

Public Document Pack

Sefton Council 

MEETING: CABINET
DATE: Thursday 15th February, 2018
TIME: 10.00 am
VENUE: Birkdale Room, Town Hall, Southport

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: Ruth Harrison
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.

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

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A G E N D A

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 the Previous Meeting Minutes of the meeting held on 1 February 2018		(Pages 7 - 10)
* 4	Treasury Management Policy and Strategy 2018/19 Report of the Head of Corporate Resources	All Wards	(Pages 11 - 42)
* 5	The Prudential Code for Capital Finance in Local Authorities - Prudential Indicators 2018/19 Report of the Head of Corporate Resources	All Wards	(Pages 43 - 54)
* 6	Robustness of the 2018/19 Budget Estimates and the Adequacy of Reserves - Local Government Act 2003 - Section 25 Report of the Head of Corporate Resources	All Wards	(Pages 55 - 70)
* 7	Revenue and Capital Budget Plan 2017/18 – 2019/20 Report of the Head of Corporate Resources	All Wards	(Pages 71 - 266)
8	Commercial Acquisition of the Strand Shopping Centre - Overview and Scrutiny Committee (Regeneration and Skills) Minutes The Council at its meeting held on 16		

November 2017 agreed (Minute No. 65 (2)) that the Overview and Scrutiny Committee (Regeneration and Skills) would receive an update on the commercial acquisition of the Strand Shopping Centre

A Special meeting of the Overview and Scrutiny Committee (Regeneration and Skills) was held for this purpose on 31 January 2018 and the Committee received a presentation from Sarah Kemp, Executive Director.

The Head of Regulation and Compliance will circulate a copy of the Minutes of the meeting for the information/consideration of Cabinet Members in due course

9 Exclusion of Press and Public

To comply with Regulation 5(2) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information)(England) Regulations 2012, notice has been published regarding the intention to consider the following matter(s) in private for the reasons set out below.

No representations have been received on this matter and this agenda satisfies the requirements of Regulation 5(4).

The Cabinet is recommended to pass the following resolution:

That, under the Local Authorities (Executive Arrangements) (Meetings and Access to Information)(England) Regulations 2012, the press and public be excluded from the meeting for the following item on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 3 and 5 of Part 1 of Schedule 12A to the Local Government Act 1972. The Public Interest Test has been applied and favours exclusion of the information from the Press and Public.

10 Commercial Acquisition of the Strand Shopping Centre - Overview and Scrutiny Committee (Regeneration and Skills) Minutes

The Council at its meeting held on 16 November 2017 agreed (Minute No. 65 (2)) that the Overview and Scrutiny Committee (Regeneration and Skills) would receive an

update on the commercial acquisition of the Strand Shopping Centre

A Special meeting of the Overview and Scrutiny Committee (Regeneration and Skills) was held for this purpose on 31 January 2018 and the Committee received a presentation from Sarah Kemp, Executive Director.

The presentation was in two parts and for Part 2 of the presentation Members of the press and public were excluded from the meeting on the grounds that the presentation would involve the likely disclosure of exempt information as defined in Paragraphs 3 and 5 of Part 1 of Schedule 12A to the Local Government Act 1972. Accordingly, the minute from this part of the meeting would also involve the likely disclosure of exempt information as defined in Paragraphs 3 and 5 of Part 1 of Schedule 12A to the Act.

The Head of Regulation and Compliance will circulate a copy of the Minutes from Part 2 of the meeting for the information/consideration of Cabinet Members in due course

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THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON THURSDAY 15 FEBRUARY, 2018.

CABINET

MEETING HELD AT THE COMMITTEE ROOM, TOWN HALL, BOOTLE ON THURSDAY 1ST FEBRUARY, 2018

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

110. APOLOGIES FOR ABSENCE

No apologies for absence were received.

111. DECLARATIONS OF INTEREST

No declarations of any disclosable pecuniary interest were received.

112. MINUTES OF THE PREVIOUS MEETING

Decision Made:

That the minutes of the Cabinet Meeting held on 11 January 2018 be confirmed as a correct record.

113. REGIONALISATION OF ADOPTION - ADOPTION IN MERSEYSIDE FINAL REPORT

The cabinet considered the report of the Head of Children's Social Care that sought approval for the creation of a regionalised adoption service across Knowsley, Liverpool, Sefton and Wirral with effect from 1 April 2018. The regionalisation of the adoption services in the Liverpool City Region was reported as a mandatory requirement set out in the Education and Adoption Act 2016. The four authorities have worked together over the last two years to develop AIM (Adoption in Merseyside) which will be hosted by Knowsley Council with Sefton Council taking on the role of Commissioner on behalf of the other authorities and holding the host to account.

Decision Made:

That:

- (1) the proposed host model arrangements for Knowsley, Liverpool, Sefton and Wirral Regional Adoption Agency be agreed;
- (2) as host, employees from the other three Councils are seconded into Knowsley from 1 April 2018 be agreed;

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- (3) the intention for the service to go live on 1 April 2018 be noted; and
- (4) delegated authority be granted to the Head of Children's Social Care in consultation with the Cabinet Member – Children, Schools and safeguarding and the Head of Corporate Services to finalise all financial agreements and other legal documentation as may be required by the Council to implement the transition.

Reason for the Decisions:

It is a statutory requirement for local authorities to establish a regional approach, as set out in the Education and Adoption Act 2016.

Alternative Options Considered and Rejected:

The proposal for the development of a Knowsley, Wirral Sefton and Liverpool RAA was agreed in principle through discussion with the relevant cabinet members in each authority and approved by the Department for Education in early 2016. Since then extensive work has been carried out through the Strategic Board consisting of senior staff from each Local Authority and chaired by the Executive Director (Children) from Knowsley.

The Strategic Board considered and tested a number of potential models. It also looked across the regional area to see what routes other regional agencies were starting to develop. It was felt that due to budgetary and time constraints that the preferred approach would be to develop a host model, now with Knowsley as host under the leadership of the Assistant Director for Children Social Care.

114. REVENUE AND CAPITAL BUDGET PLAN 2017/18 – 2019/20

The Cabinet considered the report of the Head of Corporate Resources that advised of the current forecast revenue outturn position for the Council for 2017/18 as at the end of December 2017 and that this forecast would be 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 2017/18; and the current position of the Capital Programme.

Decision Made: That:

- (1) further remedial actions with a value of £1.379m are developed in order to deliver a balanced in-year budget, supporting the £1.000m of actions that had already been identified, be confirmed;
- (2) the progress to date on the achievement of approved Public Sector Reform savings for 2017/18, be agreed;
- (3) the forecast position on the collection of Council Tax and Business Rates for 2017/18 be agreed; and

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- (4) the current progress in the delivery of the 2017/18 Capital Programme and the forecast outturn position for the year be agreed.

Reasons for the Decisions:

To ensure Cabinet are informed of the forecast outturn position for the 2017/18 revenue and capital budgets as at the end of December 2017 and to provide an updated forecast of the outturn position with regard to the collection of Council Tax and Business Rates.

Alternative Options Considered and Rejected:

None.

115. EXCLUSION OF PRESS AND PUBLIC

RESOLVED:

That, under the Local Authorities (Executive Arrangements) (Meetings and Access to Information)(England) Regulations 2012, the press and public be excluded from the meeting for the following items on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. The Public Interest Test has been applied and favours exclusion of the information from the Press and Public

116. LCR TRAFFIC SIGNALS MAINTENANCE CONTRACT

The Cabinet considered the report of the Head of Locality Services Commissioned that sought approval for Sefton to join and utilise the Liverpool City Region Traffic Signals Maintenance Contract from 1st April 2018.

Decision Made: That:

- (1) approval be granted for Sefton's inclusion and utilisation of the Liverpool City Region Traffic Signals Maintenance Contract;
- (2) it be noted that the Leader of the Council and the Chair of the Overview and Scrutiny Committee had given his consent under Rule 46 of the Overview and Scrutiny Procedure Rules for this decision to be treated as urgent and not subject to "call in" on the basis that it cannot be reasonably deferred because a delay to approval being granted will delay the start date of the Contract and affect not only Sefton but the other five Liverpool City Region Authorities; and
- (3) the Head of Regulation & Compliance be requested to enter into the Contract.

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Reasons for the Decisions:

To enable the Council to fulfil its statutory duty to maintain the traffic signals asset, which subsequently contributes to the Council's requirements under the Traffic Management Act 2004 to minimise congestion.

To also show a commitment to joint working within the Liverpool City Region and KRN Group as the five other LCR Authorities will all be utilising the new Contract. The joint working approach will also lead to a greater consistency of how traffic signals are maintained and installed across the region. Through a collaborative approach it was also anticipated that the most advantage commercial terms will be negotiated to the benefit of the Council.

Alternative Options Considered and Rejected:

The Council could choose to continue to deliver services with its own independent Service Provider/Contract but will need to undertake their own procurement exercise in 2018 to renew the existing Contract. The risk associated with this is that the rates returned may not be as competitive due to the volume of work being smaller and isolated to Sefton only.

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Report to:	Cabinet	Date of Meeting:	Thursday 15 February 2018
	Council		Thursday 1 March 2018
Subject:	Treasury Management Policy and Strategy 2018/19		
Report of:	Head of Corporate Resources	Wards Affected:	All Wards
Portfolio:	Cabinet Member - Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

This report sets out the following proposed policy and strategy documents:

- a) Treasury Management Policy
- b) Treasury Management Strategy
- c) Minimum Revenue Provision Policy Statement.

Recommendation(s):

Cabinet to recommend to Council that:

- 1) The Treasury Management Policy Document for 2018/2019 (Annex A) be agreed;
- 2) The Treasury Management Strategy Document for 2018/2019 (Annex B) be agreed; and
- 3) The Minimum Revenue Provision Policy Statement 2018/2019 (Annex C) be agreed.

Reasons for the Recommendation(s):

The Council has adopted CIPFA's Code of Practice on Treasury Management in the Public Services. The Code requires that the Council sets a policy and strategy for the effective operation of the Council's Treasury Management function during the financial year. This will ensure that cash flow is adequately planned, surplus monies are invested commensurate with the Council's risk appetite whilst providing adequate portfolio liquidity, and that the borrowing needs of the Council are properly managed to ensure that the Council can meet its capital spending obligations.

Alternative Options Considered and Rejected: None.

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What will it cost and how will it be financed?

(A) Revenue Costs

All financial implications arising from this report are contained within the Councils overall revenue budget

(B) Capital Costs

All financial implications arising from this report are contained within the Councils overall capital budget

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):

The policy and strategy will allow for the Council's investment income and the financing costs for the Capital Programme to be managed within the budget for 2018/19.

Legal Implications: Preparation of the Treasury Management Strategy and Policy and its submission to full Council complies with Chapter 4 paragraph 1f) of the Council's constitution and forms part of the Council's budget/policy framework.

Equality Implications: None.

Contribution to the Council's Core Purpose:

Protect the most vulnerable: n/a

Facilitate confident and resilient communities: n/a

Commission, broker and provide core services: n/a

Place – leadership and influencer: Support strategic planning and promote innovative, affordable and sustainable capital investment projects through application of the CIPFA Prudential Code.

Drivers of change and reform: The Treasury Management function ensures that cash flow is adequately planned and cash is available when needed by the Council for improvements to the borough through its service provision and the Capital Programme.

Facilitate sustainable economic prosperity: Pursuit of optimum performance on investments activities, minimising the cost of borrowing, the effective consideration / management of associated risks which continues to contribute to a balanced budget for the Council.

Greater income for social investment: n/a

Cleaner Greener: n/a

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD4989/18.) is the author of the report.

Head of Regulation and Compliance (LD4274/18.) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

The Council's external Treasury Management Advisors: Link Asset Services have provided advice with regards to the Treasury Management Policy and Strategy.

Implementation Date for the Decision

1st April 2018

Contact Officer:	Graham Hussey
Telephone Number:	0151 934 4100
Email Address:	Graham.Hussey@sefton.gov.uk

Appendices:

There are no appendices attached to this report.

Background Papers:

There are no background papers available for inspection.

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1. Background

- 1.1. The Council has adopted CIPFA's revised 2017 Code of Practice on Treasury Management in the Public Services which recommends the production of annual Treasury Management Policy and Strategy Documents.
- 1.2. In addition, the Council has also adopted, and incorporated into both documents:
 - a) The requirements of the 2017 Prudential Code for Capital Finance in Local Authorities; and,
 - b) An Investment Strategy produced in line with guidance from the then Office of the Deputy Prime Minister, concerning the investment of surplus funds. This sets out the manner in which the Council will manage its investments, giving priority to the security and liquidity of those investments.
- 1.3. A major change introduced under the 2017 Prudential Code and Treasury Management Code is the requirement to determine a Capital Strategy and produce schedule of investments that are not part of the treasury management activity. The Capital Strategy will set out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of outcomes. CIPFA has recognised however, that due to the timing of the release of the revised codes (December 2017), that it will not be practicable to formulate these documents within the 2018/19 planning process. The Capital Strategy document and schedule of non-treasury investments will therefore be introduced during the 2019/20 reporting cycle.

2. Treasury Management Policy and Strategy Documents

- 2.1. The Code requires the Council to produce:
 - a) A Treasury Management Policy Document – which outlines the broad policies, objectives and approach to risk management of its treasury management activities;
 - b) A Treasury Management Strategy Document – This sets out specific treasury activities which will be undertaken in compliance with the Policy in 2018/2019; and
 - c) Suitable Treasury Management Practices, setting out the manner in which the organisation will seek to achieve these policies and objectives, prescribing how it will manage and control those activities.

The content of the Policy Statement and the Treasury Management Practices will follow the recommendations contained in sections 6 and 7 of the Treasury Management Code. The Treasury Management Practices will be amended to incorporate the changes to the 2017 Code pertaining to the management and reporting of non-treasury management investment activity. Any further

amendment to reflect the particular circumstances of the Council will not result in the Council materially deviating from the Code's key principles.

- 2.2. The proposed Policy and Strategy Documents are attached at **Annex A and B** respectively.
- 2.3. In view of the complex nature of Treasury Management, regular treasury update reports will be presented to the Audit and Governance Committee and a mid-year report will also be presented to Cabinet and Council. An annual outturn report will also be presented to Audit and Governance Committee and both Cabinet and Council.

3. Financial Procedure Rules – Banking Arrangements

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

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

- 4.1. Regulations 27 and 28 in the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 3146, as amended] require local authorities to make a prudent amount of minimum revenue provision (MRP).
- 4.2. The MRP regulations were revised by the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 [SI 2008/414]. These regulations were complimented by the publication of guidance by the DCLG on determining the “prudent” level of MRP, to which authorities are required to have regard. The latest guidance was published in February 2012 (3rd Edition). The 2008 regulations and associated guidance allowed local authorities more flexibility in calculating their MRP annual charge.
- 4.3. Authorities are required to prepare an annual statement of their MRP policy for submission to their full Council. The aim is to give elected Members the opportunity to scrutinise the proposed application of the MRP guidance.
- 4.4. The proposed MRP Policy Statement for 2018/19 is set out in **Annex C**.

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ANNEX A

Corporate Resources

Treasury Management Policy

2018/19



1. Treasury Management Policy

1.1. The Council defines Treasury Management as:

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

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

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

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

1.4. Members should receive training in the Treasury Management function in order to assist in the understanding of this complex area. This will be addressed via the provision of regular reporting to Cabinet, Corporate Services Cabinet Member meetings and the Audit and Governance Committee. Also, specific training and information on Treasury Management is available to all councillors on an annual basis. This is provided from the authority's external advisers.

2. Policy on the use of external service providers

2.1. The Council currently engages Link Asset Services as its treasury consultants. Link was engaged for the first time with effect from 01/04/2014, following a tendering exercise for the contract. The contract was put out to tender again in 2017 and was renewed with Link for a further 3 years from 01/04/2017.

2.2. The Council recognises that responsibility for treasury management decisions rests with the Council at all times. It also recognises that there is value in such arrangements in order to acquire access to specialist skills, knowledge, and advice. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly documented, and subjected to regular review.

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3. Treasury Management Strategy

- 3.1. The Annual Strategy Document sets out in detail how the Treasury Management Activities are to be undertaken in a particular financial year to comply with the Council's Policy. The strategy for 2018/19 is attached at **Annex B**.

4. Delegated Powers

- 4.1. The Head of Corporate Resources, under the Council's Constitution, is given the following authority:
- a) All money in the hands of the Council shall be aggregated for the purposes of Treasury Management and shall be under the control of the Head of Corporate Resources, the Officer designated for the purposes of Section 151 of the Local Government Act, 1972;
 - b) All executive decisions on borrowing, investment or financing shall be delegated to the Head of Corporate Resources (or in his/her absence the Deputy Section 151 Officer) who shall be required to act in accordance with the Council's Treasury Policy, Treasury Management Practices and CIPFA's Standard of Professional Practice on Treasury Management.

5. Reporting Requirements/Responsibilities

5.1. Cabinet and Council will:

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

5.2. Audit and Governance Committee will:

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

5.3. The Head of Corporate Resources will:

- a) Draft and submit to Cabinet and Council prior to each financial year, the Treasury Management Policy and Strategy Documents;
- b) Implement and monitor these documents resubmitting any necessary in-year revisions/amendments (at least on a quarterly basis) to Cabinet and Council for approval;
- c) Draft and submit a mid-year report during the financial year and an annual outturn report on Treasury Management activity to Cabinet and Council by the 30th June following each financial year-end;
- d) Draft and submit an annual outturn report (and quarterly performance reports) on Treasury Management activity to the Audit & Governance Committee by the 30th June following each financial year-end;
- e) Maintain suitable Treasury Management Practices (TMP), setting out the manner in which the Council will seek to achieve its objectives. The TMP's will also prescribe how the treasury activities will be managed and controlled;
- f) Be responsible for the execution and administration of treasury management decisions; and
- g) Act in accordance with the Council's Policy Statement and Treasury Management Practices, and also in accordance with CIPFA's Standard of Professional Practice on Treasury Management.

6. Borrowing and investments

- 6.1. The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.
- 6.2. The Council's primary objective in relation to investments remains the security and liquidity of capital. The yield earned on investments remains important but is a secondary consideration.

Corporate Resources

Treasury Management Strategy

2018/19



1. Introduction

- 1.1. The Treasury Management Strategy Document sets out in detail how the Treasury Management Activities are to be undertaken in a particular financial year to comply with the Council's Treasury Management Policy.
- 1.2. The Strategy has been produced to incorporate the requirements of the CIPFA Code of Practice on Treasury Management 2017 and the Prudential Code for Capital Finance 2017.

2. Treasury Management Strategy 2018/19

- 2.1. The Strategy for 2018/19 covers:
 - a) Treasury Limits in force which will limit the borrowing activity of the Council (2.2);
 - b) Prudential Indicators 2018/19 to 2020/21 (2.3);
 - c) Credit Risk (2.4);
 - d) MIFID II (2.5);
 - e) Interest Rates (2.6);
 - f) Exchange Rates (2.7);
 - g) Capital Borrowing (2.8);
 - h) Debt Rescheduling opportunities (2.9);
 - i) Borrowing in advance of need (2.10);
 - j) The Use of Financial Instruments for the Management of Risks (2.11);
 - k) Investment Strategy (2.12);
 - l) Member and Officer Training (2.13).

2.2. Treasury Limits for 2018/19

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

Affordable Borrowing Limit	Maximum	£177.000m
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It is a statutory duty under S.3 of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the 'Affordable Borrowing Limit'. The Affordable Borrowing Limit takes into account the Council's current debt, an assessment of external borrowing to fund the Capital Programme in 2018/19, the need to fund capital expenditure previously met from internal funding, and cash flow requirements.

Short-term Borrowing Limit	Maximum	£15m
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The Short-Term Borrowing limit takes into account an assessment of any potential short-term financing the Council may need (e.g. bank overdraft, short-term funding in anticipation of grant receipts). Short-Term Borrowing is defined as being for less than 12 months.

Variable Borrowing Limit	Maximum	20%
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The limit on variable rate borrowing gives the Council flexibility to finance expenditure at favourable market rates, but ensures Council exposure to variable interest commitments is within prudent levels.

2.3. Prudential Indicators

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

2.3.1. Debt Maturity Indicators

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

Maturity Structure of Fixed Rate Borrowing During 2018/19	Upper Limit %	Lower Limit %
Under 12 month	35%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	40%	0%
10 years and within 15 years	40%	0%
15 years and above	90%	25%

Maturity Structure of Variable Rate Borrowing During 2018/19	Upper Limit %	Lower Limit %
Under 12 month	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	0%	0%
10 years and above	0%	0%

2.3.2. Principal sums invested for periods longer than 365 days

An upper limit on the value of principal sums invested for periods over 365 days is set at 40% of total investments. This limit is set to contain the Authority's exposure to the possibility of loss that might arise as a result of having to seek early repayment of principal sums invested.

This limit will be kept under review to take advantage of any opportunities in the current money market. Members will be advised of any change.

2.4. Credit risk

All investments involve a degree of risk. In order to mitigate these risks the Council will consider the credit ratings supplied by a variety of recognised organisations as part of the process to determine the list of counterparties where the level of risk is acceptable, with security, then portfolio liquidity, being the key aims.

The Council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. This modelling approach is further outlined at **Annex B5**.

Sole reliance will not be placed on the use of this external service and the Council will also consider alternative assessments of credit strength, and information on corporate developments and of market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution;
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP);
- Corporate developments, news, articles, markets sentiment and momentum;
- Background research in the financial press
- Discussion with our treasury consultants
- Internal discussion with the Head of Corporate Resources

The Council will only invest with institutions of high credit quality that meet the following criteria:

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- i. are UK based; and/or
- ii. are non-UK and domiciled in a country which has a minimum sovereign Long Term rating of AA-
- iii. have a minimum long term Fitch rating of A- (or equivalent)

Further explanation of the Fitch ratings can be found at **Annex B3**.

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

2.5. MIFID II

- 2.5.1. From 3rd January 2018 the Financial Conduct Authority is obligated to treat all Local Authorities as “retail clients” under European Union legislation (MiFID II). The client status of the Local Authority relates to its knowledge and experience with regards to the use of regulated investment products and the decision-making processes it has in place for making such investments. The directive is focused on products such as Certificates of Deposit, Gilts, Corporate Bonds and investment funds, including Money Market Funds.
- 2.5.2. The Council will opt up to “professional status” in order to continue to have access to these funds as an investment option as they are not available to retail clients.
- 2.5.3. As at 31st January 2018 the Council has opted up to Professional status with the following funds:

Money Market Funds:

- Aberdeen
- Amundi
- Aviva
- BNP Paribas
- Goldman Sachs
- Invesco
- Morgan Stanley
- Federated Investors
- Insight
- Standard Life

Property Funds:

- CCLA

- 2.5.4. This list will be reviewed on a regular basis and counterparties will be added or removed as necessary for the Council’s investment needs.

2.6. Interest Rates

2.6.1. Link Asset Services provide regular forecasts of interest rates to assist decisions in respect of:

- a) Capital Borrowings (2.8);
- b) Debt Rescheduling opportunities (2.9);
- c) Temporary borrowing for cash flow; and
- d) Investments strategy (2.12).

2.6.2. **Annex B2** gives details of Link’s central view regarding interest rate forecasts.

2.6.3. Interest rate exposure is principally managed by monitoring interest rate risk. An internal view of the likely path of interest rates is formulated, and this is considered along with the cash flow for the Council and any future requirements for potential borrowing such as to fund the Capital Programme. This then forms the basis of when to borrow, whether to borrow short or long term, and whether at fixed or variable rates. The maturity date for any loan is then set after a review of the Council’s debt maturity profile to ensure a smooth maturity profile. Any plans for borrowing are discussed with our treasury consultants at regular strategy meetings to ensure the most advantageous position.

2.6.4. The current borrowing portfolio position is monitored via the borrowing charges incurred by the Council, which are monitored on a monthly basis.

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

2.7. Exchange Rate Risk Management

2.7.1. The Council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income and expenditure levels.

2.8. Capital Borrowing

2.8.1. The Authority’s current debt portfolio is presented below:

Debt Portfolio	2017/18 Estimate
Average Interest Rate	3.95%
<u>Debt Outstanding – Fixed Rate</u>	£m
PWLB	144.687
Other Borrowing	9.083
Other Long Term Liabilities	3.501

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Total Debt	157.271
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The category of “Other Borrowing” (£9.083m) represents finance lease liabilities.

Other long term liabilities (£3.501m) represent transferred debt from the Merseyside Residuary Body.

- 2.8.2. The Council will raise its required finance, following advice from treasury management advisors, from the Public Works Loan Board (PWLB), or other local authorities, and any other body that is considered suitable.

The Council’s forecast borrowing requirement for 2018/19 is as follows:

Borrowing Requirement	Estimate £m
New Borrowing	8.926
Replacement Borrowing	0
Total Borrowing	8.926

The new borrowing represents the unsupported borrowing as required by the Capital Programme in 2018/19. As noted in 2.8.4 (below) the Council is internally borrowed, and may take additional borrowing if required in order to reverse this position.

- 2.8.3. The Link Asset Services forecast for interest rates is set out at **Annex B2**. This would suggest that the following strategy is followed:

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

- 2.8.4. The authority borrows from the PWLB in order to fund part of the Capital Programme, the maximum that the Council can borrow being the Capital Financing Requirement (CFR). Estimated PWLB borrowing as at 31st March 2019, plus lease liabilities and other long term liabilities, is £156.810m, as against an estimated CFR of £236.571m. This position is classed as being internally borrowed which does have the advantage of reducing exposure to interest rate and credit risk. To be internally borrowed is a conscious decision to use cash balances to fund capital expenditure, rather than borrow from the PWLB. This position can be reversed at any time by borrowing from the PWLB, or any other appropriate organisation.

- 2.8.5. Despite the recent small increase in interest rates, 2018/19 is expected to experience a continuation of a relatively low base rate. Hence, internal borrowing is a sensible option where interest rates on deposits are much

lower than the current PWLB borrowing rates, but this will be reviewed should interest rates change significantly.

2.8.6. However, as noted in 2.8.3, savings have to be weighed against the potential for incurring long term extra costs by delaying unavoidable new borrowing until later years when PWLB rates are forecast to be higher. This issue will be left under review and discussions with treasury management advisors will be ongoing to ascertain the optimum time for undertaking future borrowing.

2.8.7. Against this background, caution will be adopted in undertaking borrowing in 2018/19. The Head of Corporate Resources will monitor the interest rate market and following advice from Link, adopt a pragmatic approach to changing circumstances during the year.

2.8.8. External v Internal Borrowing

The Council currently has a difference between gross debt and net debt (gross debt net of cash balances) of £32.5m. The general aim of the strategy would be to reduce the difference between the two in order to reduce the credit risk of holding investments.

2.8.9. As noted in 2.8.4 above the Council is internally borrowed. If this continues this will reduce the difference between gross and net debt. Early repayment of debt is, however, not a realistic option since the introduction by the PWLB of significantly lower rates on 1 November 2007 compounded by a considerable further widening of the difference between new borrowing and repayment which has meant that large premiums would be incurred.

2.9. Debt Rescheduling Opportunities

2.9.1. As noted in 2.8.9 above, restructuring with the PWLB is now much less attractive than before due to the potentially large premiums that would be incurred.

2.9.2. The lower interest rate environment and changes in the rules regarding the premature repayment of PWLB loans has adversely affected the scope to undertake meaningful debt restructuring. However, the situation will be monitored and the Council will consider the option of debt restructuring during 2018/19, should the financial circumstances change.

2.10. Borrowing in advance of need

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

2.10.2. In determining whether to borrow in advance of need the Council will: -

- Ensure that there is a direct link between the Capital Programme and maturity profile of the existing debt portfolio which supports the need to borrow in advance of need;

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- Ensure that the revenue implications of such borrowing have been considered in respect of future plans and budgets; and
- Consider the merits of other forms of funding.

2.10.3. The total amount borrowed will not exceed the authorised borrowing limit of £177.000m. The maximum period between borrowing and expenditure is expected to be two years, although the Authority is not required to link particular loans with particular items of expenditure.

2.11. The Use of Financial Instruments for the Management of Risks

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

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

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

2.11.4. The Council will only use derivatives after seeking expertise, a legal opinion and ensuring officers have the appropriate training for their use. At the present time, no such arrangements are in place.

2.12. Investment Strategy

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

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

1. The security of capital
2. The liquidity of capital

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The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security of principal sums invested and portfolio liquidity, whilst ensuring that robust due diligence procedures cover all external investments.

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

Specified Investments are those which satisfy the following conditions:

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

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

2.12.4. The Council's investment portfolio as at 17th January 2018 is set out below:

Investments Portfolio	£m
Specified Investments	27.500
Non-Specified Investments	<u>5.000</u>
Total	32.500

2.12.5. The Council banks with National Westminster, which is part of the Royal Bank of Scotland Group. It is currently a part government-owned institution. At the present time, it does not meet the minimum credit criteria of A- (or equivalent) long term. The Bank will continue to be used for short term liquidity requirements (overnight and weekend investments) and business continuity arrangements when no other options are available.

