favourably with the Upper 20:1 ratio as detailed in the Hutton Fair Pay Review Report. The 2014/2015 (FTE) actual pay relationships are:
- Highest pay is 11.03 times greater than lowest pay.
 - Median basic pay is 1.27 times greater than lowest pay.
 - Median pay including contractual allowances is 1.39 times greater than lowest pay.
 - Highest pay is 8.63 times greater than median basic pay and 7.91 times greater than median pay including contractual allowances.
59. In order to achieve this calculation the pay relationships have been based on the lowest level of employee remuneration (using actual pay figures of centrally employed staff payable as at November 2014 (i.e. before the increase in accordance with the NJC agreement percentage award payable with effect from 1.1.2015) and the highest level JNC pay applicable as at November 2014.

O. OTHER TERMS AND CONDITIONS

60. The normal working week is 36 hours (FTE) for all employees including those defined as senior officers. This is with the understanding, in the case of most senior officers, that, additional hours will be worked, as necessary, without financial or time off recompense.
61. The Council recognises the importance of the need to balance personal and working demands. Employees are required to be receptive to such needs both in their own case and relative to those for whom they may be responsible. It is considered that an empathetic management approach to controlled attendance will contribute to high performance and outcomes.
62. The Council's terms and conditions of employment generally provide for 27 days leave for employees with less than 5 years' service and 32 days after 5 years have been completed (35 days for HAY 5 and above). The Council also recognises long service by granting an additional 5 days leave (as a one off) after 25 years' service has been completed and celebrates longer periods of service.
63. The Council also supports officers in the discharge of their duties by reimbursing expenditure, paying subsistence allowances, providing access to car loans where appropriate and operating a Corporate travel scheme for

eligible employees offering reduced cost rail travel with deductions being made direct from payroll.

P. EMPLOYEES TRANSFERRED INTO THE COUNCIL

Capita Staff

64. Employees have transferred into the Authority as part of the re-integration of the Capita Contract on 1st October 2013. The Council recognised the Transfer of Undertakings (Protection of Employment) Regulations 2006. In the majority of cases the employees transferred are paid as per the NJC or HAY gradings. The exceptions are paid as per Capita pay scales as detailed below. The roles in receipt of Capita grades will be reviewed in due course as part of the organisational change, with a view to pay being brought in line with NJC grades.

Salary Point	CAPITA Grades effective November 2014
1	9,835
2	18,000
3	20,700
4	23,473
5	23,500
6	24,000
7	27,000
8	28,000
9	29,000
10	30,000
11	31,000
12	32,000
13	40,000
14	42,500
15	44,000
16	55,000
17	56,000
18	62,184
19	64,400

Public Health Staff

65. In respect of the Public Health function, some employees transferred to the Authority on 1st April 2013. The transfer was on a statutory basis within the Health and Social Care Act 2012. All pay scales applicable at the point of transfer were as per Public Health NHS pay scales and will remain static until such time as an operational review has been undertaken.
66. New appointments to posts within the Public Health function are being appointed to either NJC or JNC HAY grades as appropriate to the role.
67. One employee transferred under the NHS Consultant Contract identified in the Pay Circular M&D 1/2013 (March 2013) for hospital, medical and dental

Agenda Item 8

staff, doctors and dentists in public health, the Community Health Service and salaried primary dental care.

Q. LIVING WAGE

68. The living wage is based on the concept that a certain amount of money is needed to ensure that people are able to have a decent standard of living. The living wage is different from the National Minimum wage (currently £6.50 ph) and is £7.85 per hour following from November 2014. Adoption of the minimum wage is a legal requirement however the adoption of the Living Wage is optional. Some Authorities have implemented the living wage but only where this has had very minimal impact of the budget due to the makeup of the individual Authority. To become a true Living Wage employer the rate would need to be applied not only to employees but also be extended to employer procurement supply chains.
69. The Cabinet member has been provided with costing information relative to the implementation of the Living wage for both schools and the Council. No determination has yet been made in terms of whether Sefton Council would wish to be a Living Wage employer.

R. RE-EMPLOYMENT OF STAFF WHO HAVE BEEN IN RECEIPT OF REDUNDANCY PAY AND/OR PENSION.

70. Subject to compliance with legislative/regulatory requirements:
- An individual may be in receipt of a pension (LGPS or otherwise) in addition to remuneration from their employment with the Council.
 - An individual who has left the Council and been in receipt of a severance or redundancy payment and/or pension (LGPS or otherwise) may subsequently be re-employed or engaged under a contract for services.
71. In line with this, staff who have been in receipt of redundancy pay and or pension benefits can subsequently be re-employed or engaged under a contract with Sefton. However, given the budgetary pressures currently facing the Council such cases must satisfy robust justification.
72. All LGPS Administrating Funds have the discretion to abate pension upon re-employment to local government. MPF discretion stipulates that anyone in receipt of a pension from the LGPS, re-employed after 25 September 2006, **will not** have their pension adjusted if they return to local government employment, **unless** they were granted Compensatory Added Years when they retired due to redundancy/ interest of efficiency.
73. Pensioners re-employed before 25 September 2006 or those who received Compensatory Added Years of membership may have adjustments applied to their pension by the Administrating Fund. Further details can be obtained

Agenda Item 8

relative to the LGPS via the Policy Discretions Statement on the intranet.
[discretions statement](#)

MD December 2014

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Agenda Item 9

Reasons for the Recommendation:

To enable the Council to effectively manage its treasury activities.

What will it cost and how will it be financed?

(A) Revenue Costs

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

(B) Capital Costs

None.

Implications:

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

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

Impact on Service Delivery:

None.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT 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.

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 Code's key principles.

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

3. Financial Procedure Rules – Banking Arrangements

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

Agenda Item 9

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 2015/16 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

Agenda Item 9

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; and
- c) Receive an annual outturn report on Treasury Management activity prior to the 30th June following each financial year.

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;

Agenda Item 9

- 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

Agenda Item 9

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
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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%
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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

Agenda Item 9

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 Sector, 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 Sector as its treasury consultants. Sector 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 Sector will be considered, both in terms of maximum duration and level of investment.

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

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

Agenda Item 9

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 Sector 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 Sector's central view regarding interest rate forecasts. Sector'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 Sector 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 Sector.

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 Sector, 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 Sector 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

Agenda Item 9

rate market and following advice from Sector, 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:

Agenda Item 9

- 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 is open ended 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

Agenda Item 9

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). Such investments include property funds.	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

Agenda Item 9

no limit is set. The maximum maturity period in any is 2 years for non-tradable deposits, and 5 years for deposits that are tradable on the secondary market. However, advice from Sector 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%. Sector'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 Sector'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 Sector'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 Sector 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 Sector, will evaluate its significance and determine whether to include (subject to Cabinet approval) or remove the organisation from the approval list.

2.9.12 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.

2.9.13 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.

SECTOR INTEREST RATE FORECAST

Sector'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%	0.50%	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 PW IB 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 PW IB 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 PW IB 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 PW IB 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 PW IB 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 PW IB 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 PW IB 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 PW IB 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

ANNEX B3

FITCH RATING EXPLANATION

Short term rating

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

F1 – highest credit quality - + denotes exceptionally strong

F2 – good credit quality

F3 – fair credit quality

Long term rating

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

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

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

Viability rating

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

Aaa – highest fundamental credit quality

aa – very high fundamental credit quality

a – high fundamental credit quality

bbb – good fundamental credit quality

bb – speculative fundamental credit quality

b – highly speculative fundamental credit quality

ccc – substantial fundamental risk

cc – very high levels of fundamental credit risk

c – exceptionally high levels of fundamental credit risk

f – failed

Support rating

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

1 – extremely high probability of external support

2 – extremely high probability of external support

3 – moderate probability

4 – limited probability

5 – cannot rely on support

Agenda Item 9

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	Credit Ratings													
Institution Benchmark: iTraxx Senior Financials Index 59.63 (67.21)														
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	Sector 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

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 10

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

Tel: 0151 934 4082

Email: Margaret.rawding@sefton.gov.uk

Background Papers:

None.

BACKGROUND:

1. Introduction

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

Agenda Item 10

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

Agenda Item 10

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%

Agenda Item 10

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

Agenda Item 10

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		√	

Agenda Item 11

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

Agenda Item 11

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)

Agenda Item 11

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.

Agenda Item 11

APPENDIX A

BID NUMBER	Funding required 2015/2016 £	Funding required 2016/2017 £	Scheme name	Scheme description	Applicant Department
<i>RINGFENCED CAPITAL ALLOCATIONS</i>					
1	445,875		Devolved Formula Capital – Ringfenced resource	Capital grant given directly to schools to spend	Learning & Support Services
	445,875	0			
<i>PRE ALLOCATED</i>					
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			
<i>SINGLE POT BIDS –EMERGENCY / HEALTH & SAFETY RECOMMENDED</i>					
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			
<i>SINGLE POT BIDS – HIGH PRIORITY / INVEST TO SAVE OR LEVERAGE SCHEMES</i>					
6	1,100,000		Highway Maintenance Preventative Treatments	To maintain highway network. Spend to Save scheme	Investment Programmes & Infrastructure
	1,100,000	0			

Agenda Item 11

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
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			

Agenda Item 11

APPENDIX B

BID NUMBER	Funding required 2015/2016 £	Funding required 2016/2017 & Future Years £	Scheme name	Scheme description	Funding Source
<i>INVEST TO SAVE SCHEME</i>					
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: Council **Date of Meeting:** 5 March 2015

Subject: Local Government Act 2003 – Chief Financial Officer’s Requirements – Robustness Report

Report of: Section 151 Officer and **Wards Affected:** All
 Head of Corporate Finance & ICT

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

Exempt/Confidential No

Purpose/Summary

To comply with statute the Chief Financial Officer is required to report to Council prior to the approval of the budget and the setting of the Council Tax, to give assurance that the budget is robust and that there are adequate reserves and balances. The report is based on the proposals presented to Council at this meeting.

Recommendation(s)

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

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

The Council is requested to have regard to the matters raised in this report during the final stages of determining the budget for 2015/16 and the two year financial plan for 2015/16 and 2016/17.

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

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Jobs and Prosperity		✓	
3	Environmental Sustainability		✓	
4	Health and Well-Being		✓	
5	Children and Young People		✓	
6	Creating Safe Communities		✓	

Agenda Item 12

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

Reasons for the Recommendation:

This is advice which Members should be consider in making their budget decisions.

What will it cost and how will it be financed?

(A) Revenue Costs

Decisions taken as a consequence of this report will influence the Council's Revenue Budget and Council Tax for 2015/16 and thereby shape the Council's financial plan for future years.

