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MEETING: CABINET
DATE: Thursday 9th March, 2017
TIME: 10.00 am
VENUE: Committee Room, Town Hall, Bootle

DECISION MAKER: **CABINET**

Councillor Maher (Chair)
Councillor Atkinson
Councillor Cummins
Councillor Fairclough
Councillor Hardy
Councillor John Joseph Kelly
Councillor Lappin
Councillor Moncur
Councillor Veidman

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

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

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

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

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A G E N D A

Items marked with an * involve key decisions

<u>Item No.</u>	<u>Subject/Author(s)</u>	<u>Wards Affected</u>	
1.	Apologies for Absence		
2.	Declarations of Interest Members are requested to give notice of any disclosable pecuniary interest, which is not already included in their Register of Members' Interests and the nature of that interest, relating to any item on the agenda in accordance with the Members Code of Conduct, before leaving the meeting room during the discussion on that particular item.		
3.	Minutes of Previous Meeting Minutes of the meeting held on 16 February 2017		(Pages 5 - 12)
* 4.	Revenue and Capital Budget Update 2016/17 Report of the Head of Corporate Resources		(Pages 13 - 32)
* 5.	Energy Procurement Plan Report of the Head of Corporate Resources	All Wards	(Pages 33 - 38)
* 6.	Substance Misuse Residential Rehabilitation Programmes Dynamic Purchasing System Report of the Director of Public Health	All Wards	(Pages 39 - 44)
* 7.	Flood and Coastal Erosion Risk Management Policies Report of the Head of Locality Services - Commissioned	All Wards	(Pages 45 - 92)
* 8.	Purchasing of Residential and Fostering Placements for Children and Young People Report of the Head of Children's Social Care	All Wards	(Pages 93 - 104)

- * 9. **Enacting the option to extend the Section 75 Partnership Agreement (Pooled Budget)**
Report of the Director of Social Care and Health

All Wards

(Pages 105 -
108)

THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON TUESDAY 28 FEBRUARY 2017. MINUTE Nos 85, 86 AND 87 ARE NOT SUBJECT TO "CALL - IN."

CABINET

MEETING HELD AT THE BIRKDALE ROOM, TOWN HALL, SOUTHPORT ON THURSDAY 16TH FEBRUARY, 2017

PRESENT: Councillor Maher (in the Chair)
Councillors Atkinson, Cummins, Fairclough, Hardy,
John Joseph Kelly, Lappin, Moncur and Veidman

ALSO PRESENT: Councillor Hands

81. APOLOGIES FOR ABSENCE

No apologies for absence were received.

82. DECLARATIONS OF INTEREST

No declarations of any disclosable pecuniary interest were received.

83. MINUTES OF PREVIOUS MEETING

Decision Made:

That the minutes of the Cabinet meetings held on 12 January 2017 be confirmed as a correct record.

84. REVENUE AND CAPITAL BUDGET UPDATE 2016/17

The Cabinet considered the report of the Head of Corporate Resources which provided details of the current forecast outturn position for the Council for 2016/17 as at the end of December 2016 which was informed by the latest analysis of expenditure and income due to the Council, in addition to the progress in delivering approved savings; the current forecast on Council Tax and Business Rates collection for 2016/17; and the current position of the Capital Programme.

The Head of Corporate Resources reported that the Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services) at its meeting held on 14 February 2017 had considered the report on the 2017/18 Budget and the Medium Term Financial Plan 2017/18 to 2019/20, previously submitted to the Cabinet on 12 January 2017. (Minute No. 73 refers) and he circulated the minutes of the meeting setting out the comments of the Committee on the report.

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CABINET- THURSDAY 16TH FEBRUARY, 2017

Decision Made: That

- (1) the forecast deficit outturn position of £0.063m, as at the end of December 2016, and the approach currently been undertaken to reduce this in advance of the year end be noted;
- (2) the progress to date on the achievement of approved savings for 2016/17 and residual savings carried forward from previous years be noted;
- (3) the forecast position on the collection of Council Tax and Business Rates for 2016/17 be noted;
- (4) the current position of the 2016/17 Capital Programme be noted; and
- (5) the comments of the Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services) in relation to the 2017/18 Budget and the Medium Term Financial Plan 2017/18 to 2019/20 be noted.

Reasons for Decision:

To ensure the Cabinet are informed of the forecast outturn position for the revenue budget and delivery of savings as at end of October 2016; the updated forecast of the outturn position with regard to the collection of Council Tax and Business Rates and the latest forecast outturn of the Capital Programme.

Alternative Options Considered and Rejected:

None.

85. TREASURY MANAGEMENT POLICY AND STRATEGY 2017/18

The Cabinet considered the report of the Head of Corporate Resources which provided details of the proposed procedures and strategy to be adopted in respect of the Council's Treasury Management Function in 2017/18.

Decision Made:

That the Council be recommended to give approval to:

- (1) the Treasury Management Policy Document for 2017/18 as set out in Annex A of the report;
- (2) the Treasury Management Strategy Document for 2017/18 as set out in Annex B of the report; and

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- (3) the basis to be used in the calculation of the Minimum Revenue Provision for Debt Repayment in 2016/17 as set out in Annex C of the report.

Reasons for Decision:

To enable the Council to effectively manage its treasury activities.

Alternative Options considered and Rejected:

None.

86. THE PRUDENTIAL CODE FOR CAPITAL FINANCE IN LOCAL AUTHORITIES - PRUDENTIAL INDICATORS 2017/18

The Cabinet considered the report of the Head of Corporate Resources on proposals to establish the Prudential Indicators required under the Prudential Code of Capital Finance in Local Authorities. This would enable the Council to effectively manage its Capital Finance Activities and comply with the Chartered Institute of Public Finance and Accountancy Prudential Code of Capital Finance in Local Authorities.

Decision Made:

That the Council be recommended to:

- (1) approve the Prudential Indicators as detailed in the report, and summarised in Annex A of the report, as the basis for compliance with The Prudential Code for Capital Finance in Local Authorities;
- (2) give approval to the relevant Prudential Indicators being amended, should any changes to unsupported borrowing be approved as part of the 2017/18 Revenue Budget;
- (3) note that estimates of capital expenditure may change as grant allocations are received, as indicated in paragraph 2.2 of the report; and
- (4) grant delegated authority to the Head of Corporate Resources in conjunction with the Cabinet Member – Regulatory, Compliance and Corporate Services to manage the Authorised Limit and Operational Boundary for external debt as detailed in Section 5 of the report.

Reasons for Decision:

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

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Alternative Options Considered and Rejected:

None.

87. ROBUSTNESS OF THE 2017/18 BUDGET ESTIMATES AND THE ADEQUACY OF RESERVES - LOCAL GOVERNMENT ACT 2003, SECTION 25

The Cabinet considered the report of the Head of Corporate Resources which provided an assessment of the robustness of the estimates and the tax setting calculations, the adequacy of the proposed financial reserves and the production of longer term revenue and capital plans, based on the proposals set out in the report on the Revenue Budget 2017/18 and Medium Term Financial Plan 2017/18 - 2019/20, submitted to the Cabinet on 12 January 2017 (Minute No. 73 refers) and to be presented to the Budget Council meeting on 2 March 2017.

Decision Made:

That the Council be requested to note the matters raised in the report during the determination of the Revenue Budget 2017/18.

Reasons for Decision:

To ensure that the Council consider the report in making their budget decisions.

Alternative Options Considered and Rejected:

None.

88. SOUTHPORT PIER PROJECT - PROCUREMENT PROPOSALS

The Cabinet considered the report of the Head of Inward Investment and Employment which provided details of the application submitted to the Coastal Communities Fund to support the delivery of a major capital project to renovate Southport Pier and construct new income generating facilities. The outcome of the submission would be known in April 2017.

The report indicated that a procurement process needed to commence before April 2017, to enable the Council to be in a position to appoint a contractor to commence works as soon as funding had been confirmed. This was to ensure that works that could be disruptive to the operation of the Pier can be completed before the busy summer trading season, and works over the beach can be completed as a single phase before inclement weather in winter 2017. This would be the most cost effective and least disruptive approach.

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Decision Made: That

- (1) the proposed method of procurement and evaluation as set out within the report be approved:
- (2) the Head of Investment & Employment be authorised to accept the most advantageous bid received in each instance if a successful grant offer is received;
- (3) Subject to (2) above, the Head of Regulation and Compliance be authorised to enter into contracts with the successful contractors if a successful grant offer is received;
- (4) The scheme be included in the capital programme for 2017/18 to be presented to Council on 2 March 2017 if the grant is approved;
- (5) the provision made within the existing pier contingency fund for works proposed of this nature, be noted; and
- (6) it be noted that the proposal was a Key Decision but had not been included in the Council's Forward Plan of Key Decisions. Consequently, the Leader of the Council and the Chair of the Overview and Scrutiny Committee Regeneration & Skills has been consulted under Rule 27 of the Access to Information Procedure Rules of the Constitution, to the decision being made by the Cabinet as a matter of urgency on the basis that it was impracticable to defer the decision until the commencement of the next Forward Plan because of the lead in time required if a grant offer is received.

Reasons for Decision:

Cabinet approval was required to comply with the Council's procedure rules. The recommendations would support the receipt of the most competitive tenders for the proposed works and permit the project to progress in accordance with identified programme requirements subject to a grant offer being received.

Alternative Options Considered and Rejected:

All appropriate design and technical options had been considered during the scheme development and it was believed that the final proposals which have received planning and listed building consents represent the most appropriate solution.

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89. SOUTH SEFTON COLLEGE – PROPOSED MERGER WITH HUGH BAIRD COLLEGE

The Cabinet considered the report of the Head of Schools and Families which indicated that the Government had initiated a series of area based reviews of post 16 education and training institutions and Sefton was included in the review of the Liverpool City Region. The proposal for Sefton was that the four further education institutions of Hugh Baird College, KGV College, Southport College and South Sefton College merge to form a single Sefton College that would be stronger, more sustainable and provide an offer that meets the educational needs of young people in Sefton and the economic needs of the area. This was in keeping with the Sefton 2030 vision.

The four colleges had proposed merging in two tranches: KGV College and Southport College merging and Hugh Baird College and South Sefton College merging by September 2017, with these north/south colleges then merging to form the Sefton College in September 2018.

The report set out the details of the proposed merger of South Sefton College and Hugh Baird College including the consultation procedure and financial implications and indicated that consultation on the merger of KGV College and Southport College had already started.

The Chair expressed his concern at the negative and inaccurate reporting of the proposals set out in the report by the Champion Newspaper.

Decision Made: That

- (1) the report be noted:
- (2) approval be given to the commencement of the statutory consultation process relating to the proposal to merge South Sefton College with Hugh Baird College;
- (3) officers be granted delegate responsibility to start negotiations with Hugh Baird College as to the level of transitional financial support required in August 2017, to support this new venture in the first year of operation; and
- (4) it be noted that a further report about the outcome of negotiations with Hugh Baird as to the level of transitional financial support required; and a report on the outcome of the consultation process ending on 5 April 2017 would be submitted to the Cabinet.

Reasons for Decision:

The Local Authority had the statutory power to discontinue a maintained school following the statutory process detailed in the report and this process had to be followed to enable the merger to take place.

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Alternative Options Considered and Rejected:

None.

90. SPORT ENGLAND GRANT

The Cabinet considered the report of the Director of Public Health which provided details of a recent funding application made to Sport England designed to improve swimming facilities and programmes in Sefton and to seek approval to accept a grant, if awarded.

Decision Made: That

- (1) approval be given to the acceptance of the grant if awarded, subject to satisfactory grant conditions;
- (2) approval be given to the commencement of a procurement exercise without commitment pending the grant award;
- (3) the project be included in the 2017/18 capital programme to be considered by Council on 2 March 2017 subject to the grant being awarded; and
- (4) it be noted that the proposal was a Key Decision but had not been included in the Council's Forward Plan of Key Decisions. Consequently, the Leader of the Council and the Chair of the Overview and Scrutiny Committee (Adult Social Care and Health) had been consulted under Rule 27 of the Access to Information Procedure Rules of the Constitution, to the decision being made by the Cabinet as a matter of urgency on the basis that it was impracticable to defer the decision until the commencement of the next Forward Plan because of timescales associated with the initial bid submission, expected project delivery and procurement process.

Reasons for Decision:

In March 2016 the Director of Health and Social Care and the Cabinet Member - Health and Wellbeing approved Sefton's involvement in a national swimming pilot, which included the submission of a funding bid to Sport England.

The total requested from Sport England was £531,582. Confirmation was expected by the end of February 2017. If agreed the funding would include capital resources to enable the renovation of two swimming pool changing facilities which would be fully DDA compliant and as such permission to proceed was required urgently to comply with the funding timescales. It was not possible to defer this decision to the Cabinet meeting in March, hence the request for approval in advance of the award being made.

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Alternative Options Considered and Rejected:

The changing facilities at Dunes Splash World and Bootle Leisure Centre are outdated, in poor condition and in need of refurbishment. If Members elect not to accept the grant, alternative funding options would need to be identified.

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Report to: Cabinet

Date of Meeting: 9 March 2017

Council

20 April 2017

Subject: Revenue and Capital Budget Update 2016/17

Report of: Head of Corporate Resources

Wards Affected: All

Is this a Key Decision? No
Yes

Is it included in the Forward Plan?

Exempt/Confidential No

Purpose/Summary

To inform Cabinet/ Council of: -

- i) The current forecast revenue outturn position for the Council for 2016/17 as at the end of January. This forecast will be informed by the latest analysis of expenditure and income due to the Council, in addition to the progress in delivering approved savings;
- ii) The current forecast on Council Tax and Business Rates collection for 2016/17; and
- iii) The current position of the Capital Programme and to request three section 106 schemes to be added.

Recommendation(s)

Cabinet is recommended to:-

- i) Review and consider the forecast deficit outturn position of £0.682m as at the end of January 2017, together with the potential impact on the Council's General Fund Reserves position;
- ii) Review the progress to date on the achievement of approved savings for 2016/17 and residual savings carried forward from previous years;
- iii) Note the forecast position on the collection of Council Tax and Business Rates for 2016/17; and
- iv) Note the current position of the 2016/17 Capital Programme; and
- v) Include additional capital allocations, outlined in paragraph 6.7, to the Capital Programme.

Council is recommended to:-

- i) Include additional capital allocations, outlined in paragraph 6.7, to the Capital Programme

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

	<u>Corporate Objective</u>	Positive Impact	Neutral Impact	Negative Impact
1	Creating a Learning Community	•		
2	Jobs and Prosperity		•	

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3	Environmental Sustainability	•		
4	Health and Well-Being		•	
5	Children and Young People		•	
6	Creating Safe Communities		•	
7	Creating Inclusive Communities		•	
8	Improving the Quality of Council Services and Strengthening Local Democracy		•	

Reasons for the Recommendation:

To ensure Cabinet are informed of the forecast outturn position for the 2016/17 revenue and capital budgets as at the end of January 2017 and to provide an updated forecast of the outturn position with regard to the collection of Council Tax and Business Rates. To seek approval for additional schemes financed from section 106 monies, to be included within the Capital Programme.

What will it cost and how will it be financed?

(A) Revenue Costs

i) 2016/17 Revenue Budget

Any under-achievement of the approved revenue budget savings for 2016/17 (and residual savings from previous years) will need to be financed from within any surplus identified within other areas of the 2016/17 budget, or from the Council's general balances.

The current financial position on approved savings indicates that approximately £6.798m are at significant risk of not being achieved (the "Red" marked items in Annex A). Work has been undertaken to assess the likely achievement of these items in 2017/18 and this is reflected in the proposed budget package that was reported to Council on 2nd March 2017.

As at the end of January, the surplus in the remainder of the Council's Budget reduces the potential deficit to £0.682m. Should other budget savings not be identified during the year, then an equivalent level of reserves would be required to support the budget.

(B) Capital Costs

As at the end of January, expenditure on the Capital Programme is £15.221m (52.7%) with forecast expenditure of £23.4m due by the end of the year. Expenditure of around £4m per month is currently being incurred therefore it is considered that this revised forecast is achievable.

The report considers additional capital schemes to be financed from Section 106 monies and asks that they be added to the Capital Programme.

Implications: None

Legal:

Human Resources None

Equality

Equality Implication

Equality Implications identified and mitigated

Equality Implication identified and risk remains

Impact on Service Delivery:

None.

What consultations have taken place on the proposals and when?

The Head of Corporate Resources is the author of the report (FD 4542/17)

The Head of Regulation and Compliance has been consulted and has no comments on the report. (LD 3825/17)

Are there any other options available for consideration?

None.

Implementation Date for the Decision

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

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Background Papers: None

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1. Introduction

- 1.1 The Council approved the revenue budget for 2016/17 and this required savings of £37m to be implemented during the year in order for a balanced budget to be delivered. The approved budget also included the use of balances totalling £0.869m (increasing to £0.969m following the approval to continue the modern apprenticeship scheme as agreed by Cabinet in July), pending identification of any alternative means of financing.
- 1.2 This report therefore presents an assessment of the forecast revenue outturn position for 2016/17 and the latest position on the achievement of the agreed savings for 2016/17 (£29.171m), plus the ongoing savings requirements carried forward from previous years.
- 1.3 The report also outlines the current position regarding other key income streams for the Authority, namely Council Tax and Business Rates, as variations against expected receipts in these two areas will also affect the Council's financial position in future years.
- 1.4 An updated position with regard to the 2016/17 Capital Programme is also provided as at the end of January, following the recently approved additions to the programme. Approval of a number of schemes for inclusion in the 2016/17 Capital Programme, to be financed from Section 106 monies is also sought.