2.12.6. The Council Strategy will be:

- a) To make Specified Investments in line with the above conditions;
- b) To make Non Specified Investments which satisfy all of the above with the exception of 2.12.3 b) which is extended to a period of less than 2 years for fixed term deposits, and is open ended for negotiable instruments such as CDs;

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

Investment	Reason	Risk
Term deposits made with banks with a high credit quality (see Annex B3). Deposits also acceptable on an overnight call basis. Can also deposit with Local Authorities.	Certainty of rate of return and repayment of capital	Liquid, with potential for deterioration in credit risk. Most Local Authorities are not credit rated.

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

The maximum that can be invested in any of the above vehicles is £25m, except for term deposits, MMF's and UK Government investments for which no limit is set. The maximum maturity period in any is 2 years for non-tradable deposits, and 5 years for deposits that are tradable on the secondary market. However, advice from Link will be taken into account in determining whether shorter maximum investment period is more appropriate during the year.

It is NOT proposed that the Council will be making any Non Specified Investments in 2018/19 that do not comply with the above, however, should the situation change, the Head of Corporate Resources will report to Cabinet requesting appropriate approval to amend the Strategy before any such investments are made.

- 2.12.7. The Bank of England Base Rate has remained significantly low at 0.50%. Link's projection of interest rates is for a rise to 0.75% by the end of November 2018 increasing to 1.00% by November 2019 (**Annex B2**). Given the volatility of the market, the forecasts can only be used as a general guide to the future position. Consequently for 2018/19, the Authority has taken a prudent view and budgeted for an investment return based upon Link's base rate projection during 2018/19.
- 2.12.8. In order to pursue the strategy of maximising returns from surplus funds at an acceptable level of security and portfolio liquidity, the following Brokers will be utilised for investments of over one month:
- ii) Sterling International Brokers Limited;
 - iii) Tradition UK Limited;
 - iv) Tullet Prebon Limited.
- 2.12.9. As noted in previous year's reports, Council agreed that the limit of investments that can be made to any approved UK or international banking institution is £25m. On an operational basis however, an institutional or group limit of 10% of total investments has been implemented in order to increase security of capital by spreading risk.
- 2.12.10. The current list of countries at **Annex B4** has been produced for information; this takes account of the most up-to-date credit ratings available in respect of the countries named, and utilising Link's creditworthiness advice. It should be noted that a maximum of £25m can be invested with any one country outside of the UK. The investment counterparties within each country will be monitored daily with the assistance of treasury management advisors to ensure they continue to meet the requirements for high credit quality as outlined at **Annex B3**. In the event of a change in credit rating or outlook, the Council, with advice from treasury management advisors, will evaluate its significance and determine whether to include (subject to Council approval) or remove a country from the approval list.
- 2.12.11. If any of the Council's investments appear at risk of loss due to default (i.e. this is a credit related loss, and not one resulting from a fall in price due to movements in interest rates) the Council will make an assessment of whether a revenue provision of an appropriate amount is required.
- 2.12.12. Performance monitoring will be reported to the Audit and Governance Committee on a quarterly basis, with mid-year reports and outturn reports also presented to Cabinet and Council.
- 2.13. Member and Officer training
- 2.13.1. CIPFA's Code of Practice requires the Head of Corporate Resources to ensure that all Members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.
- 2.13.2. In order to address this, the Service Manager – Treasury & Capital has obtained the CIPFA/Association of Corporate Treasurers sponsored qualification CertITM-PF, which is aimed at giving a solid grounding in

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treasury management and which is tailored to the public sector. Training will be provided for Members of the Audit & Governance Committee on 21st March 2018 and it is intended for such training to occur at least annually.

INTEREST RATE FORECAST**Link Asset Services Interest Rate Forecast as at 17th November 2017**

The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives their central view:

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%
5yr PWLB Rate	1.50%	1.60%	1.60%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.10%	2.10%	2.20%	2.30%	2.30%
10yr PWLB View	2.10%	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%
25yr PWLB View	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate	2.50%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%

As expected, the Monetary Policy Committee (MPC) delivered a 0.25% increase in Bank Rate at its meeting on 2nd November 2017. This removed the emergency cut in August 2016 after the EU referendum. The MPC also gave forward guidance that they expected to increase Bank rate only twice more by 0.25% by 2020 to end at 1.00%. The Link Asset Services forecast as above includes increases in Bank Rate of 0.25% in November 2018, November 2019 and August 2020.

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ANNEX B3

FITCH RATING EXPLANATION

Short term rating

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

F1 – highest credit quality (+ denotes exceptionally strong)

F2 – good credit quality

F3 – fair credit quality

Long term rating

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

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

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

Viability rating

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

aaa - highest fundamental credit quality

aa - very high fundamental credit quality

a - high fundamental credit quality

bbb - good fundamental credit quality

bb - speculative fundamental credit quality

b - highly speculative fundamental credit quality

ccc - substantial fundamental risk

cc - very high levels of fundamental credit risk

c - exceptionally high levels of fundamental credit risk

f - failed

Support rating

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

1 – extremely high probability of external support

2 – extremely high probability of external support

3 – moderate probability

4 – limited probability

5 – cannot rely on support

ANNEX B4

SEFTON COUNCIL – APPROVED COUNTRIES FOR INVESTMENTS

This list is based on those countries which have sovereign ratings of AA- or higher (based on the lowest from the ratings awarded by Fitch, Moody's or S&P as at 12/01/2018) and also have banks operating in sterling markets which have credit ratings of green or above in Link Asset Services' credit worthiness service.

AAA

- Australia
- Canada
- Denmark
- Germany
- Netherlands
- Singapore
- Sweden
- Switzerland
- USA

AA+

- Finland

AA

- France
- United Kingdom

AA-

- Belgium

LINK ASSET SERVICES - CREDITWORTHINESS

The Council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit Watches and credit Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

- Yellow 5 years
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

The Link Asset Services' creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings. The Council will also be alerted to changes to the primary ratings of all three agencies through its use of the creditworthiness service.

Corporate Resources

Minimum Revenue Provision Policy Statement



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SEFTON COUNCIL

MINIMUM REVENUE PROVISION POLICY

1. Background

Local Authorities have a statutory requirement to set aside each year part of their revenues as a provision for the repayment of debt, called the Minimum Revenue Provision (MRP). The provision is in respect of capital expenditure incurred in previous years and financed by borrowing.

Previously the Council was required to follow a prescriptive MRP calculation as set out in former regulations 27, 28 and 29 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [SI 2003/3146, as amended]. This system was revised by the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 [SI 2008/414].

As part of those regulations the DCLG issued guidance recommending local authorities to prepare an annual statement of its strategic policy on making MRP, to be approved by the full council. The guidance provides for each authority to determine its own MRP within the given framework and also requires that the amount of MRP charged is a prudent amount.

The broad aim of a prudent amount is to ensure that the debt is repaid over a period that is either reasonably commensurate with the period over which the capital expenditure provides benefit, or, in the case of borrowing supported by formula grant, reasonably commensurate with the period implicit in the determination of that grant.

2. Strategic Options

The Council is free to determine its own method for calculating a prudent provision, but the guidance includes four options for calculating MRP. The Council can choose from or use a combination of the available options. The options are as follows:

Option 1 – Regulatory Method

This provides for local authorities to continue to calculate MRP in line with the minimum existing statutory charge of 4% of outstanding debt related to supported borrowing only, less an adjustment that ensures consistency with previous capital regulatory regimes no longer in force. This option is available for all capital expenditure incurred prior to 1 April 2008.

Option 2 – Capital Financing Requirement Method

This is very similar to the regulatory method but it does not take account of the adjustment that ensures authorities do not pay more MRP than under the previous capital regulatory regimes. For most authorities this method may not be appropriate as it would result in a higher level of provision than option 1.

Option 3 – Asset Life Method

This method is appropriate for calculating MRP in relation to debt incurred as unsupported borrowing (also known as prudential borrowing), and must be used for revenue expenditure capitalised by direction or regulation (such as that for equal pay). Under this option there are two methods available:

(i) **Equal instalment method.** This generates a series of equal annual amounts over the life of each asset that is financed by borrowing, with the life determined upon acquisition. This means that the charge to revenue closely matches the period of economic benefit of the asset.

(ii) **Annuity method.** This method links the MRP to the flow of benefits from an asset where the benefit is expected to increase in later years.

Under this option authorities should consider the type of assets that they finance through prudential borrowing, as the type of asset may have a significant impact on the level of MRP and the method used to calculate the MRP.

Finance Leases and PFI

The guidance indicates that for finance leases and on balance sheet PFI contracts, the MRP requirement is met by making a charge equal to the element of the finance lease rental that goes to write down the balance sheet liability under proper accounting practices. This is in effect a modified version of the annuity method of Option 3.

Option 4 – Depreciation Method

This method is appropriate for calculating MRP in relation to debt incurred as unsupported (prudential) borrowing. Under this method, MRP is equal to the amount of depreciation charged on assets funded from unsupported borrowing. This method may cause volatility in the annual charge for MRP because assets are revalued on a periodic basis, giving rise to significant changes in the amount of depreciation charged. Given this potential adverse impact on future budgets this option is not considered viable.

Use of Capital Receipts

In addition to the four options listed above, the Local Authorities (Capital Finance and Accounting) Regulations 2003 [SI 2003/3146] allow local authorities to use capital receipts to meet “any liability in respect of credit arrangements, other than any liability which, in accordance with proper practices, must be charged to a revenue account”.

For both finance leases and PFI contracts, proper accounting practices require that the element of the annual rental relating to the repayment of the liability is used to write down that liability on the balance sheet and is not charged to revenue. It therefore follows that local authorities are permitted to apply capital receipts to fund the principal element of the annual rental of a finance lease or on balance sheet PFI contract.

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3. Proposed changes to the MRP Policy for 2017/18

Capitalised Highways Maintenance

The value of highways maintenance due to be capitalised over the medium term financial planning period to 2019/20 is set to increase in comparison with previous years. This is as a result of the budget savings agreed by Council in March 2017. As the additional amount to be capitalised is material in the context of the capital programme a review has been undertaken of the nature of the expenditure. The review has concluded that the expenditure to be capitalised will increase the life of the highways affected by between 5 and 10 years depending on the nature of the schemes. Therefore it would not be appropriate to apply the 40 year standard life assumed for infrastructure schemes in the 2016/17 MRP policy.

The MRP policy for 2017/18 has been amended and a 10 year standard life has been assumed for capitalised highways maintenance. This change will only apply to the MRP calculation for 2017/18 and subsequent years. No retrospective changes will be made in respect of highways maintenance expenditure capitalised in previous years.

The impact of this change will be an increase in the MRP charge in the first 10 years followed by a reduction in years 11 to 40, compared to the assumptions used in the budget savings forecast.

New Strand Shopping Centre (Bootle)

The Council purchased the New Strand Shopping Centre in April 2017. The purchase was funded using a 25 year annuity loan. The MRP policy has been amended to ensure that the calculation reflects the period over which the loan is to be repaid.

4. MRP Policy for 2017/18

The recommended MRP policy for 2017/18 is summarised below:

<u>Supported borrowing</u>	<u>Basis of MRP Calculation</u>
Capital expenditure incurred before 1 April 2008	Annuity Basis over 50 years (commencing from 1 April 2015)
Capital expenditure incurred after 31 March 2008.	Annuity Basis over 50 years (commencing from 1 April 2015)

<u>Unsupported (prudential) borrowing</u>	<u>Basis of MRP Calculation</u>
Capital expenditure incurred after 31 March 2008.	Calculated using (Option 3) the estimated life method on an Annuity Basis

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<u>PFI and Leasing Arrangements</u>	<u>Basis of MRP Calculation</u>
On balance sheet PFI contracts	MRP charge to be equal to the principal element of the annual rental
On balance sheet leasing arrangements (finance leases)	MRP charge to be equal to the principal element of the annual rental

Standard asset lives to be applied to calculate the MRP charge for unsupported (prudential) borrowing incurred after 31 March 2008:

Intangibles (Software)	3 Years
Vehicles, Plant & Equipment	5 Years
Revenue Expenditure Funded for Capital Under Statute – Capitalised Redundancy Costs	20 Years
Revenue Expenditure Funded for Capital Under Statute - Other	25 Years
Community Assets (Parks, Gardens etc.)	25 Years
Land	50 Years
Buildings – Scheme Value under £250,000	25 Years
Buildings – New Build (Value over £249,999)	Building Life per Asset Register*
Buildings – Acquisitions (Value over £249,999)	
Buildings – Refurbishment / Remodelling (Value over £249,999)	30 Years
Buildings – New Strand Shopping Centre	25 Years
Infrastructure - Capitalised Highways Maintenance	10 Years
Infrastructure - Other	40 Years

* The building life used in the MRP calculation will be subject to a maximum of 50 years.

The Head of Corporate Resources will retain discretion to use alternative lives for assets (capital schemes) that have particular characteristics that mean using the standard life would not be considered appropriate. It is anticipated that this will only apply in very limited circumstances.

Commencement of MRP Charges

Provision for debt under Option 3 (Asset Life Method) will normally commence in the financial year following the one in which the expenditure is incurred. However, paragraph 13 of the DCLG guidance highlights an important exception to this rule. In the case of the provision of a new asset, MRP would not have to be charged until the asset came into service and would begin in the financial year following the one in which the asset became operational. This delay would be perhaps 2 or 3 years in the case of major projects, or possibly longer for some complex infrastructure schemes.

Use of Capital Receipts to Reduce MRP Charges

Any proposal to use capital receipts to reduce future MRP charges will be presented to Cabinet for approval prior to the application of the capital receipts.

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Report to:	Cabinet	Date of Meeting:	Thursday 15 February 2018
	Council		Thursday 1 March 2018
Subject:	The Prudential Code for Capital Finance in Local Authorities - Prudential Indicators 2018/19		
Report of:	Head of Corporate Resources	Wards Affected:	All Wards
Portfolio:	Cabinet Member - Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

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

Recommendation(s):

Cabinet / Council are recommended to:

- 1) Approve the Prudential Indicators (as detailed in the report) as the basis for compliance with The Prudential Code for Capital Finance in Local Authorities;
- 2) Agree that relevant Prudential Indicators should be revised as required and that any changes required will be brought to cabinet and Council for approval;
- 3) Agree that estimates of capital expenditure may change as grant allocations are received; and
- 4) Delegate 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 the Recommendation(s):

To enable the Council to effectively manage its Capital Financing activities, and comply with the CIPFA Prudential Code for Capital Finance in Local Authorities. The prudential indicators for the forthcoming and following years must be set before the beginning of the forthcoming year.

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Alternative Options Considered and Rejected: None.

What will it cost and how will it be financed?

(A) Revenue Costs

n/a

(B) Capital Costs

n/a

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets): The prudential indicators will allow for capital spending obligations to be managed within the budget for 2018/19.
Legal Implications: None.
Equality Implications: None.

Contribution to the Council's Core Purpose:

Protect the most vulnerable: n/a
Facilitate confident and resilient communities: n/a
Commission, broker and provide core services: n/a
Place – leadership and influencer: Support strategic planning and promote innovative, affordable and sustainable capital investment projects through application of the CIPFA Prudential Code.
Drivers of change and reform: n/a
Facilitate sustainable economic prosperity: Support Capital Investment by measuring the impact and affordability of decisions over the medium-term financial planning horizon.
Greater income for social investment: n/a
Cleaner Greener: n/a

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD4990/18.) and Head of Regulation and Compliance (LD4275/18.) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

None.

Implementation Date for the Decision

With immediate effect.

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Appendices:

There are no appendices to this report

Background Papers:

There are no background papers available for inspection.

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BACKGROUND:

1. Introduction

- 1.1. The CIPFA Prudential Code for Capital Finance in Local Authorities (The Prudential Code) was introduced following the Local Government Act 2003. It details a number of measures/limits/parameters (Prudential Indicators) that are required to be set each financial year. The approval of these limits will ensure that the Council complies with the relevant legislation, is acting prudently and that its capital expenditure proposals are affordable.
- 1.2. CIPFA introduced a revised version of the code in December 2017 and this has been adopted in setting the estimated Prudential Indicators for financial years 2017/18 to 2020/21.
- 1.3. A major change introduced under the 2017 Prudential Code is the requirement to determine a Capital Strategy. CIPFA has recognised however, that due to the timing of the release of the revised codes (December 2017), that it will not be practicable to formulate this documents within the 2018/19 planning process. The Capital Strategy therefore will be introduced during the 2019/20 reporting cycle. The Capital Strategy will set out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of outcomes.
- 1.4. The Council is required to approve Prudential Indicators for the following items:
 - (i) Capital Expenditure (Section 2);
 - (ii) Financing Costs/Net Revenue Stream (Section 3);
 - (iii) Capital Financing Requirement (Section 4);
 - (iv) External Debt (Section 5-7);
 - (v) Treasury Management Indicators (Section 8).

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

2. Prudential Indicator – Capital Expenditure

- 2.1. This indicator details the overall total planned capital expenditure of the Council and therefore reflects the Council's Capital Programme.
- 2.2. The actual capital expenditure that was incurred in 2016/17 and the estimated current and future years capital programme are recommended for approval:-

Capital Expenditure - 2016/17 to 2020/21					
	2016/17 £m Actual	2017/18 £m Estimate	2018/19 £m Estimate	2019/20 £m Estimate	2020/21 £m Estimate
TOTAL	22,499	61,195	31,010	17,592	10,379

- 2.3. The estimated levels of expenditure above represent those elements approved by Council and which have been included within the Capital Programme. This may change as grant allocations are made known to the Council and are approved for inclusion within the Capital Programme. If any changes occur an update will be provided to Members.

3. Prudential Indicator – Financing Costs/Net Revenue Stream

- 3.1. This indicator measures the total capital financing costs of capital expenditure as a proportion of the total level of income from Government Grants, local Council Tax and Business Rates payers.
- 3.2. Actual figures for 2016/17 and estimates of the ratio for 2017/18 and future years are:

Financing Costs / Net Revenue Stream					
	2016/17 £m Actual	2017/18 £m Estimate	2018/19 £m Estimate	2019/20 £m Estimate	2020/21 £m Estimate
Ratio	1.7%	3.6%	3.6%	3.6%	3.4%

- 3.3. The estimates of financing costs include current commitments and proposals contained in the capital programme, additional borrowing required as a result of a payment in advance to Merseyside Pension Fund in 2017/18 (that will result in a revenue saving to the council), and new borrowing requirements in the Capital Programme. These borrowing requirements include projects and schemes that generate savings and income streams to the council that support repayment schedules.
- 3.4. An increase of 1.9% in the ratio from 2016/17 to 2017/18 can be explained by:
- Lower statutory charge from Minimum Revenue Provision (MRP) in 2016/17 when compared to 2017/18 due to changes in MRP policy in 2016/17
 - An increase to forecast external interest payments in 2017/18 as a result of new borrowing as mentioned in 3.3 above; and
 - Lower external interest receipts in 2017/18 due to increased internal borrowing meaning that less surplus cash is available for investments.

4. Prudential Indicator – Capital Finance Requirement

- 4.1. The Capital Financing Requirement (CFR) indicator reflects the Authority's underlying need to borrow for a capital purpose. This is based on historic capital financing decisions and a calculation of future years planned capital expenditure requirements.
- 4.2. Actual 2016/17 and estimated year-end Capital Financing Requirements for current and future years are set out in the table below:

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Capital Financing Requirement					
	31/03/17 £m Actual	31/03/18 £m Estimate	31/03/19 £m Estimate	31/03/20 £m Estimate	31/03/21 £m Estimate
CFR	203,585	236,212	236,571	233,082	227,993

4.3 The increase in the CFR for 2017/18, compared to 2016/17 reflects the additional borrowing required for capital expenditure in 2017/18 as shown in 2.2 (above).

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

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

5. Prudential Indicator – Borrowing Limits

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

5.2. The Operational Boundary

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

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

Operational Boundary				
	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Borrowing	164,000	164,000	160,000	158,000
Other Long Term Liabilities	3,500	3,000	2,500	2,000
TOTAL	167,500	167,000	162,500	160,000

5.2.3. The Council is asked to approve these limits and to delegate authority to the Head of Corporate Resources in conjunction with the Cabinet Member – Regulatory, Compliance and Corporate Services to manage the movement between the separately agreed limits for borrowing and other long-term liabilities within the total limit for any individual year. Any such changes will be reported to Members at the next available meeting.

5.3. The Authorised Limit

5.3.1. The Authorised Limit sets a boundary on the amount of borrowing (both short and long-term) that the Council undertakes. It uses the Operational Boundary as its base but also includes additional headroom to allow, for example, for exceptional cash movements. Under the terms of section 3 (1) of the Local Government Act 2003, the Council is legally obliged to determine and review how much it can afford to borrow i.e. the Authorised Limit. The Authorised Limit determined for 2018/19 will be the statutory limit determined under section 3 (1).

5.3.2. The Council is asked to delegate authority to the Head of Corporate Resources in conjunction with the Cabinet Member – Regulatory, Compliance and Corporate Services to manage the movement between the separately agreed limits for borrowing and other long-term liabilities within the total limit for any individual year. Any such changes will be reported to Members at the next available meeting. The Authorised Limit for external debt is as follows:

Authorised Limit				
	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Borrowing	174,000	174,000	170,000	168,000
Other Long Term Liabilities	3,500	3,000	2,500	2,000
TOTAL	177,500	177,000	172,500	170,000

6. Prudential Indicator – Actual External Debt

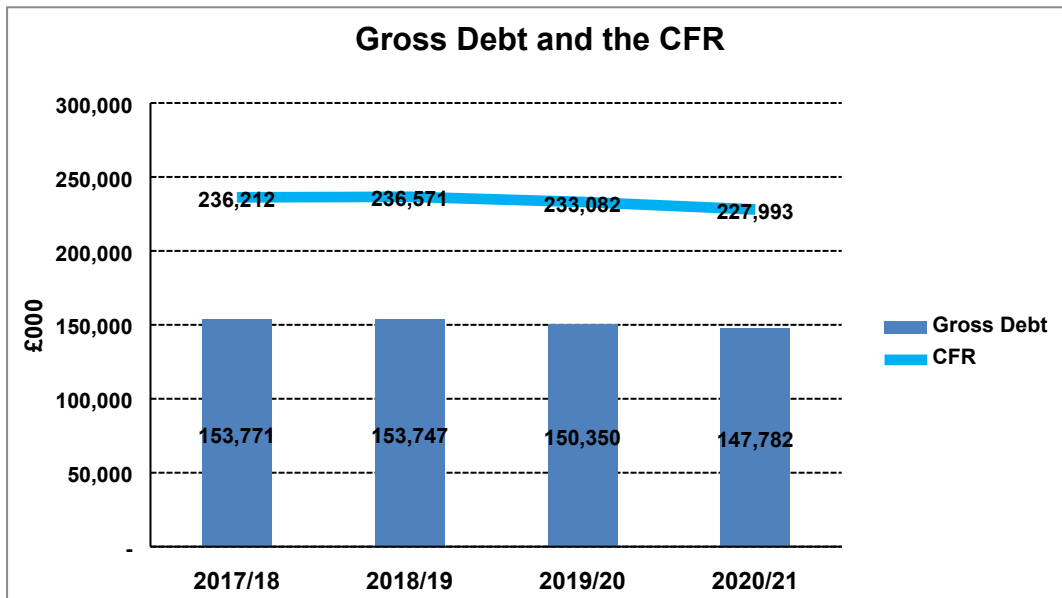
6.1. The Prudential Code requires that in setting indicators for 2018/19, the Council reports its actual levels of external debt as at 31st March 2017. The Council's actual external debt at 31st March 2017 was:

	31/03/2017 £m
Borrowing	100.177
Finance Lease Liabilities	10.590
Other Long Term Liabilities	3.939
TOTAL	114.706

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7. Gross Debt and the Capital Financing Requirement

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



8. Prudential Indicator – Treasury Management

8.1. The Council has adopted the CIPFA Code of Practice for Treasury Management in Public Services. The annual Policy and Strategy Documents establish the following debt maturity profiles and an upper limit for investments made by the Council for more than 365 days:

8.2. Debt Maturity Profile

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

Debt Maturity – Fixed Rate Borrowing		
	<u>Upper</u> <u>Limit</u>	<u>Lower</u> <u>Limit</u>
Under 12 months	35%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	40%	0%
10 years and within 15 years	40%	0%
15 years and above	90%	25%

Debt Maturity – Variable Rate Borrowing	<u>Upper Limit</u>	<u>Lower Limit</u>
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	0%	0%
10 years and above	0%	0%

8.3. Principal Sums Invested for Periods Longer Than 365 Days

- 8.3.1. An upper limit on the value of principal sums invested for periods over 365 days (as approved in the annual Treasury Management Policy and Strategy Documents) is set at 40% of Total Investments. This limit is set to contain the authority's exposure to the possibility of loss that might arise as a result of having to seek early repayment of principal sums invested.
- 8.3.2. This limit will be kept under review to take advantage of any opportunities in the current money market. Members will be advised of any change.

9. Monitoring Prudential Indicators

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

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Summary of Prudential Indicators.

ANNEX A

Capital Expenditure - 2016/17 to 2020/21					
	2016/17 £m Actual	2017/18 £m Estimate	2018/19 £m Estimate	2019/20 £m Estimate	2020/21 £m Estimate
TOTAL	22,499	61,195	31,010	17,592	10,379

Financing Costs / Net Revenue Stream					
	2016/17 £m Actual	2017/18 £m Estimate	2018/19 £m Estimate	2019/20 £m Estimate	2020/21 £m Estimate
Ratio	1.7%	3.6%	3.6%	3.6%	3.4%

Capital Financing Requirement					
	31/03/17 £m Actual	31/03/18 £m Estimate	31/03/19 £m Estimate	31/03/20 £m Estimate	31/03/21 £m Estimate
CFR	203,585	236,212	236,571	233,082	227,993

Operational Boundary					
	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	
Borrowing	164,000	164,000	160,000	158,000	
Other Long Term Liabilities	3,500	3,000	2,500	2,000	
TOTAL	167,500	167,000	162,500	160,000	

Authorised Limit					
	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	
Borrowing	174,000	174,000	170,000	168,000	
Other Long Term Liabilities	3,500	3,000	2,500	2,000	
TOTAL	177,500	177,000	172,500	170,000	

Actual External Debt	31/03/17 £m
Borrowing	100.177
Finance Lease Liabilities	10.590
Other Long Term Liabilities	3.939
TOTAL	114.706

Gross Debt and the CFR				
	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
CFR	236,212	236,571	233,082	227,993
Gross Borrowing	153,771	153,747	150,350	147,782
Under Borrowing	82,441	82,824	82,732	80,211

Debt Maturity – Fixed Rate Borrowing		
	<u>Upper Limit</u>	<u>Lower Limit</u>
Under 12 months	35%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	40%	0%
10 years and within 15 years	40%	0%
15 years and above	90%	25%

Debt Maturity – Variable Rate Borrowing		
	<u>Upper Limit</u>	<u>Lower Limit</u>
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	0%	0%
10 years and above	0%	0%

Principal Sums Invested for Periods Longer Than 365 days	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Limits to be placed on investments (% of Total Investments)	40%	40%	40%

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Report to:	Cabinet Council	Date of Meeting:	15 February 2018 1 March 2018
Subject:	Robustness of the 2018/19 Budget Estimates and the Adequacy of Reserves – Local Government Act 2003 - Section 25		
Report of:	Head of Corporate Resources	Wards Affected:	(All Wards);
Portfolio:	Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

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

Recommendation(s):

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

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

The Council is requested to have regard to the matters raised in this report during the final stages of determining the budget for 2018/19.

Reasons for the Recommendation(s):

The Local Government Act 2003, (section 25 as amended) requires the Chief Financial Officer to report formally on the issues contained within this report.

Alternative Options Considered and Rejected: (including any Risk Implications)

None

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What will it cost and how will it be financed?

(A) Revenue Costs

Decisions taken as a consequence of this report will influence the Council's Revenue Budget and Council Tax for 2018/19 and thereby shape the Council's financial plan for future years.

(B) Capital Costs

None

Implications of the Proposals:

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

Resource Implications (Financial, IT, Staffing and Assets): None
Legal Implications: The Council is required to set a Budget and Council Tax level by 10 March 2018 and must consider the comments of the Chief Financial Officer before that decision is taken.
Equality Implications: None

Contribution to the Council's Core Purpose: A sustainable revenue and capital budget will enable the delivery of the Councils core purpose as set out below

Protect the most vulnerable
Facilitate confident and resilient communities:
Commission, broker and provide core services:
Place – leadership and influencer:
Drivers of change and reform:
Facilitate sustainable economic prosperity:
Greater income for social investment:
Cleaner Greener:

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources is the author of the report (FD 4981/18).

Head of Regulation & Compliance has been consulted and her comments are incorporated in the report (LD 4266/18).

(B) External Consultations

None

Implementation Date for the Decision

Following the Budget Council Meeting.