(B) Capital Costs

None

Implications:

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

Legal -	The Council is required to set a Budget and Council Tax level by 10 March 2015 and must consider the comments of the Chief Financial Officer before that decision is taken.	
Human Resources -	None	
Equality		
1. No Equality Implication		<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated		<input type="checkbox"/>
3. Equality Implication identified and risk remains		<input type="checkbox"/>

Impact on Service Delivery:

This is in line with the impacts contained within the budget report elsewhere on the agenda.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD 3443/15) is the author of the report.

Head of Corporate Legal Services (LD.2735/15) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

This is advice to Members which they are requested to consider in making their budget decisions.

Implementation Date for the Decision

With immediate effect

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

Background Papers:

None

Agenda Item 12

1. Introduction

- 1.1. The Local Government Act 2003 requires the Chief Financial Officer to report formally on the following issues:
 - a) An opinion as to the robustness of the estimates made and the tax setting calculations.
 - b) The adequacy of the proposed financial reserves.
 - c) The production of longer term revenue and capital plans.

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

2. Summary Option

- 2.1. Having taken into account the issues detailed in the report, I am able to give a positive opinion on the robustness of the estimates and the adequacy of the financial reserves. This opinion is based on the budget savings already approved by Council on the 22 January 2015, and the Cabinet recommendations to balance the Budget presented elsewhere on the agenda; in particular the Council Tax options and the limited use of one-off funding. **Should any of the assumptions change which require the identification of significant additional savings or the use of other reserves and balances then this opinion will be reviewed.**
- 2.2. The issues raised in this report highlight the level of financial risks the Council will face over the coming two years and the level of risk which it is possible to mitigate. The importance of agreeing a financial plan covering two years must be stressed because the timeframe this process gives for the implementation of the changes required is one essential factor in giving an opinion that the recommended budget is a robust one. The financial forecasts themselves are only estimates of future political, economic, environmental and demographic forecasts which contain many variables and degrees of uncertainty.

The budget proposals made to date contain some risks given the extent and the impact of the £114m savings Sefton has already achieved and the £55m further savings required in 2015/16 and 2016/17. The Council have been made aware of the consultations conducted since 2011 in determining the equality impact and risks of the reductions and reconfigurations of services. All options require close monitoring of implementation and delivery and any non-achievement reported and corrected in a timely way.

- 2.3. **The budget and its robustness must be seen in the context of a decade of budget reductions which started in 2010 and is estimated to continue until 2018/19. In this financial climate the ongoing ability of the Council to both mitigate risk and balance its budget is increasingly difficult. Members are made aware that as the levels of risk increases so should the level of general balances to support the risk. The use of one-off resources, unless**

properly managed, will limit the Council's long term ability to respond to unanticipated costs or to invest in key priorities.

3. Robustness of Estimates

3.1. Estimates of Expenditure and Services Changes

In March 2013 the Council agreed a two year financial plan which has been delivered according to the policy changes agreed at the same time. The 2015/16 and 2016/17 represent the fifth and sixth successive year of budget reductions for Sefton Council and will inevitably require more challenging solutions to achieve a balanced budget and two year financial plan. The approach taken by officers, and approved by Cabinet, was to undertake a risk based assessment of services and to identify those services which most closely aligned to the strategic priorities identified in the Council report of 22nd January 2015.

In order to inform the allocation of a significantly reduced resource 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.

Options presents to Members at each stage of approving the two year plan have been quality assured by a multi-disciplinary group of senior officers to consider the risks of implementation and impact. This process has been ongoing since October 2014 and has allowed changes in the proposals and the phasing of the financial impact to be revised.

3.2. Consultation

The consultation undertaken during the last three years, at different times has informed the assessment of risk and equality impact assessments. Consultation with service users and staff will continue throughout the implementation of the approved changes.

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

Agenda Item 12

3.3. Risk Assessment

The key risks in achieving the services changes required by the proposed budget savings were assessed for each option and presented to Council in January 2015. The assessments have covered the legality of the option, timescales needed to achieve the change, impact on service users and stakeholders, long term implications of the changes and any contractual restrictions which may impact on achieving the savings.

4. Determination of the Level of Resources Available

4.1. The forecast level of available resources for 2015/16 and 2016/17 was notified to the Council by Government on 18 December 2014, with final figures confirmed in January 2015.

4.2. The change in the funding arrangements for local government particularly in relation to Adult Social Care and the introduction of the Better Care Fund bring new financial risks which the Council will need to consider in the determination of the 2015/16 budget and the two year financial plan.

4.2.1. Business Rates and Council Tax Base

The Council gave detailed consideration to the levels of income and the tax bases for the Business Rates and Council Tax at its meeting on 22 January 2015.

The application of Council Tax Reduction continues to expose the Council to the risk of falling incomes of residents as the cost of the reduction in Council Tax Bills will have to be met from the local authority and its precepting bodies.

The first two years of operating the Council Tax Reduction Scheme have indicated that the prudent estimates of numbers and values of claims is manageable into the third year. However, the number of Council Tax payers that will start the third year of the scheme in arrears, particularly with attachments to benefits will require very careful monitoring as this is a growing risk for the Council.

4.2.2. Monitoring of Resources Available

The Council will need to continue to carefully monitor the achievement of Business Rate collection levels and the value of Council Tax Reduction claims. The financial plans reflect the current over achievement of these resources and will continue to be carefully monitored to ensure sustained levels of income. The achievement of higher levels of business rates has been partially supported by additional retail and small business rate reliefs that are annually determined by the DCLG. The Parliamentary Elections in May 2015 bring an additional risk that this may change in 2016/17.

4.2.3. Adult Social Care/Better Care Fund

The introduction of a pooled budget in 2015/16 to manage £24m of Health CCG resources and local authority adult social care funding will bring about a new governance of commissioning for an area of high demand and changing service delivery. The level of change will cause some additional risk to the Council which

has been assessed and mitigations included in the Better Care Plan to manage these risks.

4.3. **Setting the Council Tax**

The Council as part of the budget setting will be required to set the Council Tax at its meeting on 5 March 2015. The long term implications to taking the freeze grant and of increasing the Council Tax are both outlined in the report elsewhere on this agenda. Members are asked to note that all indications for the period up to 2018/19 show reducing Public Sector, and in particular Local Government spending levels.

5. **Key Budget Risks**

a) Pressures on services

The proposed budget makes assumptions about the level of demand for Adult Social Care Services and Children's Services. The two year financial plan assumes that demand can be met from within existing resources and the BCF Plan: The services are being reconfigured to maximise impact on the most vulnerable service users and to improve efficient use of resources. The ongoing demand faced by Sefton, and nationally, will be a key risk throughout the foreseeable future.

b) Achievability of approved budget savings

Significant effort has been made to minimise the risk of non-achievement. High level implementation plans and early consultation have been completed and these will be closely monitored and managed. In year budget management will be crucial to ensure that required savings are achieved within the planned timescales and financial phasing. The Council should take some assurance from the high level of delivery from the previous four years budget reductions which has meant that there has been no unplanned call on general balances.

6. **Budget Assumptions**

The significant challenges around setting the budget are the assessment of the timescales within which service change can be achieved and the estimation of the effect of re-commissioning services. Variations to the estimated figures will be met from the general reserves. The budget also assumes the continuation of the current low bank interest rates until at least 2017. This approach is supported by the Council's external advisors. The longer term view will be monitored closely.

7. **Political Group Budget Amendments**

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

Agenda Item 12

8. Delivering of Financial Plan

The budget options considered by Cabinet and Council cover a two year period. Assessment of the deliverability of the options has been undertaken and a robust project plan has been prepared particularly for those complex changes requiring significant change and consultation. To achieve a balanced financial plan over the two year period decisions have been taken in November 2014 and January 2015 relating to efficiency changes and service policy changes to be actioned throughout 2015/16 to achieve the required savings for 2015/16 and 2016/17.

Early budget forecasts for 2017/18 and future years clearly indicate further reductions in expenditure beyond the level included in the two year plan. It is therefore imperative that the financial stability of the Authority is maintained as the level of risk will increase as expenditure levels reduce further. The financial robustness of the Authority will only be sustained if actions are implemented in a timely manner to achieve future budget requirements.

9. Advice on the level of General Balances

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

It is certainly the case that based on the potential risks identified within this report, general balances may be called upon should some risks materialise. However, given the mitigations also identified in the report it is my view that, at this stage, the Council's current level of balances is appropriate to meet the potential risks. It is not recommended that general balances should be reduced to support the budget other than as identified within the Budget report and certainly I would **strongly advise against the use of short term resources to fund long term budget gaps**. Obviously if all the risks were to materialise it would have a significant impact on the level of general balances available for later years and in these circumstances it would be necessary to replace any general balances utilised.

The 2014/2015 budget includes the use of £2.8m of balances and estimated balances as at 31 March 2015 are **£7.2m**.

The current phasing of budget savings result in the use of £1.2m of balances in 2015/16 so estimated balances as at 31 March 2016 are £6m.

The Council will be required to identify either savings from VCF/Advocacy and the Early Help reviews throughout 2015/16 and 2016/17 or identify other savings during 2015/16 to avoid the need for one-off resources during 2016/17.

10. Longer Term Plans

The Council is aware of the general continuing reduction in public sector expenditure for the foreseeable future. There are no indications that this forecast would change as a result of the General Election in May 2015.

I anticipate that beyond the two years presented to this Council meeting there will be further reductions of a similar level in the Council's Government Grant beyond 2016/17. In this position I can only assure Members of the robustness of this proposed two year financial plan and will give a cautionary note regarding the Council's ability to respond to cuts in funding beyond the level contained in this plan.

11. Conclusion

Based on the assessment included in this report I have concluded that the 2015/16 Budget can be balanced from combinations of resources outlined in the Revenue Budget 2015/16 report, supported by the two year financial plan. I also conclude that the associated systems and processes are sound and the level of General Balances and Reserves are adequate for supporting the risks with mitigating actions. Should any of the assumptions change which require the identification of significant additional savings or the use of reserves or balances then this opinion will be reviewed.

The issues raised in this report highlight to the Council the importance of having a financial plan covering at least two years.

I remind Members of my expressed concerns regarding the financial position and robustness of the Council in the years beyond this financial plan when further cuts will likely be required.