2. Summary of Forecast Outturn Position as at the end of January 2017

- 2.1 At the end of January 2017, a forecast deficit is projected on the Council's outturn budget of £0.682m. This is shown in the table below:

	Budget	Forecast Outturn	Variance	Position previously reported
	£m	£m	£m	£m
<u>Services</u>				
Strategic Management	2.974	2.949	(0.025)	(0.025)
Strategic Support Unit	2.891	2.771	(0.120)	(0.126)
Adult Social Care	86.172	89.414	3.242	2.909
Children's Social Care	27.548	28.513	0.965	0.913
Communities	10.572	9.884	(0.688)	(0.672)
Corporate Resources	4.069	3.625	(0.444)	(0.403)
Health & Wellbeing	23.307	22.632	(0.675)	(0.575)
Inward Investment and Employment	2.517	2.632	0.115	0.094
Locality Services - Commissioned	18.596	19.062	0.466	0.394
Locality Services - Provision	9.381	10.249	0.868	0.868
Regeneration and Housing	4.636	4.520	(0.116)	(0.121)
Regulation and Compliance	4.444	4.193	(0.251)	(0.409)
Schools and Families	25.773	25.353	(0.420)	(0.549)
Total Service Net Expenditure	222.880	225.797		

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Reversal of Capital Charges	(13.376)	(13.376)	0	0
Council Wide Budgets	4.135	1.900	(2.235)	(2.235)
Levies	33.769	33.769	0	0
General Government Grants	(34.803)	(34.803)	0	0
Total Net Expenditure	212.605	213.287		
Forecast Year-End Deficit			0.682	0.063

2.2 This revised forecast deficit of £0.682m compares to the deficit of £0.063m that was previously forecast.

2.3 The key changes that have led to this revised position are:-

- The Adult Social Care deficit position has increased by £0.333m. There has been a reduction in the surplus in the Community Care budget (£0.616m) due to ongoing pressures emerging for both placements, and packages of care. A shortage of capacity in the Domiciliary Care area has led to services sometimes being commissioned outside the 4 main contracted providers at a higher cost. This pressure has been offset by further employee savings (£0.182m) resulting from the vacancy freeze imposed by the Head of Adult Social Care together with a further contribution from the supplies and services budget, mainly in relation to Care Act funding.

- The Locality Services Commissioned service deficit position has increased by £0.072m a result of forecast winter maintenance, which is based on the worst case scenario. This is based on expenditure incurred to date and a further 19 carriageway grittings to the year end, the equivalent period for last winter.

- Children's Social Care is forecasting a year-end deficit of £0.966m (a slight worsening of the position for January by £0.052m). This is due to a slight increase in the deficits in respect of placements and packages for Looked after Children of £0.037m and Adoption Allowances of £0.031m.

- The Schools and Families budget is identifying a reduction in the forecast surplus from £0.549m to £0.419m, an adverse variance of £0.130m. This is mainly due to the specialist transport costs within the Children's Service, where the cost of the in-house fleet is forecast to be higher than previously expected following new contract arrangements that were put in place in September with the financial impact being fully available in January.

- The surplus on the Regulation and Compliance service has reduced by £0.158m. A review of the Coroners service has identified the potential for additional professional fees, relating to morticians, funeral directors, pathologists and forensic scientists that have to be engaged when the service demands their support. Additional spend of £0.029m has also been identified since December following the purchase of air quality equipment.

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- 2.4 Within the report that was considered by Members in February it was highlighted that demand led pressures particularly in respect of Adults and Children's Social Care and winter maintenance could have an impact on the year end position. As additional budget pressure has been identified Heads of Service have been requested to implement stringent expenditure management in all areas of their budgets in order to support the financial outturn position for the year. This will be reflected in the monitoring of the councils budget between now and year end.

3. Approved savings for 2016/17 (and previous years carry forward savings)

- 3.1 The table at **Annex A** identifies the current position of the agreed savings for 2016/17. They are analysed into four categories: -
- Savings achieved to date (Blue);
 - Progress is satisfactory (Green);
 - Outcome is unknown and is at risk of not being fully achieved (Amber); and
 - Known shortfalls, or significant risk of not being achieved (Red).

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

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

- 3.2 The position as at the end of January 2017 is that £28.831m (80%) of the total required savings have been delivered or are on plan; with £0.287m (1%) at some risk of not being fully achieved. This leaves a further £6.798m (19%) of savings that are unlikely to be achieved in 2016/17 (identified as "Red"). As previously reported, mitigating actions elsewhere in the budget have led to this non-delivery being offset and a broadly balanced position being reported.
- 3.3 As with previous years, all budget savings will continue to be closely managed, with regular reports being presented to Cabinet and Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services). Officers will also continue to be mindful of the ongoing financial position and take appropriate action where further efficiencies can be found which do not require a change of policy.

4. Council Tax Income – Update

- 4.1 Council Tax income is shared between the billing authority (Sefton Council) and the two major precepting authorities (the Fire and Rescue Authority, and the Police and Crime Commissioner) pro-rata to their demand on the Collection Fund. The Council's Budget included a Council Tax Requirement of £111.644m for 2016/17 (including Parish Precepts), which represents 85.4% of the net Council Tax income of £130.689m.

- 4.2 The forecast outturn at the end of January 2017 is a surplus of £2.371m (a marginal improvement to that previously reported). This is primarily due to:-
- The surplus on the fund at the end of 2015/16 being higher than estimated at -£0.462m;
 - Gross Council Tax Charges in 2016/17 being higher than estimated at -£0.754m;
 - Council Tax Reduction Scheme discounts being lower than estimated at -£0.643m;
 - Exemptions and Discounts (including a forecasting adjustment) being lower than estimated at -£0.357m; and
 - Bad Debt Provision being lower than estimated at -£0.155m.
- 4.3 Due to Collection Fund regulations, the Council Tax surplus will not be transferred to the General Fund in 2016/17 but will be carried forward to be distributed in future years.
- 4.4 A forecast surplus of £2.367m was declared on the 15 January 2017, of which Sefton's share is £2.022m (85.4%). This is the amount that will be distributed from the Collection Fund in 2017/18. Any additional surplus or deficit will be distributed in 2018/19.

5. Business Rates Income – Update

- 5.1 Since 1 April 2013, Business Rates income has been shared between the Government (50%), the Council (49%) and the Fire and Rescue Authority (1%). The Council's Budget included retained Business Rates income of £32.975m for 2016/17, which represents 49% of the net Business Rates income of £67.296m. Business Rates income has historically been very volatile making it difficult to forecast accurately.
- 5.2 The forecast outturn at the end of January 2017 is a deficit of £2.469m (£2.437m to the end of December) on Business Rates income. This is due to:
- The surplus on the fund at the end of 2015/16 being lower than estimated £2.437m;
 - Minor in year budget variations to date in 2016/17 of £0.032m.
- 5.3 Due to Collection Fund regulations, the Business Rates deficit will not be transferred to the General Fund in 2016/17 but will be carried forward to be recovered in future years.
- 5.4 A forecast deficit of £2.437m was declared on the 15 January 2017, of which Sefton's share is £1.194m (49%). This is the amount that will be distributed

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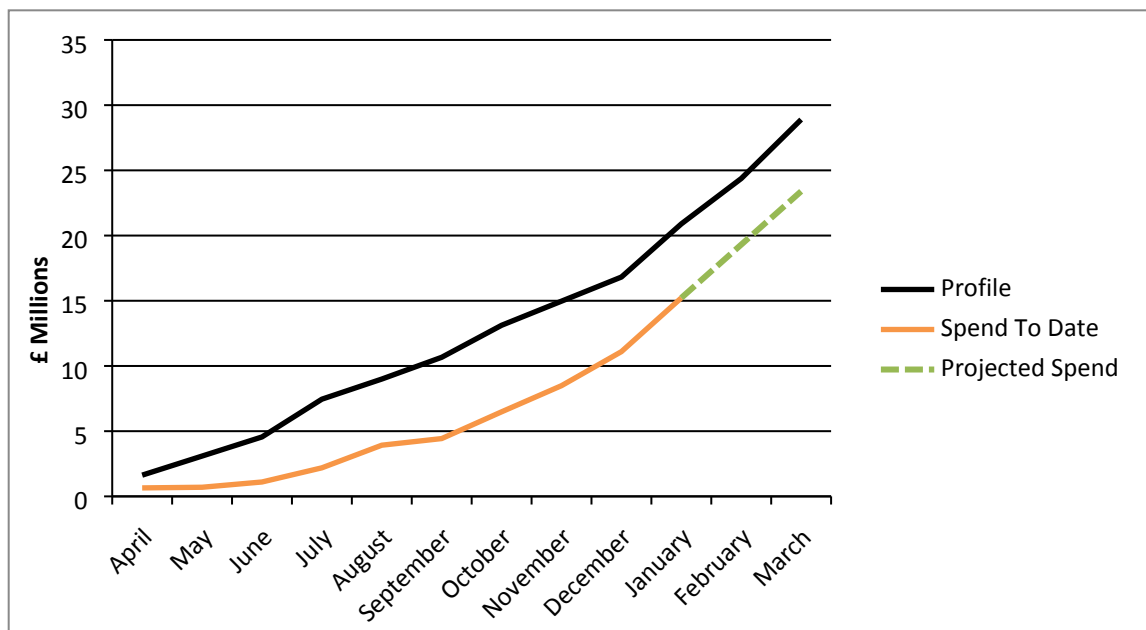
from the Collection Fund in 2017/18. Any additional surplus or deficit will be distributed in 2018/19. However, this deficit can be funded utilising the rating appeals / reduction in NNDR Income Reserve which stood at £3.448m on 31 March 2016.

6. Capital Programme 2016/17

6.1 The full year budget for the Capital Programme in 2016/17 is £28.897m. This represents £14.784m of schemes that have been approved in the current year and £14.113m in relation to schemes approved in previous years.

6.2 As at the end of January, expenditure of £15.221m has been incurred against this budget. This represents 52.7% of the full year Capital Programme. This level of expenditure represents an increase from the previously reported position (December) of £4.121m.

6.3 Project managers are currently reporting that expenditure of £23.394m will be incurred by the end of the financial year. Based upon current expenditure levels, this would mean that £8.2m will be incurred in the last 2 months of the financial year. With monthly expenditure of between £3m-£4m currently being incurred it would suggest that this forecast is reasonable at this stage of the financial year. The following graph therefore shows the 2016/17 Capital Programme expenditure to date and the year-end forecast against the profiled budget.



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6.4 The key variations in the year end forecast compared to the last reported period are shown below

Scheme	Key Variation £'m	Explanation
Resources to be carried forward into next year (key items)		
Norwood School Remodelling	1.664	Delay in start of scheme as funding only recently approved. Re-phasing into 2017/18 will be requested
Litherland Moss School Remodelling	0.300	Scheme on hold pending outcome of Children's Centre review. Re-phasing into 2017/18 will be requested
School Planned Maintenance	0.300	Reschedule of planned maintenance work. Re-phasing into 2017/18 will be requested
HMRI	0.454	Re-phasing into 2017/18 will be requested to cover Mel – Inn compensation and acquisition of Klondyke PH 2-3
M58 Junction Improvement	0.304	Delays in commencing the scheme. Re-phasing into 2017/18 will be requested
A565 Northern Key Corridor Improvements	0.187	Delays in commencing the scheme. Re-phasing into 2017/18 will be requested
Flood Defence Schemes	0.578	Delays in schemes. Fully funded schemes . Re-phasing into 2017/18 will be requested
Vehicle Replacement	0.249	Underspend due to changes in the vehicle replacement programme by Departments
Dunes All Weather Pitches	0.203	Scheme viability still being reviewed
Thornton Crematorium - Upgrade	0.120	Progress slow because of high demand for facility. Re-phasing into 2017/18 will be requested
Corporate Maintenance Contingency	0.142	Re-phasing into 2017/18 will be requested
CLAC High Ropes	0.065	Planning permission not yet granted
	4.566	
Resources no longer required		
Vine House	0.245	Vine House is in the process of valuation and disposal. Funding no longer required.
Funding Circle	0.100	Funding / Budget no longer required
Adult Social Care Transformation – St Peters House	0.016	Work completed. Budget no longer required
Adult Social Care Transformation – Shakespeare Centre	0.060	Work completed. Budget no longer required
Maghull & District Community & Business Hub	0.024	Project ended, budget not required
Unallocated Town & Village Centres	0.065	Project ended, budget not required
	0.510	

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From this review it can be seen as the Council approaches the end of the financial year and the expenditure forecasts become firmer, there is an increasing number of schemes which are requesting that funding be carried over into 2017/18. The evaluation of these will be the subject of a Member review exercise to ensure that such schemes remain a priority for the Council in future years. Likewise it is estimated that £0.510m of capital funding will be available for re-allocation as this funding is no longer required.

6.5 A detailed service by service breakdown of the expenditure is shown in the following table:

	Full Year Budget	Total Expenditure to Date	% of Budget Spent	Budget Remaining
	£m	£m	%	£m
Health & Wellbeing	0.364	0.075	20.6%	0.289
Communities	3.237	1.168	36.1%	2.069
Schools and Families	6.042	2.737	45.3%	3.305
Regulation and Compliance	0.186	0.141	75.8%	0.045
Regeneration and Housing	2.380	1.260	52.9%	1.120
Adult Social Care	2.323	1.349	58.1%	0.974
Locality Services - Provision	2.540	1.813	71.4%	0.727
Locality Services - Commissioned	8.391	4.378	52.2%	4.013
Corporate Support	1.034	0.263	25.4%	0.771
Disabled Facilities Grant	2.400	2.037	84.9%	0.363
Total Capital Programme	28.897	15.221	52.7%	13.676

6.6 With a capital programme in excess of £20m, it is currently forecast that a number of key projects will be operationally complete during 2016/17. These include:-

Project	Impact	Total Project Value £'m	Amendments £'m
Transport Carriageway Maintenance 2016/17	Ongoing preservation / maintenance of the Highway network	3.333	
Transport Integrated Transport 2016/17	Improvements to the transport network e.g. travel awareness, cycling and health, local safety schemes, traffic management schemes	2.059	
Transport STEP Programme	A565 improvement, Seaforth Village improvements and A59 Ormskirk Road Access Improvements	1.540	
Vehicle	Planned replacement of vehicles	1.241	Expected underspend

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Replacement 2016/17	incorporating refuse vehicles and other departmental vehicles e.g. libraries, in order to maintain fleet resilience		of £0.249m due to changes in departmental requests for replacement vehicles
Atkinson Museum Development	Development and improvement of facilities at the new museum	0.708	
Dunes Leisure Centre Mezzanine Floor Gym	Invest to Save Scheme – Building and Infrastructure changes in order to generate additional income.	0.504	
Formby Library	Capital investment to ensure that the remaining libraries are fit for purpose now and in the future	0.370	
Transport - Bridges and Structures 2016/17	Improvements / maintenance of the highways bridges and structures	0.314	
Meadows Leisure Centre Extended Gym	Invest to Save Scheme – Building and Infrastructure changes in order to generate additional income.	0.303	
Crosby Lakeside Adventure Centre	Invest to Save Scheme – Building and Infrastructure changes in order to generate additional income.	0.291	
ICT Data Centre	Improvement of resilience of ICT data storage	0.250	
Bootle Library	Capital investment to ensure that the remaining libraries are fit for purpose now and in the future	0.100	

6.6 In reviewing the current position on the Capital Programme it should be noted that as part of improved capital monitoring arrangements, a capital outturn report for 2016/17 will be presented to Cabinet (in conjunction with the revenue outturn) at the year end. In addition to providing details of in year expenditure and those schemes that have been completed, it will also provide details of those schemes that have underspent or are yet to start. This review will provide Members with some opportunity to ensure that those schemes that are to be carried forward into the next year remain a priority and align with the objectives of the Council. This will also improve the delivery and financial performance of the overall programme.

6.7 Further additions to the 2016/17 Capital Programme.

Section 106 monies are contributing to identified projects in the following Wards; approval is needed to include them in the Capital Programme. Ward councillors have been involved in the process to agree where and how the monies should be spent, along with support from area co-ordinators. The following table identifies what resources have been agreed.

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	£
Blundellsands	30,000
Harrington	2,750
Manor	28,457
Netherton and Orrell	16,200
Sudell Ward	70,000

2013-17 LISTED BUDGET SAVINGS PERFORMANCE AT JANUARY 2017

Savings achieved to date	23,511,100
Progress is Satisfactory	5,320,000
Risk of savings not being fully achieved	287,000
Known shortfalls or significant risk that savings will not be achieved	6,798,350
Total of Savings	35,916,450

	SAVING REQUIREMENT	Red	Amber	Green	Blue	Comment
Review of Commissioning - reducing funding support to community groups - Commissioning & Neighbourhood Coordination	261,000				261,000	This saving will be achieved in 2016/17.
Libraries - Review of operation and management of libraries including book fund and opening times	70,000				70,000	This saving will be achieved in 2016/17.
Parks Maintenance - Botanic Gardens Shop Closure	30,000				30,000	This saving will be achieved in 2016/17.
Parks Maintenance - Increase of payment fees by an average of £50 per full size plot in 2016/17 and again in 2017/18.	20,000				20,000	This saving will be achieved in 2016/17.
Further Changes in Style and Standards of Parks Management	27,000				27,000	This saving will be achieved in 2016/17.
Arts - Review management and opening times at the Atkinson	120,000			120,000		This saving will be achieved in 2016/17.
Street Scene - Building Cleaning - change frequency of office cleaning	19,000				19,000	There has been a reduction in the cost of cleaning Council and internal facilities during 2016/17 so the required saving is being met.
Public Conveniences increase charges	40,000	40,000				This saving will not be achieved in 2016/17. This is due to the one off costs of fitting coin mechanised doors at facilities that were previously provided free of charge and higher than expected costs for maintenance and vandalism issues. Although charges have been increased / introduced, the financial benefit to the Council has been less than expected. Negotiations are currently underway with an external operator to provide a fully managed service at a cost that can be contained within the reduced budget. Therefore this saving is expected to be achieved from 2017/18 onwards.
Public conveniences reviewed for efficiency savings	20,000	20,000				This saving will not be achieved in 2016/17. This is due to the one off costs of fitting coin mechanised doors at facilities that were previously provided free of charge and higher than expected costs for maintenance and vandalism issues. Although charges have been increased / introduced, the financial benefit to the Council has been less than expected. Negotiations are currently underway with an external operator to provide a fully managed service at a cost that can be contained within the reduced budget. Therefore this saving is expected to be achieved from 2017/18 onwards.
Careline Service/Security Force (income target)	75,000		75,000			This saving is not being achieved as it is reliant on income derived from other parts of the Council (which have been subject to cuts) and the cessation of a healthcare project which was also expected to generate income for the service. At this stage no alternative income sources have been identified and it is therefore unlikely that this additional income requirement will be met in 2016/17.
Street Scene - Building Cleaning - change frequency of office cleaning	50,000				50,000	There has been a reduction in the cost of cleaning Council and internal facilities during 2016/17 so the required saving will be met.