Contact Officer:	Stephan Van Arendsen
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Appendices:

None

Background Papers:

There are no background papers available for inspection.

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1. Introduction

- 1.1 This report has been prepared in accordance with the statutory requirements of the Local Government Act 2003 which requires the Authority to report to Members on the robustness of budget estimates and the adequacy of proposed reserves.

2. ROBUSTNESS OF BUDGET ESTIMATES

- 2.1 When preparing the budget for 2018/19 and the second year of the current Budget Plan, the Council's Strategic Leadership Board have led and been fully engaged in the process and have been challenged to ensure that services can be delivered within available funding and that estimates of expenditure and income are realistic. As a result the Strategic Leadership Board has confirmed that the proposals made within this budget package both from the Public Sector Reform projects and service options are deliverable.
- 2.2 The proposed budget, due to the scale of the funding gap faced by the Council, has been prepared with careful consideration and full acknowledgement of the risk and uncertainty around both the proposals made and existing pressures faced by the Council. As this risk cannot be fully mitigated eg as a result of the demand pressure facing both Adults and Children's Social Care budgets, it is important that these proposals are considered alongside the level of reserves held.
- 2.3 In order to provide assurance that the Council's budget estimates are robust and that the Council is adequately protected as far as possible against unbudgeted financial pressures and the impact on Council Taxpayers is minimised, a number of factors are considered as part of the budget planning process.
- 2.4 As Members will be aware, the financial challenge facing local government and Sefton in particular from a financial point of view is significant. The Council identified as early as 2016, that it would face a shortfall of £64m in the next 3 years and would need a genuinely transformational approach in order to continue to meet its core purpose that arose from the Sefton 2030 vision within the resources available.
- 2.5 Within the first year of this 3 year budget, it is anticipated that a balanced budget will be delivered. Due to the complexity of the environment that the council works in however, this position has had to be managed pro-actively by both officers and members in year to reach a forecast outturn position that supports it's ongoing financial health.
- 2.6 The funding gap facing the Council in 2018/19 again presents a challenge to the organisation. The savings that are designed to meet the gap have been signed off by the Strategic Leadership Board but due to the value and scale of these, the monitoring of implementation, delivery and impact will again be a key feature of the in-year financial monitoring. Any changes to these savings in addition to an increase in demand led pressure within the budget or variations to budget estimates derived from levies, the Liverpool City Region or national government will also require careful and proactive financial management. These issues continue to place real risk on the Council, a large element of which cannot be mitigated or managed at this stage.

- 2.7 As a result of these issues, the Council will need to continue to place financial management at the heart of its activity in the next year, be robust in its financial monitoring and be prepared to take corrective action at short notice, that may involve policy decisions in order that financial sustainability can be maintained. Such an approach will require both officers and members to have the capacity to support the delivery of the Framework for Change and the evaluation of its impact from a financial point of view. Again due to the limited resources within local government and this Council, this will require careful management and prioritisation where appropriate to manage the risks that the Council is exposed to.
- 2.8 The Council since the current austerity programme commenced in 2010 has a good track record of delivering balanced budgets. It has also benefited from taking a more medium term view of financial planning in setting 2 and 3 year budgets that are aligned to Medium Term Financial Plans. The management of the severity of the current financial position and its inherent risk will be a key feature as the Councils views the period from 2020/21 onwards ie beyond the period of this 3 year budget. Initial estimates indicate that a budget shortfall in excess of £13m will need to be met in 2020/21 should current national policy be maintained. This places greater importance on ensuring that in year financial sustainability is maintained as any residual sum from this 3 year budget will be added to this sum, thus increasing the challenge to the Council. As a result the following factors have been built into the assessing the robustness of the 2018/19 estimates.

Factors to be Considered

Four year settlement and increased reliance on local funding estimates

- 2.9 The financial settlement received for 2017/18 provided details of the funding levels to be received by the Council in 2017/18 and the subsequent two financial years including 2018/19. These levels reflected the decision of the Council to accept central government's offer of a four year financial settlement (2016/17 to 2019/20).
- 2.10 Whilst this certainty has been welcomed with over 95% of councils accepting the multi-year settlement, there are significant changes proposed to local government funding during the remaining period of the Council's Medium Term Financial Plan which will require careful monitoring and engagement. These include potential changes to the Business Rates Retention Scheme, changes to the funding of Schools, and the impact of funding changes associated with Adult Social Care, namely the Improved Better Care Fund and the Adult Social Care Council Tax Levy.
- 2.11 The future years funding estimates in relation to these issues will be kept under review and refined accordingly as details become available. In respect of the 2018/19 budget, estimates are based upon confirmed funding due or latest detailed estimates e.g. council tax receipts.
- 2.12 As was reported last year, the Council is cognisant that its future funding is now more closely aligned to the generation of local income as opposed to central government support than would historically have been the case.
- 2.13 The budget proposed therefore further acknowledges not only the need to reform current service delivery and make savings in a number of areas, but also that the

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future financial sustainability of the Council will need to be supported through the drive to deliver economic growth and develop additional and increased income streams. The current expenditure plans within this budget rely on sustaining existing levels of economic activity with growth in properties subject to Council Tax and business rates income.

Maintaining Service Delivery

- 2.14 The scale of the budget reductions that face the Council up until 2019/20 are severe and have required a transformational approach to ensure that the Council's core purpose that was derived from the Sefton 2030 vision can be delivered. This is clearly reflected in the budget proposals agreed in March 2017 and which have been updated as part of the 2018/19 budget setting process. This includes projects within the Public Sector Reform programme and the Strategic Investment / Economic Growth workstreams.
- 2.15 Whilst there will be an impact on the level of service that the Council is able to provide, all proposed changes continue to be subject to careful consideration, impact assessment and consultation before implementation. Such an approach has been utilised extensively in the first year of the budget plan and will continue into 2018/19 and beyond. As a result, in 2018/19 the principal of phasing the introduction of certain savings where appropriate will continue. From a financial point of view, whilst this approach will require the use of some 'one-off' funding sources to support the budget, the delivery of sustainable savings over the period of this medium term financial plan and beyond will ensure that both service delivery and financial management responsibilities are discharged effectively.

Anticipated New Demand Pressures

- 2.16 The budget setting process continues to take into account the impact of demand for Council services and the financial demands placed upon it from other sources where possible. Demand pressure within Adults and Children's social care continues to present the council with significant risk both operationally and financially. The pressure in Adults Social Care has continued during the last year and whilst the council has been able to utilise the 'one-off' funding afforded by central government and has introduced the Adults Social Care levy, ongoing pressure will continue and will need to be met. Likewise, nationally and regionally the pressure on all councils in respect of Looked after Children is resulting in financial pressure in this area. The council cannot fully support these pressures from existing resources but in 2018/19 is able to alleviate some of the impact by allocating over £3m to these budgets. Whilst this funding will be welcomed, careful in year management and monitoring will be required to ensure that a balanced overall position for the council can be delivered and any further cost increases, e.g. in respect of provider fees, this will need to be met from existing resources and/or compensating savings/ income will need to be identified. This represents one of the most significant budget risks to the council as the materiality involved is difficult to alleviate with tactical decisions.
- 2.17 In addition to the direct demand pressure that can be experienced the council is also exposed to pressure from outside organisations that has a direct impact upon

its general fund budget. This is particularly pertinent in respect of the Transport and Waste levies that are payable. These have both risen significantly for 2018/19 when compared to the MTFP assumptions and previous years levels. As such the council has had to fund these pressures and will need to work with the respective bodies from an early stage in order to inform the 2019/20 position.

Resources to Deliver Change

- 2.18 The approach to the current three year budget package is transformational in nature and different to the approach taken by the Council in previous years as it has sought to meet its financial challenges. In order to deliver this, the shape of the Council and the approach to service delivery will change significantly in a number of areas. Within the 3 year budget package, provision was made to enable the delivery of a number of projects. This work has commenced and investment in infrastructure to support front line services, investment in ICT and specialist advice and support has been made and will continue to be required not only in 2018/19 but also in the period beyond the current Medium Term Financial Plan. This funding continues to be held centrally and bids will be evaluated on a case by case basis by the Chief Executive and the Leader of the Council in order to determine allocation. Similarly due to the transformational nature of proposals, the resource requirement from both members and senior officers will be key to successful delivery. Enabling sufficient capacity to the delivery of projects within the Framework for Change will be crucial.

Inflation and Annual Cost Increases

- 2.19 The Council, as in previous years, has provision for specific allocations to provide funding for contractual and other inflationary pressures such as annual pay increases. This reflects the latest information available having conducted a Council wide review of existing contracts and the likely impact of future pay negotiations. Within this budget package however there continues to be no provision for price inflation. Due to the severity of the financial challenge facing the Council over the next two years, services will be required to manage any such pressure within their existing cash limits. The council had previously budgeted for pay inflation of 1% in both 2018/19 and 2019/20 to reflect central government policy. This was also a key consideration in accepting the 4 year settlement. It has been indicated the pay award in the next 2 years will be 2.7% and 2.8% respectively. This additional pressure will be met from additional income within the budget.

Impact of Previous Years' Budget

- 2.20 Throughout this budget process, Heads of Service have been engaged to understand the impact of any budget pressures that could impact upon the 2018/19 to 2019/20 budget plan from the 2017/18 budget. As a result of this work, it is estimated that existing pressure within Children Social Care and Localities (provision) will be met from corresponding underspends within other services. Heads of Service in addition to this have been advised to re-align existing budgets within services as required to ensure that continued effective budget management can be discharged in 2018/19.

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Financial Management

- 2.21 The Council has an embedded process with regard to its Financial Management and its reporting strategy reflects the monitoring undertaken by the Strategic Leadership Board, budget holders and the central Finance team. Monthly reports are considered by Departmental Management Teams, Strategic Leadership Board and Cabinet. Overview and Scrutiny Committee also have a standing agenda item in respect of capital and revenue monitoring.
- 2.22 It has been stated both within this extract and also the wider budget report that the budget estimates contained for the Council over this Budget Plan period reflect the Council's ambition to deliver services that align with its 2030 vision, core purpose and ensure that it remains financially sustainable.
- 2.23 In order to manage the delivery of these objectives and the different risks that are presented when compared to previous years, the Strategic Leadership Board and Members will need to monitor progress and delivery of each proposal and instigate remedial action where issues are identified. The Council, despite having to address budget shortfalls since 2010 of £233m, has a strong track record of delivering savings, however due to the funding gap that continues to be faced and the transformational activity proposed; this monitoring will be of even greater importance.

Management of Risk

- 2.24 The Council manages risk on an ongoing basis at all levels of the organisation. In doing so it has developed policies, processes and systems that reflect its internal governance arrangements and the constitution. As far as possible this allows the Council to anticipate risks as they emerge. These processes are supported by the Council's Internal Audit and Risk Section, the annual review of Corporate Governance and the completion of the Annual Governance Statement.
- 2.25 Given these controls and processes, the likelihood of unanticipated budget issues has been reduced as far as possible, however due to the continual issues presented in respect of the demand led services (particularly Adults and Children's Social Care) and the changes in local government finance these cannot be mitigated in full and will need to be managed robustly. Depending upon the materiality involved, should any issues arise, alternative savings will need to be identified.
- 2.26 In order to reflect these demand pressures. the significant level of savings that are required to be delivered in 2018/19, and the inherent risk within the budget, it is proposed that a comprehensive mid- year review be completed in order for members and officers to gain assurance on progress of savings deliverability and visibility of any other emerging issues. This will be conducted as at end of July 2018 in order that any remedial action can be undertaken in order to support financial sustainability.

Capital Strategy and Strategic Investment

- 2.27 As part of the reform process of local government finance, the Council now receives a modest level of capital grant to support investment. This budget provides for the utilisation of this funding in 2018/19 and an indicative plan for 2019/20.
- 2.28 The Council as stated previously has identified that its economic growth and strategic investment workstreams are key to supporting its 2030 vision and core purpose in addition to financial sustainability. With the reduction in capital resources that are available from central government, the council will continue to explore opportunities and methods to generate funding to support these activities over the next 3-5 years. This approach is reflected in the budget report. Where a proposal to generate an income stream can be generated, the use of prudential borrowing will be considered and in addition the use of capital receipts from PSR8-asset maximisation will be a key feature of the investment strategy.
- 2.29 The Council through its Treasury Management Strategy uses a range of prudential indicators to manage and control the impact of these capital investment decisions. This will ensure that the risk and debt profile of the Council is appropriate based upon its financial standing and performance and that repayment is affordable.

External Advice

- 2.30 The Council is supported in its financial activities by its External Auditor, Ernst and Young LLP and its Treasury Management Advisors. Any material changes to Council policy, budget decisions or capital investment proposals will be undertaken in consultation with these organisations.

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3. **RESERVES STRATEGY 2018/19**

- 3.1 The Council holds a range of reserves that it uses and holds for different purposes. This report considers each in turn.

General Fund

- 3.2 The General Fund Reserve is the Council's primary reserve. It exists to provide the Council with a contingency against unexpected events which could otherwise undermine the Council's sound financial standing. The fund should only be utilised to address short term issues and should not be relied upon to finance ongoing budget deficits. Where it is used in the short term then this should be part of a plan to return it to a long term equilibrium position in the medium term.
- 3.3 Determining the level of General Fund Reserve forms a key part of the Council's medium term financial strategy and will be informed by an assessment of the risks presented by:
- State of the economy (and its impact on Council costs / funding)
 - Knowledge of future changes to the Council's responsibilities
 - Specific risks relating to the changes in Council services
- 3.4 A historical benchmark minimum level that is used by a number of authorities is for the General Fund Reserve to be maintained at between 3-5% of the Council's net budget. This can be considered to be a minimum level of reserves in keeping with the long term background risks the Council shares in common with all other councils. This is referred to as the normal risk accepted. However this rate will not take account of variable factors such as the economic climate, government policy and local factors. Therefore, alongside the normal risk the Council also needs to make an assessment of abnormal risks it may need to fund. These include the following elements.

National Considerations

- 3.5 **Impact of economic climate on Council costs** - the current climate continues to prove challenging with the potential for business closure, lower than normal income levels and shortage of alternative funding sources from partners. As Council funding is now more dependent on the performance of the local business sector it is more exposed to the consequences of businesses failing or a lack of demand for local facilities.
- 3.6 **Anticipated reductions in Government funding** – the level of funding that it is anticipated that the Council will receive in 2018/19 and 2019/20 reflects the four year local government finance settlement accepted by the Council. In addition, the Council has been notified of other grant allocations in 2018/19. These funding

levels are included in the Budget Plan. However, the funding allocations for some elements in 2019/20 are indicative or are subject to an ongoing consultation period. These reductions and any future funding changes still represent a risk.

Local Considerations

- 3.7 **Planned changes in service delivery methods / contracts** – The Council continues to review the way in which it delivers services in order to ensure best practice and best value for money for its residents. In addition, the budget proposals involve significant transformational change as to how services are provided. This will result in significant changes to working practices, commissioning relationships and governance arrangements. As these become embedded within the organisation this should reduce the risk to the organisation however there is still a degree of risk that needs to be allowed for.
- 3.8 **Impact of Rising Demand for Services** – The Council continues to face increasing demand for its services due to demographic growth pressures in Adult Social Care and pressures relating to Looked After Children. Investment has been included in the 2018/19 budget but there is still a degree of risk that needs to be allowed for.
- 3.9 **Legal Challenges** – The Council from time to time make decisions (policy and operational) that could be subject to challenge or appeal from affected bodies. It is therefore prudent for the Council to have some capacity to safeguard against such challenges.

Budget Setting Assumptions

- 3.10 **Sensitivity of budget assumptions** - The Council's budgets for 2018/19 are underpinned by a number of assumptions regarding the prevailing rates of inflation, interest earned and cost growth. While these estimates are believed to be prudent some costs are outside the Council's control, particularly in the medium term.
- 3.11 **Significant earmarked reserves** – The Council maintains funding in earmarked reserves. These include reserves for future potential insurance claims and funding that Members have set aside for specific purposes. The presence of these reserves reduces the scale of risk the General Fund has to guard against. It should be noted that these reserves have been set up for specific purposes and as such their use will be in accordance with that approved.

Management / Member Actions

- 3.12 **Clear Corporate / Member messages** - The Council and its senior management have very clear expectations regarding the delivery of a 'balanced budget' and have instigated appropriate monitoring and reporting processes to ensure any emerging pressures are promptly addressed. This reduces the risk to be managed through the General Fund.

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3.13 **Three Year Plan developed** – Given the scale of the funding reductions that the Council faces, a three year plan (of which this is the second year) was been developed which will allow it to plan ahead with more certainty and this has helped to ensure that savings plans are identified well in advance of their implementation and short term reactive measures have not been necessary.

3.14 A summary of the adjustments made for the above factors is set out in the table below.

Factors Considered	Risk Impact % of net budget	Impact on General Fund Balances
		£m
Normal Risk Level (lower level)	3.0%	6.1
<u>National Considerations</u>		
Impact of economic climate on Council costs	1.0%	2.0
Anticipated reductions in Government Funding	1.0%	2.0
<u>Local Considerations</u>		
Delivery of planned changes in service delivery methods/contracts	1.5%	3.0
Costs at risk from potential legal challenges	0.5%	1.0
Rising demand for services	1.0%	2.0
<u>Budget Setting Assumptions</u>		
Sensitivity of budget assumptions	1.0%	2.0
Significant earmarked balances	-2.5%	-5.1
<u>Management / Member Actions</u>		
Clear corporate / Member messages	-1.5%	-3.0
Three year plan developed	-1.0%	-2.0
Total Abnormal Risk	1.0%	1.9
Total Risk	4.0%	8.0

3.15 This shows that a risk adjusted assessment of the required level for the General Fund in 2018/19 should be in the region of £8.0m. A range of £1.0m is advised around this figure so a General Fund between £7.0m and £9.0m would be considered prudent. This represents 4% of the net budget.

3.16 The Council started 2017/18 with a General Fund balance of £8.103m. Incorporating the latest projections of expenditure for 2017/18 and the planned use of General Balances it is estimated that the level of the General Fund by 31

March 2018 will be £7.209m. This would be within the assessed prudent range for 2018/19 and the risk assessed level will be kept under constant review.

- 3.17 The level of risk and the associated levels of General Fund balance required to hedge against that risk will be reviewed on an ongoing basis. In the current times of uncertainty, and financial pressures, the S151 officer considers it prudent to maintain reserves at a higher level than might be expected in a more stable economic climate, and to review against the extent of future ambitions and risks during the forthcoming year.

Earmarked Reserves

- 3.18 Unlike the General Fund, earmarked reserves are held for a specific purpose. These purposes may be determined by the Council to coincide with its policy objectives, dictated by statute (e.g. schools funding) or agreed with partners who also contribute to the reserve.

- 3.19 Where the decision to set up a reserve rests with the Council, consideration needs to be given as to the benefits of holding an earmarked balance. The Council holds earmarked reserves separately from its General Fund to meet a number of distinct aims.

- Strategic Reserves - In accordance with policy decisions, funding may be set aside and ringfenced for the benefit of a particular service or project ensuring that there is funding to take the activity forward as planned. This can also include general support to the budget.

- Committed Reserves – Where the Council makes a decision that commits it to incurring additional costs in the future, it can set aside the funding necessary to meet that cost when it arises, ensuring that the costs of current decisions are recognised at the point that decisions are made and do not become a burden on future budgets.

- Uncommitted Reserves – Where the Council is aware of an issue that may incur additional costs in the future, it can set aside the funding necessary to meet that cost if and when it arises, ensuring that the potential costs of these issues do not become a burden on future budgets.

- Restricted Reserves – The Council sometimes receives contributions from partners or has to set aside its own funding in a way that restricts where it can be spent in the future. These reserves can only be used to support eligible expenditure which may be restricted to a particular place, activity or service.

- Temporary Reserves – These are used to phase out timing differences between when the Council (or another body) funds expenditure and when it is incurred.

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- 3.20 The current and anticipated balances on each of these classes of earmarked reserve are shown below.

	April 2017	Anticipated March 2018
	£m	£m
Earmarked Reserves		
- Strategic Reserves	33.414	18.883
- Committed Reserves	13.896	13.896
- Uncommitted Reserves	0.000	0.000
- Restricted Reserves	1.772	1.772
- Temporary Reserves	6.810	6.810
	55.892	41.361
School Earmarked Reserves	3.886	2.386
	59.778	43.747

- 3.21 The benefits of holding earmarked reserves needs to be weighed against the costs of doing so. Every discretionary earmarked reserve ties up funds that may otherwise be available to fund the core activities of the Council. Each reserve also carries with it an administrative overhead as they will need to be maintained, monitored and reported on.
- 3.22 Of the 46 existing earmarked reserves, 27 are to be retained over the medium term or beyond. Each of these reserves will be subject to a regular monitoring process to ensure they remain relevant and are achieving their stated objectives. The remaining 19 are expected to have fulfilled their purpose within the planning period and will be closed at that point. Any surplus funding on these reserves on completion of proposed activities will be appropriated to the General Fund or returned to the original funding source.
- 3.23 At present the budget package for 2018/19 to 2019/20 assumes that £9.2m of reserves will be used to support the delivery of savings over the three years as the Council delivers its Medium Term Financial Plan and financial sustainability. It is planned that £2m of this will be returned to reserves by 2019/20. The use of these reserves is directly attributable to the delivery of long term sustainable savings.

Comparison of all Revenue Reserves

- 3.24 To confirm the appropriateness of the level of revenue reserves held (combining General Fund and Earmarked Reserves) they have been benchmarked against other similar Local Authorities. These comparisons are shown relative to the net budget of each Council to remove the effect of the different sizes of each body.
- 3.25 The latest available information for other councils reflects March 2017 balances. It can be seen from the analysis that the Council's reserves coverage has been similar to that of its comparator group in the last three years. Levels are currently marginally below the average. Whilst each authority's assessment of risk will vary, the benchmarking process provides a broad indication that levels are

adequate but not excessive. The general pattern of increases across all councils reflects the greater risks and uncertainties they face given the reductions in future funding levels. This level does reflect that the use of reserves needs to be carefully considered and be aligned to the delivery of financial sustainability

	2012/13	2013/14	2014/15	2015/16	2016/17
Comparator Average %	30.5%	31.8%	33.4%	34.6%	34.4%
Sefton %	22.0%	27.0%	33.2%	32.7%	32.0%

Capital Reserves

Capital Receipts Reserve

- 3.26 The Council retains a capital receipts reserve to finance future capital expenditure. This reserve is financed by capital receipts set aside on the disposal of land, buildings and other assets as well as amounts received from One Vision Housing relating to the Council's share of Right to Buy receipts.
- 3.27 The nature of this reserve determines that the balance will vary with the timing of the receipts and the Council's capital schemes that the receipts are being used to fund. The balance at the end of 2016/17 was **£7.124m**.

Unapplied Capital Grants and Contributions Reserve

- 3.28 The value of this reserve relates to capital grants and contributions received that have yet to be utilised to fund ongoing capital schemes. The balance at the end of 2016/17 was **£8.147m**. This funding will be utilised over the next three years. However, additional grants and contributions will be received that will not be fully utilised in the years they are received so will remain in the Reserve until utilised.

School Reserves

- 3.29 The main element of this reserve is individual carry forward balances of schools' unspent budgets. It is the Council's responsibility to hold these balances and ensure they are ring-fenced for use against school activities. These balances are expected to gradually reduce over this planning period as the schools utilise their accumulated surpluses to support their activities.

4. CONCLUSION

- 4.1 As a result of considering the issues contained within this report, it is the view that the budget proposed is a robust budget package and the opinion provided is in accordance with Section 25 of the Local Government Act 2003.

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Report to:	Cabinet Council	Date of Meeting:	15 February 2018 1 March 2018
Subject:	Revenue and Capital Budget Plan 2018/19 – 2019/20		
Report of:	Chief Executive and Head of Corporate Resources	Wards Affected:	All Wards
Portfolio:	Leader of the Council		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

This report will provide Cabinet and Council with:

- An assessment of the Council's current financial position and approach to the 2018/19 to 2019/20 Budget Plan;
- Progress that has been made during the last year within the Council's Framework for Change programme;
- An update on the Government's announcement of resources that are available to the Council for 2018/19;
- The Council's current financial position and the assumptions built into the Medium Term Financial Plan
- The proposed Budget and suggested Council Tax increase for 2018/19;
- The proposed Capital Programme for 2018/19 and 2019/20; and
- The first budget estimate of the funding gap that the Council will face in 2020/21

As such, this report sets out the approach to the financial strategy of the Council and the national and local financial context within which it is operating. The Council has a statutory requirement to remain financially sustainable.

The Council's Framework for Change Programme is a comprehensive and ambitious programme that seeks to support the delivery of the Council's core purpose. As would be expected with a programme of this size and complexity that spans a number of financial years, the detailed proposals have been and will continue to be the subject of change as they are developed and ultimately implemented. Within this context, work has been undertaken to confirm that change proposals for 2018/19 are viable and will help deliver financial sustainability.

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Cabinet and Council will wish to consider these items before determining the:

- Budget for 2018/19 and the Financial Plan to 2019/20;
- Setting the Council Tax for Sefton Council for 2018/19; and,
- Approving the overall Council Tax resolution for 2018/19

Recommendations:

Cabinet is recommended to:

1. Note the update of the Medium Term Financial Plan for the period 2018/19 to 2019/20 which includes the implications of the local government finance settlement (Section 4) and the remaining budget gap following various budget proposals (Section 5);
2. Consider the Council Tax increase / Social Care Council Tax Precept for 2018/19; and,
3. Approve the Fees and Charges for 2018/19 (Appendix C).

Council is recommended to:

Budget 2018/19 and Medium Term Financial Plan to 2019/20

4. Note the update of the Medium Term Financial Plan for the period 2018/19 to 2019/20 which includes the implications of the local government finance settlement (Section 4);
5. Approve the budget for 2018/19 and the two-year financial plan to 2019/20 and authorise officers to undertake the necessary actions relating to the implementation associated with the recommendations (Section 5);
6. Approve a one-off revenue contribution, to be repaid of £1.209m to the Liverpool City Region Mayoral Combined Authority to support the Single Investment Fund in 2018/19. (Paragraph 7.2);
7. Approve the changes in the use of one-off resources in 2018/19 and 2019/20 to phase the impact of the required savings over the budget plan (Paragraphs 5.6 and 7.2);
8. Consider the Council Tax increase / Social Care Council Tax Precept for 2018/19;

9. Note the Schools' Forum decisions on the Dedicated Schools Grant and Individual School Budgets (Section 8 and Appendix A);
10. Approve the allocation of specific grants as detailed in the report (Section 9);
11. Note the Fees and Charges as proposed in the draft Council budget (Appendix C); and
12. Subject to the recommendations above, approve the overall Council Tax resolution for 2018/19 including Social Care, Police, Fire and Parish Precepts.

Capital Programme 2018/19 to 2019/20

13. Approve for inclusion within the Capital Programme, the Capital schemes to be funded from school and transport grants in 2018/19 as outlined in paragraphs 2.2 and 3.2 of Appendix D;
14. Approve the transfer of the funding for work at Litherland Moss Primary School Phase 2 towards Essential and Planned schools maintenance as outlined in Section 2 of Appendix D; and
15. Approve for inclusion within the Capital Programme the fully grant funded schemes as detailed in paragraphs 4.2 of Appendix D.

Reasons for the Recommendation(s):

In March 2017 Council approved a three year budget plan to 2020. As the Council enters the second year of this budget plan it remains confident, that its continued strategic approach to budget planning alongside good financial management and extensive community engagement, means that the plan continues to develop on solid foundations, remains flexible and will secure the future sustainability to 2020 and beyond.

The recommendations in this report provide the basis on which the budget plan would be balanced for the financial year 2018/19 and will ensure that the Council's statutory obligations are met.

Alternative Options Considered and Rejected: (including any Risk Implications)

The Council is legally required to set a balanced budget each year and this report has taken due consideration of all financial issues in its development. No additional options are available for inclusion.

What will it cost and how will it be financed?

(A) Revenue Costs

All financial implications are reflected within the report.

(B) Capital Costs

All financial implications are reflected within the report.

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Implications of the Proposals:

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

Resource Implications (Financial, IT, Staffing and Assets):

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

The proposals within the budget plan will also have an impact on physical assets; this will be assessed during the implementation of approved changes.

The proposals within the budget plan will also have an impact on ICT; this will be assessed during the implementation of approved changes.

Legal Implications:

There is a statutory requirement to set a robust budget for the forthcoming financial year before 11 March 2017. In the course of considering each of the individual Public Sector Reform projects, consultations and service options to achieve the savings required detailed consideration should also be given to the legal, human rights and equality implications. Such consideration will also need to be evidenced to ensure that the Council's decision making processes are defensible.

Equality Implications:

As the Council puts actions into place to set a balanced and sustainable budget, there is a need to be clear and precise about our processes, and impact assessment potential change options and identifying any risks and mitigating these where possible. The impact assessments, including any feedback from consultation or engagement where appropriate, will be made available to Members when final recommendations on individual projects are presented for a decision. This will ensure that Members make decisions in an open minded, balanced way showing due regard to the impact of the recommendations being presented and in compliance with the Equality Act 2010.