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Report to: Council

Date of Meeting: 5 March 2015

Subject: Revenue Budgets 2015/16 and 2016/17

Report of: Head of Corporate Finance & ICT

Wards Affected: All

Is this a Key Decision? No

Is it included in the Forward Plan? Yes

Exempt/Confidential No

Executive Summary

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

- Recaps the decisions taken by Council in January 2015
- Informs Council of the recommendations from Cabinet regarding the two year financial plan and the 2015/16 Council tax options
- Gives a summary of the draft budget recommended by Cabinet
- Gives a summary of the budget changes included in the draft budget
- Makes recommendations on the allocation of specific grants
- Updates the Council on the funding of schools agreed by the Schools' Forum

Council will wish to consider these items before determining the:

- Budget for 2015/16 and the two year financial plan for 2015/16 and 2016/17
- Setting the Council Tax increase for Sefton Council
- Approving the overall Council Tax resolution

This report presents a 2 year budget plan, which enables a budget for 2015/16 to be approved and identifies those policy changes required to deliver a sustainable and robust two year budget plan. Due to the mixture of efficiencies and significant policy changes some of these options cannot and will not be realised within a 12 month period and will contribute to the 2016/17 budget as illustrated in this report. This will require the implementation of major change programmes and appropriate capacity will need to be dedicated to ensure deliverability. Given the scale of the budget reductions any slippage or underachievement will have implications for the financial management of the Council and as such robust management and monitoring arrangements must continue to be operated.

List of Appendices

- Appendix 1: List of Budget Proposals
- Appendix 2: Individual School Budgets
- Appendix 3: Draft Council budgets 2015/16 and 2016/17

Agenda Item 13

Recommendation(s)

It is recommended that Council : -

- 1) Considers the recommendations of Cabinet of 5 February 2015 to:
 - i) The use of Section 106 money as outlined (Para 3.2a)
 - ii) an increase in cremation and burial fees by 5% over inflation (Para 3.2b)
 - iii) a further reduction in the CHAMPS budget as outlined (Para 3.2c)
 - iv) the capitalisation of Highways, ICT and systems development currently funded by the revenue budget (Para 3.2d)
 - v) an adjustment to the Medium Term Financial Plan which only allows for incremental progression in 2015/16. (Para 3.2e)
 - vi) to cease discretionary support to Parishes for the Council Tax Reduction Scheme from 2106/17. (Para 3.2f)
 - vii) to agree the budget assumptions regarding the changes in managements arrangements and the contracted transactional services as contained in paragraphs 2.2.(a) and 2.2.(b).
- 2) Approves the Budget for 2015/16 and the two year financial plan covering the years 2015/16 and 2016/17 and authorise officers to undertake the necessary actions relating to the saving associated with no incremental progression in 2016/17 and more generally all other relevant implementation associated with these recommendations.

Endorse the undertaking of an Autumn review of the Medium term Financial Plan, the 2016/17 budget and service reviews as outlined in Para 5.2
- 3) Approves the fees and charges as proposed in the draft Council budget
- 4) Approves a Council Tax increase for Sefton Council of 1.99% (Para 4)
- 5) Approves the use of one off resources of £1.239m in 2015/16 (Para 5)
- 6) Approves the allocation of specific grants as detailed (Para 7)
- 7) Note the Schools' Forum decisions on the Dedicated Schools Grant
- 8) Subject to the recommendations above to approve the overall Council Tax resolution including Police, Fire and the Parishes as circulated separately (to follow)

Reasons for the Recommendation:

The recommendations in this report, provide the basis on which the Council's two year budget plan would be balanced for the period 2015-2017.

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

What will it cost and how will it be financed?

(A) Revenue Costs

The revenue gaps for each of the years 2015/16 to 2016/17 are projected at £32.366m and £22.340m respectively. The figures are individual in-year savings targets, assuming the previous years' targets are achieved

(B) Capital Costs

The two year financial plan includes the transfer of £1m revenue funded activity to be met from the Capital programme from 2015/16. If this option is approved this will be a first call against uncommitted capital programme resources from 2015/16.

Implications:

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

Legal

There are no direct legal implications arising from the contents of this report. However in the course of each of the individual projects, consultations, options etc. to achieve the savings required detailed consideration should be given to the legal, human rights and equality implications. Such consideration will also need to be evidenced to ensure that the Council's decision making processes are defensible. Recommendations in this report ensure that the Council sets a legally balanced budget for 2015/16 and outlines a two year budget plan for 2015/17.

Agenda Item 13

Human Resources

The proposals contained within this report have a potential impact upon employees and the potential for both voluntary and compulsory redundancies. It will be necessary for the Authority to comply with the duty to consult with recognised Trade Unions and employees and to complete as necessary a notification under Section 188 of the Trade Union Labour Relations (Consolidation) Act 1992. Also form HR1 to the Department of Business Innovation and Skills notifying of redundancies has yet to be filed. Full and meaningful consultation should continue to take place with the Trade Unions and employees on the matters contained within this report.

Equality

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

Impact on Service Delivery:

Service implications for new budget options are outlined within this report and should be considered in conjunction with those described within the options and proposals approved by Council on 22 January 2015. These can be accessed via this link to the Council's website: <http://modgov.sefton.gov.uk/moderngov/mgAi.aspx?ID=30428>

What consultations have taken place on the proposals and when?

The Overview and Scrutiny (Corporate Services and Performance) have given consideration to the detailed options at their meeting of 13 January 2015. Regular and ongoing consultations also took place with Directors, employees and Trade Unions.

The Head of Finance and ICT is the author of this report (FD 3448/15) and the Head of Corporate Legal Services has been consulted and appropriate comments are incorporated (LD 2740/15/15)

Are there any other options available for consideration?

The Council has a legal obligation to set a balanced and robust budget and to set the Council Tax for 2015/2016 before 10 March 2015.

Implementation Date for the Decision

Officers will be authorised to implement all decisions within this report immediately following Council on 5 March 2015.

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

Background Papers:

Fees and Charges Schedule

1. Background

1.1 All Members will be aware that the Council faces a budget deficit of £55m over the next two years and that these are the fifth and sixth successive years of budget reductions. Over recent months work has been ongoing to identify options which would eliminate this deficit. The process has involved an extensive risk assessment coupled with consideration of the alignment of services with the Council's priorities.

1.2 The process was considered in detail at Council on 22nd January 2015 and Members are reminded of the key attributes of the process.

The first consideration is to ensure that budget cuts take into account the relative priority of services. Through various consultation responses the communities of Sefton have identified the following thematic priorities

- Most Vulnerable
- Community Resilience
- Economy
- Environment
- Health and Wellbeing

1.3 Of course these priority themes can comprehensively cover most Council services and therefore it is necessary to differentiate what is the most important activity the Council undertakes to support its communities i.e. its core purpose. Council budget discussions over the last 4 years have centred on the priority given to our most vulnerable people and also those core services that Council Tax payers expect to see delivered. In addition, prominence has also been given to building more confident and resilient communities and, of course, economic prosperity is extremely important in building a sustainable Borough going forward. Therefore in order to inform the allocation of a significantly reduced resource, 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.

1.4 This has been a challenging process; producing options that would eliminate the forecast deficit whilst attempting to minimise the impact on communities. However given the magnitude of saving it would be impossible to eliminate the impact and the risk. To date budget cuts of £39.2m have been approved by Council leaving a gap remaining of £15.5m. This report provides proposals which would eliminate the remaining gap and enable Council to approve a balanced two year budget plan for the period 2015 to 2017.

Agenda Item 13

2. Latest Summary Two year Financial Plan 2015/16 and 2016/2017

2.1 The following table recaps the decisions approved at 22 January 2015 Council meeting.

			£m	£m
Budget Gap reported to December 2013 Cabinet				54.706
Funding Changes approved				-4.960
Green waste change approved			-0.430	
Adjustment for Funding Settlement			+0.121	
Updated Efficiency savings			-15.340	
Updated Options for consultation and preparation by Officers			-12.923	
New options for consideration			-5.696	
Net Total Options presented to date				-34.268
Future options to be determined				15.478

2.2 In addition to the options summarised above Cabinet in January 2015 also recommended that the following budget planning assumptions should be included in the plan.

- a) Management Arrangements - the Chief Executive will undertake a review of senior and middle management to reflect remaining Council responsibilities. At this stage a budget planning assumption of £1.3m is being made. This will be firmed up over the coming months as specific proposals are considered.
- b) An ongoing review of major strategic transactional service contracts will identify the scope to renegotiate and achieve service changes and efficiencies. At this stage a budget planning assumption of £1m is being made. This will be firmed up over the coming months as specific proposals are considered.

2.3 Taking into account paragraphs 2.1 and 2.2 above, the financial gap remaining to balance the two year plan is £13.178m. Council is recommended by Cabinet to consider the approach below as a means of bridging this gap.

3. Bridging the Gap

3.1 As indicated above, Council need to approve further budget proposals totalling £13.178m. Cabinet has recommended to Council a combination of specific options, an indication of the likely Council Tax increase plus an assessment of further work on two major reviews which will be ongoing beyond March.

3.2 New Specific Options

- a) The funding of new developments through Section 106 resources has been reviewed. In particular the use of Section 106 to support the revenue costs arising from these investments has been reviewed. Detailed analysis of legal agreements relating to recent years' projects has been undertaken to estimate the proportion of revenue costs which could be met from this source of external funding. The analysis indicates that in future years an estimated £0.500m of related ongoing maintenance can be funded through the use of Section 106 monies over the period of the financial plan. The capital spend

Agenda Item 13

associated with these projects has previously been authorised. It is the revenue spending that now requires authorisation. Any such funding has to be proportionate to the capital works authorised by the legal agreement in the first instance.