	SAVING REQUIREMENT	Red	Amber	Green	Blue	Comment
Cleansing Service - Reorganisation of workload and work patterns	25,000				25,000	The budgetary provision for Cleansing Services has been adjusted to take account of the restructure which has now been implemented. As such, the required savings target will be achieved in 2016/17. However, it should be noted that the income target for recharges to internal facilities and services needs to be reviewed in the light of a reduction in cleaning budgets available across the Council.
Street Cleansing - Bulky Items Collection Service - Restructure Crews and introduce charge for bulky items	6,000				6,000	The budgetary provision for Bulky Items has been adjusted to take account of a restructure and increased charges and as such, the required saving target will be achieved in 2016/17.
Green Waste	430,000	430,000				Saving not likely to be achieved following the reorganisation of the recycling service.
Public Conveniences - Closure of all public conveniences	74,000	24,000		50,000		The original saving was predicated on the entire budget for the service being removed. There will still be residual costs to be incurred in closing the facilities in terms of NNDR, insurance, utilities, etc. for which no budget remains. Consequently, it will not be possible to meet the saving target in full during 2016/17 or in future years.
Bulky Items - Increasing collection charge from £7.50 to £10 per collection	48,000				48,000	The budgetary provision for Bulky Items has been adjusted to take account of a restructure and increased charges and as such, the required saving target will be achieved in 2016/17.
Sefton Care Line and Sefton Securities - Increased income as result of increased service activity	200,000	200,000				This saving target was predicated on increasing income by insourcing a wider range of previously externalised maintenance, testing and installation services across Council facilities and services. This did not happen as expected or proposed and as such it will not be possible to generate this additional income on top of the increased income target set for the current financial year. As such, this saving target will not be met during 2016/17. However additional business e.g. through the promotion of the Arc Angel product, is expected to generate significant income in the future which will not only enable this saving to be achieved but will also contribute towards future years' savings. Savings options in this area for 2017/18 and beyond will need to acknowledge the need to make this saving first
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	250,000				250,000	This saving requirement is based upon increasing the cost of a school meal annually over a two year period. The first increase generated the required additional income. Therefore, it is expected that the second increase will also provide the required increase in income. As such, the required saving target will be met in 2016/17.
New Options - Increase Cremation and Burial Fees by 5% above inflation	150,000	150,000				A new crematorium has opened in West Lancashire within five miles of the existing facility in Southport. This has had an effect on the income generated at the facility. The crematorium at Thornton is also operating at reduced capacity (2 days a week) for some months this year due to a replacement programme for the old cremators which have failed emissions tests. As such the increased income levels will not be achieved in 2016/17. In future years, although full capacity will return at Thornton, the impact of the private crematorium will continue and the loss of income arising from this competition will prevent the income target of £150,000 from being met.
Improved procurement of Council wide communications activity	61,050				61,050	This saving will be achieved in 2016/17. Following a review and realignment of budgets a recently deleted vacant post is being used to achieve the saving.
Corporate Communications Team - Deletion of vacant posts and Team restructure	100,000	0		0	100,000	This saving was in total £204k (£100k phased 2016/17) and was originally to be met from a reduction in staffing. However the saving was then anticipated to be achieved by both staffing and income i.e. staffing £104k in 2015/16 (achieved) and income £100k in 2016/17 which has previously been reported as not achievable. Having reviewed the Communications budget and the wider Strategic Support budgets this saving will now be achieved.
Transformation - Reduction of Transformation resource	75,000				75,000	This saving will be achieved in 2016/17 due to a restructure of teams.
Environmental Health - Reduction in front line environmental health regulatory services. Reduction in pest control services but retain full rat control service	170,000			170,000		On target to be achieved.
Parking - Review of service and charging regimes	467,000	100,000		367,000		There will be a shortfall in income achieved due to the proposal to cease the refund of car park charges at leisure centres. The remaining 367k should be achievable subject to market conditions.

	SAVING REQUIREMENT	Red	Amber	Green	Blue	Comment
Street Lighting Energy - Invest to save in lighting columns and bulbs to allow reduced hours of lighting.	530,000	530,000				It was anticipated last month that £100k would be achievable from energy savings / reduced tariffs which would have restricted the unachieved element of this saving to £430K. Latest information suggests that there will be no contributory saving in tariffs and the entire saving will not be achieved in the current year. Furthermore, the indicative tariff for 2017/18 will increase by £112k (based on current consumption levels) which will put further pressure on the achievement of the saving in subsequent years. Whilst every effort will be made to cover the saving through increases in income, this cannot be guaranteed. Excess income has been used in previous years to cover the regular overspend on winter service. There is a spend to save initiative for Cabinet to consider shortly. The outcome of the Cabinet decision will inform how the Council considers this saving option.
Further Changes in Style and Standards of Parks Management	64,000			64,000		On target to be achieved.
Parks Maintenance - Reduction in GM Contracts	30,000			30,000		On target to be achieved.
Coast - Reduction to visitor and site management activities. Extension to the length of the life guard contract on reduced terms. Car-parking income charges	75,000			75,000		On target to be achieved.
Highway management, development, design and safety - Changes to charges Service reorganisations	130,000				130,000	Saving has been achieved
Budget re-alignment of salaries to be funded from grants, contracts and reserves	116,000	116,000				It is forecast that this saving will not be delivered in year as the majority of budget relates to Head of Service and grants that are used to fund remaining staff within the service who are not core funded. This saving will not be achieved in the long term and the Medium Term Financial Plan has been adjusted to reflect this.
100-19 Services - Changes to commissioning arrangements for Information, Advice & Guidance	40,000				40,000	Achieved.
Management fee reduction - Formby Pool Contract	50,000				50,000	Following re-negotiation of the contract this saving will be achieved
School Health - Re-specify/recommission the healthy Child programme for the whole 0-19 age range	260,000				260,000	Saving achieved in 2016/17
Sports Leisure- Active Sports - Increase in income due to increased charges and new programmes	30,500			30,500		This £30.5k saving is the residual amount of a total saving target of £84k of which £53.5k was achieved in 2015/16. It appears that there has been an element of duplication around this particular saving with the original proposal only anticipating £30k additional income. While there may be some further additional income achieved in this particular area in 2016/17 it is unlikely that the full remaining £30.5k will be achieved in this specific income budget. However, It is anticipated that this will be achieved from other income areas. The situation will continue to be monitored throughout the year.
Public Health-Internal restructure to reflect the need to strengthen the influencing role of the team, and reduced need for commissioning capacity	100,000				100,000	Saving achieved in 2016/17
Integrated Wellness - Integration of Lifestyle services	1,549,000				1,549,000	Saving achieved in 2016/17
Substance Misuse - Reduction in Substance Misuse spend	440,000				440,000	Saving achieved in 2016/17

	SAVING REQUIREMENT	Red	Amber	Green	Blue	Comment
DCATCH - The scheme has already closed to new pupils, saving reflects cohorts of pupils completing the programme	15,000				15,000	Saving will be achieved in 2016/17
Children With Disability Service - Continue with the development of, and implement, new eligibility criteria	315,000			315,000		The achievement of this savings target has been challenging. A post originally identified to contribute towards this saving has been taken as part of the Senior Management Review. Pressure on Direct Payments in the sum of £0.085m is currently being offset by Care Packages of (£0.039m) and a temporary in year saving on employee costs on Aiming High Family Support Team of (£0.029m). The Aiming High Family Support Team has been merged with CWD Team. This will continue to be monitored closely.
Aiming High - Continue with the development of, and implement, new eligibility criteria. Review and potential cessation of funding for some activities	400,000				400,000	This saving will be achieved in 2016/17.
Attendance Welfare Service - Improved administration of legal procedures. Reduced eligibility for service interventions. Increase income	142,000			142,000		This saving should be achieved in 2016/17.
Locality Assessment - Redesign of Common Assessment Framework team Implement a stronger Lead	60,000			60,000		This saving should be achieved in 2016/17.
Commissioning - Reduction of the Commissioning Service staffing	144,000				144,000	This saving will be achieved in 2016/17 due to a restructure of teams.
Business Intelligence & Performance - Re-structure	360,000				360,000	This saving will be achieved in 2016/17 due to a restructure of teams.
Housing Standards - Reduction in housing enforcement services including cessation of corporate illegal traveller sites co-ordination	20,000			20,000		On target to be achieved.
Planning - Increase in income across parts of the service Development Management, Building Control, and Technical Support [land charges] in light of economic forecast	130,000	42,500		87,500		This savings target relates to Planning / Building Control income and whilst there is likely to be an overachievement of Planning Application income of £100K and Fees for Information and other Planning Fees of £18k, there are currently estimated shortfalls on Building Control (£160K). The net effect of all of these is a shortfall of income against budget of £42K.
Home Improvements DFG - Re-profiling the allocation of costs and increasing the level of recharges	10,000			10,000		On target to be achieved.
Treasury Management	8,000,000				8,000,000	The Council has changed its policy relating to the provision for debt repayment. This has generated significant savings until 2019/20 (2016/17 saving includes the saving achieved in 2015/16 that was reserved to be utilised in 2016/17 and future years).
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	2,180,000				2,180,000	Budget provision reduced, saving therefore achieved.
Reduced accommodation costs - Lease on Houghton Street	76,000		76,000			This saving is unlikely to be able to be achieved in this or future financial years due to it being a duplication of the 2015/16 saving Ref 67 (£60k). However, a balanced service outturn will be delivered and this will be delivered in future years.
Building Maintenance - Recharge Salaries to Capital Schemes	136,000		136,000			It is currently uncertain as to whether this saving will be delivered in 2016/17. However, a balanced service outturn will be delivered and this will be delivered in future years.

	SAVING REQUIREMENT	Red	Amber	Green	Blue	Comment
EEMS (Energy and Environment) - Reduction in Carbon reduction service and community energy service	42,000				42,000	Saving achieved in 2016/17
Finance & ICT Services - Restructuring Finance and ICT services after implementation of new financial system in 2015	500,000			50,000	450,000	It has previously been identified that there is an issue with a saving of £50,000 being achieved by arvato in this financial year. Discussions have now taken place with arvato in order to identify other savings which can be made in order to address this shortfall, and one-off mitigating savings have been potentially identified. The remainder of the saving of £450,000 has been achieved in 2016/17.
Finance & ICT Services - Reduce ICT, printing and telephone costs in line with general Council reductions	190,000				190,000	Saving achieved in 2016/17
Learning & Development - Reduction in activity associated with learning and development	108,000				108,000	Saving achieved in 2016/17
New Options - Remove the discretionary support to Parish Councils for Council Tax Reduction Scheme	95,000				95,000	Saving achieved in 2016/17
Contracted transactional services	1,000,000			382,000	618,000	Saving will be achieved in full in 2016/17, however £0.382m relates to one-off savings in this financial year. Discussions are continuing with arvato to identify ongoing sustainable savings.
Area Finance / Finance Visiting Officers - Review	28,700				28,700	This is the full year effect of the saving resulting from the review of this service and the saving has been achieved in full.
Day Care - Day Care Review	873,050	670,000			203,050	There is a saving requirement in- year of £750k and £123.05k that relates to the previous financial year. The element that relates to the previous year has been achieved in full as a result of the full year effect of contract negotiations already agreed with New Directions. Of the £750k in year saving, £80k has been identified specifically to date. The refurbished Mornington Road and Dunningsbridge Resource Centres (for those with the most complex needs) are due to open in 2017. Further contract negotiations are being undertaken with New Directions to reflect the outcome of the Day Care review. There may be some further savings made in 2016/17 following negotiations and depending on the timing of the completion of refurbishments. A working group has been established to manage the detail of the required changes to the contract, to ensure plans are in place to avoid the risk of the saving not being achieved, in full, in 2017/18
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	3,000,000				3,000,000	This saving has been achieved. However, note the issue regarding Better Care Fund in the main body of the report.

	SAVING REQUIREMENT	Red	Amber	Green	Blue	Comment
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	1,560,000			1,560,000		The saving was intended to be delivered in the first instance through a more effective Reablement Service model, reducing the need for ongoing domiciliary care, together with improved use of adaptations and assistive technology. The new Reablement Service is proving effective with the most significant impact being to reduce the requirement for residential care. The intention is to extend Home Care Re-ablement to community referrals. In addition re-assessments continue with a particular focus on those cases where providers have identified that they feel provision could be reduced. Where domiciliary care packages are being re-assessed the option to increase established 30 minute care visits by 15 minute blocks rather than the usual 30 minute blocks is available. Early discussions have been held with the Cabinet Member ASC, in respect of the redesign/ recommissioning of the Domiciliary Care and Reablement Services, with a view to exploring more outcome-focused commissioning
Supported Living - Alternative and more efficient ways of meeting assessed care needs	1,800,000	1,099,000		701,000		Officers continue to work on the commissioning of a more efficient, effective and sustainable supported living and care model. £701k has been identified to date following reviews of Supported Living care packages and work continues in this area with resources having been extended to provide capacity for this work. Negotiation of new rates, following implementation of the National Living Wage and a legal judgement relating to "sleep-in" rates, resulted in some delays to the programme during the latter half of 2016 and ongoing uncertainty relating to possible government changes to housing benefit provision has resulted in a reduced appetite currently amongst housing providers to develop the larger occupancy properties required. Progress on the project, action plan, timeframe and resources is under ongoing review in order to support delivery of the saving and recognising the above difficulties, the Head of Adult Social Care has recently approved the temporary allocation of some additional social care and commissioning support resource to support the ongoing reassessments and completion of the re-specification and redesign of the service model. This work will enable re-commissioning of services during 2017/18. Service users' eligible care and support needs will continue to be met but possibly in larger occupancy dwellings. An increased number of people may have their needs met through Shared Lives or other placements that meet their needs. Any changes to a service user's tenancy will be via reassessment of need and will be agreed with the service user and housing/care providers. It is anticipated that service users' care packages may change through increased/additional use of assistive technology which will result in independence and self-sufficiency. The recommissioning will consider 'zoning' of care providers and the potential impact of an increased focus on personalisation.
Adult Assessments - An end to end review of assessment and review policies, procedures and processes within Adult Social Care.	300,000				300,000	This saving has been achieved following the review of assessment processes, policies and procedures
Housing Related Support Further decommissioning and re-commissioning of funded services in accordance with the approved Commissioning Intentions and Priorities	900,000	65,000			835,000	£835k of this saving has been achieved. Commissioners are reviewing residual contracts and are in discussions with providers to identify how the remaining saving can be achieved. The saving will be achieved in full in 2017/18
Children's administrative support - Service redesign	20,000			20,000		On target to be achieved and will be captured as part of the restructure of Children's Social Care administration.
New Options - Funding of highways, ICT and other developments from capital resources	1,000,000	434,000		566,000		The achievable figure is based on the actual capitalisation in 2015/16. Work will continue to identify all work that can be capitalised in 2016/17, although the full saving may not be delivered.
New Options - Funding revenue consequences of planning projects from Section 106	500,000			500,000		This saving will be achieved in 2016/17.
Financial Assessments	250,000	250,000				Actions ongoing to identify how this saving can be delivered.
Customer Access Point	250,000	250,000				Actions ongoing to identify how this saving can be delivered.

	SAVING REQUIREMENT	Red	Amber	Green	Blue	Comment
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 and 2016/17	2,509,150	859,550			1,649,600	The Council actively engaged with the levying bodies to try to achieve a 10% reduction in the cost of levies to the Council. Unfortunately reductions in the Merseyside Recycling and Waste Authority Levy were not achievable in full. The partial non-achievement of this saving has been built into the 2017/18 to 2019/20 Medium Term Financial Plan.
Budget Planning Assumptions - Management Arrangements	1,300,000	367,650			932,350	£932k delivered on phase one with a further £368k to be delivered.
Voluntary Community Faith Review	1,500,000	1,150,650			349,350	£364k of the savings target has been achieved. The remainder of the £1.5m is not achievable.
Total Savings Requirement 2013-2017		6,798,350	287,000	5,320,000	23,511,100	

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Agenda Item 5

Report to: Cabinet **Date of Meeting:** 9th March 2017

Subject: Energy Procurement Plan

Report of: Head of Corporate Resources **Wards Affected:** All

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

Exempt/Confidential No

Purpose

The purpose of this report is to seek approval to the proposed Energy Procurement Plan including proposals for the supply of electricity through the Energy Supply Partnership with Scottish Power and the proposed extension of the arrangement for gas supply through the Crown Commercial Services (CCS) best value framework.

Recommendation(s):

It is recommended that Cabinet:

1. Notes and approves the proposed Energy Procurement Plan;
2. Approves the proposals for purchase of gas supplies through the Crown Commercial Services (CCS) framework through to 31st March 2018; and
3. Authorise the Head of Corporate Resources and Head of Commissioning Support and Business Intelligence, in conjunction with the Cabinet Member for Regulatory, Compliance and Corporate Services to accept the CCS framework price for gas supply through to 31st March 2018

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

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

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Reasons for the Recommendation:

Approval is sought to confirm proposals for the procurement of electric and gas supply in order to secure supplies on the most advantageous terms. The specific recommendations are made in order to secure best value supplies in the short term while options for provision in the longer term are continuously reviewed.

What will it cost and how will it be financed?

(A) Revenue Costs

The cost for the supply of electricity with effect from 1st April 2017 has been identified, with costs increasing by an average of 8% on 2016/17 rates. The Council's total cost of electricity is expected to be in the region of £5.7M, including schools and street lighting, for 2017/18.

The cost of for gas supply is currently established in April each year on the basis of prevailing market forces. CCS has reported that due to market forces, not least those arising following the EU referendum result, they would expect there to be a significant increase in the cost of gas supply. The Council's total cost of gas for 2017/18 is, including schools, therefore expected to be in the region of £2.1M.