Contribution to the Council's Core Purpose:

Protect the most vulnerable:

Council decisions over the last six years have focused on the priority given to our most vulnerable people. The Budget Plan activity continues to seek to protect the most vulnerable within available resources.

<p><u>Facilitate confident and resilient communities:</u> The Budget Plan demonstrates a clear commitment to early intervention and prevention and working with partners, communities and local businesses to reduce the reliance on the public sector.</p>
<p><u>Commission, broker and provide core services:</u> The Budget Plan recognises that where it is necessary to do so, the Council will continue to be a provider of those core services that the community expects to see delivered but will use new service delivery models and new forms of partnership.</p>
<p><u>Place – leadership and influencer:</u> This first year of the Budget Plan has seen the Council demonstrate strong and effective leadership building on its proven track record of engagement, consultation, listening and considering feedback in the decision making process.</p> <p>The Council continues to work with partners towards common goals, moving away from traditional ways of working focused around delivering services and is demonstrating a greater role in influencing, shaping, enabling and building community capacity.</p>
<p><u>Drivers of change and reform:</u> The Budget Plan demonstrates the Council playing a key role in leading and driving change and reform to improve outcomes for Sefton residents and continuously improve the Borough.</p>
<p><u>Facilitate sustainable economic prosperity:</u> The Budget Plan also clearly articulates the Council’s approach to investing in order to achieve financial sustainability and the ambitions of Sefton 2030.</p>
<p><u>Greater income for social investment:</u> The Budget Plan recognises the Council’s commitment to developing a commercial nature and look to what it can do either by itself or with others to generate income and profit that can be reinvested into delivering social purpose.</p>
<p><u>Cleaner Greener:</u> The Budget Plan recognises the Council’s commitment to work with others to maintain Sefton’s natural beauty and ensure that its many assets provide a contribution to Sefton’s economy, people’s wellbeing and the achievement of the 2030 Vision.</p>

What consultations have taken place on the proposals and when?

(A) Internal Consultations

Regular and ongoing consultations have taken place between the Chief Executive, Executive Directors, Heads of Service and Trade Unions, and will continue to do so.

The Head of Corporate Resources is the author of the report (FD 5028/18) and the Head of Regulation and Compliance (LD4312/18) has been consulted and any comments have been incorporated into the report.

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(B) External Consultations

In recent years the Council has carried out extensive consultation with the community and has a proven track record of engagement, consultation, listening and considering feedback in the decision making process. Engagement and consultation will continue over the budget plan period and standard Council procedures will be observed in the instances where we are required to inform the public.

The budget proposals contained within this report provide an update on the budget plan from 2018/19 to 2019/20. It is a legal requirement to set a balanced budget and ensure the budget plan is robust. As such, any changes to the proposals contained within this report would need to ensure this requirement is still met.

Implementation Date for the Decision

Officers will be authorised to implement all decisions within this report immediately following Council on 1 March 2018.

Contact Officers: Margaret Carney and Stephan Van Arendsen

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Stephan.VanArendsen@sefton.gov.uk

Appendices:

The following appendices are attached to this report:

- A. Individual School Budgets
- B. Draft Council Budget Summary 2018/19 – 2019/20
- C. Fees and Charges 2018/19
- D. Capital Programme 2018/19 - 2019/20

Background Papers:

Medium Term Financial Plan-July 2017

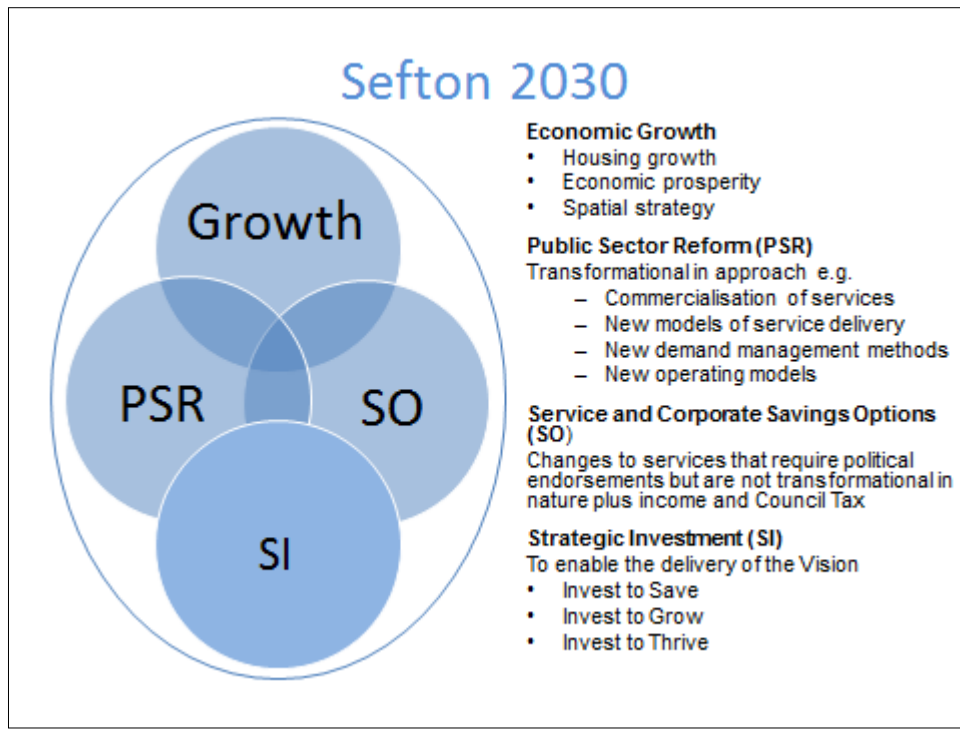
1. Introduction

- 1.1 This report provides Members with an update on the overall financial position of the Council, and an update of the Medium Term Financial Plan for 2018/19 to 2019/20, including implications of the local government finance settlement. In doing so, the report presents the proposed budget for 2018/19 and the two-year financial plan to 2019/20 together with a proposed Council Tax increase for 2018/19, including the Adult Social Care Council Tax Precept.
- 1.2 In addition, Individual School Budgets, Fees and Charges and the Capital Programme require approval.

2. Overall Financial Context for the Council and Approach to the 2017/18 to 2019/20 Budget Plan

- 2.1. In 2010, Central Government imposed, what were thought at the time, to be significant reductions in local government financial support. Rather than this being a short term restriction in spending, the austerity programme has extended into a ten-year long period of severe budget reductions. For Sefton this has resulted in a funding gap of £233m being required to be met by the end of 2019/20, with a direct loss of 51% of government funding. This reduction equates to £722 per Sefton household.
- 2.2. This central government policy has, unsurprisingly, seriously challenged the ability of the Council to provide essential services to the community and its most vulnerable residents. Demand for adults and children's services has increased exponentially over recent years, yet no additional resources have been provided by Government. The ability to increase Council Tax has helped the Council; however, this has resulted in a significant financial burden for local residents. As a result, Members have, and continue to be faced with a series of very difficult choices around prioritisation and resource allocation, which often cannot be reconciled, and on occasions, a genuine choice does not exist. Whilst budgets have seen significant reductions and changes in service provision, the Council has continually strived to ensure that essential services that safeguard its most vulnerable residents are protected and prioritised in addition to ensuring that its financial sustainability is maintained. This has been undertaken successfully since 2010.
- 2.3. In advance of the 2017/18 financial year, the Council was faced with an overall funding gap of approximately £64m for the following 3 year period as a result of spending pressures and Government funding reductions. Due to the scale of this financial challenge (and taking into account the significant savings that had already been made since 2010) the Council undertook a comprehensive review of its role within the Borough, via the Imagine Sefton 2030 consultation and as a result, updated its core purpose.
- 2.4. It was subsequently determined that the delivery vehicle for the Council's core purpose and to ensure financial sustainability would be the "**Framework for Change**" programme. The key pillars of the this programme that were approved by Members are shown in the following diagram:-

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- 2.4 In March 2017, Council approved a three year budget plan to 2020 that would meet the financial challenge faced and would help deliver the Council's core purpose. As the Council enters the second year of this budget plan it remains confident, that its continued strategic approach to budget planning alongside good financial management and extensive community engagement, means that the plan continues to develop on solid foundations, remains flexible and will secure the future sustainability to 2020 and beyond.
- 2.5 Whilst these solid foundations are in place, the Council remains vulnerable to a range of issues that can impact upon its financial sustainability and which impact upon the decisions that it has to make. These include the impact of demand pressures within Adults and Children's Social Care, the impact of decisions arising from the Liverpool City Region and most significantly central government policy. Despite setting a 3 year budget in March 2017, each of these will have a material impact upon the Council's budget up until 2020 and the Council will need to be flexible in how it manages these changes which often are adverse in nature and require further difficult decisions to be made.
- 2.6 The demand led pressures that the Council faces particularly in respect of Adults and Children's Social Care continue to present significant challenges. In 2017/18 Social Care budgets amounted to £114m and represented approximately 54% of the Council's Services net budget. Members will recall that over the budget plan period Adult Social Care faces additional pressure of approximately £25m to 2020 and nationally the budget position with regard to Children's Social Care and particularly Looked after Children is placing unprecedented pressure on Council budgets and reserves.

- 2.7 As yet there is no clear policy direction as to how the Government intends to address the funding challenge around Adult Social Care so that existing need can be met, the market made sustainable and future pressures addressed. This is a significant concern to Sefton as the Council remains committed to protecting the most vulnerable. The interface with the National Health Service and the challenges that this presents the Council due to the financial pressure and resulting impact in that sector are also significant and require immediate attention.
- 2.8 Similarly, like other councils across the country, Sefton is also faced with an increase in the number of children and young people requiring support from Children's Social Care. Improving life chances for children and families in Sefton is a critical element of the Council's Early Intervention & Prevention work. The Council is keen to work with partners to ensure that positive approaches are put in place that will help all members of our community to live happy and healthy lives, with positive approaches in place for those that need that bit of extra support from time to time.
- 2.9 These are just two of the key pressures facing the Council and this means that it has to continue to make very difficult choices and demand in these areas. If these pressures are not able to be contained within limited resources, financial contributions from elsewhere within the Council will have to be identified in order that the challenge is met.
- 2.10 As set out within the Framework for Change programme the Council remains focused on: -
- Creating more and better jobs for local people – Economic Growth
 - Working with partners to deliver affordable services which achieve the best possible outcomes – Public Sector Reform
 - Making every pound count in everything we do – Service Delivery Options
 - Investing wisely and creatively to make and save money, grow faster and enable our communities to thrive – Strategic Investment
- 2.11 All of these activities truly put people at the heart of what the Council does and seeks to achieve the best possible outcomes for local people. As the change progresses the Council will continue to adopt a 'can do' approach to collaboration aimed at working together with partners and communities in a positive, productive environment.

3. Framework for Change – Progress to date

- 3.1 In this first year of the budget plan and the Framework for Change, the Council has clearly demonstrated that the feedback from the Imagine Sefton 2030 consultation has been taken into account in the development of new strategies, approaches and ideas. Just one example being that during 2017, many people enjoyed the Year of Sefton's Coast, as the Council and partners celebrated 22 miles of fantastic coastline, all developed on the back of community feedback. This year also saw the Sefton Coast Landscape Partnership, during which the Council developed, consulted on and adopted a Sefton Coast Plan to enable the strategic management of this important asset. This strategic partnership approach saw the Council complete a land transfer deal at Formby with the

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National Trust. The Trust will invest in the visitor experience and maintain the land. The opportunities that Sefton's coastline present will continue to feature as growth and regeneration plans develop.

- 3.2 The budget plan clearly articulates the Council's approach of investing some of its resources in order to achieve financial sustainability and to realise the ambitions of Sefton 2030. The Council's plans also recognise the importance of investing in regeneration activity, assets and the Borough's infrastructure to support the creation of business growth, jobs and attract investment. The first year of the budget plan has seen the Council demonstrate delivery against bold ambitions with the purchase of the Bootle New Strand Shopping Centre and the in principle approval to the creation of a wholly owned Council Housing Development Company, which will not only enable new homes to be built for local residents, but also generate additional financial resources to help protect Council front-line services. Both of these decisions sit at the heart of Council and partner ambitions and aspirations, to create a great place to live, work, visit and invest.
- 3.3 A key challenge during this difficult financial environment is for the Council to engage with members of the community in order that they can understand why the Council is spending money on changes such as these. The investment used to deliver this type of project cannot be used to deliver Council services such as Social Care; however, the future income that they generate can be used to help protect frontline services and make Council services more sustainable.
- 3.4 The Council will continue to explore, develop and implement new income opportunities in order to ensure future sustainability and improve outcomes for local people. Whilst this will not provide income immediately, the aim is to develop new income streams to bridge future years' budget gaps, and help prevent further loss of service provision. Such decisions will be based upon sound business cases and will require input from internal and external expertise in order that Members can make informed decisions and all risks are evaluated as far as possible.
- 3.5 At a City Region level Sefton takes the lead on the Employment & Skills agenda. The Council is keen to ensure that employers and communities can access recruitment, skills and employability advice through Invest Sefton, Sefton At Work and Sefton Community Learning. Together these services have supported business development, people into work, and in addition to this, the Council directly employs over 60 apprentices. The Council also continues to work with partners from across Liverpool City Region to build the infrastructure needed to attract new jobs and businesses to Sefton; through this work the Borough has seen 1,530 new jobs created so far in 2017/18.
- 3.6 Locally, the Council continues to strive for greater collaboration across the City Region and beyond. In particular officers have been working with Liverpool City and Knowsley Councils around the commissioning of adult and children's social care services. Discussions are underway with a number of Merseyside authorities to consider the best way of providing care services for the elderly and those adults with disabilities. An option for a single service provision across a number of councils is being considered. If implemented, this transformational change could enable an improved / joined up service for all concerned.

- 3.7 A significant proportion of the Council's capital investment programme is in transport network improvements, for example the M58 Junction 1 changes in the east of Sefton, and working with others to improve rail connectivity, with the opening of the new train station, Maghull North, later this year.
- 3.8 Significant progress has been made in the Public Sector Reform (PSR) projects that seek to work with partners to deliver affordable services which achieve the best possible outcomes for the people of Sefton. In particular, the development of the Council's Localities model has made significant progress. Through engagement with our communities, they have said if Council's teams were more joined up, working with them as individuals and families rather than service users, this would really make a difference to their lives. This approach will enable early solutions to problems and challenges faced by people will be developed, that will help them to become more resilient and better able to cope with issues in the future.
- 3.9 Part of this work saw the Council undertake a major consultation with the people of Sefton on the approach to Family Wellbeing. Through this consultation the Council really demonstrated the flexibility that exists in the budget plan. Having listened to the community, the Council agreed to change its approach to the implementation of this proposal and continued to progress to a more joined-up approach for the whole family covering ages from pre-birth to 19 year olds.
- 3.10 The Vision Outcomes Framework demonstrates a partnership commitment to working together to reduce the reliance on the public sector. Sefton benefits from a vibrant and active voluntary, community and faith sector. The community benefits enormously from this; 2018 will see another year of celebration as the Council and partners champion the amazing work of the thousands of Sefton volunteers and the resilience that they provide.
- 3.11 As the Council's PSR projects are implemented, the Authority will continue to change the way that it works, physical and built assets will need to change and some assets will be disposed of. The outcomes and benefits of taking this approach will include:
- An improved customer experience;
 - An efficient estate which is right-sized and fit for purpose;
 - Greater partnership working with buildings being used to facilitate co-location of partner service provision;
 - Appropriate ICT infrastructure, space planning and management processes that allow staff to work in an agile manner;
 - Financial benefits realised through re-invested capital receipts and revenue savings; and
 - Job creation and wider social benefit through the regeneration work resulting from disposal and re-designation of Council assets.
- 3.12 The PSR programme also contains initiatives that will see the Council operate more commercially in the future, finding new ways to trade, reduce subsidy and deliver services with a commercial edge while retaining its social purpose. The Council will aim to make a profit but will reinvest it to make a difference to lives and economy of Sefton.

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- 3.13 The Council will also continue to explore all opportunities to make every pound count (Service Delivery Options). This first year of the budget plan has seen 100% delivery of all initiatives in this area and the budget plan has been updated to include a further £2.496m in 2018/19.
- 3.14 Every opportunity has been taken to ensure, as far as possible, that frontline services are protected and that the financial burden on residents is minimised as much as possible.

4. Medium Term Financial Plan 2018/19 – 2019/20

- 4.1. As discussed previously within the report, the Council set out in March 2017, a three year budget plan that would meet the objectives of its core purpose whilst delivering financial sustainability. It was acknowledged at that time, that the financial assumptions underpinning the overall Medium Term Financial Plan and those made in respect of the Public Sector Reform projects in particular, would be continually updated as more up to date information becomes available and projects progressed through their various stages of development, consultation and implementation.
- 4.2 The three year budget plan included balances still to be identified of £5.903m in 2018/19 and £2.534m in 2019/20. These balances excluded the impact of any Council Tax increases in 2018/19 and 2019/20. However, should the Council increase Council Tax by the levels originally assumed by central government, i.e. 4.99% in 2018/19 and 1.99% in 2019/20, then these residual gaps would have been met.
- 4.3 As part of this budget setting cycle therefore, all MTFP assumptions have been revised (this builds upon the MTFP that was presented in July 2017). In addition, all savings proposals previously presented have been updated to take account of updated scope, review of core budgets and where appropriate consultation feedback. This is detailed in paragraphs 4.7 to 4.10.
- 4.4 From this review, a funding gap of £11.227m and £2.542m now exists in 2018/19 and 2019/20 respectively, a total of £13.769m. A number of remedial actions, as set out in Section 5, amend the funding gaps to £7.147m in 2018/19 and £3.792 2019/20, a total of £10.939m
- 4.5 If the Council were to increase Council Tax by the levels originally assumed by central government last year, i.e. 4.99% in 2018/19 and 1.99% in 2019/20, then these residual funding gaps would no longer be met. Funding gaps of £1.244m in 2018/19 and £1.258m would remain. These gaps are directly attributable to the local government pay offer and the transport levy that will be payable by the Council.
- 4.6 However, the Government are providing authorities with the opportunity to increase Council Tax by an additional 1% in both 2018/19 and 2019/20. If the Council were to increase Council Tax by the maximum in each year, i.e. 5.99% in 2018/19 and 2.99% in 2019/20, then the remaining funding gaps would be met.

MTFP Updates

4.7 Additional Budget Pressures

Adult Social Care – **(£2.900m)** - The Adult Social Care Grant is being used in 2017/18 to fund different areas of spend, some of which are continuing pressures (as described in the report to Cabinet on 7 September 2017). However, as the grant reduces in the following two years, the amount to support these continuing pressures are not available so will need to be funded by the Council.

Children's Social Care – **(£0.700m)** - There is continuing pressure on the Placements and Packages budget which is currently forecast to overspend by £1.700m in 2017/18. It is considered that some of this pressure will continue in 2018/19 and future years therefore a provision of £0.700m is required.

4.8 Key MTFP assumption revisions

The Medium Term Financial Plan presented in July 2017 outlined potential changes to assumptions around core funding and other areas. Within this revised MTFP, there are a number of key changes that will impact upon the funding gap facing the Council over the next 2 financial years as well as a number of other changes. These are set out as follows:-

Local Government Pay Offer

In December 2017, the proposed local government pay offer was announced for 2018/19 and 2019/20. If accepted, the offer will result in an increase in the Council's pay bill of approximately 2.7% in 2018/19 and a further 2.8% in 2019/20. The majority of staff will receive 2% in each year, with lower level grades receiving above this amount. Members will recall that the Council has a 1% increase contained within its MTFP and as a result this increased offer will result in a budget pressure of **£1.277m** and **£0.941m** over the next two financial years.

Transport Levy

Following extensive discussions at a Liverpool City Region level, a 10% reduction in the transport levy, that would be payable by the Council in each financial year (2017/18 to 2019/20), was reflected in the Council's MTFP. During the last quarter of 2017, the Council has been advised by the Merseyside Transport Authority that it is unlikely that this reduction will take place. As a result, there will be a budget pressure of **£1.868m** in 2018/19 and **£1.681m** 2019/20 respectively.

Business Rates and Council Tax Base

As with every year the receipts that the Council can expect to generate through Business Rates and Council Tax have been reviewed. Based upon the latest information available, growth of approximately **£5.014m** will be experienced in 2018/19 with a further increase of **£0.770m** in 2019/20.

Waste Levy

The Merseyside Recycling and Waste Disposal Authority indicated last year that the Levy would need to increase by 11.5% in 2018/19. This assumption was

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used within the Budget Plan. The MRWA has now indicated that the increase will be 9% generating a saving against the budget assumption of £1.225m in 2018/19. In addition, Sefton's proportion of waste has reduced compared to that assumed meaning less costs being allocated to the Council.

VAT Shelter Income – (-£0.130m) - The VAT Shelter agreement with One Vision Housing has now been extended by HMRC for a further ten years. This saving had been taken out of the budget as the original agreement came to an end. The amount is variable but this amount would be expected each year, for the period of the extension.

Leisure Income – VAT Liability Change – (-£0.700m) - The Council, working with Price Waterhouse Coopers, has put a claim in to HMRC arguing that income from leisure activities should be treated as non-business (or exempt from VAT) because Sefton is a public sector body. Although this argument has now been accepted by the HMRC, which will provide an ongoing saving (assuming charges remain at the same level), the Council is still awaiting approval to implement the changes. For budget planning purposes it is assumed that this will be implemented from April 2019.

Budget "Surplus" – (-£1.481m) - The Budget Plan for 2019/20 included a balancing amount following the late decision to change the profile of Council Tax increases across the 3 year MTFP period.

New Homes Bonus Reduced Funding – (+£0.158m) - The Budget Plan assumed that unallocated New Homes Bonus funding, that the Government had previously been returning to councils, would continue. However, the Government has announced that all funding has been allocated in 2018/19, so no amounts are available to return to councils.

4.9 Impact of the Local Government Financial Settlement

In approaching and updating the Council's MTFP, a key component each year is the financial settlement that is made by the Secretary of State. In reviewing this, there are 3 areas that the Council is particularly interested in; namely:-

- Confirmation or otherwise of the level of financial support that will be received by the Council;
- To what extent any solutions are offered by central government to specific issues that affect not only Sefton but all local authorities e.g. funding for the increased costs associated with Adults and Children's Social Care; and
- What opportunities are available to local authorities to raise additional income

On 19 December 2017, the Communities Secretary released the Local Government Finance Settlement for 2018/19. Within this announcement the overall grant allocation that will be received by Sefton was confirmed i.e. unchanged from that previously forecast. This reflected the 4 year financial settlement for the period 2016/17 to 2019/20 that over 95% of councils nationally signed up to.

Despite ongoing and high profile lobbying and publicity, the Government continues to offer no long term sustainable solutions to the severe issues being experienced within Adults and Children's Social Care. As previously discussed within this report, the position of Sefton is not unique with regard to the financial and demand pressure being experienced and with previous support that has been offered re Adult Social Care being 'one-off' in nature and decreasing annually, the absence of additional funding or policy guidance means that this fundamental issue remains and is a key financial risk both in the short and long term to the Council.

In considering the overall options available to councils, the Communities Secretary, announced that the Government has raised the threshold for general Council Tax from 1.99% to 2.99% for 2018/19 and 2019/20 due to the higher levels of inflation currently being experienced. This would be in addition to the Adult Social Care precept. This would result in maximum annual Council Tax increase of 5.99% being available to the Council in 2018/19 and 2.99% in 2019/20.

4.10 Review of Budget proposals and planning assumptions

Members will recall that, in approving the Public Sector Reform projects, a budget planning assumption of savings of £29.122m was included in the three year budget plan, of which £26.406m was to be delivered in 2018/19 and 2019/20.

The 2017/18 budget report highlighted the risks that were inherent in such an ambitious transformation programme and the mitigations that would be put in place to offset these risks. The Council put in place strong, effective and robust governance arrangements to monitor the activity, impact and risks of each project together with the associated savings. The budget planning assumptions for each project have been refreshed as a result of the governance arrangements. These assumptions will continue to be reviewed with significant variations reported to Cabinet. The impact of the refreshed assumptions on the two remaining years of the budget plan is shown below:-

Project	Saving 2018/19 - 2019/20- original estimate £'m	Saving 2018/19 - 2019/20- revised estimate £'m	Variation £'m
PSR1-EIP Most Vulnerable	0.790	0.790	0.000
PSR2-EIP Locality Teams	11.089	9.439	1.650
PSR4-Special Education Needs and Disability	1.562	1.390	0.172
PSR5-An Excellent Education for All	0.319	0.319	0.000
PSR6-Creating New and Improving Revenue Streams	1.899	0.938	0.961
PSR7-Environment and Pride in Place	0.695	0.695	0.000
PSR8-Asset Maximisation	3.300	1.962	1.338
PSR9-ICT and Digital Inclusion	3.739	3.739	0.000
PSR10-Commissioning and Shared	3.013	2.007	1.006

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Services			
	26.406	21.279	5.127

The most significant variations are:

- PSR2 - Locality Teams (**£1.650m**) – The Locality Teams workstream is made up of a number of different strands. The savings allocated to each work package now total £8.450m, a reduction of £0.550m on the total savings envisaged. This has arisen for a number of reasons, for example the scope of the Locality Teams Workforce, revised assumptions relating to the childcare subsidy following conversations with elected members and schools. In addition, the target associated with Troubled Families (£1.100m) is currently considered to be unachievable within the budget plan period. There are also phasing issues relating to Family Centres / Subsidies (£0.800m) and the savings associated with administration teams (£0.450m).
- Asset Maximisation (**£1.338m**) – Savings of £0.962m relate to the known decommissioning of buildings following staff accommodation changes. The previous savings assumption is currently considered unachievable until specific assets can be identified. An asset review has commenced and the review of the operational estate will be revisited. It is proposed to retain a planning assumption of £1.000m to reflect the outcome of these reviews; and,
- PSR10 - Commissioning and Shared Services (**£1.006m**) – The workstream is made up of a number of different strands. Savings of £1.007m relate to already identified proposals. The previous savings assumption is currently considered unachievable within the budget plan period, predominantly due to the lack of progress within the proposed LCR procurement hub. A thorough review of all procurement activity is underway to identify further savings. It is proposed to retain a planning assumption of £1.000m to reflect the outcome of these reviews.

5.0 Two-Year Budget Plan 2018/19 to 2019/20

5.1 Based upon the revisions to the Medium Term Financial Plan and the savings that are forecast from the Public Sector Reform programme, it is now estimated that the funding shortfall in the following two years will be £11.227m and £2.542m respectively, before any Council Tax decisions are made and any additional service delivery options are considered. A detailed analysis is shown below: -

	2018/19 £'m	2019/20 £'m	Total £'m
Original MTFP Funding Gap	5.903	2.534	8.437
MTFP Changes			
Additional Budget Pressures:			
- Adult Social Care	1.300	1.600	2.900
- Children's Social Care	0.700	0.000	0.700
Local Government Pay Offer	1.277	0.941	2.218

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Transport Levy	1.868	1.681	3.549
Business Rates and Council Tax Base	-5.014	-0.770	-5.784
Other Changes:			
- Waste Levy	-1.184	-0.041	-1.225
- VAT Shelter Income	-0.130	0.000	-0.130
- Leisure Income - VAT Liability Change	0.000	-0.700	-0.700
- Budget "Surplus"	0.000	-1.481	-1.481
- New Homes Bonus Reduced Funding	0.158	0.000	0.158
Changes arising from PSR programme	6.349	-1.222	5.127
Revised MTFP Funding Gap	11.227	2.542	13.769

- 5.2 Members will recall that in developing a three year budget package for the period up to and including 2019/20, that financial sustainability was a key priority and that in March 2017, a three year budget package that would achieve this outcome was agreed.
- 5.3 As detailed in paragraph 5.1 it can now be seen that the budget shortfall to be met in 2018/19 and 2019/20 is now estimated to be £11.227m and £2.542m respectively.
- 5.4 In order to support this two year package, and the revised funding gap, a number of Service Delivery Options are now proposed as follows: -
- Supplies and Services Saving – (-£1.000m) – The 2017/18 budget includes a temporary reduction in Supplies and Services budgets of £2.000m. This includes Repair and Maintenance savings, which aren't considered sustainable, and savings on budgets that are part of PSR savings (particularly PSR2 – Locality Teams). It is now considered that making the remaining part of the saving permanent will have little operational impact on services.
 - Sefton New Directions Contract Saving – (-£0.330m) – The contract has been renegotiated to achieve savings agreed as part of previous Council budget proposals. However, an additional saving has resulted from these negotiations.
- 5.5 Members will recall that in last year's budget report, it was stated that there was no provision for a financial contribution to be made from either the strategic investment or economic growth workstreams, as they were at the inception stage. As discussed earlier in this report, the Council acquired the New Strand Shopping Centre in April 2017. In addition to the regeneration benefits and opportunities that it presents, an annual income stream will be received from the ownership of the asset. Within this budget package, it is proposed that **£0.500m** per annum from the Centre's operations be utilised to contribute to the Council's MTFP, based on current income projections. This will be used for regeneration and economic growth purposes.
- 5.6 Members will also recall that due to the size of the transformation programme, its complexity and the need to ensure that any proposed changes are delivered with

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minimal impact on residents that some phasing of savings would be required with the use of one-off resources. Two Phasing Options are now proposed as part of this budget package:

- PSR2 – Re-phasing of Saving Achievement – An element of the PSR2 – Locality Teams saving (£1.250m) originally assumed to be achievable in 2018/19 will not now be achieved until 2019/20. It is proposed to fund this saving through the use of a ‘one-off’ Business Rates and Council Tax surplus which will be available to the Council in 2018/19.
- Transforming Sefton Reserve – The 2017/18 budget includes the use of £2.000m of the Transforming Sefton Reserve to support the budget. The Budget Plan assumed that this would be paid back into the Reserve in 2018/19 and 2019/20 (£1.000m per year). It is now proposed to fund this repayment through the use of a ‘one-off’ Business Rates and Council Tax surplus which will be available to the Council in 2018/19.