- b) The Fees and Charges review for burial and cremation has identified a further option to increase income by 5% over inflation and realise £0.300m.
- c) The CHAMPS services have reviewed a range of reductions of public health activities and through reduced health protection work, campaigns, marketing and commissioning support the budget could reduce by £0.028m.
- d) The relationship between the Council's Capital and Revenue budgets has been reconsidered and there are items which are currently met from revenue which it would be permissible to charge against the Council's capital resources. These include elements of highways maintenance, ICT investments and systems development. This provisioning of these items would allow an estimated £1m of revenue budget to be met from capital resources and reduce the call on revenue funding. The Capital programme is considered elsewhere on this agenda.
- e) All MTFP assumptions have been further reviewed. The Council are recommended to approve the inclusion in the budget the cost of payment of pay increments to staff in 2015/16 only, and that no provision is made for increments in the financial plan for 2016/17. Members will recall that similar decisions in previous years required further consultation with the trade unions and staff. There would be no incremental progression for any employees of the Council (with the exception of any employees who are employed on statutory contracts, i.e. teachers who are centrally employed). All NJC, JNC – HAY, Red Book, Youth Workers –JNC, Soulbury and any other similar terms and conditions which provide for incremental progression would therefore not have any form of incremental progression in 2016/17. This measure would deliver a projected saving of £1.5m in 2016/17. This measure would not apply in schools whose Governing Body controls such matters.
- f) The Council has supported the parishes since the Government replaced Council Tax Benefit with a locally determined Council Tax Reduction Scheme. The funding which Sefton Council receives upon the cessation of Council Tax Benefit has been reduced annually in line with the overall Council reduction in Government funding. The number of claimants has reduced since 2013 and the resulting estimated level of support required in 2015/16 will reduce from £0.120m to £0.094m. The support to parishes is discretionary. The cessation of this discretionary support to parishes from April 2016 leads to an estimated saving of £0.120m based on the 2014/15 payments.
- g) An ongoing review of support for vulnerable children supported by Social Care will identify the scope to renegotiate and achieve service changes and efficiencies. At this stage a budget planning assumption of £0.700m is being made. The review covers the scrutiny of systems, payments and allowances combined with a targeted business model demonstrating systematic reductions in both the number of children entering the system and the types of placements offered. Cabinet will consider specific proposals over the coming months and approve or make recommendation to Council as appropriate.

Agenda Item 13

- h) In summary the new options and budget planning assumptions included in this report are:

Ref	Item	£m	£m
	NEW OPTIONS contained within this report:		
92	Funding revenue consequences of planning approved projects from Section 106	0.500	
93	Increase Cremation and Burial Fees by 5% above inflation	0.300	
52 -	Public Health efficiencies - health protection revised work, campaigns, marketing and commissioning support.	0.028	
95	Funding of highways, ICT and other developments from capital resources	1.000	
96	Staff pay - No incremental progression in 2016/17	1.500	
97a	Remove the discretionary support to Parish Councils for Council Tax Reduction Scheme	0.120	
	Total new/ amended Options contained within this report		3.448
	BUDGET PLANNING ASSUMPTIONS		
97b	Review of services for looked after children	0.700	
98	Management Arrangements	1.300	
99	Contracted transactional services	1.000	
	TOTAL Budget Planning assumptions		3.000

4. Council Tax Income

- 4.1. The Medium Term Financial plan for 2015/16 and 2016/17 does not assume any increase in Council Tax for each of these years. Changes in the assumptions for the rate of Council Tax Collection and the Collection Fund surpluses have been considered and approved by Council on 22 January 2015.
- 4.2. Council should note that every 1% increase generates around £1million. The Government announced its Council Tax referendum rules in December 2014 which indicates that the maximum increase before a referendum is required is 2%. If applied in both years this would generate £4.090m.
- 4.3. The Council at this meeting will consider three options relating to Council Tax for 2015/2016 as part of the Budget determination and also for 2016/17 as part of the two year financial plan:
- a) To freeze the Council Tax and be eligible for the Council Tax Freeze Grant. This will provide funding of **£1.207m** in 2015/2016 and is based on a 1% increase in Council Tax. The Government has indicated that this would be built into the base for future Government funding. Page 144 indications have been given regarding

Agenda Item 13

the continuing availability of Council Tax Freeze Grant for 2016/17. This option would reduce the Council Tax base for future years income generation.

- b) To increase Council Tax by 1.99% in each of the two years, i.e. the maximum possible without requiring a referendum in May. This would provide resources of **£4.090m** and this would be built into the Council Tax base. (This is lower than twice the above because of the required adjustment for the Council Tax Reduction Scheme);
- c) Propose an increase above 2% which would require a Referendum. Members would wish to consider that **each 1% increase** in Council Tax would generate an additional **£1.012m** (adjusted for CTRS) assuming current levels of collection and doubtful debt. The estimated cost of holding a referendum would be £200,000.

4.4 **The Cabinet recommend that Council Tax be increased by 1.99% in each of the next two years. This assumption does not predetermine the decision on the actual level of Council Tax for 2016/17 to be taken by Council in March 2016.**

5. Use of one off resources

5.1 The proposals considered to this point in this report are summarised below.

	£m	£m
Budget gap Identified December 2013		54.706
Less Savings approved by Council January 2015		<u>-39.288</u>
Balance to be addressed		15.478
Less considerations in this report:		
Specific new options	-3.448	
Budget planning assumptions	-3.000	
Council Tax increase of 1.99% for next two years	<u>-4.090</u>	<u>-10.538</u>
Balance still remaining to be identified		<u>4.940</u>

As indicated above the specific proposals still leaves a deficit of £4.940m to be identified. At this stage it is not proposed to identify specific options to contribute to this deficit. The Council will continue to plan for the delivery of significant savings from the reviews identified at paragraph 5.2 below and will monitor the MTFP position and assumptions following the General Election in May 2015. A formal review of the MTFP and budget position will take place in the Autumn 2015 during which further action will be taken to eliminate any remaining deficit. **The requirement in 2015/16 for the use of one-off resources is £1.239m.** In order to balance the overall two year financial plan it is proposed that the remaining deficit of £4.940m be held against the reviews outlined below in Para 5.2 and **only** if these reviews and the Autumn Budget Review do not identify timely savings this will need to be met from one-off resources.

5.2 The Cabinet were informed in January 2015 that reviews are being undertaken relating to:

- a) A review of the services commissioned from the Voluntary Community and Faith Sector will identify the risk and impact of reductions in this area. No budget planning assumption will be made until specific proposals have been identified

Agenda Item 13

- b) One of the significant challenges facing the Council going forward is balancing early intervention and prevention with acute services particularly in services to vulnerable children and their families. Work is ongoing to identify the impact of savings in these areas and a budget planning assumption will be identified prior to the budget being set for 2016/17.

5.3 These reviews are complex and the aggregate impact on communities and partners will not be known until the summer. It is anticipated that these reviews will identify significant savings. However at this stage, the Council at this meeting is not recommended to identify a specific budget saving for inclusion the two year plan. It is considered important not to prejudge the outcomes of these reviews.

5.4 The Council is also reminded that the use of one off resources should only occur in setting a robust financial plan when there is a clear short term requirement and that these are not used to avoid making budget savings. The reviews outlined in Paragraph 5.2 are expected to contribute to the budget gap. However setting a level of saving at this stage predetermine the outputs of the reviews and lead to less effective outcomes and sustainable solutions.

6. SUMMARY

6.1 The Council is being presented with the two year financial plan as recommended by Cabinet on 5 February. The budgets contained within this report provide Council with the individual years' budgets and the estimated phasing of the financial implications of all the policy changes contained within the two year financial plan.

6.2. A summary of all the budget change proposals and the phasing across the two financial years are given at **Appendix 1**. The details of the individual options, which were considered by Council on 22 January 2015, are available as detailed in the "Impact on Service" at the start of this report.

6.3. The overall Council budget for the general fund services, based on the decisions recommended by Cabinet at 5 February 2015, are attached at **Appendix 2**. The fees and charges which are included in the estimates of income are available for viewing as detailed in the background documents.

Agenda Item 13

	Budget 2015/2016 £	Budget 2016/2017 £
Strategic Management	2,847,200	2,847,200
Performance and Intelligence	1,279,550	919,550
Built Environment	23,195,550	21,800,550
Corporate Services	10,331,250	9,358,250
Health & Wellbeing	26,718,500	24,179,500
Street Scene	14,185,550	13,152,550
Vulnerable People	93,331,300	88,877,300
Young People and Families	56,951,450	55,381,550
Other Services	912,300	912,300
Net Cost of Services	229,752,650	217,428,750
Levies	35,071,750	32,562,600
Other Corporate Items	-7,835,291	-3,534,608
Total Net Expenditure	256,989,109	246,456,742
Specific Government Grants	-19,951,800	-19,951,800
Non-Specific Government Grants	-18,624,750	-21,960,200
Total	218,412,559	204,544,742
Use of Balances	-1,239,000	-4,940,000
Total Budget Requirement	217,173,559	199,604,742

7. Specific Grants

7.1. Dedicated Schools Grant 2015/16 (DSG)

- 7.1.1 The 2015/16 Dedicated Schools Grant settlement was announced on 17 December 2014 and is based on three main funding blocks. This was broadly in line with expectations as summarised below. There is no inflationary increase in DSG for 2015/16 and the allocation gives the same per pupil amount as in 2010/11.
- 7.1.2. The Schools Block has increased by £0.627m and this is due largely to two main factors; firstly as a result of the inclusion of The Hawthorne's Free School into the formula and secondly, demographic reductions in the numbers of pupils in Sefton has resulted in a reduction of £1.387m to the Schools Block as a result of significantly lower numbers of pupils in secondary schools.
- 7.1.3. The Early Years Block now includes pupil premium funding for disadvantaged 3-4 year olds at a rate of £300 per pupil (total £0.221m)
- 7.1.4. The Council submitted an exceptional business case to the DfE to request additional High Needs funding to recognise the significant growth within the Authority's High Needs Resource Base places and the number of Special school places. This was not successful and the DfE have not funded any growth within the DSG settlement for additional places in 2015/16.
- 7.1.5 Two year olds will be funded on actual take up from 1 April 2015. Previously this budget has been funded on estimated pupil numbers. This is likely to lead to reduced income from DSG in 2015/16, but at this time of the settlement the budget has not been announced.

Agenda Item 13

The DSG allocation for Sefton is £191.273 as set out in the table below.

Block	2014/15 Revised allocation £m	2015/16 Initial allocation £m	Increase £m
Schools Block	154.312	154.939	0.627
Early Years Block	9.116	9.337	0.221
High Needs Block	26.661	26.945	0.284
Sub-total	190.089	191.221	1.132
Adjustments for non-block funding	3.494	0.052	(3.442)
Grand total	193.583	191.273	(2.310)

7.1.6 Local Authority activity funded from Dedicated Schools Grant

The Council are asked to note that the Dedicated Schools grants funds the following Central functions which are contained within the Schools Block allocation. The combined total of Central funding allocations is fixed at 2012/13 values and no new commitments will be allowed apart from items that change through DfE approval such as national licences etc:

- Contribution to combined services & Misc Expenditure - **£0.289m** (Includes budgets for Professional Development Centre, support of residual grounds maintenance, repair and maintenance and utility costs across Primary, Secondary and Special sectors)
- Co-ordinated admissions scheme - **£0.137m**
- CLA/MPA Licences etc - **£0.112m** (based on 2014/15 levels yet to be determined by the DfE, but expected to be 2/3^{rds} higher in 2015/16 due to the addition of 4 new licences in 2015/16)
- Servicing of the Schools Forum - **£0.062m**
- Capital Expenditure from Revenue - **£0.557m**
- Support for schools facing severe financial difficulties - **£0.200m**

7.2 Special Educational Needs grant - £0.138m

The Department for Education has awarded the Council grant to support the Special Educational Needs of the pupils across Sefton. This grant is a continuation of the 2014/15 grant which has been directed to support the rollout of the Education, Health and Care plans for young people. The Council as asked to approve allocating the grant for this purpose.