The cost of electricity and gas supply is met from departmental revenue budget provisions.

(B) Capital Costs

There are no Capital funding implications attached directly to this report. The on-going Energy Supply Partnership with Scottish Power will however, support the identification of potential capital funded 'invest to save' opportunities.

Implications:

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

Legal:

Para. 2.4.1 of Contract Procedure Rules makes provision for the Council to join (or remain within) existing public sector framework arrangements where it is evident that such frameworks represent the optimum solution to the Council in terms of service and cost.

Human Resources None

Equality

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

Impact on Service Delivery:

The proposals identified will not have any direct impact upon the on-going day to day delivery of the wider Council services. The proposals identified do however, represent an efficient approach to procurement allowing a greater level of focus to be applied to other energy conservation areas and fuel poverty issues.

What consultations have taken place on the proposals and when?

The Head of Corporate Resources has been consulted and their comments have been incorporated within the body of this report. (FD4497/17)

The Head of Regulation and Compliance has been consulted and their comments have been incorporated within the body of this report. (LD3780/17)

The Head of Commissioning Support & Business Intelligence has been consulted as part of on-going procurement review including other Merseyside LA's and alternative energy supply frameworks, and is supportive of the recommendations made in this report.

Are there any other options available for consideration?

The options available are set out within the body of the report. Failure to renew electricity and gas supply arrangements in advance of the relevant expiration dates will incur expensive non-contract penalty tariff rates.

Implementation Date for the Decision:

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

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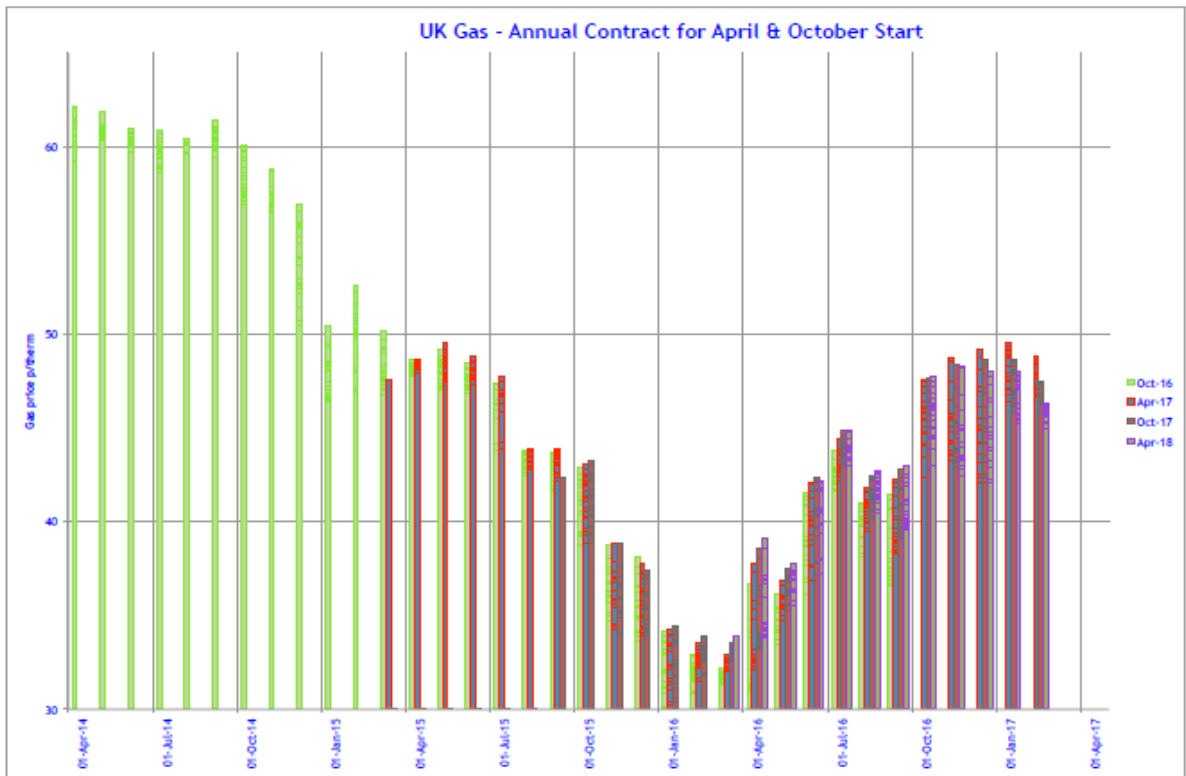
Agenda Item 5

1.0 Introduction:

- 1.1 In order to comply with European and UK Procurement Rules, it is necessary for the Council to secure its gas and electricity supply via either: direct procurement, carried out in accordance with the prescribed European Journal (OJEU) requirements, or by utilising a pre-existing Energy Procurement Frameworks operated by an appropriate Central Purchasing Body (CPB).
- 1.2 This report advises on the proposed approach to procurement for the supply of gas and electricity and seeks approval to such proposals as appropriate.

2.0 Background:

- 2.1 The Council currently procures gas via an Energy Procurement Framework operated by the Crown Commissioning Services (CCS) – formerly the Government Procurement Service (GPS).
- 2.2 The cost of supply is established by the CCS in April each year on the basis of prevailing market forces.
- 2.3 The CCS has reported that due to market forces, not least those arising following the EU referendum result, they would expect there to be a significant increase in the cost of gas supply over and above 2016/17 levels. The Council’s total cost of gas for 2017/18 is, including schools, therefore expected to be in the region of £2.1M.
- 2.4 Trends in gas prices over the last 3 years can be seen as follows:



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Each of the four coloured lines represents the cost of gas purchased at that particular point in time relevant to different supply start dates (please refer to key). While these costs can vary slightly, gas costs generally have been on a consistent upwards trend since early 2016. This is due most significantly to the EU referendum outcome and the subsequent decline in the value of Sterling.

- 2.5 The Council currently procures electricity via a framework agreement with Scottish Power. This agreement is about to enter into the 4th and final year and the rate for the supply of electricity through to 31st March 2018 has been identified.
- 2.6 There is an option by which the Council can prolong the supply via the present arrangements for the period 1st April 2018 to 31st March 2019. This is providing that the pricing for this is secured prior to the end of the Framework period, i.e. 31st March 2018.
- 2.7 The rates agreed for 2017/18 show an average increase of 8% on 2016/17 rates. The total cost of the electricity purchase for 2017/18 is expected to be in the region of £5.7M, including schools and street lighting.

3.0 Proposed Plan for the Procurement of Gas Supply

- 3.1 The Council has previously taken the decision that its gas supply should be procured via a Central Purchasing Body (CPB) framework as this offers best value benefits and frees up Council resources for the management of the electricity supply contract and supply partnership. Authority to remain within the present framework will end on 31st March 2017.
- 3.2 There are a number of alternative CPB frameworks available however many of these do not cater comfortably for the Council's multi-site, small individual usage, high overall usage configuration. The frameworks most commonly utilised by local authorities, including the majority of those in the Liverpool City Region, are the Council's present framework organisation CCS, and the framework provided by the Yorkshire Purchasing Organisation (YPO).
- 3.3 The level of supply prices which will apply to the Council can only be established once an agreement has been entered into and the rates are then fixed on the basis of prevailing market conditions.
- 3.4 This, and because customers make commitments at different points in time when rates are subject to the fluctuations of the wholesale energy market, means that it is not possible to take a real time market view or make direct comparisons on cost across alternative supply frameworks.
- 3.5 It is only possible to gauge the performance of frameworks in retrospect and to take a view on whether, because of the level of participation in them, it is reasonable to expect a framework to achieve benefits through enhanced purchasing power and economies of scale.
- 3.6 The Council's present framework organisation CCS is the largest buyer of gas supply in the UK which utilises in-house analysts and risk management specialists, together with live minute by minute industry information systems, to track the market and provide in-depth market intelligence to inform the buying decisions that capitalise on wholesale price movements. Analysis of previous

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performance indicates that the CCS framework regularly out performs the remainder of the market in terms of the supply rates it is able to achieve.

- 3.7 The supply contract currently provided through the CCS Framework is with Corona Energy Limited. Corona have performed exceptionally well over the period since appointment, providing an excellent level of service to the Council with minimal billing disputes and an efficient and co-operative approach to the resolution of queries.
- 3.8 The YPO framework could provide similar potential benefits to that of the CCS and, as the Council has recently become an associate member of YPO, the use of this framework would normally be considered. However, over the last 24 months, the YPO framework has been the subject of an urgent recovery plan following poor gas supplier performance and, although a new supplier has been identified, it is not believed to be in the Council's best interest to consider the use of this framework until such time as the new supply contract is fully proven.
- 3.9 Ultimately, Officers are satisfied that the Council can be assured that in terms of both cost and quality of delivery, the CCS framework and Corona Energy will provide what is likely to be the most advantageous arrangement for gas supply for the period 1st April 2017 to 31st March 2018.
- 3.10 Approval is therefore sought to remain within the current agreement with CCS for the provision of gas supplies for the 2017/18 financial year.
- 3.11 The actual cost of supply will only be established in April 2017 and Cabinet is recommended to authorise the Head of Corporate Resources and Head of Commissioning Support and Business Intelligence in conjunction with the Cabinet Member for Regulatory, Compliance and Corporate Services to accept the rates as appropriate.
- 3.12 It is intended that the on-going review of CPB gas framework performances be maintained such that a report may be provided to Cabinet in the summer of 2017 in respect of proposals for gas supply purchases for 2018/19 and beyond.

4.0 Proposed Plan for Procurement of Electrical Supply

- 4.1 The Council is about to enter into the 4th and final year of the present framework agreement with Scottish Power
- 4.2 The cost for the supply of electricity for the financial year commencing 1st April 2017 has been identified.
- 4.3 A review of the electricity supply market for 2018/19 onwards is well advanced but has not yet been concluded. It is proposed that a further report on the options for procurement for electricity supply from 1st April 2018 will be provided to a future meeting of Cabinet.

Report to: Cabinet **Date of Meeting:** 9th March 2017

Subject: Substance Misuse **Wards Affected:** (All Wards);
 Residential
 Rehabilitation
 Programmes
 Dynamic Purchasing
 System

Report of: Director of Public
 Health

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

Exempt/Confidential No

Purpose/Summary

To report key findings of a review of current commissioning arrangements for Substance Misuse Residential Rehabilitation Programmes for the residents of Sefton and seek authorisation to commence a procurement process to establish a Dynamic Purchasing System for future placements.

Recommendation(s)

- 1) Authorise the Director of Public Health to conduct an OJEU Light-Touch Regime tender exercise to establish a Dynamic Purchasing System for substance misuse Residential Rehabilitation to run for a period of two-and-half years from 1st October 2017 with the option of two further one-year extensions with a ceiling price of £300,000 per annum
- 2) Delegate authority to the Director of Public Health in consultation with the Cabinet Member – Health and Wellbeing to award the contracts to the highest scoring bidders, within the context of the approved budget and Medium Term Financial Plan.

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

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

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

Reasons for the Recommendation:

A Dynamic Purchasing System (DPS), as provided for within the 2015 Public Contracts Regulations, will enable Sefton Council to ensure that fair and transparent commissioning arrangements are in place while enabling an individually tailored programme appropriate to the individual's needs and requirements. The key advantage of establishing a DPS, is that the applicable legislation allows the Council to open up the DPS to new applicants at pre-determined anniversary points during its lifespan. This therefore gives the Council the flexibility to take advantage of beneficial changes within the marketplace which may take place over time.

Alternative Options Considered and Rejected:

To establish a Framework Agreement for commissioning Residential Rehabilitation Programmes. Whilst a Framework Agreement would comply with revised procurement rules, it does not give Sefton Council the degree of flexibility required to remain responsive to on-going change, as importantly, new providers to the market are prevented from joining a Framework Agreement at any point during its lifespan, which can be a maximum of 4 years.

To continue to "Spot Purchase" as and when Residential Rehabilitation is required. Spot Purchasing requires considerable time to identify and negotiate suitable placements and provides for less transparency and ability to benchmark costs. Both a Framework and a DPS would enable longer-term contracts to be entered into with a range of Providers providing better service stability and better value in the contract cost.

What will it cost and how will it be financed?

(A) Revenue Costs

There are no additional costs. The current budget for Residential Rehabilitation Programmes is £320,000 per year. The DPS will ensure that the cost of any placement is agreed in advance and will help Public Health to allocate and manage placements more effectively. To control risk in terms of affordability of the future programmes, an indicative ceiling price of £300,000 across the whole programme will be set out in the tendering process and ceiling prices relating to types of service users as described in the service specification. The cost of the programmes will be met from within the Public Health budget allocated for substance misuse, taking into account the savings proposed in the budget process for 2017/18 – 2019/20.

(B) Capital Costs

There are no additional capital costs.

Implications:

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

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

Impact of the Proposals on Service Delivery:

A Dynamic Purchasing System will increase the range of services and interventions available for Sefton Residents. Service providers will be able to apply to be part of the Dynamic Purchasing System based on their ability to deliver services to a clear Service Specification and within an agreed duration and cost.

The Adult Social Care Substance Misuse Assessment Team will be able to better match individual needs and requirements to an appropriate and effective placement – increasing individual choice, improving prospects for on-going recovery and cost-effective treatment outcomes.

What consultations have taken place on the proposals and when?

The Head of Corporate Resources has been consulted and any comments have been incorporated into the report (FD 4511/17) and the Head of Regulation and Compliance (LD.3794/17) has been consulted and any comments have been incorporated into the report.

The Public Health commissioners have reviewed service performance, consulted with key partners in adult social care and the council's commissioning and procurement team.

Implementation Date for the Decision

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

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1. Background

- 1.1 Residential Rehabilitation is an integral part of any drug treatment and recovery system and a vital option for some people requiring treatment for dependency to substances.
- 1.2 Dependent drug and alcohol users typically present to services with a range of complex physical, emotional, psychological and psychiatric health problems. Effective treatment and recovery requires a range of services and interventions including; specialist clinical services, medically assisted detoxification programmes, psychosocial interventions, mutual aid and residential rehabilitation programmes.
- 1.3 Sefton's Integrated Substance Misuse: Assessment, Treatment and Recovery Service provide a care pathway approach to treatment and recovery in which community rehabilitation is the first line offer where appropriate and clinically safe.
- 1.4 For those who have undergone a programme of treatment and detoxification and have either not responded to or do not meet the criteria for community rehabilitation, residential rehabilitation programmes provide the opportunity for sustained recovery in a safe and therapeutic residential setting. The presence of health and social care complexity including dual diagnosis (substance misuse and mental ill health), physical disability, home and personal circumstances and/or Alcohol Related Brain Damage (ARBD) are likely to increase the necessity for a residential rehabilitation placement and the likelihood of successful treatment outcome.
- 1.5 Eligibility for Residential Rehabilitation Programmes is determined by the Adult Social Care Substance Misuse Assessment Team who carry out full social care assessment of need compliant with Care Act requirements and equality to access legislation. Residential placements are matched to individual need based on assessment and clinical review from specialist substance misuse treatment providers. Once agreed placements will be funded, initially for a period of three months, from a fixed annual public health budget.

2. Review and Service Developments

- 2.1 A recent Social Care review of substance misuse rehabilitation has demonstrated a good rate of completions: 33 planned discharges from 54 admissions (61%) between January 2016 and December 2016. This compares with a National rate of planned discharges between 20% and 60%. However, the absence of an agreed Service Specification as part of a Dynamic Purchasing System can leave social care staff having to negotiate 'special arrangements' and ad-hoc provision for individuals with additional need.
- 2.2 Like many areas, Sefton has an ageing treatment population and experiences significantly high levels of drug and alcohol related harm. Sefton has higher than average rates of drug related deaths, higher than average rates of hepatitis C and alcohol related mortalities and emergency hospital admissions for alcohol related liver disease above the national average.

2.3 Evidence from the National Treatment Agency for Substance Misuse; *The Role of Residential Rehabilitation in an Integrated Treatment System (2012)* suggests that the best performing rehabilitation programmes do well with complex service users who often do not benefit from community rehabilitation programmes. Moreover, Residential Rehabilitation Programmes are more successful at retaining residents with severe alcohol dependency and chronic alcohol related problems.

3. Developing a Dynamic Purchasing System

3.1 Residential Rehabilitation providers will be invited to join the Dynamic Purchasing System where they can demonstrate to commissioners and social care their ability as a provider to deliver against a service specification with a fixed price for groups of similar case mix and complexity. This will cut down on any placement negotiation time and enable Public Health and the Adult Social Care Assessment Team to benchmark provision against other Local Authorities leading to greater efficiencies and savings. Sefton Council Procurement Team will ensure open and transparent communication to all interested providers via the Chest while the benefits of a Dynamic Purchasing System over a single commissioning framework means that the Dynamic Purchasing System can be opened to include additional providers and services as need and requirements change.

4. Procurement Process

4.1 The Draft Timetable is:

Contracts Start	1/10/2017
OJEU Award Notice	31/8/2017
Implementation / mobilisation	1/8/2017 – 30/9/2017
Contract Sealing (Legal)	1/8/2017 – 31/8/2017
Contract Award	31/7/2017
Mandatory Standstill	18/7/2017 – 28/7/2017
COR to approve award	14/7/2017
Evaluation	13/6/2017 – 13/7/2017
Submission deadline	12/6/2017 (12 noon)
Last date for questions	5/6/2017 (12 noon)
Opportunity open period	19/5/2017 – 12/6/2017
OJEU Notice	19/5/2017
Dynamic Purchasing System documents completed	16/5/2017
Evaluation matrix build	16/5/2017 – 12/6/2017
Development Dynamic Purchasing System Document and Service Specification (incorporating legal view of Terms and Conditions)	1/2/2017 – 16/5/2017

4.2 The basis of the tender evaluation will be Most Economically Advantageous Tender (M.E.A.T.) taking into consideration a percentage balance between Cost and Quality

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- 4.3 To control risk in terms of affordability of the future service, an indicative ceiling price will be set in the tendering process, informed by the service review referred to within this report.
- 4.4 It is proposed that at the end of the procurement process, two-and-a-half year contract(s) with the option to extend for up to a further two years will be entered into with provider(s). This should provide for better service stability and enable better value in the contract cost by procuring for a two-and-a-half year period. The contract(s) will however include provision for variation and early termination by the Council for convenience in the event of e.g. a reduction in funding levels etc.