5.7 Based upon the additional contributions as set out in paragraphs 5.4-5.6, a summary of the Council’s overall budget position for 2018/19 and 2019/20 is shown as follows:-

	2018/19 £’m	2019/20 £’m	Total £’m
Revised MTFP Funding Gap	11.227	2.542	13.769
Budget proposals			
Service Delivery Options	-1.330	0.000	-1.330
Strategic Investment	-0.500	0.000	-0.500
Phasing Proposals	-2.250	1.250	-1.000
Remaining Funding Gap	7.147	3.792	10.939

5.8 It can be seen within the table at 5.7, that there remains a gap of £7.147m in 2018/19 and £3.792m in 2019/20. The budget gap excludes any Council Tax increase at this stage. As the Government are providing authorities with the opportunity to increase Council Tax by an additional 1% in both 2018/19 and 2019/20. If the Council were to increase Council Tax by the maximum in each year, i.e. 5.99% in 2018/19 and 2.99% in 2019/20, then the remaining budget gaps in each year would be met.

Note that the Funding Gap in 2019/20 is provided for illustrative purposes only, pending confirmation of the Local Government Settlement in December 2018 and any changes / new pressures that are identified in the intervening period. The actual level of Council Tax will be determined by Council in the relevant year.

Risk Management, Financial Monitoring and Sustainability

5.9 It is inevitable that with a programme of this size and the number of projects that exist, that during the course of the budget plan period there will be changes to

aspects of the programme that will have financial implications. These changes may come about due to:

- Changes in project scope;
- Changes in demand for Council services;
- Central government intervention, e.g. changes in legislation; and
- Commercial opportunities being identified or removed through changes within the market.

Each of these issues would have a financial implication and this will need to be managed through the governance structure as set out within the Framework for Change. Whilst such a scenario is one that will need to be managed over the course of the budget plan period, the Council will set and deliver financially sustainable annual budgets. The Council will also ensure that required mitigations will be put in place if required as it is legally required to do so.

5.10 It can be seen from the summary table at paragraph 7.21, that a balanced budget package is reported in 2018/19. Members need to consider however, that in the absence of any long term solutions being available in respect of Social Care and the continued austerity programme that is in place, there continues to be extreme financial pressure being placed upon the Council to deliver the large savings package proposed, and as such, as with all local authorities there is inherent risk within the budget package that will need to be managed. As such, rigorous monitoring and risk management of the 2018/19 budget will need to take place and it is proposed that a comprehensive mid-year review exercise be undertaken (as at end of July 2018) in order to support this, and provide Members with visibility on these key issues that could affect the overall financial performance of the Council during the next two financial years in particular. As discussed previously within this report, some of the key risks that will need to be managed include: -

- Progress in delivering PSR savings and in particular the £5.5m in respect of Early Intervention and Prevention- Locality Working during 2018/19;
- The capacity within the Council of Members and senior staff to meet such a challenging programme of work in a manner that protects the most vulnerable whilst maintaining business continuity;
- The inherent and ever increasing demand based pressure in Children's and Adults Social Care; and
- The potential for Adults Social Care provider fee increases. At present £2.9m of growth is included within the MTFP and Adult Social Care Budget. It is proposed that any increase over this sum would need to be met from within existing service budgets. In the event that this is not the case corresponding income/savings will need to be achieved.

5.11 With regard to 2019/20, it can be seen from the table within paragraph 5.7 that a residual funding gap of £3.792m remains (before any Council Tax decision). This is £1.258m worse than assumed in the original Budget Plan of March 2017. Whilst this is not favourable, it is clear that the financial forecasts that were made over the three year period were robust and would support the delivery of the Council's core purpose and the delivery of financial sustainability.

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- 5.12 As a result, the identification of additional budget proposals will commence from April 2018, and will be included in the mid-year review as set out in paragraph 5.10. This will be particularly important as with no indication of central government policy change in respect of its austerity programme, nor any long term solutions being offered to the provision of Adult and Children's Social Care. The Council will continue to experience extreme financial pressure beyond this current budget plan period. Indeed, it is forecast that if grant reductions continue at the same rate as in previous years, the Council will be faced with a funding gap of at least £13m in 2020/21 (excluding any demand pressures).

6 Budget Plan 2018/19 to 2019/20– Conclusion

- 6.1 This has been a very positive first year of this financial plan period. The Council will continue to play its part and show strong and visible leadership in delivering the Vision 2030. The Council has adopted the 2030 Sefton Vision of 'A confident and connected Sefton' and will continue to strive to deliver key priorities, ensuring everything it does has a contributory focus to the future of the Borough.
- 6.2 Since 2011, due to central government policy the Council has faced a funding gap of £233m, with a direct loss of 51% of Government funding by the end of 2019/20. The Council has been required to make very difficult decisions which have been subject to extensive consultation and engagement with communities.
- 6.3 In March 2017, the Council set out its Framework for Change programme, the detail and core elements of which were designed to enable delivery of its core purpose and financial sustainability. This comprehensive, challenging and ambitious programme was required in order to not only enable the delivery of Council priorities but also meet the ongoing, and ever demanding, funding shortfall that is as a direct result of the central government austerity programme.
- 6.3 This programme has delivered tangible benefits in service delivery and financial sustainability in the first 12 months and the plans set out for the period of this MTFP will support the objectives and pathway that were detailed in March 2017.
- 6.3 As with all organisations, the Council, whilst having robust plans in place, needs to be flexible in how it approaches and responds to new issues. In approaching the Framework for Change, the Council was clear and committed to listening to stakeholders, as proposals were developed and implemented. This commitment remains, and as such, the proposals within this report maybe updated within the Council's budget and policy framework. Likewise, the Council remains vulnerable to central government policy decisions, demand led pressures and the impact of financial decisions taken in respect of the City Region and levying bodies. As recently as December 2017, these have had a material impact on the Council's plans for the forthcoming two years and whilst this impact has largely been contained within 2018/19, it has generated an increased funding gap for 2019/20.
- 6.4 It is important that the Council's commitment to the Framework for Change is maintained and suitably resourced and that ensuring financial sustainability remains a key priority. Due to the funding challenges faced by the Council, difficult decisions will continue to be required to be made, sometimes without a viable or alternative option being available.

- 6.5 Whilst this budget report focuses on 2018/19, it is prudent for the Council to look beyond the current three year horizon and into 2020/21. In the absence of any change to central government's austerity programme or long term sustainable solutions in respect of Adults and Children's Social Care, the current scenario that is faced by the Council will continue. Planning and preparation for this period will therefore need to commence during the next financial year.

7 Budget 2018/19 – Specific Issues

Charges Relating to External / Levying Bodies

- 7.1 The Council is required to pay charges relating to levies from external bodies. The expected payments for 2018/19 and their impact on Sefton's budget compared to 2017/18 are shown in the table below:-

<u>Levying Body</u>	<u>2017/18</u>	<u>2018/19</u>	<u>Change</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Liverpool City Region (LCR) Combined Authority	18,677,000	TBC	TBC
Waste Disposal Authority	12,661,305	TBC	TBC
Environment Agency	152,222	TBC	TBC
Inshore Fisheries & Conservation Authority	64,132	TBC	TBC
Port Health Authority	13,500	TBC	TBC
	31,568,159	TBC	TBC

The 2018/19 figures will be reported at Budget Council.

- 7.2 The LCR Combined Authority levy payment (in the above table) is Sefton's contribution to the cost of provision of transport services across the region. In order to support the 2018/19 transitional Mayoral requirements of the Liverpool City Region Combined Authority, the six constituent councils will make revenue contributions totalling £6.2m into the Single Investment Fund, of which Sefton Council's contribution will be £1.209m. This is an investment in the future of the City Region and a demonstration of each councils commitment to the Single Investment Fund. Through this approach, it is anticipated that each of the constituent councils in the City Region will benefit from a repayment of this sum and future economic returns arising directly and indirectly from the application of the Single Investment Fund. It is proposed to fund this contribution through the use of a 'one-off' Business Rates and Council Tax surplus which will be available to the Council in 2018/19.

Proposed Overall Council Tax increase

- 7.3 The proposed total increase in the Sefton Council Tax for 2018/19 will be reported to Budget Council following any recommendation from Cabinet.

8 Specific Grants

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Dedicated Schools Grant (DSG) 2018/19

- 8.1 The 2018/19 Dedicated Schools Grant settlement was announced on 18th December 2017, and is based on four main funding blocks; Schools; Central School Services; Early Years and High Needs. This is in line with Department for Education (DfE) announcements regarding 2018/19 funding guidance issued in September 2017. A DfE baseline funding exercise carried out earlier in 2017 has been used to take account of the Authority's Inter-block funding adjustments and changes from 2016/17 and 2017/18 going into 2018/19. In addition, the DfE announced the transfer of place funding and pupil numbers for children in mainstream SEN Resourced Units from the High Needs Block to the Schools Block for 2018/19 (£0.857m has been transferred in respect of Sefton).
- 8.2 The 2018/19 national DSG allocation for Sefton of £200.136m is set out in the table below. Note that these figures are before any adjustments made for agreed local contributions from Schools Block (£0.450m) and Early Years Block (£0.200m) towards High Needs budget pressures in 2018/19.

<u>Block</u>	<u>2017/18 Revised allocation</u>	<u>2018/19 Initial allocation</u>	<u>Increase / Decrease (-)</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Schools Block (Incl. Academies)	154.909	156.920	2.011
Central School Services Block	1.239	1.254	0.015
Early Years Block	14.994	16.163	1.169
High Needs Block	26.064	25.799	-0.265
Summary totals	197.206	200.136	2.930

**Individual school allocations are shown in Appendix A and are net of a £0.450m contribution to High Needs from the Schools Block funding and of £0.150m Infant Class pupil growth retained centrally.

- 8.3 In July 2017, an announcement was made by the Secretary of State for Education, that an extra £1.3bn of funding was to be made available to schools over the next two years 2018/19 – 2019/20, after which there is to be a move towards a new National Funding Formula for all schools by 2020/21, subject to Primary legislation. The additional resource is to ensure that no school will lose funding against its 2017/18 baseline in 2018/19; and that there would be at least +0.5% growth funding per pupil p.a. included for each of the next two years. This announcement was in stark contrast to a potential significant drop in funding for Sefton schools, under the original proposals for change towards a new National Formula funding, announced in December 2016, pre consultation.
- 8.4 The National Schools funding allocations for 2018/19 have been based on using the new National Formula Funding methodology; and Local Authorities are now being given two years of a 'soft' formula funding approach, whereby they can choose, in consultation with their schools and Schools Forum, to move flexibly towards the new National Formula Funding distribution locally; or remain largely

with their own existing Local formula, before a 'hard' formula funding regime cuts in from 2020/21, at which time, the DfE would control all school funding allocations nationally.

Schools Block

- 8.5 On the basis of the announcement and use of the new National Funding Formula by the DfE in distributing the national funding for 2018/19 and also including the change to the 2018/19 starting baseline for Resourced Unit Places, Sefton's Schools Block will see an increase of £2.011m compared to 2017/18. This breaks down to £0.857m of existing funds transferring from High Needs for the Resourced Unit places as explained above leaving a real increase of £1.154m. This figure includes the headroom growth funding of +0.5% per pupil (£0.706m); Protection for schools to ensure no loss of funding compared to their current baseline (£0.448m); and is after taking account of changes in pupil numbers between October 2016 and October 2017 (Reduced funding of £-0.035m).
- 8.6 This additional funding for protection also seeks to ensure that new minimum funding levels per pupil of £3,300 per Primary pupil and £4,600 per Secondary Pupil are reached in 2018/19. The DfE have set the minimum funding guarantee at 0% in the national distribution of funding, in order to protect all schools likely to be affected by the new national formula changes, which for Sefton, is most of them. The Schools Block figure is also inclusive of historic Infant Class Growth funding (£0.150m), which has been agreed by Schools Forum to be set aside at the same level for 2018/19. The DfE have yet to decide how pupil growth during the year will be dealt with in the future.
- 8.7 Taking into account the inclusion of Resourced Unit children into the schools block formula from 2018/19, and comparing like-with-like to 2017/18, overall pupil numbers have increased by just +26. However, this belies an increase in Primary pupil numbers of +150 and a decrease in Secondary pupils of -124. The downward trend in Secondary pupil numbers continues, but appears to be slowing from the previous year, when numbers showed a decrease of -269 coming into 2017/18. Due to the new national formula funding mechanism per pupil which now differs between Primary and Secondary pupils, the Council has had a net funding reduction of around £-0.035m going into 2018/19 compared to the single base funding unit per pupil applied across all pupils in 2017/18.

Central School Services Block

- 8.8 From 2018/19, a new Central School Services Block comes into existence. This will contain funding for ongoing historic and other centrally retained DSG services, such as the running of the Professional Development Centre; Grounds Maintenance for former closed schools; Free School Meals checking; School Licences; School admissions; and former Education Services Grant (ESG) which funded statutory duties of the Local Authority, performed for all schools in the Borough. This block will be funded on a per pupil basis by the DfE going forward and may be reduced in future settlements, as it expects Local Authorities to start to remove many of its historic cost related activities over the next few years prior to a National Formula. The funding of these services sees a small increase into 2018/19 of just £0.015m from £1.239m to £1.254m. An analysis of the 2018/19

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central budgets are shown below and have been formally agreed at Schools Forum on 15th January 2018:

- Contribution to Combined Services & Miscellaneous Expenditure - **£0.289m** (Includes budgets for residual running costs of closed schools including any repair and maintenance and utility costs across Primary, Secondary and Special sectors, a contribution towards the Professional Development Centre, and support of residual grounds maintenance.)
- Co-ordinated admissions scheme - **£0.137m**
- School Licences etc. - **£0.187m** as announced by the DfE in December 2017
- Servicing of the Schools Forum - **£0.062m**
- In addition, the Council have requested that the ESG retained funding, which has transferred to DSG from Council funding from April 2017 is kept centrally within DSG to contribute towards the costs of the Council's ongoing statutory duties for all schools - **£0.579m**

8.9 The Local Authority has also asked its Maintained schools to accept charges in respect of ongoing statutory functions which it continues to perform on their behalf but which are no longer funded through the Education Services Grant. This was formally agreed in consultation with schools at Schools Forum on 4 December 2017 from 2018/19, and is expected to recover around £0.520m when including Special and Nursery schools. This would be treated as a de-delegated charge against all the Maintained schools even though these functions cannot be delegated to schools.

Early Years Block

8.10 Early Years has seen a large increase in funding year on year compared to 2017/18 (£1.169m), the greatest part of which, is to cover the Full Year expansion of the 3-4 year old extra 15 hours of childcare available to working parents, which commenced in September 2017. In addition, the Council will get some extra funding to its Early Years Disability Access fund based on the level of demand. There have been no other changes to the Base funding allocations into 2018/19, including the 2 Year old childcare offer. Maintained Nursery Schools will also continue to receive a subsidy to ensure their financial stability, at the same levels of funding as 2017/18, as part of a 3 year guaranteed funding amount (2017/18-2019/20).

High Needs Block

8.11 The High Needs Block sees a net decrease in funding of £-0.265m year on year. However, £0.857m of the baseline funding has been transferred to the Schools Block for the place funding of Resourced Unit children through the schools formula. Allowing for this adjustment, the High Needs funding for 2018/19 actually sees an increase in real funding of around £0.592m (i.e. £0.857 minus £0.265m).

8.12 Sefton's High Needs budgets have been under severe pressure over the last two years and are forecast to overspend by around £1.6m in 2017/18. The DfE have allowed Local Authorities to ask their schools and Schools Forum for a contribution of up to 0.5% of the Schools Block funding towards High Needs. Sefton has asked Schools for a £0.450m contribution for 2018/19 and this has

been formally agreed at the Schools Forum meeting of 4 December 2017, albeit after some debate and considered judgement. In addition, Early Years has also been asked to contribute £0.200m towards High Needs next year, to come out of some set-aside contingency funding given through the Early Years national Formula and ongoing. These contributions, together with the Area Cost adjustments for population growth given for High Needs should increase the High Needs resources by around £1.24m in 2018/19, which should help alleviate some of the budget pressures currently experienced.

- 8.13 The Head of Schools and Families however, has agreed to with the Schools Forum to commission a review of High Needs services in early 2018, which would include looking at costs and service levels etc. The cost of the review is to be funded from a special revenue grant of £0.104m given to Sefton and to other Local Authorities by the DfE for this purpose in 2017/18 which has been set aside.

9 Other Government Grant Notifications 2018/19

- 9.1 The Government have announced grant notifications for 2018/19 in the areas identified below. Should any further information be supplied on other grants, this will be included in a separate update to Cabinet / Council.

Special Educational Needs and Disability Implementation Grant - £0.136m
and SEND Preparation for Employment Grant - £0.051m

- 9.2 This is the continuation of grant support from the Department for Education for the Special Educational Needs of the pupils across Sefton. This grant is to support the rollout of the Education, Health and Care plans for young people. The Council is asked to approve allocating the grant for this purpose.

In addition, a further SEND grant of £0.051m has been allocated in respect of Job Training for people working with young people with disabilities on work placements and towards setting up a Forum for supported internship.

Independent Living Fund - £2.173m

- 9.3 The indicative allocation for the 2018/19 Independent Living Fund grant is £2.173m. The 2017/18 allocation was £2.243m. It is proposed that the 2018/19 allocation will continue to be allocated to appropriate Adult Social Care budgets.

Lead Local Flood Authorities Grant - £0.011m

- 9.4 The Local Government Financial Settlement provides the majority of funding to Lead Local Flood Authorities to carry out their duties under the Flood and Water Management Act 2010, and for their role as statutory consultee on surface water for major development (i.e. they no longer receive a separate grant from Defra).

This funding is supplemented by a separate section 31 grant which makes good the Government's commitment to protect the level of funding in real terms throughout this Parliament. This section 31 grant element of the funding

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totals £4m in 2018/19 and £4.3m in 2019/20. Sefton's Grant is £0.011m in 2018/19 and 2019/20. It is proposed that this continues to be allocated to the appropriate Flood Defence budget.

10 Summary of Budget Proposals for 2018/19

10.1 As a result of the information contained within this report the bridging of the 2018/19 funding gap is shown as follows:

	2018/19 £'m
Original MTFP funding gap	5.903
MTFP revisions	-1.025
Public Sector Reform Projects	6.349
Revised Funding Gap	11.227
Budget proposals	
Service Delivery Options	-1.330
Strategic Investment /Economic Growth	-0.500
Phasing Proposals	-2.250
Remaining Funding Gap	7.147
Council Tax increase (TBC%)	TBC
Adult Social Care Precept (TBC%)	TBC

A summary of the budget for 2018/19, and the Budget Plan for 2019/20, is shown at Appendix B (note that for illustrative purposes this assumes Council Tax increases of 5.99% in 2018/19 and 2.99% in 2019/20).

11 Precepts

a. Police & Crime Commissioner and Fire & Rescue Precepts

The Police and Crime Commissioner is due to set a budget / precept for 2018/19 during February 2018, with a Band C increase of 7.23% proposed (£12.00 on a Band D property). The Fire and Rescue Authority is also due to set its budget / precept for 2018/19 in February 2018; with a Band C increase of 2.99% proposed.

	Precept			Band C		
	2017/18	2018/19	Change	2017/18	2018/19	Change
	£	£	£	£	£	%
Police	13,594,070	TBC	TBC	147.53	TBC	TBC
Fire	6,088,952	TBC	TBC	66.08	TBC	TBC

The approved 2018/19 figures will be reported at Budget Council.

b. Parishes

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The Parish precepts variations that have been set are shown below.

	Precept			Band C		
	2017/18	2018/19	Change	2017/18	2018/19	Change
	£	£	£	£	£	%
Aintree Village	60,000	113,000	53,000	26.42	49.31	86.64
Formby	72,500	80,000	7,500	7.12	7.80	9.55
Hightown	5,460	5,460	0	5.73	5.62	-1.92
Ince Blundell	1,950	2,009	59	10.60	10.98	3.58
Little Altcar	3,000	3,074	74	8.26	8.26	0.00
Lydiate	144,792	150,583	5,791	63.17	65.36	3.47
Maghull	605,656	643,347	37,691	82.92	87.37	5.37
Melling	20,000	20,000	0	18.12	17.79	-1.82
Sefton	3,600	3,500	-100	13.84	13.16	-4.91
Thornton	4,500	5,000	500	5.24	5.82	11.07
	921,458	1,025,973				

12 Recommended Council Tax for 2018/19

Council are recommended to approve the Budget for 2018/19, as set out in the main report.

The recommended overall Band C Council Tax to be raised for 2018/19 (excluding Parish Precepts) is as follows: -

	2017/18	2018/19	Increase
	£	£	%
Sefton	1,278.70	TBC	TBC
Police & Crime Commissioner	147.53	TBC	TBC
Fire & Rescue Authority	66.08	TBC	TBC
	1,492.31	TBC	TBC

The recommended Council Tax will be reported to Budget Council

13 Capital Programme 2018/19 to 2019/20

13.1 As part of Central Government's austerity programme, the capital grants previously available to local authorities have reduced year on year. As a result, the previous flexibility afforded to councils to establish a single capital pot from which capital and investment decisions could be made has been eliminated.

13.2 Previously a 'single capital pot' would have facilitated councils making informed decisions in respect of:-

- Capital investment in core services e.g. schools, transport and adult social care;

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- Strategic ICT investment that would facilitate performance and efficiency improvements;
 - A planned maintenance programme across the Council that would not only ensure statutory compliance, but also asset development;
 - Investment in strategic initiatives that would enable service transformation; and
 - Strategic investment that would support economic growth and investment within the Borough.
- 13.3 The two remaining grant allocations received by the Council are in respect of schools and transport. Due to the funding conditions, these grants will be utilised within the relevant services and the planned programme for each is shown at Appendix D, in addition to the proposed use of the Better Care Fund.
- 13.4 As a result of the current central government policy, the Council needs to address how it will continue to meet its capital and investment aspirations. In developing a capital programme, it is considered that a 3-5 year horizon should be taken in order that a realistic and deliverable set of projects and programmes can be developed and that flexibility is built in, so that emerging priorities can be reflected as and when required.
- 13.5 The Council, as demonstrated within its strategic investment and economic growth pillars of the Framework for Change programme, has an ambitious range of projects that it would like to take forward in addition to supporting its current asset and service development projects. As the Council does not have access to an unlimited budget, nor does it have an in house team that could work through each project, an element of prioritisation will always be required. This will continue to be the subject of Member decision making.
- 13.6 In order to inform this, it is proposed that an investment fund be developed over time that seeks to provide the direct funding to projects, which would enable projects to be developed with partners or would facilitate the use of external expertise where the Council did not currently possess the appropriate skills or capacity.
- 13.7 Due to the limited grant funding available, if the Council wishes to develop such a fund, it will need to either borrow the appropriate funding, or generate capital receipts. As previously reported to Members the Council can consider external borrowing, and would do so where a demonstrable financial return can be generated from a project that will meet the associated borrowing costs.
- 13.8 Similarly the Council has an extensive portfolio of assets, as set out in the PSR project - Asset Maximisation, the opportunity therefore exists to review this portfolio to determine which assets should:-
- Support operational delivery;
 - Possess heritage value and should be developed and retained;
 - Offer the opportunity to support economic growth and regeneration activity; and
 - Offer the opportunity for disposal and the generation of a capital receipt.

- 13.9 It is therefore proposed that an asset review be undertaken over the next 12 months in phases, as part of PSR8 - Asset Maximisation, and that the outcome of that work be presented to Members for approval in due course and in accordance with the agreed governance arrangements.

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List of Appendices

- A Individual School Budgets
- B Draft Council Budget Summary 2018/19 – 2019/20
- C Fees and Charges 2018/19
- D Capital Programme 2018/19 - 2019/20

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Appendix A

	<u>Budget</u>
	<u>2018/19</u>
	<u>£</u>
Total Formula Funding Levels – Schools 2018/19 (excl. PPG)	156,318,814
Primary Phase	
Linacre Primary	787,416
Netherton Moss Primary	884,276
The Grange Primary	1,159,380
Birkdale Primary	1,503,013
Churchtown Primary	2,964,253
Farnborough Road Junior	1,754,539
Farnborough Rd Infants	1,343,201
Linaker Primary	1,874,584
Norwood Primary	1,777,203
Marshside Primary	763,842
Kew Woods Primary	1,526,083
Aintree Davenhill Primary	1,505,616
Hudson Primary	742,321
Waterloo Primary	1,577,923
Forefield Junior	1,355,883
Forefield Community Infant And Nursery	1,028,619
Lander Road Primary	922,603
Litherland Moss Primary	846,912
Hatton Hill Primary	1,416,485
Northway Primary	1,102,116
Woodlands Primary	1,177,899
Summerhill County Primary	809,224
Freshfield County Primary	867,483
Green Park Primary	799,280
Redgate County Primary	632,964
Kings Meadow Primary	773,641
Larkfield Primary	1,118,175
Shoreside Primary	797,147
Melling Primary	806,096
Valewood Primary	823,414
Lydiate Primary	1,105,923
Bedford Primary	1,750,227
Christ Church CE Primary	1,411,790
St John'S C of E Primary	732,137
St Andrews Maghull C.E.	1,160,605
St Lukes C.E. Primary	1,499,220
St Philip's Primary	817,670
St Oswald's C.E. Primary	896,489

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Holy Trinity C of E Primary	911,519
St Philips C.E Primary	815,327
Ainsdale C.E. Primary	825,761
St Monica'S Catholic Primary	1,666,220
St Robert Bellarmine Primary	846,072
Holy Spirit Catholic Primary	837,317
Holy Family Catholic Primary	833,786
Our Lady Of Lourdes Primary	1,966,016
St Teresa'S Catholic Infant/Nursery	362,563
St Patrick's R.C Primary	1,337,088
St John's C. E. Primary	763,526
St Lukes C.E. Halsall Primary	802,768
St Nicholas	803,667
St Georges Catholic Primary	721,476
Great Crosby Catholic Primary	2,379,976
St Mary's R C Primary	460,779
St Edmunds & St Thomas' Catholic Primary	1,172,466
Our Lady Star Of The Sea Primary	882,318
Our Lady Of Compassion	905,626
English Martyrs Primary	1,587,822
St Elizabeth's Catholic Primary	1,503,682
St William Of York	862,463
Our Lady Queen Of Peace Catholic Primary	587,342
St. Gregory's Primary	811,757
Ursuline Catholic Primary	1,544,240
St. Jerome's	817,931
Holy Rosary Primary	1,522,445
St John Bosco R C Primary	798,978
Bishop David Sheppard	972,375
Springwell Park Primary	1,709,358
Thomas Gray Primary	926,457
Trinity St Peter's CE	827,291
St Benedict's Catholic Primary	869,075
Our Lady Of Walsingham Primary	888,171
All Saints Catholic Primary	1,390,097
Rimrose Hope CE Primary	1,219,648
	82,949,055
Secondary Phase	
Meols Cop High School	4,225,569
Savio Salesian College	2,674,531
Maricourt Catholic High School	5,495,452
Sacred Heart Catholic College	5,125,627
Holy Family Catholic High	3,771,258
Christ The King	4,538,197
	25,830,634

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Academies / Free Schools	
St Thomas CE Primary School	804,787
The Hawthorne's Free School	1,549,347
St Michael's Ce High School	3,434,873
Hillside High School	4,078,527
Litherland High School	3,464,457
Deyes High School	5,526,755
Formby High School	4,017,495
Chesterfield High School	5,269,318
Range High School	4,551,828
Birkdale High School	3,372,986
Greenbank High School	4,766,431
Maghull High School	3,588,599
Stanley High School	3,113,722
	47,539,125

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Draft Council Budget Summary 2018/19 – 2019/20

Appendix B

Line Ref	Service	Base Budget 2017/2018 £	Draft Base Budget 2018/2019 £	Draft Base Budget 2019/2020 £
1	Strategic Management	3,110,250	2,923,350	2,923,350
2	Strategic Support Unit	3,758,350	3,758,350	3,758,350
3	Adult Social Care	87,003,400	93,910,700	95,486,450
4	Children's Social Care	27,224,575	27,355,025	26,257,025
5	Communities	10,346,650	10,496,350	10,426,350
6	Corporate Resources	5,365,200	5,595,450	5,595,450
7	Health and Wellbeing	23,379,550	23,363,950	23,363,950
8	Inward Investment and Employment	2,561,700	2,533,450	2,308,450
9	Locality Services - Commissioned	18,336,300	18,358,200	18,358,950
10	Locality Services - Provision	9,639,500	9,431,750	9,431,750
11	Regeneration and Housing	4,482,300	4,594,650	4,594,650
12	Regulation and Compliance	3,654,600	3,452,800	3,452,800
13	Schools and Families	25,307,475	24,691,525	24,326,525
14	Public Sector Reform Projects - Budget Planning Assumptions still to be allocated to Services	-1,750,750	-7,345,400	-15,218,400
15	Other Services	3,250,400	3,250,400	3,250,400
16	Net Cost of Services	225,669,500	226,370,550	218,316,050
17	Less Capital Charges	-13,375,600	-13,375,600	-13,375,600
18	Debt Repayment / Net Interest	8,076,800	7,580,800	7,400,800
19	Capital Chargeable to Revenue	95,000	95,000	95,000
20	Sub total	220,465,700	220,670,750	212,436,250
21	Contingency Inflation Provision	-168,388	0	351,531
22	Levies	31,554,650	33,328,650	34,214,650
23	Application of Provisions / Reserves / Corporate Expenditure	1,875,050	1,995,050	1,995,050
24	Capitalisation	-3,266,000	-3,266,000	-1,566,000
25	Corporate / One-Off Savings	-11,478,296	-736,200	-3,537,200
26	Inflationary Items to be Allocated	0	3,907,138	7,288,388
27	Corporate Savings to be allocated to Services	-867,550	-532,550	-532,550
28	Total	238,115,166	255,366,838	250,650,119
29	Specific Government Grants	-21,938,000	-21,374,000	-20,810,000
30	Non-Specific Government Grants	-12,993,907	-11,713,600	-11,392,350
31	Total	203,183,259	222,279,238	218,447,769

Appendix B

Draft Council Budget Summary 2018/19 – 2019/20

Line Ref	Service	Base Budget 2017/2018 £	Draft Base Budget 2018/2019 £	Draft Base Budget 2019/2020 £
32	Use of Balances	0	0	0
33	Total Budget Requirement	203,183,259	222,279,238	218,447,769
34	Add Parish Precepts	921,458	1,025,973	1,025,973
35	Total Net Expenditure	204,104,717	223,305,211	219,473,742
<u>SUMMARY OF BALANCES</u>				
36	Balances Brought Forward	7,208,743	7,208,743	7,208,743
37	Use of Balances	0	0	0
38	Balances Carried Forward	7,208,743	7,208,743	7,208,743

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<u>FINANCING OF SEFTON'S BUDGET REQUIREMENT</u>				
Total Budget Requirement		203,183,259	222,279,238	218,447,769
Less: Revenue Support Grant		0	0	0
Top-Up Grant		-21,574,749	-24,653,185	-19,632,000
Business Rates Receipts		-61,760,320	-70,420,393	-68,199,000
Collection Fund Deficit / Surplus (-) - Council Tax		-2,021,982	-746,975	0
Sefton Requirement from Council Tax		117,826,208	126,458,685	130,616,769
Band D Council Tax		1,438.54	1,524.71	1,570.30
Illustrative Council Tax Increase			5.99%	2.99%

Note that the Sefton Requirement from Council Tax and quoted Band D Council Tax in 2018/19 and 2019/20 are based on Council Tax increases that are for illustrative purposes only.