7.3 Local reform and Community Voices grant - £0.205m

This is continuation of grant awarded in previous years which supports adult social care. This grant is comprised of three funding streams:

- additional funding for Deprivation of Liberty Safeguards (DOLS);
- additional local Healthwatch funding;
- funding for the transfer of Independent Complaints Advocacy Service (ICAS) to local authorities.

The Council is asked to approve allocating the grant for this purpose.

7.4 New Burdens Funding – Care Act 2014 -£1.937m

This is a new grant which has been introduced to support the introduction of the Care Act 2014 from 2015/16. The resources are intended to provide the necessary social care and support staffing to manage the increased numbers of care assessments, the introduction and expansion of deferred payment arrangements and to implement the associated system changes which the act will require.

The Council is asked to approve allocating the grant for this purpose.

7.5 Social Care in Prisons grant £0.033m

The Council has a new responsibility from 1 April 2015 to support the social care needs of prisoners held in prisons within the Borough. A joint contracting arrangement is proposed which will deliver a joint service with Liverpool which will provide greater efficiency in delivering a specialist service.

The Council is asked to approve allocating the grant for this purpose.

7.6 Improving Adolescent Services £1.1m

The officers have been successful in winning £1.1m specific grant to support the development of new initiatives which aim to reduce the long term costs of supporting adolescents' social care needs by reconfiguring voluntary sector and in house arrangements.

The Council is asked to approve allocating the grant for this purpose.

7.7 Public Health Grant

The Council will be aware that the responsibility for providing public health services to the communities and residents of Sefton transferred to the Local Authority in April 2014. During 2014/15 a complex review has been undertaken to determine how this resource could be best utilised across the Borough to gain maximum benefit to improve health and wellbeing outcomes for our communities. During the year areas of greater integration have been identified and the 2015/16 and 2016/17 reflect these improvements to co-locate services and outcomes within the Council infrastructure to deliver the best value for money.

The entire grant for 2015/16 and the estimated grant for 2016/17 is budgeted to be used to support the Council's Health and Well-being Strategy and will continue to be monitored through the Health and Well-being Board. The Public Health grant will be dedicated to supporting the health and well-being strategy of the Council and is a key component of the Council's priorities for its communities and residents.

7.8 Welfare Reform £0.486m

The Government has announced since the main settlement an additional resource to fund the ongoing support for Welfare Reform and in particular the services which support the continuation of the support for people facing hardship. The budget in 2013/14 and 2014/15 was supported by time limited specific grant. The additional allocation of £0.486m will allow the Council to continue with its support for Emergency assistance and supporting the voluntary sector to provide food banks, white goods and other community based provisions.

Agenda Item 13

The Council is asked to approve allocating the resources for this purpose.

8. Conclusion

- 8.1. This report is the final stage in the preparation of the two year budget plan. It builds on the already approved budget cuts and provides an approach to balancing the forecast budget gap of £55m. This approach leaves a £5m gap for which no specific options have been provided and which will be covered by reserves and balances if required.
- 8.2 The Council is requested to consider for approval the final budget plan and Council Tax increase. Subject to this approval detailed implementation plans will be prepared for the major savings areas and progress towards delivering the savings will be closely monitored and managed.
- 8.3 **Whilst the setting of any budget is an important milestone for the Council, there remains a significant degree of uncertainty around the future funding for local government. Initial policy statements from all major political parties indicate a requirement for ongoing austerity measures and reduction in local government spending.** Following the General Election in May the position should become clearer. It will therefore be necessary for the Council to keep the Budget Plan under review and if appropriate amend it in the light of changes to local and national policy and the financial outlook.

Budget Proposals 2015/2016 to 2016/2017

Appendix

Improvements in Efficient and Effective Use of Resources

<u>Ref</u>	<u>Service Area</u>	<u>Efficiency</u>	<u>Proposed Budget Net Reduction 2015/2016</u> <u>£000s</u>	<u>Proposed Budget Net Reduction 2016/2017</u> <u>£000s</u>	<u>Total Proposed Budget Net Reduction</u> <u>£000s</u>
1	Registration Service	Increased income as result of increased service activity	54	0	54
2	Community Equip't	Improved efficiency	72	0	72
3	Burials and Cremations Service	Increased income as result of increased service activity	390	0	390
4	Catering Services	Increased income as result of increased service activity	66	0	66
5	Commercial Waste Skips Services	Increased income as result of increased service activity	45	0	45
6	Coroners	Shared service agreed cost reduction due to completion of mortgage	24	0	24
7	Commissioning	Decrease in non-staffing expenditure	36	0	36
8	Sefton Care Line and Sefton Securities	Increased income as result of increased service activity	238	0	238
9	Home Improvements DFG	Re-profiling the allocation of costs and increasing the level of recharges	10	0	10
10	SEN 0-4 Inclusion Funding	Improved efficiency	12	0	12
11	Procurement	Reduction in non-staffing expenditure	16	0	16
12	Member's Allowances	Reduce the budget provision for Members Allowances –as agreed by the Council on 5 July 2012	35	0	35
13	Learning Support - LAC	Reduction in the LA budget	10	0	10
14	Complementary Education	Removal of vacant posts from the establishment	51	0	51
15	Education Psychology	Spend to be directed to DSG High Needs Funding	25	0	25
16	SEN Assessments & Monitoring	Spend to be directed to DSG High Needs Funding	36	0	36

Agenda Item 13

17	DCATCH	The scheme has already closed to new pupils, saving reflects cohorts of pupils completing the programme	15	15	30
18	LEA playing fields maintenance	Improved efficiency in maintenance scheme	52	0	52
19	Finance	Reduced debt management charges	390	0	390
20	Health Protection and Infection Control	Efficiency following re-procurement of service to allow resources to be focused on core health and well-being strategy activities	52	0	52
21	Civic Services	Civic Services (Attendants) – Voluntary Redundancy	20	0	20
22	Tourism	Revised estimate following policy decision	27	0	27
23	Trading Standards	Deletion of vacant post and reduction in supplies / services	114	0	114
24	Democratic Services	Voluntary reduction in support staff hours	14	0	14
25	General inflation provision	Remove general inflation provision set in MTFP at 2%. This will require all services to deliver general efficiency in the delivery of all services	2,180	2,180	4,360
26	Additional public health grant	Direct the increase in the public health grant to support the ongoing delivery of the Council's Health and Well Being strategy priorities.	544	0	544
27	Levies	Merseyside Waste and Recycling Authority and the Integrated Mersey Transport Authority have been requested to support the Council by finding 10% efficiency savings in setting their budgets for 2015/16/17	1,700	2,000	3,700
28 (part)	Review of previous budget assumptions and implications of previous budget decision	The estimates of the financial implications of all budget decisions have been reviewed in the light of implementation of options and subsequent changes in service demand. The original Medium Term Financial Plan can be revised to take account of this updated information.	901	-60	841

Agenda Item 13

28 (part)	Day Care	Day Care Review	250	750	1,000
28b	Reduced accommodation costs	Lease on Houghton Street	76	0	76
29	Adult Social Care	Social care services will be required to contain net demographic growth within existing budgets for the duration of the plan. The figure has been adjusted to reflect Cabinet's previous decision relating to the underachievement of the services 2014/15 budget savings requirement. This assumption will need to be kept under close scrutiny to ensure deliverability	3,000	0	3,000
Total Efficiency Savings			10,455	4,885	15,340

Options for consultation and preparation by Officers

Most Vulnerable

Ref	Service Area	Change Proposal	<u>Proposed Budget Net Reduction 2015/2016</u> <u>£000s</u>	<u>Proposed Budget Net Reduction 2016/2017</u> <u>£000s</u>	<u>Total Proposed Budget Net Reduction</u> <u>£000s</u>
30	Children With Disability Service	Continue with the development of, and implement, new eligibility criteria	0	315	315
31	Domiciliary Care	<p>Further explore the use of adaptations, equipment and Assistive Technology</p> <p>Reduce the number of hours, number of calls, or number of carers utilised, where this is appropriate</p> <p>Work in partnership with the voluntary/community sector to facilitate the development and utilisation of low-level alternative/preventative community services</p> <p>Explore more outcome-focused commissioning</p>	0	1,560	1,560
			0	1,875	1,875

Agenda Item 13

Core

Ref	Service Area	Change Proposal	<u>Proposed Budget Net Reduction 2015/2016</u>	<u>Proposed Budget Net Reduction 2016/2017</u>	<u>Total Proposed Budget Net Reduction</u>
			<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
32	Street Cleansing	Further expand the use of electric vehicles and reduce the number of cleansing operatives delivering a manual service	360	0	360
33	Highways Infrastructure	To continue for a further 2 years the reduction of £800k which was introduced as an annual saving in previous years	800	0	800
		Reduction in Highways Maintenance programmes to focus on preventative, critical and high risk works'	160	0	160
34	Street Lighting Energy	Invest to save in lighting columns and bulbs to allow reduced hours of lighting.	0	530	530
35	Libraries	Review of operation and management of libraries including bookfund and opening times	200	70	270
Total			1,520	600	2,120

Community Resilience

Ref	Service Area	Change Proposal	<u>Proposed Budget Net Reduction 2015/2016</u>	<u>Proposed Budget Net Reduction 2016/2017</u>	<u>Total Proposed Budget Net Reduction</u>
			<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
36	Aiming High	Continue with the development of, and implement, new eligibility criteria Review and potential cessation of funding for some activities	0	400	400
37	Housing Standards	Reduction in housing enforcement services including cessation of corporate illegal traveller sites co-ordination	40	20	60
38	Supported Living	Alternative and more efficient ways of meeting assessed care needs	0	1,800	1,800
39	Neighbourhoods	Reduction and re-prioritisation of activity	150	0	150
			190	2,220	2,410

Economy & Environment

Ref	Service Area	Change Proposal	<u>Proposed Budget Net Reduction 2015/2016</u>	<u>Proposed Budget Net Reduction 2016/2017</u>	<u>Total Proposed Budget Net Reduction</u>
			<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
40	Planning	Realign and reduce revenue budgets – including consultancy budgets	72	0	72
41	Planning	Increase in income across parts of the service Development Management, Building Control, and Technical Support [land charges] in light of economic forecast	130	0	130
42	Trading Standards	General reduction in enforcement activity. Limit resident service request response	55	0	55