Report to:	Cabinet Council	Date of Meeting:	9 th March 2017 20 th April 2017
Subject:	Flood and Coastal Erosion Risk Management Policies	Wards Affected:	(All Wards);
Report of:	Head of Locality Services - Commissioned		

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

Purpose/Summary

A number of new policies have been developed to support the delivery of Flood and Coastal Erosion Risk Management within Sefton. These cover issues which are relevant to the Council as Lead Local Flood Authority and are distinct from Local Plan policies for management of flood risk, surface water and coastal change in relation to the planning application process.

Recommendation(s)

Cabinet to recommend to Council the adoption of the policies for Flood and Coastal Erosion Risk Management.

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

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

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Reasons for the Recommendation:

The Flood and Water Management Act 2010 (FWMA 2010) recommends that the activities of the Lead Local Flood Authority (LLFA), Sefton Council, be scrutinised. These policies clarify and support the activities of the LLFA under this act. These policies will allow the LLFA to effectively prioritise demand on the service area ensuring our communities receive an effective and efficient service.

Alternative Options Considered and Rejected:

Policies not developed leading to less transparency and clarity of the service the Council delivers. This will increase the amount of unnecessary correspondence and complaints due to a lack of clarity on the position of Council in relation to flood and coastal erosion risk management. The service will be inefficient and poorly delivered as conflicting demands are made.

What will it cost and how will it be financed?

(A) Revenue Costs

Contained within existing revenue budgets.

(B) Capital Costs

Implications:

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

Financial	
Legal Production of these policies ensures that the Council complies with various duties and responsibilities contained in the following legislation and directives:	
<ul style="list-style-type: none">• Coast Protection Act 1949 (CPA 1949)• Land Drainage Act 1991 (LDA 1991)• Flood Risk Regulations 2009 (FRR 2009)• Flood and Water Management Act 2010 (FWMA 2010)• Water Framework Directive 2000/60• Habitats Directive 1992/43• Environment Act 1990• Wildlife and Countryside Act 1981	
Human Resources	
Equality	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact of the Proposals on Service Delivery:

Improved clarity and support for staff when delivering the service, resulting in a better service to our communities

What consultations have taken place on the proposals and when?

The Head of Planning Services has been consulted and any comments have been incorporated into the report.

The Head of Corporate Resources has been consulted (FD 4455/17) and notes the report indicates no direct financial implications. Costs can be contained within existing revenue budgets.

The Head of Regulation and Compliance (LD 3738/16) has been consulted and any comments have been incorporated into the report.

Implementation Date for the Decision

Following the Council Meeting

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Appendices:

The following papers are attached to this report:

- 1 - Sefton Council - Culverting of Ordinary watercourses Policy
- 2 - Sefton Council - Diverting Ordinary watercourses Policy
- 3 - Sefton Council - Enforcement Policy
- 4 - Sefton Council - Flood Investigation Policy

Background Papers:

None.

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1. Introduction/Background

1. Flood and Coastal Erosion Risk Management (FCERM) is primarily subject to legislation under the following acts:
 - Coast Protection Act, 1949 (CPA)
 - Land Drainage Act, 1991 (LDA)
 - Flood Risk Regulations, 2009 (FRR)
 - Flood and Water Management Act, 2010 (FWMA)
2. In addition to these acts Sefton Council, in delivering FCERM, must comply with a number of directives and other acts; such as the Water Framework Directive, the Habitats Directive, the Environment Act and the Wildlife and Countryside Act.
3. The introduction of the FWMA 2010 and amendments to the Land Drainage Act 1991 (LDA 1991) has introduced a number of new duties and permissive powers which are now the responsibility of Sefton Council. Several of these allow Sefton Council to define specific local criteria which are the subject of the policies. Under these acts Sefton Council is defined as a Lead Local Flood Authority (LLFA).
4. The emerging Local Plan for Sefton includes a new designation of a Coastal Change Management Area (CCMA) for part of the Sefton Coast that supports the delivery of the Coastal Protection Act 1949 (CPA 1949). In the CCMA development must take into account the risk of coastal change and the vulnerability of the development, and must fulfil specified criteria, in line with the National Planning Policy Framework and national Planning Practice Guidance. In practice any development in the CCMA is referred to the FCERM team for comment in relation the CPA 1949. Consequentially no separate policies have been developed for the CPA 1949 at this point in time.

Policy Overviews

5. FCERM policies that are presented for consideration are:
 - Culverting of Ordinary watercourses Policy
 - Diverting Ordinary watercourses Policy
 - Enforcement Policy
 - Flood Investigation Policy

Ordinary Watercourse Culverting Policy

6. This policy sets out the Council's position in opposing culverting or piping of ordinary watercourses. The FWMA 2010 requires anyone wishing to alter an ordinary water course to obtain consent from the Council prior to undertaking the work. Sefton commonly experiences flooding as a result of poorly designed culverts or inadequately maintained culverts. These are often in the gardens of residents who may be unaware that they exist or are struggling to maintain them correctly. The opposing of culverting may help reduce the potential risk of any future flooding incidences.
7. It is recognised that there may be occasions where culverting may be the only option and in the overriding public interest. Specific criteria have been defined that must be met before approval to culvert will be granted.

Ordinary Watercourse Diverting Policy

8. This policy sets out the Council's position in relation to diverting of ordinary watercourses. The FWMA 2010 requires anyone wishing to alter an ordinary water course to obtain consent from the Council prior to undertaking the work. The Council has concerns that inappropriate diverting of ordinary watercourses can increase flood risk and maintenance difficulties. However, if undertaken correctly it can help reduce flood risk and increase the amount of wet habitat available.
9. The policy details the criteria that must be achieved prior to consent being granted. These will ensure that capacity of flows and storage are maintained or increased bringing overall benefits to reduction in flooding and environmental improvements.

Ordinary Watercourse Enforcement Policy

10. The FWMA transferred powers defined in the LDA 1991 from the Environment Agency to Sefton Council for enforcement actions relating to maintaining flows in ordinary watercourses. These powers are permissive and as such are at the Council's discretion when to use. There is a recognised process for enforcement action and undertaking the process can be long and resource intensive as it involves several periods of negotiation with riparian owners to give them opportunity to undertake action prior to formal action being undertaken.
11. The policy sets out how we will prioritise using these powers to address the potential impacts of flooding. Due to the resource required to resolve such issues we cannot undertake all enforcement actions and as such need to focus our resources on where we expect the biggest detrimental impacts to our communities will occur. Our highest priority is where internal flooding to a property is the likely outcome.

Flood Investigation Policy

12. Section 19 of the FWMA 2010 requires Sefton Council to publish flood investigation reports that it has defined as 'necessary or appropriate'. The policy details what Sefton Council has defined as 'necessary or appropriate', which has been set to reflect current best practice in the industry and where the numbers affected could potentially reach cost benefit levels required for scheme development and grant in aid applications.
13. This policy has been developed to enable Sefton Council to focus resources effectively and to ensure flood incidents which have a significant impact take priority and are investigated appropriately. Sefton Council reserves the right to undertake these investigations at its discretion and as resources allow.

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14. Table 1. Priority listing for investigating flood events

Priority	Type of Flooding Incident
1	<i>Internal flooding to the habitable space of a dwelling that affects the occupants' ability to live in that space or business property that affects the ability to run the business from the flooded property.</i>
2	<i>Flooding as a result of a structural failure of a flood or coastal defence asset.</i>
3	<i>Flooding to highways defined as part of the Sefton's Key Route Network (Appendix A) or critical infrastructure*.</i>
4	<i>Flooding to highways defined as classified roads, local distributor roads, that renders it totally impassable for a significant period (4 hours or more)</i>
5	<i>Flooding to outbuildings, gardens, open space and farmland that is not on part of the functional floodplain</i>

15. This will help us provide better support to our communities as we build a better understanding of flood risk. The policy is presented in the framework of a prioritised list to allow officers to focus their limited resource on the most significant flooding events. It must be noted that we may be unable to investigate all events due to resource limitations.

Links to the development management process

16. Some development sites may contain ordinary watercourses. In such cases planning applications are referred to the FCERM Team for comment.

17. In future, the FCERM Team will recommend that an 'Informative' should be added to the planning or other application Decision Notice. This would state that:

"Any changes to an ordinary watercourse must seek separate consent from the Council as Lead Local Flood Authority prior to works being undertaken, as set out in the Flood and Water Management Act 2010. Sefton Council's position on consenting and enforcement is set out in its Ordinary Watercourse Culverting, Diverting, Enforcement and Flood Investigation Policies".



Flood and Coastal Erosion Risk Management

Ordinary Watercourses Culverting Policy

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1. Introduction

The Flood and Water Management Act (FWMA) 2010 designated all county and unitary authorities as 'Lead Local Flood Authorities' (LLFAs) and introduced a number of new duties in relation to flood risk management. Sefton Council is the LLFA for the Borough of Sefton.

As the LLFA, Sefton Council is required to oversee and participate in the management of local flood risk, which includes the risk of flooding from surface water and from ordinary watercourses. Ordinary watercourses include every river, stream, ditch, drain, cut, dyke, sluice, sewer (other than a public sewer) and passage through which water flows and which does not form part of a main river.

Inappropriate culverting (piping) of ordinary watercourses can significantly increase flood risk to surrounding areas and lead to a legacy of issues relating to maintenance and enforcement.

Historically culverts have generally been used to facilitate development where a watercourse impacted on the site layout or density of housing. Occasionally they have been used to manage flood flows where a natural channel was believed to be inadequate. Culverts can get blocked and restrict flows and contribute to increased flood risk. These blockages are often only identified when flooding occurs. To reduce the risk of blockages inside a culvert a screen is often provided at the entrance to prevent the entry of debris. Unless the screen is well designed and kept clean it can cause blockages and also increase flood risk.

The detrimental effects of inappropriate culverting may include:

- loss of and adverse effects on environmental features and wildlife habitat;
- increased likelihood of flooding due to blockage;
- impacts of flooding moved elsewhere
- loss of floodwater storage;
- increased difficulties in providing for drainage connections;
- difficulties in the repair, maintenance and replacement of culverts;
- increased health and safety hazards;
- reduced groundwater recharge;
- increased difficulty in detecting the origins of pollution and in monitoring water quality.

2. Legislation

There is no legislation preventing the culverting of ordinary watercourses. However, there are other legislative implications and policy statements that are relevant.

2.1 Flood and Water Management Act 2010

Any changes to an ordinary watercourse must seek consent from the LLFA prior to works being undertaken as set out in the FWMA 2010. Sefton Council's position on consenting and enforcement is set out in the Ordinary Watercourse Consents and Enforcement Policy.

2.2 The Environment Act 1995

The Environment Act 1995 places both general and specific duties on Sefton Council relating to environmental, recreational and nature conservation matters. Sefton Council must be mindful of these duties in discharging all its functions, including those relating to flood defence and land drainage.

2.3 Natural Environment & Rural Communities Act 2006

This requires biodiversity to be taken into account in all local authority plans, policies, projects, permits and consents. This is known as the biodiversity duty.

2.4 Policy statement by the Chartered Institution of Water and Environmental Management 2007 on de-culverting watercourses

Specific benefits of de-culverting include:

- Reducing flood risk and creating balancing ponds to help reduce flooding downstream.
- Reducing maintenance and construction costs by using natural bioengineering techniques rather than concrete construction.
- Providing valuable wetland and/or aquatic habitat, aiding fish passage and significantly adding to the visual attractions of the area.
- Complimenting other urban regeneration initiatives and bringing commercial benefits such as enhanced image for properties.
- Using water motion to mask city noise and provide an atmosphere of quiet and calm.
- Giving a place a sense of identity, because each combination of landform, waterway, bankside buildings is unique.
- Offering educational and play opportunities for children, enhancing pedestrian and cycle routes and giving people a touch of the countryside and its seasons in the town.

3. Ordinary Watercourse Culverting Position Statement

- **Sefton Council is strongly opposed to the culverting of watercourses and considers that it is beneficial for watercourses to remain open wherever possible for both flood risk management and environmental benefits.**
- **However, Sefton Council recognise that there may be rare instances where culverting is the only option.**
- **Sefton Council encourages the de-culverting or the restoration of culverted watercourses to open channels.**

4. Ordinary Watercourse Culverting Policy

The FWMA requires anyone wishing to alter an ordinary water course to obtain consent from the Council prior to undertaking the work.

Sefton Council will only consider for approval an application to culvert an ordinary watercourse if there is no reasonably practicable alternative. The application must:

- demonstrate that the alteration is in the overriding public interest.
- provide a reduction in flood risk.
- demonstrate that flood risk will not be transferred to another location
- demonstrate that the shortest length possible has been used
- include a detailed maintenance plan and schedule.
- include additional flood risk mitigation and /or wet habitat added to the system to compensate for the loss of functionality of the section to be altered.
- take into consideration and design for increases in flows, as may reasonably be foreseen, as a result of incremental development not requiring planning permission.
- take into consideration and design for increases in flows, as may reasonably be foreseen, as a result of increased development.
- take into consideration and design for increases in flows, as may reasonably be foreseen, as a result of climate change.
- demonstrate that a Licence to displace water voles for development works or a licence to displace water voles for work on flood defences, water courses or drainage systems has been granted
- secure any other permissions required
**further details are set out in appendix 1*

Sefton Council will not take on any responsibility for the maintenance of the altered sections of watercourse unless this is legally agreed with both parties.

5. Links to the development management process

There will some instances where sites for which planning permission, other permissions and pre-application advice has been sought include or are adjacent to ordinary watercourses or 8 metre buffers around them, or may initially involve culverting of the ordinary watercourses. In such cases the Lead Local Flood Authority (LLFA) would usually be consulted. This would allow the LLFA to make

comments on the planning applications and/or recommend that an “Informative” is added to the planning or other application Decision Notice to state that:

“Any changes to an ordinary watercourse must seek separate consent from the Council as Lead Local Flood Authority prior to works being undertaken, as set out in the Flood and Water Management Act 2010. Sefton Council’s position on consenting and enforcement is set out in its Ordinary Watercourse Culverting, Diverting, Enforcement and Flood Investigation Policies”.

Appendix 1

Further explanation of the criteria for culverting a watercourse

- *demonstrate that the alteration is in the overriding public interest.*
This should clearly show what benefits that the alteration to the ordinary watercourse will have to the local community and/or wider within Sefton.
- *provide a reduction in flood risk.*
The existing level of flood risk must be reduced by the proposed alteration
- *demonstrate that flood risk will not be transferred to another location*
Flood risk must not increase elsewhere as a result of the proposed alteration.
- *include a detailed maintenance plan and schedule.*
The maintenance plan should clearly state what maintenance will be undertaken, including inspections and works. State who is going to undertake these and how it is going to be funded. This will have to be acceptable to Sefton Council.
- *include additional flood risk mitigation and /or wet habitat added to the system to compensate for the loss of functionality of the section to be altered.*
The alteration of the watercourse must be compensated for in the increase of additional flood risk mitigation and/or wet habitat. For example this could include flood storage area, ponds, new habitat, increased capacity of the open section of the watercourse. Consideration of existing environmental status must be included with particular reference to the Licence to displace water voles for development works.
- *take into consideration and design for increases in flows, as may reasonably be foreseen, as a result of incremental development not requiring planning permission.*
It can reasonably be assumed that there will be an increase in hard surfaces within private property that doesn't require planning permission. These will increase flows into the system and must be considered.
- *take into consideration and design for increases in flows as may reasonably be foreseen as a result of increased development.*
An assessment of the catchment served by the watercourse must be undertaken to identify potential developmental increases in that area, whether it be new builds or property improvements/extensions. This increase must be accounted for.
- *take into consideration and design for increases in flows, as may reasonably be foreseen, as a result of climate change.*
As set out in the National Planning Policy Framework and Planning Practice Guidance climate change allowances must be taken into account.

- *demonstrate that a licence to displace water voles for development works or a licence to displace water voles for work on flood defences, water courses or drainage systems has been granted*

Due to the widespread distribution of water voles throughout Sefton's watercourses it is assumed that all watercourses provide habitat or passage for water voles as such the appropriate licences must be gained.

- *secure any other permissions required*

There are a variety of other permissions that may be required dependent upon the location of the watercourse that will need to be secured.

Flood and Coastal Erosion Risk Management

Ordinary Watercourses Diverting Policy

DRAFT

Agenda Item 7

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DRAFT

1. Introduction

The Flood and Water Management Act (FWMA) 2010 designated all county and unitary authorities, and thus Sefton Council, as 'Lead Local Flood Authorities' (LLFAs) and introduced a number of new duties in relation to flood investigation.

As the LLFA, the Council is required to oversee and participate in the management of local flood risk, which includes the risk of flooding from surface water, groundwater and from ordinary watercourses. Ordinary watercourses include every river, stream, ditch, drain, cut, dyke, sluice, sewer (other than a public sewer) and passage through which water flows and which does not form part of a main river.

Inappropriate diverting of ordinary watercourses can significantly increase flood risk to surrounding areas and lead to a legacy of issues relating to maintenance and enforcement.

Diverting watercourses can increase flood risk as flow dynamics are altered. This can change how water progresses down the system that could lead to flooding in different locations and increase erosion of banks. This will also alter the maintenance regime required of the watercourse.

2. Legislation

There is no legislation against diverting of ordinary watercourses. However, there are other legislative implications and policy statements that are relevant.

2.1 Flood and Water Management Act 2010

Any changes to an ordinary watercourse must seek consent from the LLFA prior to works being undertaken as set out in the FWMA 2010. Sefton Council's position on consenting and enforcement is set out in the Ordinary Watercourse Consents and Enforcement Policy.

2.2 The Environment Act 1995

The Environment Act 1995 places both general and specific duties on Sefton Council relating to environmental, recreational and nature conservation matters. Sefton Council must be mindful of these duties in discharging all its functions, including those relating to flood defence and land drainage.