SEFTON MBC FEES AND CHARGES 2018/19

Appendix C

Adult Social Care					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
Financial Contributions					
Long Term care home placements *	O	£23,250 max			
<u>Capital</u>					
The capital limit of £23,250 remains unchanged. Those with capital of £23,250 or less will pay the following minimum weekly charges:					
Minimum Charge					
Pensionable age and above	O	134.45	138.62	139.45	5.00
Aged 25 to under pensionable age	O	80.75	83.25	81.75	1.00
Aged 18-24 years	O	65.55	67.58	66.55	1.00
Personal Expense Allowances	O	24.90	25.67	24.90	0.00
Short Stays/Respite					
<u>Over £23,250 capital</u>					
Any Service User who has over £23,250 (and enters a care home will pay the full cost of their respite placement. However, if the Service User enters a Sefton New Directions home, they will pay a set weekly charge as per category detailed below:					
Residential **	O	418.52	431.49	452.34	33.82
<u>Capital of £23,250 and under</u>					
The weekly charge for respite and short stays are as follows:					
Pensionable age and above	O	97.40	100.42	101.05	3.65
Aged 25 to under pensionable age	O	80.75	83.25	81.75	1.00
Service Users aged 18-24 years	O	65.55	67.58	66.55	1.00
Intermediate Care - there is no charge for this service					
S Standard Rated (20%)					
E Exempt					
O Outside the scope					
N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Communities					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
PARKS & OPEN SPACES (continued)					
advertising on parks railings:					
Tier 1 Sites: 1 Week	S	50.00	51.55	50.00	0.00
Tier 1 Sites: 2 Weeks	S	75.00	77.33	75.00	0.00
Tier 1 Sites: 1 Month	S	150.00	154.65	150.00	0.00
Tier 1 Sites: 2 Month	S	300.00	309.30	300.00	0.00
Tier 1 Sites: 3 Month	S	450.00	463.95	450.00	0.00
Tier 1 Sites: Removal of unauthorised banners	S	50.00	51.55	50.00	0.00
Tier 1 Sites: Removed and disposal of outdated banners	S	15.00	15.47	15.00	0.00
Tier 2 Sites: 1 Week	S	15.00	15.47	15.00	0.00
Tier 2 Sites: 2 Weeks	S	30.00	30.93	30.00	0.00
Tier 2 Sites: 1 Month	S	50.00	51.55	50.00	0.00
Tier 2 Sites: 2 Month	S	100.00	103.10	100.00	0.00
Tier 2 Sites: 3 Month	S	150.00	154.65	150.00	0.00
Tier 2 Sites: Removal of unauthorised banners	S	50.00	51.55	50.00	0.00
Tier 2 Sites: Removed and disposal of outdated banners	S	15.00	15.47	15.00	0.00
Professional advice, site visits, with report/ letter/ plan to schools, other external bodies/ land owners etc - per hour	S	officer time per hour plus 10%	officer time per hour plus 10%	officer time per hour plus 10%	officer time per hour plus 10%
Works arising from the above (such as grounds maintenance, repairs, improvements etc)	S	actual costs plus 10%	actual costs plus 10%	actual costs plus 10%	actual costs plus 10%
OUTDOOR RECREATION					
Bowling Greens (adults)	S	Full recharge of Grounds maintenance, repairs and utility costs	Full recharge of Grounds maintenance, repairs and utility costs	Full recharge of Grounds maintenance, repairs and utility costs	Full recharge of Grounds maintenance, repairs and utility costs
Allotment Rents:-					
Annual rents					
Full plot	O	100.00	103.10	103.00	3.00
Half Plot	O	75.00	77.33	77.00	2.00
Utilities:					
to be determined on a site by site/use basis	S	actual cost	actual cost	actual cost	actual cost
Allotment tenancy set up charge	O	40.00	41.24	45.00	5.00
S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Communities					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
COASTAL MANAGEMENT					
Photocopying					
A4 black and white	S	0.10	0.10	0.10	0.00
A3 black and white	S	0.25	0.26	0.25	0.00
A4 colour	S	0.50	0.52	0.50	0.00
A3 colour	S	1.00	1.03	1.00	0.00
Room Hire					
use of the ADC / Alt Centre for meetings per session	S	25.00	25.78	25.50	0.50
use of the ADC / Alt Centre for meetings per day	S	50.00	51.55	50.00	0.00
NEW Natural Alternatives Workshop Charges					
Standard Oak seat with back rest	S	650.00	670.15	650.00	0.00
Engraving Service (charge per hour, materials extra)	S	20.00	20.62	20.00	0.00
NEW Publications					
Sandscape Book (as agreed with HLF - income to go to book fund to fund further reprints)	N	15.00	15.47	15.00	0.00
S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Communities					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
Natural Alternatives / Biodiversity Programme Opportunities for Inclusion / Environmental Activities					
Fully supervised / facilitated by Coastal Staff					
Day rate for Service Users	N	40.00	41.24	40.00	0.00
Forest School and Beach School Session	S	125.00	128.88	125.00	0.00
Forest School and Beach School Training / Taster Day per person half day	S	35.00	36.09	35.00	0.00
Forest School and Beach School Training / Taster Day per person full day	S	50.00	51.55	50.00	0.00
Forest School and Beach School Training / Taster Day per person twilight session	S	25.00	25.78	25.00	0.00
Charge for Events and Activities for the General Public					
Charge for public event / activity per child (variable charge)	S	0.50 - 5.00		0.50-5.00	0.00
Charge for public event / activity per adult (variable charge)	S	1.00 - 10.00		1.00-10.00	0.00
Holiday Club per child per day (without parents)	S	25.00	25.78	25.00	0.00
Flood and coastal erosion risk management					
Land Drainage Consent (per application per structure)					
		50.00	51.55	52.00	2.00
Note: The fee is currently set by the flood and water management act 2010					
S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Communities					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
LEISURE CARD		£	£	£	£
LIBRARY PREMISES -					
Lettings - per hour					
Crosby Library small lecture room:					
Monday - Saturday	E	20.00	20.62	20.00	0.00
Formby Library meeting room:					
Monday - Saturday	E	20.00	20.62	20.00	0.00
Other library spaces					
Monday - Saturday	E	10.00	10.31	10.00	0.00
NB Hirers of rooms in the Authority's establishments must be covered by Public Liability Insurance.					
PEOPLE'S NETWORK PUBLIC ACCESS COMPUTERS					
First 30 minutes	S	free	free	free	free
Each 30 mins (or part of) thereafter	S	free	free	free	free
Children up to 16, registered unemployed and people aged 60 and over					
First 2 hours	S	free	free	free	free
Each 30 mins (or part of) thereafter	S	free	free	free	free
Photocopying & Printing					
up to A4 b & w	S	0.10	0.10	0.10	0.00
up to A4 colour	S	0.15	0.15	0.15	0.00
Larger b & w	S	0.25	0.26	0.25	0.00
Larger colour	S	0.25	0.26	0.25	0.00
Microfilm/fiche to A4	S	0.00	0.00	0.50	0.50
Printing					
up to A4 b & w	S	0.10	0.10	0.10	0.00
up to A4 colour	S	0.15	0.15	0.15	0.00
Larger b & w	S	0.25	0.26	0.25	0.00
Larger colour	S	0.25	0.26	0.25	0.00
	S	Standard Rated (20%)			
	E	Exempt			
	O	Outside the scope			
	N	Zero Rated			

(*) CPI Inflation rate @ November 2017

3.10%

Communities					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
LIBRARIES & INFORMATION SERVICES		£	£	£	£
Reproduction Fee (per item - local history)	S				
Personal use	S			4.00	4.00
Print for publication	S			18.50	18.50
Radio/tv/video	S			45.00	45.00
Photographic download	S			2.50	2.50
Photographic reproduction	S			11.00 - 14.00	11.00 - 14.00
	S	Standard Rated (20%)			
	E	Exempt			
	O	Outside the scope			
	N	Zero Rated			

(*) CPI Inflation rate @ November 2017

3.10%

Communities					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
LEISURE CARD					
ARTS & CULTURAL SERVICES					
THE ATKINSON					
Studio					
Studio performance rate commercial	S	In new package Below	In new package Below	In new package Below	In new package Below
Studio rehearsal rate commercial	S	In new package Below	In new package Below	In new package Below	In new package Below
Studio Commercial show only (5 hour Package)	S	800.00	824.80	825.00	25.00
Studio commercial full day (12 Hour Package)	S	1300.00	1340.30	1250.00	-50.00
Studio commercial rehearsal /get in (7 Hour Package)	S	500.00	515.50	525.00	25.00
Studio additional hours over commercial	S	100.00	103.10	110.00	10.00
Full day (2 shows package)	s	1500.00	1546.50	1500.00	0.00
Studio performance rate community	S	In new package Below	In new package Below	In new package Below	In new package Below
Studio rehearsal rate community	S	In new package Below	In new package Below	In new package Below	In new package Below
Studio Community get in/rehearsal (7 Hour Package)	S	500.00	515.50	525.00	25.00
Studio Community show only (5 hour Package)	S	700.00	721.70	750.00	50.00
Studio full day community (12 hour Package)	S	1,200.00	1,237.20	1,200.00	0.00
Studio additional hours community	S	100.00	103.10	110.00	10.00
Theatre					
Theatre performance rate community	S	In new package Below	In new package Below	In new package Below	In new package Below
Theatre rehearsal rate community	S	In new package Below	In new package Below	In new package Below	In new package Below
Theatre community get in /rehearsal full day (7 hour Package)	S	500.00	515.50	525.00	25.00
Theatre community (5 hour Package) show only	S	900.00	927.90	950.00	50.00
Theatre community (12 hour Package)	S	1400.00	1443.40	1400.00	0.00
Theatre additional hours community	S	100.00	103.10	110.00	10.00
Full day (2 shows package)	S	0.00	0.00	1800.00	1800.00
Theatre rehearsal rate commercial	S	In new package Below	In new package Below	In new package Below	In new package Below
Theatre performance rate commercial	S	In new package Below	In new package Below	In new package Below	In new package Below
Theatre Commercial show only (5hour Package)	S	1000.00	1031.00	1050.00	50.00
Theatre commercial full day (12 hour Package)	S	1700.00	1752.70	1700.00	0.00
Theatre Commercial rehearsal (7 hour Package)	S	700.00	721.70	750.00	50.00
Theatre additional hours over packages (hourly rate)	S	100.00	103.10	110.00	10.00
Full day (2 shows package)	S	0.00	0.00	1900.00	1900.00
		S	Standard Rated (20%)		
		E	Exempt		
		O	Outside the scope		
		N	Zero Rated		

(*) CPI Inflation rate @ November 2017

3.10%

Communities					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
WITHOUT ACTIVE SEFTON LEISURE CARD					
SOUTHPORT GOLF LINKS					
Green Fees					
Adult - Mon/Fri	S	14.30	14.74	14.60	0.30
Sat/Sun/Bank Hols	S	16.30	16.81	16.60	0.30
Choices Level 1 Card: Mon - Fri only	S	10.30	10.62	10.60	0.30
Summer (play allowed mornings only)					
Intermediates - (Aged 17 up to & including 21 years)					
Monday - Friday	S	12.30	12.68	12.60	0.30
Child (up to and including age 16)	S	7.00	7.22	7.00	0.00
Non player - adult	S	1.00	1.03	1.00	0.00
- child	S	1.00	1.03	1.00	0.00
Summer Twilight ticket - Mon - Fri	S	10.30	10.62	10.60	0.30
Summer Twilight ticket - Sat - Sun - Bank Holiday	S	13.30	13.71	13.60	0.30
Winter Twilight ticket - Mon - Fri	S	6.30	6.50	6.60	0.30
Winter Twilight ticket - Sat-Sun-Bank Holiday	S	6.30	6.50	6.60	0.30
(twilight ticket only to be issued no more than 2 hours before sunset - juniors play at junior rate)					
Season Tickets					
5 DAY - Mon - Fri only	S	429.00	442.30	442.30	13.30
6 DAY- Mon - Fri & Sat or Sun	S	570.50	588.19	588.20	17.70
2 DAY Mon or Tues or Wed or Thurs or Fri plus Sat or Sun (club members only)	S	341.00	351.57	351.60	10.60
Intermediates					
- Mon - Fri only (5 days only)	S	246.00	253.63	253.60	7.60
- Mon - Fri & Sat or Sun (6 days only)	S	371.80	383.33	383.30	11.50
Child - Mon - Fri	S	105.00	108.26	105.00	0.00
Over 60s - Mon - Fri only * (5 days only)	S	271.70	280.12	280.20	8.50
Over 60s - 6 days only *	S	370.83	382.33	382.30	11.47
* Restricted Times & use (after 11am Mon-Fri from 1st April - 31st October)					
	S	Standard Rated (20%)			
	E	Exempt			
	O	Outside the scope			
	N	Zero Rated			

(*) CPI Inflation rate @ November 2017

3.10%

Communities					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
BOOTLE GOLF COURSE					
Green Fees					
Adult - Mon/Fri	S	11.50	11.86	11.80	0.30
Sat/Sun/Bank Hols	S	14.50	14.95	14.80	0.30
Over 60s, Mon / Fri only	S	7.50	7.73	7.80	0.30
Child (up to and including aged 16) Mon/Fri	S	6.60	6.80	6.80	0.20
Summer Twilight ticket Mon - Fri	S	6.90	7.11	7.20	0.30
Summer Twilight ticket Sat / Sun / Bank Hols	S	6.90	7.11	7.20	0.30
Winter Twilight ticket Mon - Fri	S	6.90	7.11	7.20	0.30
Winter Twilight ticket Sat / Sun / Bank Hols	S	6.90	7.11	7.20	0.30
(twilight ticket only to be issued no more than 2 hours before sunset - junior players at junior rate)					
Season Tickets					
5-day (Mon - Fri)	S	391.00	403.12	403.00	12.00
7 Day	S	580.00	597.98	598.00	18.00
Over 60s (Mon - Fri only)	S	262.50	270.64	271.00	8.50
Junior (7 Day)	S	165.00	170.12	165.00	0.00
S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Health & Wellbeing Service					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
LEISURE CARD					
SPLASHWORLD - per 1.5 hr session					
Off season - session is 2 hours					
Adults (over 16's)	S	10.80	11.13	11.50	0.70
Juniors (6 years to 15 years)	S	8.60	8.87	9.00	0.40
Juniors (3 years to 5 years) restrictions on some rides	S	7.10	7.32	7.50	0.40
Toddlers (under 3 years)	S	2.70	2.78	3.00	0.30
Family Ticket (2 adults + 2 children)	S	31.90	32.89	37.00	5.10
Family Ticket (2 adults + 3 children)	S	40.00	41.24	45.00	5.00
Active Choices:					
Adults (over 16's)	S	9.30	9.59	Discontinued	Discontinued
Juniors (6 years to 15 years)	S	7.70	7.94	Discontinued	Discontinued
Juniors (3 years to 5 years)	S	5.80	5.98	Discontinued	Discontinued
Spectators	S	5.30	5.46	5.00	-0.30
Gold Pass - Full day ticket - no time restrictions					
Adults (over 16's)	S	16.60	17.11	17.10	0.50
Juniors (6 years to 15 years)	S	13.10	13.51	13.50	0.40
Juniors (3 years to 5 years) restrictions on some rides	S	11.70	12.06	12.00	0.30
Toddlers (under 3 years)	S	2.60	2.68	3.00	0.40
Family Ticket (2 adults + 2 children)	S	45.50	46.91	50.00	4.50
Family Ticket (2 adults + 3 children)	S	50.70	52.27	55.00	4.30
<p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p>					

(*) CPI Inflation rate @ November 2017

3.10%

Health & Wellbeing Service					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
LEISURE CARD					
CROSBY LAKESIDE ADVENTURE CENTRE					
Annual Fitness Packages					
Non-Committed - 3 month notice period					
Active8 Anytime - single payment - 1 month free	S	n/a	n/a	n/a	n/a
Active8 Anytime - Direct Debit	S	456.00	470.14	456.00	0.00
Active8 Choices - single payment - 1 month free	S	n/a	n/a	n/a	n/a
Active8 Choices - Direct Debit	S	324.00	334.04	324.00	0.00
Active8 Anytime student	S	324.00	334.04	324.00	0.00
Active8 Anytime - workforce	S	300.00	309.30	300.00	0.00
Active8 Anytime - referral	S	300.00	309.30	300.00	0.00
Active8 Anytime - junior	S	240.00	247.44	240.00	0.00
Corporate memberships	S	Price to be set by the Head of Health & Wellbeing			
* All passes include free use of Health Suite					
CROSBY LAKESIDE ADVENTURE CENTRE continued					
Lakeside Learning - (Classroom Hire)	S	prices to be set by Head of Health & Wellbeing	prices to be set by Head of Health & Wellbeing	prices to be set by Head of Health & Wellbeing	prices to be set by Head of Health & Wellbeing
Lakeside Hospitality - (Functions & Events)	S	prices to be set by Head of Health & Wellbeing	prices to be set by Head of Health & Wellbeing	prices to be set by Head of Health & Wellbeing	prices to be set by Head of Health & Wellbeing
Lakeside Lodge - (Overnight Accommodation)	S	prices to be set by Head of Health & Wellbeing	prices to be set by Head of Health & Wellbeing	prices to be set by Head of Health & Wellbeing	prices to be set by Head of Health & Wellbeing
Lakeside Bistro - (Bar & Restaurant)	S	prices to be set by Head of Health & Wellbeing	prices to be set by Head of Health & Wellbeing	prices to be set by Head of Health & Wellbeing	prices to be set by Head of Health & Wellbeing
Lakeside Watersports (lake and water activities)	S				
Group session: (10 users with a recognised leader)					
Standard Bookings					
Young People - up to 2 hours	E	112.20	115.68	115.00	2.80
Young People - up to 3 hours	E	153.00	157.74	155.00	2.00
Adults - up to 2 hours	E	142.80	147.23	145.00	2.20
Adults - up to 3 hours	E	198.90	205.07	200.00	1.10
		S	Standard Rated (20%)		
		E	Exempt		
		O	Outside the scope		
		N	Zero Rated		

(*) CPI Inflation rate @ November 2017

3.10%

Health & Wellbeing Service					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
LEISURE CARD					
CROSBY LAKESIDE ADVENTURE CENTRE continued					
Facility Memberships					
Monthly Lake Membership - NEW Product	S	126.00	129.91	130.00	4.00
H2O Membership - NEW Product	S	336.00	346.42	315.00	-21.00
Boat and Equipment Storage					
Small Container	S	315.00	324.77	375.00	60.00
Large Container	S	630.00	649.53	750.00	120.00
Boat Park Space	S	125.00	128.88	135.00	10.00
Daily 'Pay & Play' Usage					
Peak Rate - 08.00 - 17.00	S	12.50	12.89	12.50	0.00
Off Peak Rate - 17.00 - 22.00	S	6.50	6.70	6.50	0.00
Activity Courses*				32.50 - 125.00	
Sailing Courses*	E	76.00-303.90	76.00-303.90	165.00	
Windsurfing Courses*	E	61.00-303.90	61.00-303.90	165.00	
Powerboat Courses*	E	88.64-243.12	88.64-243.12	195.00	
Paddling Courses*	E	61.00-243.12	61.00-243.12	70.00 - 140.00	
Rowing Courses*	E	61.00-243.12	61.00-243.12	Discontinued	Discontinued
Adventure Days*	E	30.39-126.63	30.39-126.63	32.50 - 125.00	
Academies*	E	40.52-61.00	40.52-61.00	Discontinued	Discontinued
* Prices to be set by Head of Health & Wellbeing					
S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Health & Wellbeing Service					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
NON LEISURE CARD					
Fitness Suite					
Gym, Swim and Sauna					
Adult	S	11.30	11.65	12.00	0.70
Adult Active Choices	S	9.20	9.49	10.00	0.80
Child - up to and including age 16	S	5.90	6.08	6.50	0.60
Special sessions only	S	3.40	3.51	3.50	0.10
GP Referral	S	2.10	2.17	2.50	0.40
Inductions					
Adult	S	20.40	21.03	20.00	-0.40
Child	S	7.20	7.42	7.00	-0.20
GP Referral	S	7.20	7.42	7.00	-0.20
Annual Fitness Packages					
Committed - 12 month notice period					
Active8 Anytime - single payment	S	319.00	328.89	319.00	0.00
Active8 Anytime - Direct Debit - 1 month free	S	348.00	358.79	348.00	0.00
Active8 Choices - single payment	S	242.00	249.50	242.00	0.00
Active8 Choices - Direct Debit - 1 month free	S	264.00	272.18	264.00	0.00
Active8 Anytime student	S	242.00	249.50	242.00	0.00
Active8 Anytime - workforce	S	242.00	249.50	242.00	0.00
Active8 Anytime - referral	S	242.00	249.50	242.00	0.00
Active8 Anytime - junior	S	165.00	170.12	165.00	0.00
<p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p>					

(*) CPI Inflation rate @ November 2017

3.10%

Health & Wellbeing Service					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
NON LEISURE CARD					
Litherland Sports Park					
Fitness Suite					
Adult	S	11.30	11.65	12.00	0.70
Adult Active Choices	S	9.20	9.49	10.00	0.80
Child - up to and including age 16	S	5.90	6.08	6.50	0.60
Special sessions only	S	3.40	3.51	3.50	0.10
GP Referral	S	2.10	2.17	2.50	0.40
Inductions					
Adult	S	20.40	21.03	20.00	-0.40
Child	S	7.20	7.42	7.00	-0.20
GP Referral	S	7.20	7.42	7.00	-0.20
Annual Fitness Packages					
Committed - 12 month notice period					
Active8 Anytime - single payment	S	319.00	328.89	319.00	0.00
Active8 Anytime - Direct Debit - 1 month free	S	348.00	358.79	348.00	0.00
Active8 Choices - single payment	S	242.00	249.50	242.00	0.00
Active8 Choices - Direct Debit - 1 month free	S	264.00	272.18	264.00	0.00
Active8 Anytime student	S	242.00	249.50	242.00	0.00
Active8 Anytime - workforce	S	242.00	249.50	242.00	0.00
Active8 Anytime - referral	S	242.00	249.50	242.00	0.00
Active8 Anytime - junior	S	165.00	170.12	165.00	0.00
<p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p>					

(*) CPI Inflation rate @ November 2017

3.10%

Health & Wellbeing Service					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
NON LEISURE CARD					
SPLASHWORLD - per 1.5 hr session					
Off season - session is 2 hours					
Adults (over 16's)	S	11.00	11.34	11.50	0.50
Juniors (6 years to 15 years)	S	8.70	8.97	9.00	0.30
Juniors (3 years to 5 years) restrictions on some rides	S	7.70	7.94	8.00	0.30
Toddlers (under 3 years)	S	3.10	3.20	3.50	0.40
Family Ticket (2 adults + 2 children)	S	35.10	36.19	37.00	1.90
Family Ticket (2 adults + 3 children)	S	40.10	41.34	45.00	4.90
Active Choices:	S				
Adults (over 16's)	S	8.50	8.76	Discontinued	Discontinued
Juniors (6 years to 15 years)	S	6.90	7.11	Discontinued	Discontinued
Juniors (3 years to 5 years)	S	4.90	5.05	Discontinued	Discontinued
Spectators	S	5.10	5.26	5.00	-0.10
Spectators - Active Choices	S	0.00	0.00	0.00	0.00
Gold Pass - Full day ticket - no time restrictions					
Adults (over 16's)	S	16.80	17.32	17.50	0.70
Juniors (6 years to 15 years)	S	13.60	14.02	14.00	0.40
Juniors (3 years to 5 years) restrictions on some rides	S	12.50	12.89	13.00	0.50
Toddlers (under 3 years)	S	2.10	2.17	3.00	0.90
Family Ticket (2 adults + 2 children)	S	45.20	46.60	50.00	4.80
Family Ticket (2 adults + 3 children)	S	50.10	51.65	55.00	4.90
Synthetic Turf Pitch (New Facility)					
Adult Peak 5-10pm	s	0.00	0.00	48.00	48.00
Junior Peak 5-10pm	s	0.00	0.00	36.00	36.00
Off Peak 9am -4pm	s	0.00	0.00	18.00	18.00
	S	Standard Rated (20%)			
	E	Exempt			
	O	Outside the scope			
	N	Zero Rated			