Agenda Item 13

43	EEMS (Energy and Environment)	Reduction in Carbon reduction service and community energy service	42	42	84
44	Parks Maintenance	Botanic Gardens shop Closure	15	30	45
45		Increase allotment fees by an average of £10 per full size plot in 2016/17 and again in 2017/18. Rates per full size plot will increase to £96 by 17/18	0	20	20
46		The recharging of the cost of statutory checks to sports pavilions and repairs and maintenance of sports pavilions and associated hard infrastructure to sports users.	15	0	15
47		Further Changes in Style and Standards of Parks Management	80	64	144
48		Reduction in GM Contracts	60	0	60
49	Coast	Reduction to visitor and site management activities. Extension to the length of the life guard contract on reduced terms. Car-parking income charges	75	75	150
			544	231	775

Health & Wellbeing

Ref	Service Area	Change Proposal	<u>Proposed Budget Net Reduction 2015/2016</u> £000s	<u>Proposed Budget Net Reduction 2016/2017</u> £000s	<u>Total Proposed Budget Net Reduction</u> £000s
50	Environmental Health	Reduction in front line environmental health regulatory services. Reduction in pest control services but retain full rat control service	200	170	370

Agenda Item 13

51	School Health	Re-specify/re-commission the healthy Child programme for the whole 0-19 age range to allow resources to be focused on the health and well-being strategy activities	0	260	260
53	Sports Leisure	Review and Restructure Management/Administration/ Operations including deletion of Service Manager post Retender direct debit collection Reduce agency payments Energy efficiency	470	0	470
			670	430	1,100

Running the Council

Ref	Service Area	Change Proposal	<u>Proposed Budget Net Reduction 2015/2016</u> £000s	<u>Proposed Budget Net Reduction 2016/2017</u> £000s	<u>Total Proposed Budget Net Reduction</u> £000s
54	Adult Assessments	An end to end review of assessment and review policies, procedures and processes within Adult Social Care.	0	300	300
55	Client Contribution	Restructuring and integrating the above service with the specialist Substance Misuse Housing and Welfare Rights Team	54	0	54
56	Commissioning	Reduction of the Commissioning Service staffing	0	144	144
57	Attendance Welfare Service	Improved administration of legal procedures. Reduced eligibility for service interventions. Increase income	50	142	192
58	Youth Offending Team	Merge services and potential to reduce management capacity	120	0	120

Agenda Item 13

59	Outreach Respite Recovery	Restructure the delivery team	96	0	96
60	Locality Assessment	Redesign of Common Assessment Framework team Implement a stronger Lead Practitioner model Implementation of electronic –common assessment framework (E-CAF)	72	60	132
61	School Standards and Effectiveness	Reduction in the Local Authority support provided to schools which are not in receipt of statutory intervention, requiring improvement or are assessed at risk of being less than good	60	0	60
62	Schools Regulatory Services	An end to end review of activity, policies, procedures and processes.	60	0	60
63	14-19 Services	Changes to commissioning arrangements for Information, Advice & Guidance	80	40	120
64	Children's administrative support	Service redesign	43	20	63
65	Highway management, development, design and safety.	Changes to charges Service reorganisations	170	130	300
66	Parking	Review of service and charging regimes	180	367	547
67	Property Management	Closure and disposal of operational properties	60	0	60
68	FCERM (Flood and Coastal Erosion Risk Management)	Reduction in service, Reduced response times Reduction in works delivery	82	0	82
69	Regulatory Services Support	Reduction in administrative support due to changes in working practices and increase to online services	24	0	24

Agenda Item 13

70	Public Conveniences	Closure of all public conveniences	60	14	74
71	Bulky Items	Increasing collection charge from £7.50 to £10 per collection	48	0	48
72	Arts	Review management and opening times at the Atkinson	120	120	240
73	Sports Leisure-Active Sports	Increase in income due to increased charges and new programmes	84	0	84
74	Sports Leisure Aquatics	Maximise pool time at Meadows offering more swimming lessons to meet demand	36	0	36
75	Public Health	Internal restructure to reflect the need to strengthen the influencing role of the team, and reduced need for commissioning capacity to allow resources to be focused on health and well-being strategy activities	316	100	416
76	Corporate Communications Team	Deletion of vacant posts and Team restructure	104	100	204
77	Transformation	Reduction of Transformation resource	0	75	75
78	Legal Services	Restructure of the legal management department Removal of the Monitoring Officer's budget.	134	0	134
79	Finance & ICT Services	Restructuring Finance and ICT services after implementation of new financial system in 2015 Reduce ICT, printing and telephone costs in line with general Council reductions	0 0	500 190	500 190
80	Learning & Development	Reduction in activity associated with learning and development	80	108	188
81	Personnel	Reduction in Personnel resource and efficiency savings	100	0	100
86	Business Intelligence & Performance	Re-structure	0	360	360
87	Public Health	Reduction in funding for commissioned	50	0	50

Agenda Item 13

		intelligence work to allow resources to be focused on health and well-being strategy activities			
88	Catering	To increase the charge for each meal by 10p in September 2015 (start of the school term) and by a further 10p from September 2016	200	250	450
89	Building Cleaning	To increase fees and charges to schools	70	0	70
90	Commercial Waste	To increase fees and charges	10	0	10
91	Tourism	Additional income from events	13	0	13
			2,576	3,020	5,596

Community Resilience

Ref	Service Area	Change Proposal	<u>Proposed Budget Net Reduction 2015/2016</u> <u>£000s</u>	<u>Proposed Budget Net Reduction 2016/2017</u> <u>£000s</u>	<u>Total Proposed Budget Net Reduction</u> <u>£000s</u>
82	Housing Related Support	Further decommissioning and re-commissioning of funded services in accordance with the approved Commissioning Intentions and Priorities	0	900	900
			0	900	900

Health & Wellbeing

Ref	Service Area	Change Proposal	<u>Proposed Budget Net Reduction 2015/2016</u> <u>£000s</u>	<u>Proposed Budget Net Reduction 2016/2017</u> <u>£000s</u>	<u>Total Proposed Budget Net Reduction</u> <u>£000s</u>
83	Integrated Wellness	Integration of Lifestyle services	1,500	1,549	3,049
84	Substance Misuse	Reduction in Substance Misuse spend	300	440	740
85	Affordable Warmth	Cessation of SEARCH scheme and Easier Breathing Project	54	0	54
			1,854	1,989	3,843
			7,354	11,265	18,619

Agenda Item 13

New Options

<u>Ref</u>	<u>Service Area</u>	<u>Option</u>	<u>Proposed Budget Net Reduction 2015/2016</u> £000s	<u>Proposed Budget Net Reduction 2016/2017</u> £000s	<u>Total Proposed Budget Net Reduction</u> £000s
92		Funding revenue consequences of planning projects from Section 106	500	0	500
93		Increase Cremation and Burial Fees by 5% above inflation	150	150	300
52 - revised		Review of the CHAMPS service - improved commissioning across Merseyside; reduced social marketing activity and reduction in support for health protection.	28	0	28
95		Funding of highways, ICT and other developments from capital resources	1,000	0	1,000
96		Staff pay - No incremental progression in 2016/17	0	1,500	1,500
97		Remove the discretionary support to Parish Councils for Council Tax Reduction Scheme	25	95	120
			1,703	1,745	3,448

Budget Planning

Assumptions

<u>Ref</u>	<u>Service Area</u>	<u>Efficiency</u>	<u>Proposed Budget Net Reduction 2015/2016</u> £000s	<u>Proposed Budget Net Reduction 2016/2017</u> £000s	<u>Total Proposed Budget Net Reduction</u> £000s
97		Review of services for vulnerable children	350	350	700
98		Management Arrangements	300	1,000	1,300
99		Contracted transactional services	0	1,000	1,000
100		VCF / Advocacy			0
101		Early Help			0
			650	2,350	3,000

Agenda Item 13

	<u>Appendix 2</u>
<u>School Name</u>	<u>School budget</u> <u>2015-16</u>
Total Formula Funding Levels - Schools 2015/16 (Excl PPG)	154,409,410
<u>PRIMARY PHASE</u>	
LINACRE PRIMARY SCHOOL	781,016
NETHERTON MOSS PRIMARY	740,838
THE GRANGE PRIMARY SCHOOL	955,977
BIRKDALE PRIMARY SCHOOL	1,301,102
CHURCHTOWN PRIMARY SCHOOL	2,911,584
FARNBOROUGH ROAD JUNIOR	1,673,933
FARNBOROUGH RD INFANTS SCHOOL	1,308,096
LINAKER PRIMARY SCHOOL	1,751,709
Norwood Primary School	1,572,620
MARSHSIDE PRIMARY SCHOOL	665,370
KEW WOODS PRIMARY SCHOOL	1,416,548
Aintree Davenhill Primary School	1,453,025
HUDSON PRIMARY SCHOOL	489,691
WATERLOO PRIMARY SCHOOL	1,511,265
FOREFIELD JUNIOR SCHOOL	1,312,031
FOREFIELD COMMUNITY INFANT AND NURSERY SCHOOL	995,452
LANDER ROAD PRIMARY	931,066
Litherland Moss Primary	788,004
Hatton Hill Primary School	1,329,751
NORTHWAY PRIMARY	997,672
WOODLANDS PRIMARY SCHOOL	1,146,545
SUMMERHILL COUNTY PRIMARY	788,861
FRESHFIELD COUNTY PRIMARY	809,523
GREEN PARK PRIMARY SCHOOL	

Agenda Item 13

	752,596
REDGATE C.P SCHOOL	632,087
Kings Meadow Primary	720,057
LARKFIELD PRIMARY SCHOOL	1,171,286
SHORESIDE PRIMARY SCHOOL	810,687
Melling Primary School	828,340
VALEWOOD PRIMARY SCHOOL	827,607
LYDIATE PRIMARY SCHOOL	1,041,770
BEDFORD PR	1,804,520
CHRIST CHURCH CE PRIMARY	1,289,703
ST JOHN'S C OF E PRIMARY	687,861
ST ANDREWS MAGHULL C.E.	1,223,874
ST LUKES C.E. PRIMARY SCHOOL	1,469,108
ST PHILIP'S PRIMARY SCHOOL	794,343
ST OSWALD'S C.E. PRIMARY SCHOOL	898,045
HOLY TRINITY C of E PRIMARY SCHOOL	924,735
ST PHILIPS C.E PRIMARY SCHOOL	815,674
AINSDALE C.E. PRIMARY SCHOOL.	807,655
ST MONICA'S CATHOLIC PRIMARY	1,514,903
ST ROBERT BELLARMINE PRIMARY	819,649
HOLY SPIRIT CATHOLIC PRIMARY SCHOOL	815,139
Holy Family Catholic Primary	829,931
OUR LADY OF LOURDES PRIMARY	1,814,342
ST TERESA'S CATHOLIC INFANT/NURSERY	407,819
ST PATRICK'S R.C PRIMARY	1,226,918
ST THOMAS C.E. SCHOOL	773,282
ST JOHN'S C. E. PRIMARY SCHOOL	724,295
ST LUKES C.E. HALSALL PRIMARY	815,895
St Nicholas	