2.3 Natural Environment & Rural Communities Act 2006

This requires biodiversity to be taken into account in all local authority plans, policies, projects, permits and consents. This is known as the biodiversity duty.

3. Ordinary Watercourse Diverting Position Statement

- **Sefton Council is opposed to the diverting of watercourses and considers that it is beneficial for watercourses to remain along their original route.**
- **However, Sefton Council recognise that there may be instances where diverting is the preferred option.**

4. Ordinary Watercourse Diverting Policy

The FWMA requires anyone wishing to alter an ordinary water course to obtain consent from the Council prior to undertaking the work.

Sefton Council will only consider for approval an application to divert an ordinary watercourse where it can be demonstrated to be the preferred option and bring benefits for flood risk management and habitats. The application must:

- demonstrate that the alteration is in the public interest.
- provide a reduction in flood risk.
- demonstrate that flood risk will not be transferred to another location
- maintain or increase the size of the watercourse cross section
- increase the total capacity of storage along the length of watercourse to be altered.
- include a detailed maintenance plan and schedule.
- increase the length or area of wet habitat.
- take into consideration and design for increases in flows, as may reasonably be foreseen, as a result of incremental development not requiring planning permission.
- take into consideration and design for increases in flows, as may reasonably be foreseen, as a result of increased development.
- take into consideration and design for increases in flows, as may reasonably be foreseen, as a result of climate change.
- demonstrate that a Licence to displace water voles for development works or a licence to displace water voles for work on flood defences, water courses or drainage systems has been granted.
- secure any other permissions required.
**further details are set out in appendix 1*

Sefton Council will not take on any responsibility for the maintenance of the altered sections of watercourse unless this is legally agreed with both parties.

5. Links to the development management process

There will some instances where sites for which planning permission, other permissions and pre-application advice has been sought include or are adjacent to ordinary watercourses or 8 metre buffers around them, or may initially involve culverting of the ordinary watercourses. In such cases the Lead Local Flood Authority (LLFA) would usually be consulted. This would allow the LLFA to make

comments on the planning applications and/or recommend that an “Informative” is added to the planning or other application Decision Notice to state that:

“Any changes to an ordinary watercourse must seek separate consent from the Council as Lead Local Flood Authority prior to works being undertaken, as set out in the Flood and Water Management Act 2010. Sefton Council’s position on consenting and enforcement is set out in its Ordinary Watercourse Culverting, Diverting, Enforcement and Flood Investigation Policies”.

Appendix 1

Further explanation of the criteria for diverting a watercourse

- *demonstrate that the alteration is in the public interest.*
This should clearly show what benefits that the alteration to the ordinary watercourse will have to the local community and/or wider within Sefton.
- *provide a reduction in flood risk.*
The existing level of flood risk must be reduced by the proposed alteration
- *demonstrate that flood risk will not be transferred to another location*
Flood risk must not increase elsewhere as a result of the proposed alteration.
- *maintain or increase the size of the watercourse cross section*
The diverted section must have a cross section at least equivalent in shape and design to the original watercourse.
- *increase the total capacity of storage along the length of watercourse to be altered.*
The new diverted section must have a storage volume greater than the altered original watercourse.
- *include a detailed maintenance plan and schedule.*
The maintenance plan should clearly state what maintenance will be undertaken, including inspections and works. State who is going to undertake these and how it is going to be funded. This will have to be acceptable to Sefton Council.
- *increase the length or area of wet habitat*
The alteration of the watercourse must provide an increase of additional wet habitat. For example this could include flood storage area, ponds, new habitat. Consideration of existing environmental status must be included with particular reference to the Licence to displace water voles for development works.
- *take into consideration and design for increases in flows, as may reasonably be foreseen, as a result of incremental development not requiring planning permission.*
It can reasonably be assumed that there will be an increase in hard surfaces within private property that doesn't require planning permission. These will increase flows into the system and must be considered.
- *take into consideration and design for increases in flows as may reasonably be foreseen as a result of increased development.*
An assessment of the catchment served by the watercourse must be undertaken to identify potential developmental increases in that area, where it be new builds or property improvements/extensions. This increase must be accounted for.

- *take into consideration and design for increases in flows, as may reasonably be foreseen, as a result of climate change.*
As set out in the National Planning Policy Framework and Planning Practice Guidance climate change allowances must be taken into account.
- *demonstrate that a Licence to displace water voles for development works or a licence to displace water voles for work on flood defences, water courses or drainage systems has been granted*
Due to the widespread distribution of water voles throughout Sefton's watercourses it is assumed that all watercourses provide habitat or passage for water voles as such the appropriate aforementioned licences must be gained.
- *secure any other permissions required*
There are a variety of other permissions that may be required dependent upon the location of the watercourse that will need to be secured.

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Flood and Coastal Erosion Risk Management

Ordinary Watercourse Enforcement Policy

Agenda Item 7

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1. Introduction

The Flood and Water Management Act (FWMA) 2010 designated all county and unitary authorities, and thus Sefton Council, as 'Lead Local Flood Authorities' (LLFAs) and introduced a number of new duties in relation to flood investigation.

As the LLFA, Sefton Council is required to oversee and participate in the management of local flood risk, which includes the risk of flooding from surface water, groundwater and from ordinary watercourses. Ordinary watercourses include every river, stream, ditch, drain, cut, dyke, sluice, sewer (other than a public sewer) and passage through which water flows and which does not form part of a main river.

The aims of enforcement in flood risk management are to ensure the proper flow of water in a watercourse and over the floodplain; the control of water levels and the security of existing assets. To achieve these aims, enforcement action is used to rectify unlawful and damaging or potentially damaging work, always using a risk based approach.

As a result of changes introduced by the Flood and Water Management Act 2010, there are three main situations in which Sefton Council, as LLFA, can execute its enforcement powers under Sections 21, 23, 24 and 25 of the Land Drainage Act 1991 in relation to ordinary watercourses.

2. Legislation

On 6th April 2012, Schedule 2 (Sections 31, 32 and 33) of the FWMA amended the Land Drainage Act 1991 and transferred powers for the regulation of ordinary watercourses from the Environment Agency to the LLFA.

The powers of the LLFA to undertake enforcement action relating to ordinary watercourses are set out in the Land Drainage Act 1991 in three key sections:

- Section 21: Enforcement of obligations to repair watercourses, bridges, etc.
- Section 23 & 24: Prohibition on obstructions etc. in watercourses.
- Section 25: Powers to require works for maintaining flow of watercourse.

2.1 Section 21 - Enforcement of obligations to repair watercourses, bridges, etc.

Section 21 of the Land Drainage Act 1991, as amended by the Flood and Water Management Act 2010, relates to person(s) who, before the commencement of the LDA (i.e. 1st December 1991) had an obligation to do work to repair and maintain a watercourse, bridge or drainage work, but fails to do so, the drainage board (either the LLFA or Internal Drainage Board) can serve notice on them requiring them to complete the works to fulfil that obligation.

A common law obligation to carry out works to remove an obstruction from a watercourse, arising out of the riparian ownership responsibilities referred to above, falls within the “obligation” referred to in Section 21, and can therefore be subject to enforcement under this section.

2.2 Section 23 & 24 - Prohibition on obstructions etc. in watercourses.

Sections 23 and 24 of the Land Drainage Act 1991, as amended by the Flood and Water Management Act 2010, relate to enforcement action which may be undertaken where damaging or potentially damaging works on ordinary watercourses have been undertaken without the necessary consent. Enforcement action may also be taken where consented works have been undertaken in a manner contravening the consent.

It should be noted, however, that these powers are permissive and are not a duty and as such the exercising of these powers is at the Council's discretion.

2.3 Section 25 - Powers to require works for maintaining flow of watercourse.

Section 25 of the Land Drainage Act 1991, as amended by the Flood and Water Management Act 2010, gives the Council permissive powers to ensure that appropriate maintenance is carried out by riparian landowners on ordinary watercourses. These powers can be exercised if it is deemed that a lack of maintenance or an alteration to a watercourse pose a flood risk.

If a landowner carries out actions that adversely impact on the flood risk to another landowner's property, Sefton Council has the right to serve a legal notice on the responsible party to carry out remedial work to resolve the issue.

It should be noted, however, that these powers are permissive and are not a duty and as such the exercising of these powers is at Sefton Council's discretion.

2.4 Other legislation

There are a number of other legislative requirements that may need to be complied with in undertaking enforcement and implementing notices. This could include:

- Habitat Regulations
- Wildlife & Countryside Act
- Highways Act

3. Enforcement Policy

The FWMA requires anyone wishing to alter an ordinary water course to obtain consent from the Council prior to undertaking the work.

Sefton Council will use its permissive powers as set out in Sections 21, 23, 24 and 25 of the Land Drainage Act 1991 and amended by the Flood and Water Management Act 2010 to undertake enforcement action within available resources, by serving notice, where it is in overriding public interest and efforts of negotiation have failed to resolve.

Sefton Council will prioritise enforcement action as set out in the following table:

Priority	Likely consequence of flooding
1	<i>Internal flooding to a dwelling or business premises</i>
2	<i>Flooding to highways defined as part of Sefton's Key Route Network or critical infrastructure*.</i>
3	<i>Flooding to highways defined as classified roads or local distributor roads.</i>
4	<i>Flooding to outbuildings, gardens ,open space and farmland that is not on part of the functional floodplain</i>

**Critical infrastructure refers to:*

- *Railway lines and stations;*
- *Police, ambulance and fire stations and command centres;*
- *Hospitals;*
- *Universities, colleges and schools;*
- *Local authority main offices;*
- *Residential institutions supporting vulnerable people*

Where enforcement has not been taken, there is legislation available for those affected through a civil action process.

The Public Health Act 1936, section 259, Nuisances in connection with water-courses, ditches, ponds.

This defines a statutory nuisance in relation to water as; any pond, pool, ditch, gutter or watercourse which is so foul or is choked or silted up as to obstruct or impede the proper flow of water and thereby to be prejudicial to health or cause a nuisance.

A Private nuisance case is concerned with protecting the rights of an occupier in respect of unreasonable interference with the enjoyment or use of his land.

For drainage issues relating to agricultural land, the First-tier Tribunal (Property Chamber) Agricultural Land and Drainage (AL&D) plays a role in settling certain kinds of disputes and issues relating to agricultural land and drainage in England.

3.1 Others with Enforcement Powers

In addition to Sefton Council, in its role as LLFA, the following also have enforcement powers to ensure that:

- The Environment Agency and any Internal Drainage Board also have permissive powers under the Land Drainage Act (1991) to undertake works in watercourses and regulate the activities of riparian owners.
- As the Highways Authority, Sefton Council also has powers under the Highways Act (1980) to ensure the public highway is effectively drained.
- In its role as Local Planning Authority, Sefton Council has enforcement powers for some activities under Town and Country Planning Law. For example, where the installation of a drainage system is not as conditioned and agreed as part of the planning permission, enforcement action can be taken to address the failings.
- United Utilities have powers under the Water Industry Act (1991) to ensure their assets are performing and do not pose a threat to flooding.

4. Links to the development management process

There will some instances where sites for which planning permission, other permissions and pre-application advice has been sought include or are adjacent to ordinary watercourses or 8 metre buffers around them, or may initially involve culverting of the ordinary watercourses. In such cases the Lead Local Flood Authority (LLFA) would usually be consulted. This would allow the LLFA to make comments on the planning applications and/or recommend that an “Informative” is added to the planning or other application Decision Notice to state that:

“Any changes to an ordinary watercourse must seek separate consent from the Council as Lead Local Flood Authority prior to works being undertaken, as set out in the Flood and Water Management Act 2010. Sefton Council’s position on consenting and enforcement is set out in its Ordinary Watercourse Culverting, Diverting, Enforcement and Flood Investigation Policies”. “Any changes to an ordinary watercourse must seek separate consent from the Council as Lead Local Flood Authority prior to works being undertaken, as set out in the Flood and Water Management Act 2010. Sefton Council’s position on consenting and enforcement is set out in its Ordinary Watercourse Culverting, Diverting, Enforcement and Flood Investigation Policies”.

Appendices

Appendix A Section 21, 23 and 25 Land Drainage Act 1991

Appendix A Section 21, 23 and 25 Land Drainage Act 1991

Section 21 of the Land Drainage Act 1991 states:

21. Enforcement of obligations to repair watercourses, bridges, etc.

1) *This section applies to any obligation to which any person was subject, before the commencement of this Act, by reason of tenure, custom, prescription or otherwise, except an obligation under an enactment re-enacted in this Act or the Water Resources Act 1991.*

2) *If any person:*

(a) is liable, by reason of any obligation to which this section applies, to do any work in relation to any watercourse, bridge or drainage work (whether by way of repair, maintenance or otherwise); and .

(b) fails to do the work,

the drainage board concerned may serve a notice on that person requiring him to do the necessary work with all reasonable and proper despatch.

3) *Subject to section 107(2) of the Water Resources Act 1991, the powers conferred by this section shall not be exercisable in connection with a main river, the banks of such a river or any drainage works in connection with such a river. .*

4) *If any person fails, within seven days, to comply with a notice served on him under subsection (2) above by the drainage board concerned, the board may do all such things as are necessary for that purpose. .*

5) *Any expenses reasonably incurred, in the exercise of their powers under this section, by the drainage board concerned may be recovered from the person liable to repair. .*

6) *Subject to section 8 above, references in this section to the drainage board concerned— .*

(a) in relation to any watercourse, bridge or drainage works in an internal drainage district, are references to the drainage board for that district; and,

(b) in relation to any watercourse, bridge or drainage works in an area outside an internal drainage district, are references to the lead local flood authority for the area.

7) *Lead local flood authority” has the meaning given by section 6 of the Flood and Water Management Act 2010.”*

Section 23 of the Land Drainage Act 1991 states:

23. Prohibition on obstructions etc. in watercourses.

1) No person shall:

(a) erect a culvert in an ordinary watercourse, or

(b) alter a culvert in a manner that would be likely to affect the flow of an

ordinary watercourse,

without the consent in writing of the drainage board concerned.

- 1A) Consent under this section may be given subject to reasonable conditions.
- 1B) An internal drainage board or lead local flood authority must consult the Environment Agency before carrying out work within subsection (1)(a), (b) or (c) if the board or authority is “the drainage board concerned” for the purposes of this section.
- 1C) The drainage board concerned must have regard to any guidance issued by the Environment Agency about the exercise of the board's functions under this section.
- 2) The drainage board concerned may require the payment of an application fee by a person who applies to them for their consent under this section; and the amount of the fee shall be determined in accordance with a prescribed charging scheme.
- 3) Where an application is made to the drainage board concerned for their consent under this section:
 - (a) the consent is not to be unreasonably withheld; and .
 - (b) if the board fail within two months after the relevant day to notify the applicant in writing of their determination with respect to the application, they shall be deemed to have consented.
- 4) In subsection (3) above “the relevant day”, in relation to an application for a consent under this section, means whichever is the later of:
 - (a) the day on which the application is made; and .
 - (b) if at the time when the application is made an application fee is required to be paid, the day on which the liability to pay that fee is discharged.
- 5) If any question arises under this section whether the consent of the drainage board concerned is unreasonably withheld, that question shall be referred to a single arbitrator to be agreed between the parties or, failing such agreement, to be appointed by the President of the Institution of Civil Engineers on the application of either party.
- 6) Nothing in this section shall apply:
 - (a) to any works under the control of a navigation authority, harbour authority or conservancy authority; or
 - (b) to any works carried out or maintained under or in pursuance of any Act or any order having the force of an Act.
- 7) The power of the Ministers to make an order under subsection (2) above shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.
- 7A) In subsection (2) above “ prescribed ” means specified in, or determined in accordance with, an order made by the Ministers; and any such order may make different provision for different cases, including different provision in relation to

different persons, circumstances or localities.

- 8) Subject to section 8 above, references in this section and sections 24 and 25 below to the drainage board concerned—
 - (a) in relation to a watercourse in an internal drainage district, are references to the drainage board for that district; and
 - (b) in relation to a watercourse in an area outside an internal drainage district, are references to the lead local flood authority for the area.
- 9) “Lead local flood authority” has the meaning given by section 6 of the Flood and Water Management Act 2010.

Section 25 of the Land Drainage Act 1991 states:

25. Powers to require works for maintaining flow of watercourse.

- 1) Subject to section 26 below, where any ordinary watercourse is in such a condition that the proper flow of water is impeded, then, unless the condition is attributable to subsidence due to mining operations (including brine pumping), the drainage board or local authority concerned may, by notice served on a person falling within subsection (3) below, require that person to remedy that condition.
- 2) For the purposes of this section in its application in relation to any watercourse—
 - (a) the drainage board concerned is the drainage board for the internal drainage district in which the watercourse is situated; and
 - (b) the local authority concerned is the local authority for the area where the land as respects which the powers under this section are exercisable is situated; .but references in this section to the drainage board concerned shall, in relation to a watercourse which is not in an internal drainage district, be construed as references to the [Agency].
- 3) Subject to subsection (4) below, a notice under this section in relation to a watercourse may be served on—
 - (a) any person having control of the part of the watercourse where any impediment occurs; or
 - (b) any person owning or occupying land adjoining that part; or
 - (c) any person to whose act or default the condition of the watercourse mentioned in subsection (1) above is due.
- 4) No notice under this section requiring any person to carry out any work on land not owned or occupied by him shall be served without the consent of the owner and the occupier of the land, except in a case where it is not practicable, after reasonable inquiry, to ascertain the name and address of the owner or occupier.

5) A notice under this section shall indicate— .

(a) the nature of the works to be carried out and the period within which they are to be carried out; and .

(b) the right of appeal to a magistrates' court and the period within which such an appeal may be brought under section 27 below.

6) Subject to the right of appeal provided by section 27 below, if the person upon whom a notice is served under this section fails to carry out the works indicated by the notice within the period so indicated— .

(a) the drainage board or local authority concerned may themselves carry out the works and recover from that person the expenses reasonably incurred by them in doing so; and .

(b) without prejudice to their right to exercise that power, that person shall be guilty of an offence and liable, on summary conviction, to a fine not exceeding level 4 on the standard scale.