Agenda Item 13

	795,797
ST GEORGES CATHOLIC PRIMARY SCHOOL	685,042
Great Crosby Catholic Primary	2,148,230
ST MARY'S R C PRIMARY SCHOOL	454,295
St Edmunds & St Thomas' Catholic Primary School	1,140,576
O L STAR OF THE SEA PRIMARY	713,203
OUR LADY OF COMPASSION SCHOOL	843,730
English Martyrs Primary School	1,517,170
ST ELIZABETH'S CATH PRIMARY	1,281,800
ST WILLIAM OF YORK	836,691
OUR LADY QUEEN OF PEACE CATHOLIC PRIMARY	512,799
ST. GREGORY'S PRIMARY SCHOOL	767,195
URSULINE CATHOLIC PRIMARY SCH	1,504,818
ST. JEROME'S	797,992
HOLY ROSARY PRIMARY SCHOOL	1,461,871
ST JOHN BOSCO R C PRIMARY	779,128
BISHOP DAVID SHEPPARD	933,399
SPRINGWELL PARK PRIMARY SCHOOL	1,433,429
Thomas Gray Primary School	954,646
TRINITY ST PETER'S CE SCHOOL	792,255
ST BENEDICT'S CATHOLIC PRIMARY	837,092
OUR LADY OF WALSINGHAM PRIMARY	844,361
All Saints Catholic Primary School	1,295,665
Rimrose Hope CE Primary	1,211,444
	79,416,427
<u>SECONDARY PHASE</u>	
STANLEY HIGH SPORTS COLLEGE	3,696,444
HILLSIDE HIGH SCHOOL	4,928,360

Agenda Item 13

LITHERLAND HIGH SCHOOL	4,305,075
Meols Cop High School	3,854,745
Savio Salesian College	3,059,306
MARICOURT CATHOLIC HIGH SCHOOL	5,587,120
SACRED HEART CATHOLIC COLLEGE	5,089,743
HOLY FAMILY CATHOLIC HIGH	2,835,150
St Ambrose Barlow Catholic College	2,250,889
CHRIST THE KING	4,650,261
	40,257,094
<u>ACADEMIES</u>	
DEYES HIGH SCHOOL	5,295,093
FORMBY HIGH SCHOOL	3,804,512
Chesterfield High School	4,861,369
RANGE HIGH SCHOOL	4,321,805
BIRKDALE HIGH SCHOOL	3,433,519
Greenbank High School	4,287,541
MAGHULL HIGH SCHOOL	4,224,631
The Hawthorne's Free School	1,934,366
ST MICHAEL'S CHURCH OF ENGLAND ACADEMY SCHOOL	2,573,054
	34,735,889

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Service	Strategic Management
Director	Margaret Carney

Division	Head of Service	Detail	Base Budget 2015/2016 £	Base Budget 2016/2017 £
Strategic Management	Margaret Carney	Employees	642,150	642,150
		Premises	200	200
		Supplies & Services	125,000	125,000
		Transport	8,150	8,150
		Support Services	3,816,700	3,816,700
		Capital Costs	800	800
		Income - Grants / Contributions	-1,745,800	-1,745,800
Strategic Management Total			2,847,200	2,847,200
Grand Total			2,847,200	2,847,200

Agenda Item 13

Service	Performance & Intelligence
Director	Peter Morgan

Division	Head of Service	Detail	Base Budget 2015/2016 £	Base Budget 2016/2017 £
Performance & Intelligence	Vacant	Employees	1,243,800	883,800
		Premises	1,750	1,750
		Supplies & Services	74,400	74,400
		Transport	3,850	3,850
		Support Services	86,850	86,850
		Income - Grants / Contributions	-131,100	-131,100
Performance & Intelligence Total			1,279,550	919,550
Grand Total			1,279,550	919,550

Service	Built Environment
Director	Alan Lunt

Division	Head of Service	Detail	Base Budget 2015/2016 £	Base Budget 2016/2017 £
Economy & Tourism	Mark Long	Employees	2,674,250	2,674,250
		Premises	227,400	227,400
		Supplies & Services	1,480,150	1,480,150
		Transport	17,400	17,400
		Third Party Payments	552,250	552,250
		Support Services	1,064,750	1,064,750
		Capital Costs	782,300	782,300
		Income - Grants / Contributions	-3,239,550	-3,239,550
		Income - Fees & Charges	-1,819,700	-1,819,700
Economy & Tourism Total			1,739,250	1,739,250
Environment	David Packard	Employees	3,312,570	3,100,570
		Supplies & Services	260,650	260,650
		Transport	57,100	57,100
		Third Party Payments	130,650	130,650
		Support Services	1,341,200	1,341,200
		Capital Costs	7,650	7,650
		Income - Grants / Contributions	-1,189,920	-1,189,920
		Income - Fees & Charges	-704,750	-704,750
		Environment Total		
Investment Programme and Infrastructure	Amanda Langan	Employees	5,765,500	5,635,500
		Premises	8,038,350	7,508,350
		Supplies & Services	3,154,900	3,154,900
		Transport	566,300	566,300
		Third Party Payments	0	0
		Support Services	4,711,400	4,711,400
		Capital Costs	3,771,750	3,771,750
		Income - Grants / Contributions	-2,656,950	-2,656,950
		Income - Fees & Charges	-7,581,450	-8,084,450
Investment Programme and Infrastructure Total			15,769,800	14,606,800
Investment Programme and Infrastructure - Admin Buildings and Other Properties	Amanda Langan	Employees	0	0
		Premises	3,324,350	3,324,350
		Supplies & Services	69,800	69,800
		Third Party Payments	836,750	836,750
		Support Services	142,850	142,850
		Capital Costs	725,950	725,950
		Income - Grants / Contributions	-4,726,600	-4,726,600
		Income - Fees & Charges	-1,475,950	-1,475,950
		Investment Programme and Infrastructure - Admin Buildings and Other Properties Total		
Investment Programme and Infrastructure - Housing Services	Alan Lunt	Employees	121,750	121,750
	Amanda Langan	Employees	1,877,750	1,859,750
		Premises	80,300	80,300
		Supplies & Services	165,750	164,750
		Transport	26,150	26,150
		Third Party Payments	93,100	93,100
		Support Services	86,500	86,500
		Capital Costs	33,850	33,850
		Income - Grants / Contributions	-308,350	-308,350
		Income - Fees & Charges	-476,100	-477,100
Investment Programme and Infrastructure - Housing Services Total			1,700,700	1,680,700
Planning Services	Derek McKenzie	Employees	2,890,900	2,890,900
		Premises	11,500	11,500
		Supplies & Services	455,700	455,700
		Transport	35,450	35,450
		Third Party Payments	22,900	22,900
		Support Services	645,850	645,850
		Capital Costs	7,850	7,850
		Income - Grants / Contributions	-387,150	-387,150
		Income - Fees & Charges	-1,809,500	-1,809,500
Planning Services Total			1,873,500	1,873,500
Grand Total			23,195,550	21,800,550

Agenda Item 13

Service	Corporate Services
Director	Graham Bayliss

Division	Head of Service	Detail	Base Budget 2015/2016 £	Base Budget 2016/2017 £
Communications	Jill Coule	Employees	513,000	413,000
		Supplies & Services	333,950	333,950
		Transport	2,350	2,350
		Support Services	86,400	86,400
		Income - Grants / Contributions	-478,250	-478,250
		Income - Fees & Charges	0	0
Communications Total			457,450	357,450
Corporate Finance & ICT	Margaret Rawding	Employees	4,117,650	3,617,650
		Premises	4,800	4,800
		Supplies & Services	1,259,650	1,069,650
		Transport	17,150	17,150
		Third Party Payments	14,543,600	14,543,600
		Transfer Payments	103,434,650	103,434,650
		Support Services	8,843,150	8,843,150
		Capital Costs	41,850	41,850
		Income - Grants / Contributions	-126,919,600	-126,919,600
		Income - Fees & Charges	-761,500	-761,500
Corporate Finance & ICT Total			4,581,400	3,891,400
Corporate Legal Services	Jill Coule	Employees	1,157,150	1,157,150
		Premises	1,050	1,050
		Supplies & Services	114,200	114,200
		Transport	11,400	11,400
		Support Services	286,700	286,700
		Income - Grants / Contributions	-1,536,250	-1,536,250
		Income - Fees & Charges	-104,250	-104,250
Legal Total			-70,000	-70,000
Governance & Civic Services	Andrea Watts	Employees	1,372,200	1,372,200
		Premises	20,600	20,600
		Supplies & Services	1,143,800	1,143,800
		Transport	46,500	46,500
		Support Services	1,449,600	1,449,600
		Capital Costs	22,150	22,150
		Income - Grants / Contributions	-88,500	-88,500
Income - Fees & Charges	-167,000	-167,000		
Governance & Civic Services Total			3,799,350	3,799,350
Neighbourhoods and Partnerships	Andrea Watts	Employees	786,050	786,050
		Premises	2,350	2,350
		Supplies & Services	247,100	247,100
		Third Party Payments	745,700	745,700
		Support Services	185,500	185,500
		Income - Grants / Contributions	-307,350	-307,350
		Unallocated	-60,000	-60,000
Commissioning & Neighbourhood Co-ordination Total			1,599,350	1,599,350
Personnel	Mark Dale	Employees	2,187,950	2,079,950
		Premises	20,200	20,200
		Supplies & Services	124,900	124,900
		Transport	14,300	14,300
		Third Party Payments	567,350	567,350
		Support Services	948,500	948,500
		Capital Costs	38,400	38,400
		Income - Grants / Contributions	-3,898,050	-3,898,050
		Income - Fees & Charges	0	0
Personnel Total			3,550	-104,450
Transformation Team	Jan McMahon	Employees	189,700	114,700
		Premises	0	0
		Supplies & Services	4,500	4,500
		Transport	500	500
		Support Services	7,550	7,550
		Income - Grants / Contributions	-242,100	-242,100
Transformation Team Total			-39,850	-114,850
Grand Total			10,331,250	9,358,250

Service	Vulnerable People
Director	Dwayne Johnson

Division	Head of Service	Detail	Base Budget 2015/2016 £	Base Budget 2016/2017 £
Assessment Teams	Peter Moore	Employees	85,600	85,600
		Supplies & Services	3,650	3,650
		Transport	700	700
		Income - Grants/ Contributions	-88,200	-88,200
	Tina Wilkins	Employees	8,362,350	8,062,350
		Premises	51,500	51,500
		Supplies & Services	148,900	148,900
		Transport	119,250	119,250
		3rd Party Payments	387,450	387,450
		Capital Costs	4,750	4,750
		Support Services	455,350	455,350
		Income - Grants / Contributions	-1,310,450	-1,310,450
		Assessment Teams Total		
Equipment Stores & Adaptations	Tina Wilkins	Employees	660,700	660,700
		Premises	143,600	143,600
		Supplies & Services	733,250	733,250
		Transport	84,050	84,050
		3rd Party Payments	67,500	67,500
		Capital Costs	550	550
		Income - Grants / Contributions	-546,950	-546,950
		Equipment Stores & Adaptations Total		
Local Reform Advice & Advocacy Services	Peter Moore	Supplies & Services	8,600	8,600
		3rd Party Payments	50,000	50,000
	Tina Wilkins	Employees	20,000	20,000
		Supplies & Services	16,050	16,050
		3rd Party Payments	238,400	238,400
		Local Reform Advice & Advocacy Services Total		
Commissioning & Business Support	Peter Moore	Employees	1,647,550	1,503,550
		Supplies & Services	71,700	71,700
		Transport	16,850	16,850
		3rd Party Payments	242,900	242,900
		Support Services	151,550	151,550
		Income - Grants / Contributions	-576,900	-576,900
	Dwayne Johnson	Employees	726,150	726,150
		Supplies & Services	6,500	6,500
		Transport	5,850	5,850
		3rd Party Payments	34,400	34,400
		Capital Costs	94,100	94,100
		Support Services	29,500	29,500
Commissioning & Business Support Total			2,450,150	2,306,150
Central Support Services	Dwayne Johnson	Employees	204,750	204,750
		Supplies & Services	90,350	90,350
		3rd Party Payments	42,000	42,000
		Capital Costs	17,700	17,700
		Support Services	3,343,700	3,343,700
		Income - Grants / Contributions	-195,600	-195,600
Central Support Services Total			3,502,900	3,502,900
Community Care	Tina Wilkins & Peter Moore	Premises	255,950	255,950
		Supplies & Services	6,650	6,650
		3rd Party Payments	88,731,050	85,621,050
		Capital Costs	359,100	359,100
		Support Services	2,266,050	2,266,050
		Transfer Payments	8,750,150	8,750,150
		Income - Grants / Contributions	-7,133,150	-7,133,150
		Income - Fees & Charges	-18,972,350	-18,972,350
Community Care Total			74,263,450	71,153,450

Agenda Item 13

Service	Vulnerable People
Director	Dwayne Johnson

Division	Head of Service	Detail	Base Budget 2015/2016 £	Base Budget 2016/2017 £
Community Care Schemes	Peter Moore	Employees	44,600	44,600
		Supplies & Services	34,550	34,550
		Transport	750	750
		3rd Party Payments	1,272,600	1,272,600
		Transfer Payments	30,000	30,000
		Income - Grants / Contributions	-133,350	-133,350
Community Care Schemes Total			1,249,150	1,249,150
Housing Related Support	Peter Moore	3rd Party Payments	2,200,550	1,300,550
		Income - Grants / Contributions	-31,500	-31,500
Housing Related Support Total			2,169,050	1,269,050
Emergency Limited Assistance	Peter Moore	Employees	0	0
		Supplies & Services	0	0
		3rd Party Payments	0	0
		Income - Grants / Contributions	0	0
Emergency Limited Assistance Total			0	0
Grand Total			93,331,300	88,877,300

Service	Health & Wellbeing
Director	Dwayne Johnson

Division	Head of Service	Detail	Base Budget 2015/2016 £	Base Budget 2016/2017 £		
Arts	Steve Deakin	Employees	1,310,900	1,231,900		
		Premises	400,600	397,600		
		Transport	7,000	8,000		
		Supplies & Services	753,700	753,700		
		3rd Party Payments	44,900	44,900		
		Support Services	96,400	96,400		
		Capital Costs	379,000	379,000		
		Income - Grants / Contributions	0	0		
		Income - Fees & Charges	-761,000	-800,000		
		Arts Total			2,231,500	2,111,500
Sports	Steve Deakin	Employees	3,811,600	3,811,600		
		Premises	2,395,550	2,395,550		
		Transport	106,450	106,450		
		Supplies & Services	1,023,150	1,023,150		
		3rd Party Payments	1,487,600	1,487,600		
		Support Services	805,950	805,950		
		Capital Costs	1,740,050	1,740,050		
		Income - Grants / Contributions	-639,600	-639,600		
		Income - Fees & Charges	-5,753,400	-5,753,400		
		Sports Total			4,977,350	4,977,350
Libraries	Steve Deakin	Employees	1,246,200	1,176,200		
		Premises	325,350	325,350		
		Transport	19,000	19,000		
		Supplies & Services	338,800	338,800		
		3rd Party Payments	36,000	36,000		
		Support Services	279,550	279,550		
		Capital Costs	230,500	230,500		
		Income - Fees & Charges	-73,750	-73,750		
		Libraries Total			2,401,650	2,331,650
		Service Management & Support Services	Steve Deakin	Employees	155,750	155,750
Supplies & Services	14,050			14,050		
3rd Party Payments	41,550			41,550		
Support Services	970,100			970,100		
Capital Costs	450			450		
Income - Grants / Contributions	-1,181,900			-1,181,900		
Service Management & Support Services Total			0	0		
Grand Total			9,610,500	9,420,500		

Agenda Item 13

Service	Health Intervention Services
Director	Dr Janet Atherton

Division	Head of Service	Detail	Base Budget 2015/2016 £	Base Budget 2016/2017 £
Health Intervention Services	Dr Janet Atherton	Employees	1,071,050	971,050
		Premises	0	0
		Transport	10,000	10,000
		Supplies & Services	153,000	53,000
		3rd Party Payments	11,949,700	10,812,300
		Commissioned from Other Council Services	2,669,700	1,658,100
		Support Services	410,000	410,000
		Income -Fees & Charges	0	0
		Income - Grants / Contributions	0	0
		Integration Efficiencies	844,550	844,550
		Grant Increase 2014/2015	0	0
Health Intervention Services Total			17,108,000	14,759,000
Grand Total			17,108,000	14,759,000

Service	Street Scene
Director	Jim Black

Division	Head of Service	Detail	Base Budget 2015/2016 £	Base Budget 2016/2017 £
Direct Services	Andrew Walker	Employees	16,761,650	16,761,650
		Premises	177,500	163,500
		Supplies & Services	4,707,750	4,707,750
		Transport	5,966,700	5,966,700
		Third Party Payments	33,000	33,000
		Support Services	3,346,700	3,346,700
		Capital Costs	3,134,550	3,134,550
		Income - Grants / Contributions	-17,961,750	-18,211,750
		Income - Fees & Charges	-5,868,950	-6,298,950
		Unallocated	-9,350	-9,350
Direct Services Total			10,287,800	9,593,800
Landscapes	Rajan Paul	Employees	2,914,800	2,839,800
		Premises	1,280,500	1,280,500
		Supplies & Services	766,400	766,400
		Transport	195,900	195,900
		Third Party Payments	2,543,200	2,469,200
		Support Services	1,697,650	1,697,650
		Capital Costs	325,950	310,950
		Income - Grants / Contributions	-1,603,200	-1,603,200
		Income - Fees & Charges	-4,223,450	-4,398,450
Landscapes Total			3,897,750	3,558,750
Grand Total			14,185,550	13,152,550

Agenda Item 13

Service	Young People & Families
Director	Colin Pettigrew

Division	Head of Service	Detail	Working Budget 2013/2014 £	Base Budget 2014/2015 £
Early Intervention & Prevention	Olive Carey	Employees	7,134,200	6,987,500
		Premises	199,400	187,750
		Supplies & Services	1,102,350	834,800
		Transport	182,200	163,200
		Third Party Payments	1,989,900	1,954,900
		Transfer Payments	3,705,000	3,675,000
		Capital Costs	160,100	160,100
		Income - Grants / Contributions	-2,002,350	-2,109,450
		Income - Fees & Charges	-23,850	-23,850
Early Intervention & Prevention Total			12,446,950	11,829,950
Learning & Support	Mike McSorley	Employees	4,497,800	4,497,800
		Premises	54,950	54,950
		Supplies & Services	184,050	184,050
		Transport	662,600	662,600
		Third Party Payments	1,089,000	911,450
		Transfer Payments	3,219,150	3,219,150
		Capital Costs	6,032,700	6,032,700
		Income - Grants / Contributions	-1,332,800	-1,332,800
		Income - Fees & Charges	-278,400	-278,400
Learning & Support Total			14,129,050	13,951,500
Management & Admin	Colin Pettigrew	Employees	2,051,350	2,051,350
		Premises	48,500	48,500
		Supplies & Services	313,250	313,250
		Transport	16,800	16,800
		Transfer Payments	4,724,900	4,724,900
		Capital Costs	3,000	3,000
		Income - Grants / Contributions	-1,171,150	-1,171,150
		Peter Moore	Employees	200,150
	Management & Admin Total			6,186,800
Vulnerable Children & Young People	Marlyn Banham	Employees	9,823,000	9,632,650
		Premises	103,000	103,000
		Supplies & Services	1,610,400	1,610,400
		Transport	230,100	230,100
		Third Party Payments	12,049,500	11,699,500
		Transfer Payments	743,950	508,950
		Capital Costs	96,550	96,550
		Income - Grants / Contributions	-451,850	-451,850
		Income - Fees & Charges	-16,000	-16,000
Vulnerable Children & Young People Total			24,188,650	23,413,300
Grand Total			56,951,450	55,381,550

Service	Other Services
Director	Graham Bayliss

Division	Head of Service	Detail	Base Budget 2015/2016 £	Base Budget 2016/2017 £
Other Services	Margaret Rawding	Employees Supplies & Services Support Services	165,300 1,800 745,200	165,300 1,800 745,200
Other Services Total			912,300	912,300
Grand Total			912,300	912,300

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