7) In proceedings by the drainage board or local authority concerned for the recovery of any expenses under subsection (6) above it shall not be open to the defendant to raise any question which he could not have raised on an appeal under section 27 below. .

8) Nothing in this section shall affect the right of an owner or occupier to recover from the other, under the terms of any lease or other contract, the amount of any expenses incurred by him under this section or recovered from him by the drainage board or local authority concerned.



Flood and Coastal Erosion Risk Management

Flood Investigation Policy

Agenda Item 7

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1. Introduction

The Flood and Water Management Act (FWMA) 2010 designated all county and unitary authorities, and thus Sefton Council, as 'Lead Local Flood Authorities' (LLFAs) and introduced a number of new duties in relation to flood investigation.

As the LLFA, the Council is required to oversee and participate in the management of local flood risk, which includes the risk of flooding from surface water, groundwater and from ordinary watercourses.

There are a number of 'risk management authorities' which are defined under Part 1, 6(13) of the FWMA and this term refers to organisations who have responsibility for flood risk management. These include:

- LLFA - Sefton Council
- Environment Agency
- Water Companies (United Utilities)

This Flood Investigation Policy outlines Sefton Council's approach to flood investigation and sets out the legal requirement to report on flood investigations under Section 19 the FWMA. It provides details on the criteria Sefton Council will apply in deciding whether or not a Section 19 Report is appropriate.

When flooding occurs it is often unclear what the source(s) of the flood water is and who has responsibility for the systems concerning that water. Under these circumstances it can be beneficial to undertake an investigation into the flooding to understand the source, mechanism and to identify any potential actions.

2. Legislative Requirements - Flood and Water Management Act 2010

Sefton Council is only required to investigate floods where it meets the criteria under Section 19 of the FWMA.

Section 19 of the FWMA 2010 states:

1. *On becoming aware of a flood in its area, a lead local flood authority must, to the extent that it considers it necessary or appropriate, investigate—*
 - (a) *which risk management authorities have relevant flood risk management functions, and*
 - (b) *whether each of those risk management authorities has exercised, or is proposing to exercise, those functions in response to the flood.*
2. *Where an authority carries out an investigation under subsection (1) it must—*
 - (a) *publish the results of its investigation, and*
 - (b) *notify any relevant risk management authorities.*

The FWMA is clear that Sefton Council's responsibility for investigation only extends as far as establishing which of the risk management authorities has a flood risk management function and whether they have, or will be, exercising that function. It may be the responsibility of one of the other risk management authorities, or even the land or property owner themselves, to take action to resolve the issue.

The FWMA also allows Sefton Council, as the LLFA, to define '*the extent that it considers it necessary or appropriate*', these have been set out in this flood investigation policy.

3. Flood Investigation Policy

The FWMA requires anyone wishing to alter an ordinary water course to obtain consent from the Council prior to undertaking the work.

Sefton Council aims to investigate all occurrences of flooding within the borough based on the priority listing detailed in table 1, but always as resources allow. This is to support and develop the understanding of flood risk.

Where foul flooding is occurring an initial desktop or site visit will be undertaken but it is likely that the responsibility will rest with either an individual or group of properties and/or businesses: or the appropriate Water Company (United Utilities).

This policy has been developed to enable Sefton Council to focus resources effectively and to ensure flood incidents which have a significant impact take priority and are investigated appropriately. Sefton Council reserves the right to undertake these investigations at its discretion and as resources allow.

Table 1. Priority listing for investigating flood events

Priority	Type of Flooding Incident
1	<i>Internal flooding to the habitable space of a dwelling that affects the occupants' ability to live in that space or business property that affects the ability to run the business from the flooded property.</i>
2	<i>Flooding as a result of a structural failure of a flood or coastal defence asset.</i>
3	<i>Flooding to highways defined as part of the Sefton's Key Route Network (Appendix A) or critical infrastructure*.</i>
4	<i>Flooding to highways defined as classified roads, local distributor roads, that renders it totally impassable for a significant period (4 hours or more)</i>
5	<i>Flooding to outbuildings, gardens, open space and farmland that is not on part of the functional floodplain</i>

Policy Definitions

**We will seek to work with the critical infrastructure owner or operator on their investigation. Critical infrastructure refers to:*

- Railway lines and stations;*
- Police, ambulance and fire stations and command centres;*
- Hospitals;*
- Universities, colleges and schools;*
- Local authority main offices and;*
- Residential institutions supporting vulnerable people*

Under these circumstances Sefton council will not be producing a publically available report on the flood event

3.1 Section 19 Reporting Criteria

A report under Section 19 of the FMWA into the source, mechanism and cause of the flood event will only be considered 'necessary or appropriate' where there is ambiguity for responsibility and when one or more of the criteria set out in Table 2 is satisfied:

Table 2. Criteria to establish need for a Section 19 report.

- | |
|---|
| <ul style="list-style-type: none">a) Internal flooding* to five or more residential and/or commercial properties in close proximity** during one flood event, orb) Internal flooding* to one or more properties on two or more occasions in the previous 5 years, orc) Flooding has affected critical infrastructure*** that has a significant effect on the community for a period in excess of 3 hours from the onset of flooding |
|---|

Policy Definitions

**Internal flooding, refers to any habitable space inside a dwelling or internal space used for business/commercial purposes that is affected by flooding.*

***Close proximity is where it is reasonable to assume that the affected properties were flooded from the same source or interaction of sources.*

****We will seek to work with the critical infrastructure owner in the reporting under Section 19. Critical Infrastructure refers to:*

- *Railway lines and stations;*
- *Police, ambulance and fire stations and command centres;*
- *Hospitals;*
- *Universities, colleges and schools;*
- *Local authority main offices;*
- *Residential institutions supporting vulnerable people*

4. Undertaking a Flood Investigation

Whilst Sefton Council can administer the requirement for a flood investigation to be undertaken, it may be undertaken by a third party as instructed by Sefton Council. In determining the source, mechanism and cause of the flood event, the following actions may be taken as part of the investigation:

A Flood Investigation aims to determine a number of key facts about the flood event, including:

- The extent of the flooding;
- The sources and mechanisms of flooding;
- The response of other Risk Management Authorities (RMA) during the event and the operation of their assets; and.
- What actions the RMAs have taken or intend to take in response to the flood.

Stage 1: Flood Incident Data Capture

Once Sefton Council becomes aware of a flood in its area, a Flood Incident Data Capture will take place.

One of the key tasks in investigating a flood incident is the ability to collect data about the incident in order to examine the situation and identify the cause(s) of the flood. Appendix B contains a template which acts as a summary sheet for the information which should be collected during a flood event.

This data collection will provide invaluable information to Sefton Council and relevant responsible risk management authorities to enable them to quickly and effectively respond to the flood cause wherever possible. These data will also form the basis of any Section 19 report if triggered.

In determining these facts, Sefton Council may:

- Undertake a site visit to the property / area affected by the flooding;
- Meet with local residents / people affected by the flood incident; and
- Undertake a Land Registry search to determine property / land ownership details.

Stage 2: Flood Incident Review

The aim of this review is to provide a rapid analysis of the flooding incident, based on information that is readily available, in order to determine the response of Sefton Council.

The purpose of the Flood Incident Review is to establish:

- the likely cause of the flooding;

- what was flooded; and
- whether the flood event has met the criteria for a Section 19 Flood Report.

The Flood Incident Review will be undertaken by Sefton Council officers, and where appropriate, in conjunction with Emergency Duty Coordinator, Head of Service, Civil Contingencies, and Elected Members either Ward Councillors or Portfolio Holder.

Depending upon the outcome of the flood incident review the investigation may end at this point. This may be as a result of, but not limited to:

- the cause being identified and relevant organisation/asset owner is taking action; or
- another Risk Management Authority (RMA) is undertaking its own investigation; or
- the asset owner is undertaking its own investigation.

If further information is required or it has met the requirement for a Section 19 report then the investigation will proceed to stage 3.

Stage 3: Detailed Investigation

Where further information is required to support the investigation Sefton Council, or instructed agent, may undertake further data and information gathering exercises and reviews as required. This could include:

- Meet with RMAs to share data, discuss responsibility and identify potential solutions;
- Carry out on-site investigation works such as CCTV surveys, dye testing, topographic surveys and excavations; and.
- Obtain agreement from RMAs on timescales to resolve the incident.

Stage 4: Publish Section 19 Report

When a Section 19 report is triggered, Sefton Council is required, under the FWMA, to:

- Inform relevant RMAs of the results of the investigation
- Publish results of the investigation on council website.

The Cabinet Member with the portfolio for Flood and Coastal Erosion Risk Management will approve the report prior to publication. They will ensure that the process has been followed correctly and Section 19 of the FWMA, 2010 will be satisfied once the report is published.

Sefton Council will publish Section 19 Flood Investigation Reports on their Flood Risk Management webpage.

5. Cross-Boundary Flood Investigations

Where a cross-boundary flood event takes place, Sefton Council will work with the neighbouring LLFA(s) and local authorities to determine whether an investigation is necessary or appropriate and support the production of the report when required.

6. Links to the development management process

There will some instances where sites for which planning permission, other permissions and pre-application advice has been sought include or are adjacent to ordinary watercourses or 8 metre buffers around them, or may initially involve culverting of the ordinary watercourses. In such cases the Lead Local Flood Authority (LLFA) would usually be consulted. This would allow the LLFA to make comments on the planning applications and/or recommend that an “Informative” is added to the planning or other application Decision Notice to state that:

“Any changes to an ordinary watercourse must seek separate consent from the Council as Lead Local Flood Authority prior to works being undertaken, as set out in the Flood and Water Management Act 2010. Sefton Council’s position on consenting and enforcement is set out in its Ordinary Watercourse Culverting, Diverting, Enforcement and Flood Investigation Policies”.

Appendices

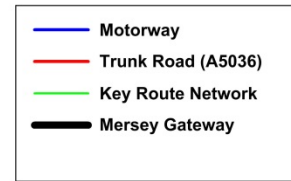
Appendix A – Key Route Network

Appendix B – Flood Event Data Collection Sheet

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Appendix A – Key Route Network (Draft)

Liverpool City Region Key Route Network



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Appendix B – Flood Event Data Collection Sheet (example)

LOCATION				CUSTOMER CONTACT REFERENCE NUMBER									
Coordinates	Area / Street Name												
Start date:		End date:		Data collection date:									
Start time:		End time:		Observer:									
Responsible Risk Management Authority (RMA)				Have RMA responded appropriately?	Y / N								
Maximum depth (m)				History of flooding? <i>Give dates if known</i>	Y / N								
SOURCE OF FLOODING		✓	CAUSE OF FLOODING				✓						
Main River			Drainage capacity exceeded										
Coast/Sea			Mechanical failure										
Public Sewer System			Operational failure/ breach of defence										
Ordinary Watercourse			System 'tide locked' (i.e. drain cannot discharge due to high river level)										
Highway Drainage			Blockage of bridge		Blockage in culvert/pipe								
Surface Water			Blockage in channel		Blockage of screen								
Groundwater			Notes										
Other/unknown (give details)													
Additional comments on the cause of flooding: <i>(Give details of source (from), pathway(route) to receptor(end) description)</i>													
Is level survey required? <i>(Mark high water level)</i>				Y / N	Survey Date:								
EFFECT													
Properties flooded (residential)	Y / N	No. Internal:		No. External:		Max depth (m)							
Properties flooded (commercial)	Y / N	No. Internal:		No. External:									
Critical Infrastructure Affected (list)			Y / N										
Transport Links Affected (list) <i>(Railway lines and stations, highways and motorways)</i>	Y / N												
Affected by Sewerage?	Y / N												
Other (list)	Y / N												
ACTION TAKEN: <i>What and who by</i>				MAP/SKETCH OF FLOOD <i>Continue overleaf if necessary</i>									
								ACTION REQUIRED / FURTHER INVESTIGATION: <i>What (improve, maintain, enforce, inform...) and who by</i>					
												OTHER INFORMATION / COMMENTS:	

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Report to:	Cabinet	Date of Meeting:	9 th March 2017
Subject:	Purchasing of Residential and Fostering Placements for Children and Young People	Wards Affected:	All
Report of:	Head of Children's Social Care		
Is this a Key Decision?	Yes	Is it included in the Forward Plan?	No – Rule 27 approval given
Exempt/Confidential	No		

Purpose/Summary

The purpose of this report is to enable Cabinet to make decisions regarding current contractual arrangements and future procurement of Residential and Fostering placements for children and young people.

Recommendation(s)

Cabinet is recommended to:

1. Authorise continued use of the Regional Residential Framework Contract for a further 12 month period, from 1st April 2017 until 1st April 2018, as provided for within the original procurement exercise, for the procurement of residential placements.
2. Authorise participation in the regional Dynamic Purchasing Systems agreement as explained in paragraph 17, to be procured by STAR on behalf of all participating authorities, for future purchasing of residential placements from 1st October 2017.
3. Authorise continued use of the Regional Fostering Framework Contract for a further 12 month period, from 1st April 2017 until 1st April 2018, as provided for within the original procurement exercise, for the procurement of fostering placements.
4. Note the regional work to be undertaken in 2017/18, to determine the best approach for procuring Fostering placements from April 2018 and that a further report will be submitted to Cabinet in due course
5. Note that the proposal was a Key Decision but had not been included in the Council's Forward Plan of Key Decisions. Consequently, the Leader of the Council and the Chair of the Overview and Scrutiny Committee (Children, Schools and Safeguarding) had been consulted under Rule 27 of the Access to Information Procedure Rules of the Constitution, to the decision being made by Cabinet as a matter of urgency on the basis that it was impracticable to defer the decision until the commencement of the next Forward Plan because the Council needs to make the above decisions prior to the next Cabinet meeting and unfortunately, collective agreement across the

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collaborating authorities, on the approach to be taken in respect of the final year of the existing Frameworks and their replacement / re-procurement was only secured in the latter part of January 2017, providing a very short window for presenting this report to Cabinet for decision ahead of the start of 2017/18.

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:

Since April 2014, wherever possible, Fostering and Residential placements for children and young people have been procured through regional Framework Contracts.

When these regional Framework Contracts were originally entered into, they were entered into on the basis of a core contract period of 2 years with further optional extension periods of up to 2 years built in and anticipated at the outset as part of the life of the contract, provided that the quality/price of services/goods provided under the contract are of a satisfactory standard and exercising the extension is considered to represent best value for the Council. The purpose of building contracts around core and extension periods is to ensure that the quality of the contract is maintained throughout the life of the contract and to ensure that the Council, particularly at times of financial uncertainty has flexibility to bring contracts to a conclusion and/or is able to refine services and or goods received under the contract. The value of these contracts requires the extension to be authorised through Cabinet.

The current period of the Framework Contracts expires at the end of March 2017 and the Council needs to determine how it will procure any necessary Fostering and Residential placements for children and young people beyond that date. The current Framework Contracts include options for continued use for a further 12 month period, from 1st April 2017 to 31st March 2018.

It is being recommended that Sefton Council extends its use of the existing regional Residential Framework Contract, for a further twelve month period, whilst procurement of a suitable alternative (a regional Dynamic Purchasing System, DPS) is undertaken; and extends its use of the existing regional Fostering Framework Contract, for a further twelve

month period, whilst further work is undertaken to determine the most appropriate future approach, including monitoring the impact of procuring the DPS referred to above.

There are opportunities for new and innovative ways of procuring placements, but these have a mixed evidence base for efficacy in fostering and must be balanced against the risk of rising costs through a new tender. A regional task and finish group will be established to review the current arrangements, test alternative models and apply the learning from the residential retender to the fostering market, in order to confirm the best option from April 2018. A further report will be brought to Cabinet in due course. Whilst this work is underway, it is considered that continued use of the existing Frameworks provides the best value for money for Sefton Council, on the basis of securing placements within the current Framework prices, from known providers who have performed well over the period of the Framework.

These are important and costly services and the alternative options to the recommendations would be likely to incur greater cost and more variable quality, hence the need to determine the manner of purchasing these placements ahead of the next financial year. Unfortunately, collective agreement across the collaborating authorities, on the approach to be taken in respect of the final year of the existing Frameworks and their replacement / re-procurement was only secured in the latter part of January 2017, providing a very short window for presenting this report to Cabinet ahead of the start of 2017/18.

Alternative Options Considered and Rejected:

Instead of continuing to procure placements through the existing regional Framework Contracts and their replacements, the Council could carry out its own full EU compliant Tender exercise, adopt an alternative Framework, or "Spot Purchase" placements from the market as they are needed.

Undertaking a full EU compliant process alone is not recommended because: the time required to complete the process would be the same as procurement of a regional framework; in this market the Council is unlikely to obtain better prices than through collaborative procurement; and the burden and resource required to ensure quality and safety of provision would be increased, requiring additional resource.

An alternative Framework Agreement is not recommended as the strength of the current framework is that 23 authorities sign up to and use it. To procure as a single authority would disrupt the market, it is likely that providers would increase their prices and the burden and resource required to ensure quality and safety of provision would be increased, requiring additional resource. The prices available through the current Frameworks are competitive and/or better than prices within known alternative Frameworks

Spot purchasing is not recommended as it would increase costs and the burden and resource required to ensure quality and safety of provision would be increased, requiring additional resource.

What will it cost and how will it be financed?

(A) Revenue Costs

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Based on current annual costs and number of placements, the anticipated costs for the extension period are as follows:

Regional framework for fostering placements	£3,318,149 per annum
Regional framework for residential placements	£2,993,503 per annum

Current budget values within Children's Social Care are:

Independent Foster Placements	£3,391,500
Residential Placements (excluding CWD)	£3,223,850

(B) Capital Costs

None

Implications:

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

Financial The costs detailed within this report can be contained within the existing budget provision and do not represent an additional financial requirement
Legal The actions outlined in the report are compatible with the original procurement decisions and arrangements for both residential and foster placements. Future procurement arrangements will progress under the Dynamic Purchase System arrangements proposed for residential placements and will be the subject of a further report for Foster placements.
Human Resources
Equality 1. No Equality Implication <input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated <input type="checkbox"/>
3. Equality Implication identified and risk remains <input type="checkbox"/>

Impact of the Proposals on Service Delivery:

A regional sufficiency strategy and evaluation has been completed, by the North West Commissioning Managers group, which informed current understanding and future development. Continued use of the Frameworks in the short-term is considered to represent the best way to ensure necessary placements can be procured in support of service delivery. The development of a Regional Dynamic Purchasing System (DPS) from October 2017 will enable gaps identified within the sufficiency strategy to be better addressed.

What consultations have taken place on the proposals and when?

The Head of Regulation and Compliance has been consulted and comments have been incorporated into the report (LD 3827/17)

The Head of Corporate Resources has been consulted and any comments have been included in the report. (FD4544/17)

Consultation with providers has been completed as part of the ongoing provider forums and through bespoke events looking at future needs.

Implementation Date for the Decision

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

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Email: sarah.austin@sefton.gov.uk

Background Papers:

None

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Introduction/Background

1. Placements North West (PNW) is commissioned by a number of North West local authorities to coordinate and manage collaborative procurement in relation to placements for children and young people across those authorities. There are a number of collaborative procurement arrangements in place across the following geographical footprints:
 - Greater Manchester (Including Cheshire East)
 - Merseyside and Partners (Including LCR authorities, Cheshire East, Cheshire West and Chester, Wigan and Warrington)
 - Blackpool Framework (a single authority Framework)
 - Lancashire Framework (a single authority Framework)

In addition, Cumbria County Council and Blackburn with Darwen Council currently spot purchase placements.

2. The Greater Manchester and the Merseyside & Partners frameworks are similar models and are inter-operable, with users named on one framework able to use the other to secure placements out of area or at a distance.
3. In 2016–17 Sefton Council made 70 searches for placements using the regional Residential Framework and 102 searches using the regional Foster Framework.

Regional Residential Framework

4. The current Residential Framework was planned and produced in 2013/14; at this time there was a clear focus on the 'sufficiency duty' and authorities nationally were producing statements which were anticipated to drive work to deliver adequate provision for young people within local communities.
5. The Regional Residential Framework Contract is for the provision of Children's Residential Care Placements across 3 distinct Service Categories:-
 - Mainstream Residential Care
 - Complex and Additional Needs Residential Care
 - Short Break Placements Residential Care
6. The lead authority for this procurement exercise is Wigan Council, acting on behalf of the following participating authorities:
 - Cheshire East Council
 - Cheshire West and Chester Council
 - Halton Council
 - Knowsley Council
 - Liverpool Council
 - Sefton Council
 - St Helens Council
 - Warrington Council
 - Wigan Council
 - Wirral Council

7. This Framework can be accessed by local authorities from the Greater Manchester Councils, for placements outside of their geographical boundaries, and a reciprocal arrangement exists for the above authorities in respect of a comparable Greater Manchester Framework. The contract was for an initial set term of two years and included a provision that it could be extended for a further period up to two years until 1st April 2018.
8. The impact of the use of the framework and work undertaken, over the last 12 months in particular, by officers in the Commissioning Support team and Children's Social Care has been significant. This has enabled the average cost of placement to reduce by £378.84, realising an annual saving of £157,597.52 over 12 months for 8 placements. This would not be able to be managed without continued use of the framework.
9. The external market for residential services appears, on the surface, to be significantly oversupplied. There are 96 homes offering 297 beds in LCR which compares to just 144 placements made by LCR. The NW as a whole has a surplus of 839 beds. Despite this apparent abundance of capacity LAs are reporting significant challenges in securing suitable capacity.
10. Of the 304 beds operating in LCR in October 2015 only 80 were used by LCR authorities, meaning almost three quarters of the beds are used by other authorities or are stood vacant.
11. The registration status of private and voluntary children's homes located in LCR seem inconsistent with the reported needs of the local authorities. Only 1 in 10 homes is registered to meet the needs of young people with 'emotional and behavioural difficulties' and 3 for 'mental disorders'.
12. Analysis indicates that LCR is using a wide variety of providers to meet needs. Looking at the PNW census placement data in 2014 and 2015 there are only two organizations that had 5 or more active placements in both censuses.

LCR and the North West as a National Market

13. The significant surplus of residential provision in the North West is maintained by very high use of capacity by non-NW LAs. The market operated in the North West can, and has been, described as a 'National Resource' by providers. There are providers who have informally confirmed that their services are not primarily targeted at the local authorities in their locality. A NW provider confirmed that in July 2016 85% of their referrals were from LAs outside the NW.
14. The operation of a national market has the following impacts on NW LAs:
 - Providers have greater choice in which referrals to accept. There is the potential to offer higher prices to LAs placing from a greater distance with whom a contractual relationship is not established or a 'higher spot purchase price' is agreed. This can lead to NW LAs being 'outbid'.
 - Providers have indicated that the greater number of referrals mean they are able to take less complex placements, for which it is easier to report outcomes, increasing opportunities for future business.
 - Local Provision may not be tailored to service local needs if placements are primarily sourced from elsewhere.

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- High volumes of inward placement impacts on universal and specialist services. One LA identified 28% of Youth Offending Team (YOT) time was spent meeting the needs of YP from outside the authority.
- Services which are of poor quality and are not used by the LA can be sustained by inward placement.

Residential Services which are hard to source:

15. Despite the surplus of external residential provision located within the North West and LCR, local authorities have been identifying challenges in securing sustainable, quality services for young people who present with the following needs and issues:
- Mental Health Issues (particularly those who have not met threshold but are on the cusp of Tier 4 services)
 - Violence towards staff (and others)
 - High numbers of placement breakdown
 - High levels of missing
 - Other factors: CSE, Substance Abuse, Arson, Criminal Behaviours, Autism

Factors Resulting in Market gaps within Residential provision

16. Initial engagement with providers has identified the following factors
- Regulator – Providers are reporting that they are unable or unwilling to take more complex placements as they feel Ofsted does not recognise the sometimes small improvements achievable. As such they feel taking a complex placement will lead to a lower Ofsted rating which represents a business risk. The regulator has recently published 'Myth Buster' Guides to challenge this perspective.
 - Incoming placements from outside of the NW – Providers can take alternative, less risky and more profitable placements from outside the region
 - Provider resilience – Providers being unable to meet the needs
 - Matching - Providers are unable to match more complex young people with existing population
 - Clinical / Therapeutic Models – A lack of a transparent and accountable implementation of clinically robust and evidence based therapeutic models in working with the most complex young people.

Addressing Existing Gaps through a Dynamic Purchasing System:

17. The use of a dynamic purchasing system allows for providers to enter the agreement during the lifetime of the contract, rather than holding a fixed list of approved providers, which may date. It can also support greater flexibility in purchasing such as block buying and inter-authority commissioning. Due to this flexibility it allows contracts to be awarded for 10 years, as a DPS does not commit local authorities to spend, meaning that there will be no need to continue to retender the Frameworks every 4 years. This would not however bind the authority to the full length of the DPS if it ceased to provide the best option. Procurement of the proposed DPS, for future purchasing of residential placements from 1st October 2017, would be led by STAR (the shared procurement service for Stockport, Trafford & Rochdale Councils) on behalf of all participating authorities.

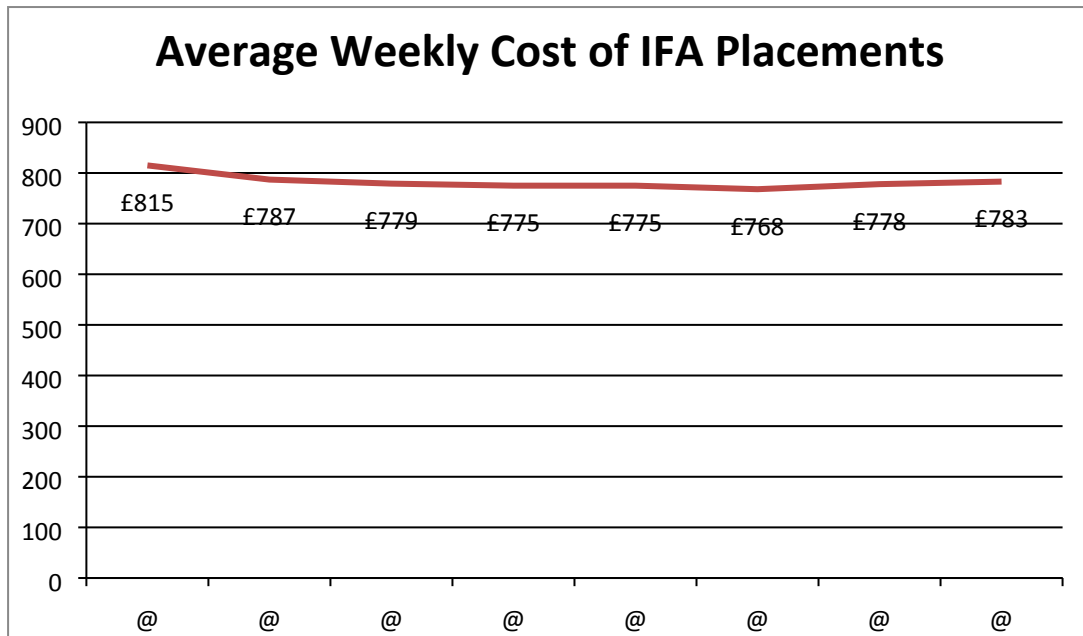
Regional Fostering Framework

18. The North West (excluding Lancashire and Cumbria) has a shared regional framework for fostering placements. This is a well-established function first launched in 2010 and replaced on expiry in 2014. The current framework is for two years plus a further two options to extend annually to a maximum of four years, up to 31st March 2018. The current recommendation exercises the final opportunity to extend.
19. The lead authority for this procurement exercise is Manchester City Council procuring on behalf of all the contracted Local Authorities detailed below:
- Blackburn with Darwen Council
 - Blackpool Council
 - Bolton Metropolitan Borough Council
 - Bury Metropolitan Borough Council
 - Cheshire East Council
 - Cheshire West and Chester Council
 - Halton Borough Council
 - Knowsley Metropolitan Borough Council
 - Liverpool City Council
 - Manchester City Council
 - Oldham Metropolitan Borough Council
 - Rochdale Metropolitan Borough Council
 - Salford City Council
 - Sefton Council
 - St Helens Council
 - Stockport Metropolitan Borough Council
 - Tameside Metropolitan Borough Council
 - Trafford Council
 - Warrington Borough Council
 - Wigan Metropolitan Borough Council
 - Wirral Metropolitan Borough Council

Framework Usage: Independent foster Agency (IFA) cost 2009 to 2016

20. The regional Fostering Framework has ensured relative consistency in price since 2010 and the re-tender in 2014. Providers have to date largely maintained their initial tendered price since the launch of the framework, one provider has reduced costs in 2016 and one provider made an initial request for uplifts which was rejected.

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Source: PNW Census 2009 to 2016

Framework Usage: Capacity

21. The framework continues to cover the vast majority of fostering placements made, with 94.4% of active placements since the launch of the framework made with contracted providers.
22. Despite LAs continuing to report, anecdotally, challenges in finding placements for more complex placements, there is no track record in the North West of providers opening up new services in response to this. This is likely to continue to be the case in fostering where there are time lags for regulation, development, recruitment and assessment. A new framework could not be assumed to address an existing capacity issues in and of itself however, developing new services is a function of market management that can be delivered within the life time of a framework.

Other Framework Models

23. Research undertaken as part of the regional sufficiency statement concluded there was not a viable alternative model which had identified greater savings. There is no new information which changes this conclusion.
24. Further analysis of the Lancashire framework using 2016 data indicates that the alternative model has not delivered different prices, with Lancashire's average cost of placements consistent with the NW average.
25. The more flexible procurement rules introduced in 2015 do, however, allow for more creative approaches for purchasing. In particular this opens the opportunity, which is currently being developed in the residential re-tender, for flexible bulk purchases. The only examples PNW is aware of for bulk purchasing in fostering is Rochdale pre 2010 and Southampton circa 2012, which were reportedly not cheaper than framework prices, so do not create a compelling reason for retender, but the residential model does create a space to test this new way of working and develop learning which can be brought across if appropriate.

Proposed approach to future collaborative procurement of fostering placements:

26. The average cost for fostering in 2016 is lower than the pre-framework prices reported in 2009. There have been no price rises since the launch of the framework in 2014, and a single provider has lowered its prices to become more competitive
27. There are a number of price pressures on the market, including:
 - limited increase in prices increases since 2009
 - The growth in usage which has offset some of the flattened fees
 - Potential merger of two of the largest three providers
 - Living Wage
 - Potential uncertainty of future economic conditions
28. There is considerable risk that if a new framework is procured, that providers will implement an increase in fees for new business.
29. Re-tendering will not significantly increase capacity of the framework. As with the 2010 framework there is evidence that providers can operate off contract successfully and new providers have opened despite the framework remaining in place, suggesting the framework is not a barrier to new entrants in the market.
30. There are opportunities for new and innovative ways of buying, but these have a mixed evidence base for efficacy in fostering and must be balanced against the risk of rising costs through a new tender. The new models will be tested in 2017/18 with the residential market which will bring learning to what has been a stable market. This is particularly important where these models could bring in risk to providers who could seek to mitigate with increased costs
31. The North West Commissioning Managers meeting of 17 January 2017 supported continued use of the Framework, to secure the current prices and capacity, and agreed to establish a Task and Finish group to:
 - review the current arrangements;
 - engage with providers to inform the shape of a future tender, and
 - explore the risks and rewards of new purchasing models, including applying the learning from the residential retender to the fostering market
32. This work would be based on reshaping the relationship and the purchasing arrangements with the market. This will lead to a proposal for retendering the framework in such a manner to mitigate risks outlined above.

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Report to: Cabinet

Date of Meeting: 9th March 2017

Subject: Enacting the option to extend the Section 75 Partnership Agreement (Pooled Budget)

Report of: Director, Social Care and Health

Wards Affected: All

Is this a Key Decision? Yes **Is it included in the Forward Plan?** No – Rule 27
Consent sought

Exempt/Confidential No

Purpose/Summary

To seek approval to invoke the option to extend the partnership agreement approved by Cabinet on 26th March 2015 made under Section 75 of the National Health Act 2006 with each of the two Clinical Commissioning Groups (CCGs) of Southport and Formby and South Sefton, to enable pooled budgets to be established to support the delivery of the Sefton Better Care Fund Plan for 2017/18.

Recommendations

Cabinet are asked to

- 1) Invoke the extension clause of the current Section 75 Agreement for a maximum period of one year from 1 April 2017 to 31 March 2018.
- 2) Note the work that is being done to prepare a new replacement Section 75 Agreement which will shortly be reported to Cabinet.

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	x		
5	Children and Young People	x		
6	Creating Safe Communities			
7	Creating Inclusive Communities			

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8	Improving the Quality of Council Services and Strengthening Local Democracy	x		
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Reasons for the Recommendation:

The Section 75 Agreement governs the pooled budgets between the Council and the Sefton Clinical Commissioning Groups. The current agreement contains an option to run the agreement for a third year i.e. 2017/18. It is recommended that this option be invoked whilst a new agreement is drafted. The new agreement will be available by late spring once the national framework is agreed and local negotiations are finalised.

What will it cost and how will it be financed?

There are no additional costs associated with establishing a pooled budget. Funds will be transferred from the Clinical Commissioning Groups to the Council and will include any ring-fenced Council Capital Funding, the Disabled Facilities Grant and the Social Care Capital Grant. The Council will contribute to the pool the allocated funds in line with budget allocations and subject to year on year review.

A) Revenue Costs

There are no additional revenue requirements as a result of this proposal. Any financial contribution to the pooled budget will take place from existing provisions.

B) Capital Costs

There are no additional capital requirements as a result of this proposal. Any financial contribution to the pooled budget will take place from existing provisions.

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:

None

What consultations have taken place on the proposals and when?

The Head of Corporate Resources (FD 4546/17) has been consulted and comments have been incorporated into the report.

The Head of Regulation & Compliance (LD 3829/17) has been consulted and comments have been incorporated into the report.

Are there any other options available for consideration?

No

Implementation date for the Decision

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

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Background Papers:

None

Agenda Item 9

1. Background

- 1.1 In March 2015 Cabinet considered the report of the Deputy Chief Executive which sought approval for the Council to enter into a partnership agreement under Section 75 of the National Health Act 2006 with each of the two Clinical Commissioning Groups (CCGs) of Southport and Formby and South Sefton covering the population of Sefton, to enable pooled budgets to be established.
- 1.2 The Agreement established that the “term” was 2 years from 1st April 2015 to 31st March 2017, with an option to extend for up to 3 years at the discretion of the Cabinet.
- 1.3 Work is ongoing to finalise a new Agreement. Overview and Scrutiny Committee (Adult Social Care and Health) will receive a report on 28 February 2017 and the Health and Wellbeing Board will receive a report on 15 March 2017.

2. Work to Establish a new Agreement

- 2.1 The work to establish a new Section 75 is technically understood and being progressed however the work is complex and subject to national conditions and local negotiations. Numerous factors need to be considered and as a Partnership Agreement some of the factors affect our Partners and thus the Agreement.
- 2.2 For the second year running the NHS England Guidance is delayed. It was due to be published in November 2016 and has still not been issued. The Guidance usually directs partners to pool either a specific amount as a minimum or details a particular area in which pooling is expected. The new Section 75 agreement cannot be finalised in advance of this guidance.
- 2.3 In addition the Council and the CCGs need to work with significantly less money going forward and an increasing demand on care and support. Both Partners have been acutely aware of the need to have an agreement that articulates the approach clearly. This has included; the precise commissioning arrangements scheme by scheme, the amounts that will be pooled, approach to risk and benefit share and the expected benefits to systems and most importantly, citizens.
- 2.4 The CCGs are also required to ensure that they consult with their members and present it to their Governing Bodies.

3. Conclusion

- 3.1 Approval is sought to invoke the extension clause of the existing Sefton 75 agreement for a period of up to one year. However, a full 12 month extension may not be necessary. The parties may be in a position to cancel the extended agreement and enter into a new S75 Agreement at an earlier date. This report highlights the difficulties in creating the new Section 75 in the absence of the national guidance and other associated factors.