(*) CPI Inflation rate @ November 2017

3.10%

Inward Investment & Employment					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
Southport Market					
1	S	14,060.76	14,496.64	14,060.76	0.00
2a	S	4,158.92	4,287.85	4,158.92	0.00
3	S	16,340.84	16,847.41	16,340.84	0.00
4	S	14,480.26	14,929.15	14,480.26	0.00
5	S	9,582.06	9,879.10	9,582.06	0.00
6	S	8,321.08	8,579.03	8,321.08	0.00
7	S	13,800.54	14,228.36	13,800.54	0.00
8	S	11,883.00	12,251.37	11,883.00	0.00
9	S	12,897.55	13,297.37	12,897.55	0.00
10	S	4,925.01	5,077.69	4,925.01	0.00
11	S	9,535.08	9,830.67	9,535.08	0.00
12	S	7,896.09	8,140.87	7,896.09	0.00
13	S	4,842.77	4,992.90	4,842.77	0.00
14	S	8,685.90	8,955.16	8,685.90	0.00
15	S	10,670.64	11,001.43	10,670.64	0.00
16	S	8,587.29	8,853.50	8,587.29	0.00
17	S	9,079.96	9,361.44	9,079.96	0.00
18	S	9,409.15	9,700.83	9,409.15	0.00
19	S	9,459.98	9,753.24	9,459.98	0.00
20	S	5,437.19	5,605.74	5,437.19	0.00
21	S	6,932.51	7,147.42	6,932.51	0.00
22	S	5,610.02	5,783.93	5,610.02	0.00
23	S	6,725.11	6,933.59	6,725.11	0.00
24	S	8,536.02	8,800.64	8,536.02	0.00
25	S	8,782.47	9,054.73	8,782.47	0.00
26	S	9,374.58	9,665.19	9,374.58	0.00
27	S	11,604.76	11,964.51	11,604.76	0.00
28	S	12,568.91	12,958.55	12,568.91	0.00
29	S	6,208.79	6,401.26	6,208.79	0.00
# Management of the Market returned in-house from January 2015					
## 2016/17 charges subject to a review later in year					
S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Locality Services-Provision					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
Trade & Clinical Waste Refuse Collection Service					
Commercial Prices					
240 litre wheeled Bin (4.5%)	O	316.00	325.80	330.00	14.00
360 litre wheeled Bin (4.2%)	O	515.00	530.97	537.00	22.00
1100 litre wheeled Bin (4.1%)	O	992.00	1,022.75	1033.00	41.00
240 litre wheeled Bin (Comingled) (4.5%)	O	174.00	179.39	182.00	8.00
360 litre wheeled Bin (Comingled) (4.4%)	O	245.00	252.60	256.00	11.00
1100 litre wheeled Bin (Comingled) (4.2%)	O	329.00	339.20	343.00	14.00
240 litre wheeled Bin (Food Waste & Green garden waste) (4.5%)	O	316.00	325.80	330.00	14.00
Schools & Charity Prices					
240 litre wheeled Bin (4.5%)	O	174.00	179.39	182.00	8.00
360 litre wheeled Bin (4.4%)	O	245.00	252.60	256.00	11.00
1100 litre wheeled Bin (4.2%)	O	329.00	339.20	343.00	14.00
240 litre wheeled Bin (Comingled) (10%)	O	137.00	141.25	151.00	14.00
360 litre wheeled Bin (Comingled) (10%)	O	137.00	141.25	151.00	14.00
1100 litre wheeled Bin (Comingled) (10%)	O	137.00	141.25	151.00	14.00
Bulky Items collection (via contact centre) - max 3 items per call -unchanged	O	10.00	10.31	10.00	0.00
Clinical Waste - LEA Schools & Internal buildings Only (4%)	O	469.00	483.54	488.00	19.00
Duty of Care - Administration form (9%)	O	46.00	47.43	50.00	4.00
<p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p>					

(*) CPI Inflation rate @ November 2017

3.10%

Locality Services Commissioned					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
Commercial Events on the Highway Licence (Negotiation to suit individual circumstances)					
Southport Town Centre					
Chapel Street					
Site 1: o/s train station 11m x3m	O	250.00	257.75	258.00	8.00
Site 2: o/s M&S 9m x 5m	O	250.00	257.75	258.00	8.00
Site 3: o/s Café Nero 10m x 7m	O	300.00	309.30	309.00	9.00
Eastbank Street Square					
Site 4: Adjacent to toilets 7m x 5m	O	250.00	257.75	258.00	8.00
London Square					
Site 5: fronting 124-130 9m x 4m	O	200.00	206.20	206.00	6.00
Site 6: fronting NatWest Bank 7m x 3m	O	200.00	206.20	206.00	6.00
Promenade					
Site 7: Floral Hall 7m x 3m	O	150.00	154.65	155.00	5.00
Lord Street					
Site 8: Jct Nevill Street 3m x 2m	O	150.00	154.65	155.00	5.00
Formby					
Chapel Lane					
Site 9: o/s 5 (Card Factory) 5m x 3m	O	150.00	154.65	155.00	5.00
Site 10: o/s 11 (Opticians) 6m x 2m	O	150.00	154.65	155.00	5.00
Site 11: o/s 25 (Holland & Barrett) 4m x 4m	O	200.00	206.20	206.00	6.00
Maghull					
Westway					
Site 12: o/s 30 (Timpson) 4m x 3m	O	100.00	103.10	103.00	3.00
Netherton					
Marian Square					
Site 13: o/s 15 (Betfred) 5m x 4m	O	75.00	77.33	77.00	2.00
Site 14: fronting 8-10 (Chemist) 11m x 11m	O	150.00	154.65	155.00	5.00
S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Locality Services Commissioned					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
Continued					
Crosby					
Moor Lane / Liverpool Road					
Site 15: o/s 24 (Boots) 6m x 6m	O	150.00	154.65	155.00	5.00
Bootle					
Stanley Road					
Site 16: o/s Poundland 7m x 4m	O	200.00	206.20	206.00	6.00
Building Materials					
per 5sqm per week	O	16.00	16.50	17.00	1.00
Illegal Placement per occurrence	O	79.00	81.45	81.00	2.00
Non Compliance per Occurrence	O	29.00	29.90	30.00	1.00
Storage Containers / Welfare Facilities (new)					
Permission per week per container	O	158.00	162.90	163.00	5.00
Illegal Placement per occurrence	O	315.00	324.77	325.00	10.00
Non Compliance per Occurrence	O	29.00	29.90	30.00	1.00
Road Closure (Works)					
Road Closure (Works)	O	1,365.00	1,407.32	1,502.00	137.00
Emergency Closure	O	630.00	649.53	693.00	63.00
Dedicated Street Seats					
	O	1,575.00	1,623.83	1,624.00	49.00
CYCLE HIRE					
The Sefton & West Lancashire Visitor Economy LSTF Project Cycle Hire Scheme					
Up to 4 hours	S	7.00	7.22	7.00	0.00
Full Day	S	11.00	11.34	11.00	0.00
# -Group and Family discounts available					
S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Locality Services Commissioned					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
Highway Safety					
Road Closure (Charity and Civic Events)	O	436.00	449.52	450.00	14.00
Progression of Traffic Regulation Order	O	893.00	920.68	921.00	28.00
H Bracket (per metre or part of)	O	108.00	111.35	111.00	3.00
Road Casualty Data (per link or node)	O	50.00	51.55	POA	POA
Highways Development Control					
Adoption of New Roads under Section 38 of Highways Act 1980 (includes Legal Agreement Cost but does not include additional fee of 10% of the construction costs)	O	1,785.00	1,840.34	1,840.00	55.00
Highways works under Section 278 of Highways Act 1980 (includes Legal Agreement Cost but does not include additional fee of 10% of the construction costs or £1,500 minimum fee, whichever is the greater)	O	1,785.00	1,840.34	1,840.00	55.00
Stopping up/Diversion of the highway Section 116 Highways Act 1980	O	2,468.00	2,544.51	2,545.00	77.00
Council Approval for stopping up under S247/s257 of T&CPA 1990	O	630.00	649.53	650.00	20.00
Licences under Sections 115 or 177 of Highways Act 1980	O	1,260.00	1,299.06	1,299.00	39.00
Licence under Section 144, 178 or 179 of Highways Act 1980	O	1,260.00	1,299.06	1,299.00	39.00
Stopping up/Diversion of a Right of Way under Section 118 & 119 Highways Act 1980	O	0.00	0.00	2,468.00	2468.00
Minor Works Agreement - Initial Proposal	O	0.00	0.00	750.00	750.00
Minor Works Agreement - Implementation Fee	O	0.00	0.00	12% of works cost- minimum fee of £500	12% of works cost- minimum fee of £501
Public Rights of Way declaration (section 31 (6) HA - Single Application)	O	0.00	0.00	300.00	300.00
Public Rights of Way declaration (section 31 (6) HA - Joint Application)	O	0.00	0.00	400.00	400.00
<p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p>					

(*) CPI Inflation rate @ November 2017

3.10%

Locality Services Commissioned

Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
Highway Search Queries (including adopted highways, Council owned land, road improvement schemes, Traffic Regulation Orders, Stopping Up Orders, Traffic flows, Public Rights of Way) per plot	S	69.00	71.14	71.00	2.00
Additional questions (each) per plot	S	15.00	15.47	15.00	0.00
Highway Search Queries - Anything greater than single plot	S	POA	POA	POA	POA
Street naming and numbering due to redesign of layout	O	368.00	379.41	379.00	11.00
Naming of a new road	O	150.00	154.65	155.00	5.00
Renumbering of existing properties (per plot)	O	46.00	47.43	47.00	1.00
Registering and numbering of new properties (per plot)	O	46.00	47.43	47.00	1.00
Renaming of a property	O	25.00	25.78	26.00	1.00
Changes to development layout after initial notification	O	50.00	51.55	52.00	2.00
Confirmation of postal address	O	25.00	25.78	26.00	1.00
Copy of Notification of Address and/or Postcode (Per copy)	O	0.00	0.00	15.00	15.00
Highway Maintenance, Street Lighting & UTC					
Vehicle Crossing Fee (Per Crossing installed) PLUS contractor/works costs	O	152.00	156.71	157.00	5.00
Traffic Signals Report	O	250.00	257.75	258.00	8.00
Traffic Signals Switch off/on : - Mon-Fri 07:30-17:30	O	225.00	231.98	400.00	175.00
Traffic Signals Switch off/on : - Mon- Fri 17:30-07:30	O	325.00	335.08	400.00	75.00
Traffic Signals Switch off/on: - Saturday (Any Time)	O	325.00	335.08	400.00	75.00
Traffic Signals Switch off/on : - Sunday (Any Time)	O	375.00	386.63	400.00	25.00
Traffic Signals Switch off/on : - Bank Holiday (Any Time)	O	375.00	386.63	400.00	25.00
Request for traffic signal data (Fixed fee for collation of a basic data request i.e. copy of Config', Layout Plan, and basic SCOOT Info)	O	175.00	180.43	180.00	5.00
New: Traffic Signals Infrastructure - Commuted Sum (towards future maintenance costs) per basic installation	O	0.00	0.00	15,000.00	15,000.00
Street Lighting Design of 3rd Party Developers - for schemes up to 10 columns	S	750.00	773.25	773.00	23.00
Street Lighting Design of 3rd Party Developers - for schemes in excess of 10 column	S	POA	POA	POA	POA
Relocation of Electrical Street furniture (per location/ item)	O	152.00	156.71	157.00	5.00
	S	Standard Rated (20%)			
	E	Exempt			
	O	Outside the scope			
	N	Zero Rated			

(*) CPI Inflation rate @ November 2017

3.10%

Regeneration and Housing					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
Photocopies of Planning Documents					
A3 & A4 size Photocopies -					
Decision or completion documents per notice	S	0.00	0.00	15.00	15.00
per page A4	S	0.25	0.26	0.25	0.00
per page A3	S	0.50	0.52	0.50	0.00
Plan Prints -					
per page	S	2.00	2.06	2.50	0.50
Supply of Environmental Information					
Hourly rate (normal working hours)	O	60.00	61.86	62.00	2.00
Hourly rate (outside normal working hours)	O	72.00	74.23	75.00	3.00
Fast Track Services					
. Copies of planning documents	O	50.00	51.55	50.00	0.00
. Validation of planning application	O	100.00	103.10	100.00	0.00
. Determination of minor planning applications	O	100% of application fee	100% of application fee	100% of application fee	100% of application fee
. Plan check for building regulations	S	50.00	51.55	50.00	0.00
Historic Environment Searches					
	S	hourly rate	new services	62.00	
Preparation of bespoke reports					
	S	hourly rate	new service	62.00	
Cross boundary working for planning and building regulations applications					
	S	hourly rate	hourly rate	62.00	
Planning Performance Agreements					
	S	hourly rate	hourly rate	62.00	
Waiver letter for taxis					
	O	100.00	103.10	100.00	0.00
Charge for returned invalid applications					
	O	hourly rate (up to £500)	hourly rate (up to £500)	hourly rate (up to £500)	hourly rate (up to £500)
Charge for withdrawn building regulation applications					
	S	hourly rate	hourly rate	hourly rate	hourly rate
Community Infrastructure Levy					
	O		subject to separate report and legal process in late 17/18		
S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Regeneration and Housing

Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
Merseyside BioBank Local Environment Record Centre					
Access to Material per hour (min 1 hour)	S	No charge	No charge	No charge	No charge
Standard BioBank Data Product within 2km	S	175.00	180.43	175.00	0.00
Single Householder BioBank Data Product to 1km	S	125.00	128.88	125.00	
Reduced Biobank Data Product for specific species within 2km	S	90.00	92.79	90.00	0.00
Optional Enhancements to Standard BioBank Data Product:					
Biobank Data Mapping (imagery) - optional	S	50.00	51.55	50.00	0.00
Data Mapping (GIS) attribute layers - optional	S	70.00	72.17	70.00	0.00
LCR Ecological Network data GIS layers - optional	S	100.00	103.10	100.00	0.00
Non commercial requests	s	No charge	No charge	No charge	No charge
Merseyside Historic Environment Record					
Access to Material per hour (min 1 hour)	S	No charge	No charge	No charge	No charge
HER Digital Search Product	S	175.00	180.43	175.00	0.00
HER rapid site of building check Service	S	No charge	No charge	No charge	No charge
Non commercial requests	s	No charge	No charge	No charge	No charge
Waste Local Plan					
Waste Standard Site Assessment	s	175.00	180.43	175.00	0.00
Non commercial requests	s	No charge	No charge	No charge	No charge
Liverpool City Region Ecological Network					
Liverpool City Region Ecological Network data product	s	100.00	103.10	100.00	0.00
Non commercial requests	s	No charge	No charge	No charge	No charge
S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Regeneration and Housing					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
Major Development					
over 25- 100 dwellings	S	£1500 to cover up to one site visit and two meetings; hourly rate thereafter	£1500 to cover up to one site visit and two meetings; hourly rate thereafter	£1800 to cover up to one site visit and two meetings; hourly rate thereafter	300.00
All non-residential schemes with a floor space between 2,000 sqm and 5,000 on sites between 2 ha and 5 ha	S				
Change of use of building(s) with a floor space between 2,000 sqm and 5000 sqm or sites between 2 ha and 5 ha	S				
Strategic Development					
over 100 dwellings	S	£2500 to cover up to one site visit and two meetings; hourly rate thereafter	£2500 to cover up to one site visit and two meetings; hourly rate thereafter	£3000 to cover up to one site visit and two meetings; hourly rate thereafter	500.00
All non-residential schemes with a floor space over 5,000 sqm or on sites over 5 ha					
Change of use of building(s) with a floor space over 5,000 sqm or sites over 5 ha	S				
Tree Works	S	75.00	77.33	75.00	0.00
Heritage Advice (Listed Buildings & Conservation Areas) if site visit required	S	70.00 additional £72	72.17	70.00 additional £75	0.00 3.00
Building Regulations Advice	S	hourly rate	hourly rate	hourly rate	hourly rate
S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Regeneration and Housing					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
SCHEDULE 1		£	£	£	£
<u>Plan Charges (cont.)</u>					
TWO house or flat types (design)					
Number of dwellings -					
one	S	-	-	-	
two	S	396.00	408.28	396.00	0.00
three	S	408.00	420.65	408.00	0.00
four	S	420.00	433.02	420.00	0.00
five	S	432.00	445.39	432.00	0.00
six	S	444.00	457.76	444.00	0.00
seven	S	456.00	470.14	456.00	0.00
eight	S	468.00	482.51	468.00	0.00
nine	S	480.00	494.88	480.00	0.00
ten	S	492.00	507.25	492.00	0.00
THREE house or flat types (design)					
Number of dwellings -					
one	S		-	-	
two	S		-	-	
three	S	474.00	488.69	474.00	0.00
four	S	486.00	501.07	486.00	0.00
five	S	498.00	513.44	498.00	0.00
six	S	510.00	525.81	510.00	0.00
seven	S	522.00	538.18	522.00	0.00
eight	S	534.00	550.55	534.00	0.00
nine	S	546.00	562.93	546.00	0.00
ten	S	558.00	575.30	558.00	0.00
<p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p>					

(*) CPI Inflation rate @ November 2017

3.10%

Regeneration and Housing

Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
SCHEDULE 1					
Plan Charges (cont.)					
FOUR house or flat types (design)					
Number of dwellings -					
one	S	-	-	-	
two	S	-	-	-	
three	S	-	-	-	
four	S	552.00	569.11	552.00	0.00
five	S	564.00	581.48	564.00	0.00
six	S	576.00	593.86	576.00	0.00
seven	S	588.00	606.23	588.00	0.00
eight	S	600.00	618.60	600.00	0.00
nine	S	612.00	630.97	612.00	0.00
ten	S	624.00	643.34	624.00	0.00
FIVE house or flat types (design)					
Number of dwellings -					
one	S	-	-	-	
two	S	-	-	-	
three	S	-	-	-	
four	S	-	-	-	
five	S	630.00	649.53	630.00	0.00
six	S	642.00	661.90	642.00	0.00
seven	S	654.00	674.27	654.00	0.00
eight	S	666.00	686.65	666.00	0.00
nine	S	678.00	699.02	678.00	0.00
ten	S	690.00	711.39	690.00	0.00
S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Regeneration and Housing					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
Schedule 2 Domestic extensions and alterations continued					
Garages and Detached Buildings					
Category 10 - Detached garage - floor area less than 60sq/m					
Plan Charge	S	138.00	142.28	138.00	0.00
Inspection Charge	S	228.00	235.07	228.00	0.00
Building Notice Charge	S	366.00	377.35	366.00	0.00
Regularisation Charge	O	396.50	408.79	396.50	0.00
Category 11 - Attached garage - floor area less than 60sq/m					
Plan Charge	S	156.00	160.84	156.00	0.00
Inspection Charge	S	228.00	235.07	228.00	0.00
Building Notice Charge	S	384.00	395.90	384.00	0.00
Regularisation Charge	O	416.00	428.90	416.00	0.00
Category 12 - Detached habitable building - floor area less than 40sq/m					
Plan Charge	S	264.00	272.18	264.00	0.00
Inspection Charge	S	336.00	346.42	336.00	0.00
Building Notice Charge	S	636.00	655.72	636.00	0.00
Regularisation Charge	O	689.00	710.36	689.00	0.00
Category 13 - Detached habitable building - floor area between 40sq/m and 100sq/m					
Plan Charge	S	300.00	309.30	300.00	0.00
Inspection Charge	S	444.00	457.76	444.00	0.00
Building Notice Charge	S	816.00	841.30	816.00	0.00
Regularisation Charge	O	884.00	911.40	884.00	0.00
<p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p>					

(*) CPI Inflation rate @ November 2017

3.10%

Regeneration and Housing					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
Schedule 2 Domestic extensions and alterations continued					
Other Alterations and Building Works to Domestic Buildings					
Category 15 - Extension of a basement less than 100sq/m					
Plan Charge	S	228.00	235.07	228.00	0.00
Inspection Charge	S	336.00	346.42	336.00	0.00
Building Notice Charge	S	636.00	655.72	636.00	0.00
Regularisation Charge	O	689.00	710.36	689.00	0.00
Category 16 - Structural/internal works with a commercial value of less than £1,000					
*Plan Charge	S	138.00	142.28	138.00	0.00
Inspection Charge	S	-	-	-	-
Building Notice Charge	S	144.00	148.46	144.00	0.00
Regularisation Charge	O	156.00	160.84	156.00	0.00
Category 17 - Structural/internal works with a commercial value between £1,000 and £2,000					
*Plan Charge	S	198.00	204.14	198.00	0.00
Inspection Charge	S	-	-	-	-
Building Notice Charge	S	204.00	210.32	204.00	0.00
Regularisation Charge	O	221.00	227.85	221.00	0.00
Category 18 - Structural/internal works with a commercial value between £2,000 and £5,000					
*Plan Charge	S	258.00	266.00	258.00	0.00
Inspection Charge	S	-	-	-	-
Building Notice Charge	S	264.00	272.18	264.00	0.00
Regularisation Charge	O	286.00	294.87	286.00	0.00
<p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p>					

(*) CPI Inflation rate @ November 2017

3.10%

Regeneration and Housing					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
Schedule 2 Domestic extensions and alterations continued					
Other Alterations and Building Works to Domestic Buildings					
Category 19 - Structural/internal works with a commercial value between £5,000 and £10,000					
Plan Charge	S	86.40	89.08	86.40	0.00
Inspection Charge	S	236.40	243.73	236.40	0.00
Building Notice Charge	S	324.00	334.04	324.00	0.00
Regularisation Charge	O	351.00	361.88	351.00	0.00
Category 20 - Structural/internal works with a commercial value between £10,000 and £15,000					
Plan Charge	S	102.00	105.16	102.00	0.00
Inspection Charge	S	282.00	290.74	282.00	0.00
Building Notice Charge	S	384.00	395.90	384.00	0.00
Regularisation Charge	O	416.00	428.90	416.00	0.00
Category 21 - Structural/internal works with a commercial value between £15,000 and £20,000					
Plan Charge	S	116.00	119.60	116.00	0.00
Inspection Charge	S	326.40	336.52	326.40	0.00
Building Notice Charge	S	444.00	457.76	444.00	0.00
Regularisation Charge	O	481.00	495.91	481.00	0.00
S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Regeneration and Housing					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
Schedule 2 Domestic extensions and alterations continued					
Other Alterations and Building Works to Domestic Buildings					
Category 22 - Replacement of 10 windows or less					
*Plan Charge	S	102.00	105.16	102.00	0.00
Inspection Charge	S	-	-	-	-
Building Notice Charge	S	102.00	105.16	102.00	0.00
Regularisation Charge	O	110.50	113.93	110.50	0.00
Category 23 - Replacement of more than 10 windows					
*Plan Charge	S	186.00	191.77	186.00	0.00
Inspection Charge	S	-	-	-	-
Building Notice Charge	S	186.00	191.77	186.00	0.00
Regularisation Charge	O	201.50	207.75	201.50	0.00
Category 24 - Installation of a heating appliance (boiler, wood burning, oil, coal or gas fires) or renewable energy source (e.g. solar panel, ground source heat pump etc)					
*Plan Charge	S	198.00	204.14	198.00	0.00
Inspection Charge	S	-	-	-	-
Building Notice Charge	S	198.00	204.14	198.00	0.00
Regularisation Charge	O	214.50	221.15	214.50	0.00
Category 25 - Underpinning of existing foundations with a commercial value of less than £5,000					
*Plan Charge	S	318.00	327.86	318.00	0.00
Inspection Charge	S	-	-	-	-
Building Notice Charge	S	318.00	327.86	318.00	0.00
Regularisation Charge	O	344.50	355.18	344.50	0.00
<p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p>					

(*) CPI Inflation rate @ November 2017

3.10%

Regeneration and Housing					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
Schedule 2 Domestic extensions and alterations continued					
Other Alterations and Building Works to Domestic Buildings					
Category 26 - Renovation of an existing external wall, floor or roof					
*Plan Charge	S	198.00	204.14	198.00	0.00
Inspection Charge	S	-	-	-	-
Building Notice Charge	S	198.00	204.14	198.00	0.00
Regularisation Charge	O	214.50	221.15	214.50	0.00
Category 27 - Replacement of an existing roof covering					
*Plan Charge	S	198.00	204.14	198.00	0.00
Inspection Charge	S	-	-	-	-
Building Notice Charge	S	198.00	204.14	198.00	0.00
Regularisation Charge	O	214.50	221.15	214.50	0.00
Category 28 - Installation of cavity wall insulation by an un-licensed installer					
*Plan Charge	S	198.00	204.14	198.00	0.00
Inspection Charge	S	-	-	-	-
Building Notice Charge	S	198.00	204.14	198.00	0.00
Regularisation Charge	O	214.50	221.15	214.50	0.00
Category 29 - Installation of cavity wall insulation by a licensed installer					
Plan Charge	S	12.00	12.37	12.00	0.00
Inspection Charge	S	n/a	n/a	n/a	n/a
Building Notice Charge	S	12.00	12.37	12.00	0.00
Regularisation Charge	O	13.00	13.40	13.00	0.00
S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Regeneration and Housing					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
Schedule 2 Domestic extensions and alterations continued					
Other Alterations and Building Works to Domestic Buildings					
Category 30 - Electrical work carried out by a person NOT Part P registered with a competent persons scheme (# see Reductions)					
*Plan Charge	S	330.00	340.23	330.00	0.00
Inspection Charge	S	-	-	-	-
Building Notice Charge	S	330.00	340.23	330.00	0.00
Regularisation Charge	O	357.50	368.58	357.50	0.00
- Any other works not listed in Categories 1 to 30					
Surcharges					
Surcharges (plan deposit)					
Where H4 (Building over a public sewer) applies	S	78.00	80.42	78.00	0.00
Where gas contaminated land issues apply	S	78.00	80.42	78.00	0.00
Where design foundations are required	S	156.00	160.84	156.00	0.00
Additional structural beams required for existing structure excluding alteration to an existing opening	S	114.00	117.53	114.00	0.00
<p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p>					

(*) CPI Inflation rate @ November 2017

3.10%

Regeneration and Housing					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
Schedule 3 Other Alterations and Building Works to Non-Domestic Buildings					
Category 5-Structural and internal alterations with a commercial value of less than £15,000					
Plan Charge	S	102.00	105.16	102.00	0.00
Inspection Charge	S	282.00	290.74	282.00	0.00
Building Notice Charge	S	384.00	395.90	384.00	0.00
Regularisation Charge	O	416.00	428.90	416.00	0.00
Category 6-Structural and internal alterations with a commercial value of less than £20,000					
Plan Charge	S	117.00	120.63	117.00	0.00
Inspection Charge	S	326.40	336.52	326.40	0.00
Building Notice Charge	S	444.00	457.76	444.00	0.00
Regularisation Charge	O	481.00	495.91	481.00	0.00
Category 7-Replacement windows up to 10 units					
*Plan Charge	S	132.00	136.09	132.00	0.00
Inspection Charge	S	-	-	-	-
Building Notice Charge	S	132.00	136.09	132.00	0.00
Regularisation Charge	O	143.00	147.43	143.00	0.00
Category 8-Replacement windows 11 to 50 units					
*Plan Charge	S	234.00	241.25	234.00	0.00
Inspection Charge	S	-	-	-	-
Building Notice Charge	S	234.00	241.25	234.00	0.00
Regularisation Charge	O	253.50	261.36	253.50	0.00
S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Regeneration and Housing					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
Schedule 3 Other Alterations and Building Works to Non-Domestic Buildings					
Category 9-Replacement windows 51 to 100 units					
*Plan Charge	S	306.00	315.49	306.00	0.00
Inspection Charge	S	-	-	-	-
Building Notice Charge	S	306.00	315.49	306.00	0.00
Regularisation Charge	O	331.50	341.78	331.50	0.00
Category 10-New/replacement shop front					
*Plan Charge	S	288.00	296.93	288.00	0.00
Inspection Charge	S	-	-	-	-
Building Notice Charge	S	288.00	296.93	288.00	0.00
Regularisation Charge	O	312.00	321.67	312.00	0.00
Category 11-Single storey extension less than 10m2					
*Plan Charge	S	228.00	235.07	228.00	0.00
Inspection Charge	S	288.00	296.93	288.00	0.00
Building Notice Charge	S	n/a	n/a	n/a	n/a
Regularisation Charge	O	599.00	617.57	599.00	0.00
Category 12-Single storey extension between 10 - 40m2					
Plan Charge	S	264.00	272.18	264.00	0.00
Inspection Charge	S	396.00	408.28	396.00	0.00
Building Notice Charge	S	n/a	n/a	n/a	n/a
Regularisation Charge	O	715.00	737.17	715.00	0.00
<p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p>					

(*) CPI Inflation rate @ November 2017

3.10%

Regeneration and Housing

Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
Category 13 - Two storey extension less than 40 sq. m					
Plan Charge	S	264.00	272.18	264.00	0.00
Inspection Charge	S	390.00	402.09	390.00	0.00
Building Notice Charge	S				
Regularisation Charge	O	715.00	737.17	715.00	0.00
Any work not described in items 1 to 12					
Charge to be subject to an individual risk assessment - Please consult the Building Control Team					
* The charge is the combined plan and inspection charges and payable at time of deposit of the application					
NB WHERE PART B OF SCHEDULE 1 TO THE BUILDING REGULATIONS 2010 OR THE REGULATORY REFORM (FIRE SAFETY) ORDER 2005 APPLIES TO THE WORK, THEN A BUILDING NOTICE MAY NOT BE USED					
<u>Surcharges (plan deposit)</u>					
Where gas contaminated land issues apply	S	84.50	87.12	84.50	0.00
Where design foundations are required	S	162.50	167.54	162.50	0.00
<u>Surcharges (site inspection)</u>					
Works not completed within 36 months of application	S	Please contact our Building Control Team			
Underpinning to existing structure required	S	Please contact our Building Control Team			
Impact of new legislation on design and construction	S	Please contact our Building Control Team			
S Standard Rated (20%)					
E Exempt					
O Outside the scope					
N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Regeneration and Housing

Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
Housing Standards					
HMO Licensing Mandatory					
HMO Licensing Fees are currently subject to consultation and confirmation of future arrangements. They will be issued for 5 years (rather than 3) and there is an additional fee for larger HMOs.					
A first application for a licence with up to 6 units of accommodation	O	850.00	876.35	850.00	0.00
For the renewal of an existing licence made before the current licence expires	O	800.00	824.80	800.00	0.00
Where an application for the renewal of an existing licence is made after the expiry of the current licence	O	850.00	876.35	850.00	0.00
Additional Unit Fees (An additional unit charge will be added to all properties with over 6 units of accommodation)					
For 7 - 12 units of accommodation	O	150.00	154.65	150.00	0.00
For 30 - 20 units of accommodation	O	250.00	257.75	250.00	0.00
For 21+ units of accommodation	O	350.00	360.85	350.00	0.00
Discount for accreditation	O	150.00	154.65	150.00	0.00
Additional HMO Scheme (5 years from March 2018)					
Full Fee		850.00	876.35	850.00	0.00
Additional Unit Fees (An additional unit charge will be added to all properties with over 6 units of accommodation)					
For 7 - 12 units of accommodation	O	150.00	154.65	150.00	0.00
For 13 - 20 units of accommodation	O	250.00	257.75	250.00	0.00
For 21+ units of accommodation	O	350.00	360.85	350.00	0.00
Discount for accreditation	O	150.00	154.65	150.00	0.00
Discount for Accredited Managing Agent (licence holder)	O	200.00	206.20	200.00	0.00
Discount Early Bird application	O	50.00	51.55	50.00	0.00
Red Rose Caravan Park, Broad Lane, Formby - Pitch Rent					
Single Pitch per week	E	68.30	70.42	70.40	2.10
Double Pitch per week	E	75.00	77.33	77.30	2.30
Single let as double per week	E	71.80	74.03	74.00	2.20
S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Regeneration and Housing					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
Selective Licensing Scheme (5 years from March 2018)					
Full Fee	O	695.00	716.55	695.00	0.00
Additional Unit Fees (An additional unit charge will be added to all properties with over 6 units of accommodation)					
For 7 - 12 units of accommodation	O	150.00	154.65	150.00	0.00
For 13 - 20 units of accommodation	O	250.00	257.75	250.00	0.00
For 21+ units of accommodation	O	350.00	360.85	350.00	0.00
Discount for accreditation	O	150.00	154.65	150.00	0.00
Discount for Accredited Managing Agent (licence holder)	O	200.00	206.20	200.00	0.00
Discount for Early Bird application	O	75.00	77.33	75.00	0.00
Supply of Reports/Information					
Statement of Facts	S	126.50	130.42	130.40	3.90
Immigration Certificate	O	126.50	130.42	130.40	3.90
Pre or new purchase inspection of HMO/purpose built flats	S	126.50	130.42	130.40	3.90
Service of Housing Act 2004 Notices					
Improvement notice (sec 11 or 12)	O	369.40	380.85	380.85	11.45
Prohibition Order	O	369.40	380.85	380.85	11.45
Emergency Prohibition Order	O	369.40	380.85	380.85	11.45
Emergency Remedial Action	O	187.20	193.00	193.00	5.80
Hazard Awareness Notice	O	0.00	0.00	0.00	0.00
Review of Suspended Improvement Notice	O	123.50	127.33	127.30	3.80
Review of Suspended Prohibition Order	O	123.50	127.33	127.30	3.80
Demolition Order (Sec 265, Housing Act 1985)	O	369.40	380.85	380.85	11.45
<p style="margin-left: 40px;">S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p>					

(*) CPI Inflation rate @ November 2017

3.10%

Regulation & Compliance					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
SEX ESTABLISHMENT LICENCES					
Initial application	O	1,354.00	1,395.97	1,395.00	41.00
Annual renewal	O	500.00	515.50	420.00	-80.00
Transfer of licence	O	500.00	515.50	420.00	-80.00
DANGEROUS WILD ANIMALS					
	O	70.00	72.17	107.00	37.00
ZOOS					
	O	717.00	739.23	717.00	0.00
ANIMAL BOARDING ESTABLISHMENTS					
over 50 animals	O	110.00	113.41	132.00	22.00
6 to 50 animals	O	70.00	72.17	132.00	62.00
0 to 5 animals	O	42.00	43.30	122.00	80.00
PET SHOPS					
	O	70.00	72.17	107.00	37.00
RIDING ESTABLISHMENTS					
	O	151.00	155.68	151.00	0.00
BREEDING OF DOGS					
	O	70.00	72.17	107.00	37.00
TATTOOING, EAR PIERCING, ACUPUNCTURE, ELECTROLYSIS					
person	O	16.00	16.50	16.50	0.50
premises	O	70.00	72.17	102.00	32.00
SCRAP METAL DEALERS ACT 2013					
Grant/Renewal of Site Licence	O	134.00	138.15	138.00	4.00
Grant/Renewal of Collector's Licence	O	98.00	101.04	101.00	3.00
Variation of Site/Collector's Licence	O	77.00	79.39	79.00	2.00
S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Regulation & Compliance					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
<u>SMALL CASINO PREMISE LICENCE</u>					
Grant	O	8,000.00	8,248.00	8,000.00	0.00
Annual Fee	O	5,000.00	5,155.00	5,000.00	0.00
Variation	O	4,000.00	4,124.00	4,000.00	0.00
Transfer	O	1,800.00	1,855.80	1,800.00	0.00
Re-Instatement	O	1,800.00	1,855.80	1,800.00	0.00
Provisional Statement	O	8,000.00	8,248.00	8,000.00	0.00
Change of Circumstances	O	27.70	28.56	27.70	0.00
Copy of Licence	O	11.80	12.17	11.80	0.00
<u>CONVERTED CASINO PREMISE LICENCE</u>					
Annual Fee	O	2,003.00	2,065.09	2,003.00	0.00
Variation	O	1,335.00	1,376.39	1,335.00	0.00
Transfer	O	901.00	928.93	901.00	0.00
Re-Instatement	O	901.00	928.93	901.00	0.00
Change of Circumstances	O	27.70	28.56	27.70	0.00
Copy of Licence	O	11.80	12.17	11.80	0.00
<u>BINGO PREMISE LICENCE</u>					
Grant	O	2,336.00	2,408.42	2,336.00	0.00
Annual Fee	O	668.00	688.71	668.00	0.00
Variation	O	1,169.00	1,205.24	1,169.00	0.00
Transfer	O	801.00	825.83	801.00	0.00
Re-Instatement	O	801.00	825.83	801.00	0.00
Provisional Statement	O	2,336.00	2,408.42	2,336.00	0.00
Change of Circumstances	O	27.70	28.56	27.70	0.00
Copy of Licence	O	11.80	12.17	11.80	0.00
<p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p>					

(*) CPI Inflation rate @ November 2017

3.10%

Regulation & Compliance

Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
ADULT GAMING PREMISE LICENCE					
Grant	O	1,335.00	1,376.39	1,335.00	0.00
Annual Fee	O	668.00	688.71	668.00	0.00
Variation	O	668.00	688.71	668.00	0.00
Transfer	O	802.00	826.86	802.00	0.00
Re-Instatement	O	802.00	826.86	802.00	0.00
Provisional Statement	O	1,335.00	1,376.39	1,335.00	0.00
Change of Circumstances	O	27.70	28.56	27.70	0.00
Copy of Licence	O	11.80	12.17	11.80	0.00
BETTING PREMISE (TRACK) LICENCE					
Grant	O	1,669.00	1,720.74	1,669.00	0.00
Annual Fee	O	668.00	688.71	668.00	0.00
Variation	O	835.00	860.89	835.00	0.00
Transfer	O	634.00	653.65	634.00	0.00
Re-Instatement	O	634.00	653.65	634.00	0.00
Provisional Statement	O	1,669.00	1,720.74	1,669.00	0.00
Change of Circumstances	O	27.70	28.56	27.70	0.00
Copy of Licence	O	11.80	12.17	11.80	0.00
<p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p>					

(*) CPI Inflation rate @ November 2017

3.10%

Regulation & Compliance					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
FAMILY ENTERTAINMENT PREMISE LICENCE					
Grant	O	1,335.00	1,376.39	1,335.00	0.00
Annual Fee	O	501.00	516.53	501.00	0.00
Variation	O	668.00	688.71	668.00	0.00
Transfer	O	634.00	653.65	634.00	0.00
Re-Instatement	O	634.00	653.65	634.00	0.00
Provisional Statement	O	1,335.00	1,376.39	1,335.00	0.00
Change of Circumstances	O	27.70	28.56	27.70	0.00
Copy of Licence	O	11.80	12.17	11.80	0.00
BETTING PREMISES (OTHER) LICENCE					
Grant	O	2,003.00	2,065.09	2,003.00	0.00
Annual Fee	O	401.00	413.43	401.00	0.00
Variation	O	1,001.00	1,032.03	1,001.00	0.00
Transfer	O	802.00	826.86	802.00	0.00
Re-Instatement	O	802.00	826.86	802.00	0.00
Provisional Statement	O	2,003.00	2,065.09	2,003.00	0.00
Change of Circumstances	O	27.70	28.56	27.70	0.00
Copy of Licence	O	11.80	12.17	11.80	0.00
TEMPORARY USE NOTICE					
Grant	O	111.00	114.44	111.00	0.00
Copy of Notice	O	11.80	12.17	11.80	0.00
<p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p>					

(*) CPI Inflation rate @ November 2017

3.10%

Regulation & Compliance					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
TAXI LICENSING					
All Driver's Licences					
New and Renewal drivers licence fee (max 3 years)	O	71.00	73.20	71.00	0.00
Private Hire up to 8 years old - 12 months	O	135.50	139.70	135.50	0.00
Private Hire up to 8 years old - 6 months	O	79.00	81.45	79.00	0.00
All Hackney Carriages up to 8 years old (*) - 12 months	O	135.50	139.70	135.50	0.00
Non Metropolitan Hackney cabs over 8 years old (**) - 6 months	O	79.00	81.45	79.00	0.00
Metropolitan Hackney cabs between 8 - 11 years (*) - 12 months	O	135.50	139.70	135.50	0.00
Metropolitan Hackney cabs between over 11 years (**) - 6 months	O	79.00	81.45	79.00	0.00
Horse Omnibuses - any age - 12 months	O	123.00	126.81	123.00	0.00
Pedicab Omnibuses - 12 months	O	61.00	62.89	61.00	0.00
(*) does not include £30 annual hackney rank levy					
(**) does not include £15 hackney rank levy					
All Private Hire Operator's Licences					
Operate 1 - 2 vehicles	O	31.00	31.96	31.00	0.00
Operate 3 - 50 vehicles	O	154.00	158.77	154.00	0.00
Operate 51 - 100 vehicles	O	185.00	190.74	185.00	0.00
Operate 100+ vehicles	O	215.50	222.18	215.50	0.00
Miscellaneous Fees					
Transfer of Hackney Driver licence to Private Hire	O	19.00	19.59	19.00	0.00
Transfer of Private Hire Driver licence to Hackney	O	19.00	19.59	19.00	0.00
Duplicate Licence (any type)	O	13.00	13.40	13.00	0.00
Duplicate driver's badge or internal vehicle plate	O	6.00	6.19	6.00	0.00
Duplicate external vehicle plate	O	13.00	13.40	13.00	0.00
Minimum Solicitor & Road Traffic Accident written enquiry response					
If approved for release of data	O	37.00	38.15	37.00	0.00
S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Regulation & Compliance					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
NEW PARKING CHARGES TO TAKE EFFECT FROM 1st JUNE 2018					
On-Street Car Parking Charges					
<u>Southport On-Street Red (Central Zone)</u>					
Up to 30 mins	O	0.00	0.00	0.80	0.80
Up To 1hr	O	1.50	1.55	1.50	0.00
Up To 2hrs	O	3.00	3.09	3.00	0.00
Up To 4hrs	O	5.00	n/a	5.00	0.00
<u>Southport On-Street Other Zones</u>					
Up To 30 mins	O	0.00	0.00	0.80	0.80
Up To 1hr	O	1.50	1.55	1.50	0.00
Up To 2hrs	O	3.00	3.09	3.00	0.00
Up To 4hrs	O	5.00	5.16	5.00	0.00
4hrs+	O	7.00	7.22	7.00	0.00
<u>Bootle - On-Street Town Hall Area</u>					
Up to 1hr	O	0.90	0.93	0.90	0.00
Up to 2hrs	O	1.80	1.86	1.80	0.00
Up to 4hrs	O	3.60	3.71	3.60	0.00
<u>Bootle On - Street Stanley Road</u>					
Up to 30 mins	O	0.90	0.93	0.90	0.00
S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Regulation & Compliance					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
NEW PARKING CHARGES TO TAKE EFFECT FROM 1st JUNE 2018					
Off-Street Car Park Charges Income					
Bootle Multi Storey					
Up To 30 mins	S	0.90	0.93	0.90	0.00
Up To 1 hr	S	1.10	1.13	1.10	0.00
Up To 2 hrs	S	1.80	1.86	1.80	0.00
Up To 4 hrs	S	3.20	3.30	3.20	0.00
4hrs +	S	4.20	4.33	4.20	0.00
Annual Contract	S	655.00	675.31	655.00	0.00
Crosby Off - Street					
Up To 30 mins	S	0.30	0.31	0.30	0.00
Up To 1 hr		0.00	0.00	0.50	0.50
Up To 2 hrs	S	1.00	1.03	1.00	0.00
Up To 4 hrs	S	1.90	1.96	1.90	0.00
4hrs +	S	3.80	3.92	3.80	0.00
Annual Contract	S	535.00	551.59	535.00	0.00
Waterloo Off - Street					
Up To 30 mins	S	0.30	0.31	0.30	0.00
Up To 2 hrs	S	1.00	1.03	1.00	0.00
Up To 4 hrs	S	1.90	1.96	1.90	0.00
4hrs +	S	3.80	3.92	3.80	0.00
Southport Off-Street Tulketh Street					
Up To 1hr	S	0.90	0.93	0.90	0.00
Up To 2hrs	S	1.60	1.65	1.60	0.00
Up To 4hrs	S	3.20	3.30	3.20	0.00
S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Regulation & Compliance					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
NEW PARKING CHARGES TO TAKE EFFECT FROM 1st JUNE 2018					
Off-Street Car Park Charges Income continued					
LEISURE					
Bootle Leisure					
Up To 1hr	S	0.60	0.62	0.60	0.00
Up To 2hrs	S	1.10	1.13	1.10	0.00
Up To 4hrs	S	2.00	2.06	2.00	0.00
4hrs+	S	4.20	4.33	4.50	0.30
Splashworld / Dunes -					
Up to 1 hr	S	0.70	0.72	0.70	0.00
Up To 2hr	S	1.40	1.44	1.40	0.00
Up To 4hrs	S	3.20	3.30	3.20	0.00
4hrs +	S	4.50	4.64	4.50	0.00
TOURISM					
Floral Hall					
Up To 1hr	S	0.90	0.93	0.90	0.00
Up To 2hrs	S	1.60	1.65	1.60	0.00
Up To 4hrs	S	3.00	3.09	3.00	0.00
4hrs+	S	4.50	4.64	4.50	0.00
<p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p>					

(*) CPI Inflation rate @ November 2017

3.10%

Regulation & Compliance					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
NEW PARKING CHARGES TO TAKE EFFECT FROM 1st JUNE 2018		£	£	£	£
<p>There are two different levels of Penalty Charge Notices (differential charging) depending on the contravention. In general a penalty charge notice issued to a vehicle in a place where parking is permitted but the motorist has failed to pay and display or has stayed beyond the permitted time will be issued with a penalty charge notice at the lower rate. Vehicles parked in a place where parking is prohibited – such as a double yellow line or on a bus stop will be issued a PCN at the higher rate.</p>					
The current charging rates are					
Higher - £70	O	70.00	72.17	70.00	0.00
-if paid within 14 days	O	35.00	36.09	35.00	0.00
Lower - £50	O	50.00	51.55	50.00	0.00
-if paid within 14 days	O	25.00	25.78	25.00	0.00
CAR PARKING					
Blue badge Parking Permit	O	10.00	10.31	10.00	0.00
Residents Privileged Parking Permit (RPP) per Vehicle Permit	O	30.00	30.93	30.00	0.00
Residents Privileged Parking Permit (RPP) per Visitors Permit	O	30.00	30.93	30.00	0.00
Parking Suspension Bay Suspension, per 5m bay per day	O	10.00	10.31	10.00	0.00
Parking Suspension (RPP Zones), per 5m bay per month	O	10.00	10.31	10.00	0.00
S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Regulation & Compliance					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
CAR PARKING					
Crosby Lakeside Adventure Centre					
- up to 30mins	S	0.30	0.31	0.30	0.00
- up to 2 hours	S	1.00	1.03	1.00	0.00
- up to 4 hours	S	1.90	1.96	1.00	-0.90
- over 4 hours	S	3.80	3.92	3.80	0.00
Blucher Street, Waterloo					
- up to 30mins	S	0.30	0.31	0.30	0.00
- up to 2 hours	S	1.00	1.03	1.00	0.00
- up to 4 hours	S	1.90	1.96	1.90	0.00
- over 4 hours	S	3.80	3.92	3.80	0.00
Burbo Bank, Blundellsands					
- up to 30mins	S	0.30	0.31	0.30	0.00
- up to 2 hours	S	1.00	1.03	1.00	0.00
- up to 4 hours	S	1.90	1.96	1.90	0.00
- over 4 hours	S	3.80	3.92	3.80	0.00
Sumner Road, Formby (max 2 hour stay)					
- up to 30mins	S	0.30	0.31	0.30	0.00
- up to 2 hours	S	1.00	1.03	1.00	0.00
Annual Pass for seafront car parks					
	S	35.00	36.09	35.00	0.00
S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Regulation & Compliance

Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
ENVIRONMENTAL CHARGES					
Dogs					
Seizure and detention of dogs - release fee for dogs collected from RSPCA within 48 hrs	O	Set by contract Procurement	Set by contract Procurement	Set by contract Procurement	Set by contract Procurement
Seizure and detention of dogs - release fee for dogs collected from RSPCA after 48 hrs	O	Set by contract Procurement	Set by contract Procurement	Set by contract Procurement	Set by contract Procurement
Return of seized stray dog by Council Officer		35.00	36.09	35.00	0.00
Pest Control					
Rats	S	36.50	37.63	37.50	1.00
Mice	S	36.50	37.63	37.50	1.00
Cockroaches, Bedbugs, Fleas	S	61.00	62.89	63.00	2.00
Cockroaches, Bedbugs & Fleas, properties >4 bedrooms	S	100.00	n/a	103.00	3.00
insect identification /initial assessment visit	S	30.00	n/a	31.00	1.00
Treatment of Public health pests within commercial premises	S	On Quotation	n/a	On Quotation	On Quotation
Trading Standards					
Weights and Measures Inspector - examination time verification etc	O	61.75	63.66	63.50	1.75
Weights and Measures Technical Officer - examination time verification etc	O	38.75	39.95	40.00	1.25
Poisons Act (repealed 2016/17)					
Initial registration	O	n/a	n/a	n/a	n/a
Re Registration	O	n/a	n/a	n/a	n/a
Change of details registration	O	n/a	n/a	n/a	n/a
Food Safety					
Request for FHRS re-inspection	O	164.00	n/a	164.00	0.00
Export Certificate (simple)	O	53.00	54.64	55.00	2.00
Export Certificate (complex) Hourly Rate	O	80.00	n/a	80.00	0.00
Food Hygiene New Business Advice Visit	S	120.00	n/a	120.00	0.00
Food Hygiene Existing Business Visit	S	180.00	n/a	180.00	0.00
Voluntary Surrender of Food	S	60.00	61.86	62.00	2.00
Food Regulatory Advice Seminar half day (per person)	E	35.00	n/a	37.00	2.00
Food Regulatory Advice Seminar full day (per person)	E	65.00	n/a	67.00	2.00
Bespoke Food/Health& Safety/Environmental Law Advice/guidance Hourly Rate	S	96.00	n/a	100.00	4.00
		S	Standard Rated (20%)		
		E	Exempt		
		O	Outside the scope		
		N	Zero Rated		

(*) CPI Inflation rate @ November 2017

3.10%

Corporate Resources					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
COMMERCIAL LETS - BOOTLE TOWN HALL					
COUNCIL CHAMBER					
Mon-Thu & Fri up to 5.00pm	E	84.00	86.60	84.00	0.00
FRI AFTER 5PM	E	84.00	86.60	84.00	0.00
SATURDAY (Minimum of 4 Hours)	E	89.25	92.02	89.25	0.00
SUNDAY (Minimum of 4 Hours)	E	99.75	102.84	99.75	0.00
MEMBERS ROOM 1					
Mon-Thu & Fri up to 5.00pm	E	31.50	32.48	31.50	0.00
FRI AFTER 5PM	E	42.00	43.30	42.00	0.00
SATURDAY (Minimum of 4 Hours)	E	42.00	43.30	42.00	0.00
SUNDAY (Minimum of 4 Hours)	E	73.50	75.78	73.50	0.00
COMMITTEE ROOM					
Mon-Thu & Fri up to 5.00pm	E	42.00	43.30	42.00	0.00
FRI AFTER 5PM	E	42.00	43.30	42.00	0.00
SATURDAY (Minimum of 4 Hours)	E	57.75	59.54	57.75	0.00
SUNDAY (Minimum of 4 Hours)	E	84.00	86.60	84.00	0.00
ASSEMBLY ROOM					
Mon-Thu & Fri up to 5.00pm	E	52.50	54.13	52.50	0.00
FRI AFTER 5PM	E	52.50	54.13	52.50	0.00
SATURDAY (Minimum of 4 Hours)	E	63.00	64.95	63.00	0.00
SUNDAY (Minimum of 4 Hours)	E	73.50	75.78	73.50	0.00
** There are set up/cleaning/preparation charges for all rooms which will be confirmed on application					
S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated					

Corporate Resources					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
ASSISTED LETS - BOOTLE TOWN HALL					
COUNCIL CHAMBER					
Mon-Thu & Fri up to 5.00pm	E	73.50	75.78	73.50	0.00
FRI AFTER 5PM	E	73.50	75.78	73.50	0.00
SATURDAY (Minimum of 4 Hours)	E	73.50	75.78	73.50	0.00
SUNDAY (Minimum of 4 Hours)	E	84.00	86.60	84.00	0.00
MEMBERS ROOM 1					
Mon-Thu & Fri up to 5.00pm	E	26.25	27.06	26.25	0.00
FRI AFTER 5PM	E	26.25	27.06	26.25	0.00
SATURDAY (Minimum of 4 Hours)	E	26.25	27.06	26.25	0.00
SUNDAY (Minimum of 4 Hours)	E	63.00	64.95	63.00	0.00
COMMITTEE ROOM					
Mon-Thu & Fri up to 5.00pm	E	31.50	32.48	31.50	0.00
FRI AFTER 5PM	E	31.50	32.48	31.50	0.00
SATURDAY (Minimum of 4 Hours)	E	31.50	32.48	31.50	0.00
SUNDAY (Minimum of 4 Hours)	E	63.00	64.95	63.00	0.00
ASSEMBLY ROOM					
Mon-Thu & Fri up to 5.00pm	E	39.90	41.14	39.90	0.00
FRI AFTER 5PM	E	39.90	41.14	39.90	0.00
SATURDAY (Minimum of 4 Hours)	E	39.90	41.14	39.90	0.00
SUNDAY (Minimum of 4 Hours)	E	68.25	70.37	68.25	0.00
** There are set up/cleaning/preparation charges for all rooms which will be confirmed on application					
<p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p>					

(*) CPI Inflation rate @ November 2017

3.10%

Corporate Resources					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
COMMERCIAL LETS - CROSBY TOWN HALL		£	£	£	£
COMMITTEE ROOM					
MON - THU (& FRI UP TO 5PM)	E	24.15	24.90	24.15	0.00
FRI AFTER 5PM	E	24.15	24.90	24.15	0.00
SATURDAY (Minimum 4 Hours)	E	26.25	27.06	26.25	0.00
SUNDAY (Minimum 4 hours)		NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE
ASSISTED LETS - CROSBY TOWN HALL					
MON - THU (& FRI UP TO 5PM)	E	17.85	18.40	17.85	0.00
FRI AFTER 5PM	E	17.85	18.40	17.85	0.00
SATURDAY (Minimum 4 Hours)	E	17.85	18.40	17.85	0.00
SUNDAY (Minimum 4 hours)		NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE
** There are also set up/cleaning/preparation charges for all rooms which will be confirmed on application					
S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Corporate Resources					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
		£	£	£	£
ASSISTED LETS - SOUTHPORT TOWN HALL					
BIRKDALE ROOM					
MON - THU (& FRI UP TO 5PM)	E	36.75	37.89	36.75	0.00
FRI AFTER 5PM	E	36.75	37.89	36.75	0.00
SATURDAY (Minimum 4 Hours)	E	36.75	37.89	36.75	0.00
SUNDAY (Minimum 4 hours)	E	73.50	75.78	73.50	0.00
CHURCHTOWN ROOM					
MON - THU (& FRI UP TO 5PM)	E	31.50	32.48	31.50	0.00
FRI AFTER 5PM	E	31.50	32.48	31.50	0.00
SATURDAY (Minimum 4 Hours)	E	31.50	32.48	31.50	0.00
SUNDAY (Minimum 4 hours)	E	63.00	64.95	63.00	0.00
MARSHSIDE ROOM					
MON - THU (& FRI UP TO 5PM)	E	26.25	27.06	26.25	0.00
FRI AFTER 5PM	E	26.25	27.06	26.25	0.00
SATURDAY (Minimum 4 Hours)	E	26.25	27.06	26.25	0.00
SUNDAY (Minimum 4 hours)	E	63.00	64.95	63.00	0.00
NB CHAMBERS BOOKED VIA REGISTRAR					
** There are set up/cleaning/preparation charges for all rooms which will be confirmed on application					
S Standard Rated (20%)					
E Exempt					
O Outside the scope					
N Zero Rated					

(*) CPI Inflation rate @ November 2017

3.10%

Corporate Resources					
Service Details	VAT Rate	Current Charge 2017/18	Charge if increased by CPI inflation (*) 2018/19	2018/19 Charge	2018/19 Increase
WEDDING CEREMONIES - Bootle Town Hall		£	£	£	£
COUNCIL CHAMBER					
MONDAY-FRIDAY (9.00am-5.00pm)	S	168.00	173.21	168.00	0.00
FRIDAY (After 5.00pm)	S	193.18	199.17	193.18	0.00
SATURDAY	S	298.18	307.42	298.18	0.00
SUNDAY	S	399.00	411.37	399.00	0.00
OTHER CHARGES					
Papercloths - per cloth	S	1.05	1.08	1.05	0.00
Tablecloths - per cloth	S	6.30	6.50	6.30	0.00
Car Parking	S	21.00	21.65	21.00	0.00
Flipchart Pads	S	10.50	10.83	10.50	0.00
Pens - per pack	S	1.05	1.08	1.05	0.00
Cordial Orange - jug	S	5.04	5.20	5.04	0.00
Fresh Orange - jug	S	7.56	7.79	7.56	0.00
Biscuits per pack	S	1.06	1.09	1.06	0.00
<p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p>					

(*) CPI Inflation rate @ November 2017

3.10%

APPENDIX D

Capital Programme 2018/19 to 2019/20

1.0 Provisional Capital Funding Available 2018/19 to 2019/20

1.1 The table below details the balance of funding brought forward from 2017/18 and provisional capital allocations for the next 2 years.

Source of Funding	2018/19 £'000	2019/20 £'000	Total £'000
Balance B/fwd 2017/18	782	0	782
School's Allocations	2,419	5,292	7,711
Transport Allocations	3,596	3,596	7,192
Better Care Fund	3,400	3,400	6,800
Total Provisional /	9,415	12,288	21,703
Total Funding Available	10,197	12,288	22,485

2.0 Schools - Provisional Government Capital Allocations 2018/19 to 2019/20

2.1 The table below itemises provisional capital allocations due to be received in respect of schools from 2018/19 to 2019//20. Ring fenced funding and commitments approved in previous years have been deducted from the provisional funding to show the funding available for allocation.

	2018/19 £'000	2019/20 £'000	Total £'000
Devolved Formula Capital	*411	*411	*822
Capital Maintenance / School Condition Allocation	1,842	**1,842	**3,684
Basic Need Grant	0	***2,872	***2,872
High Needs SEND Allocation (£500k funding over 3 years 18/19 – 20/21)	166	167	333
Provisional Funding Available	2,419	5,292	7,711
Current Commitments			
Devolved Formula Capital (Ring fenced)	411	411	822
<i>Commitments from 2016/17</i>			
Norwood / Litherland Moss Primary Phase 3	70	70	140
<i>Commitments from 2017/18</i>			
St Lukes Primary – resource hall extension	400	0	400

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Hudson Primary – heating provision	0	150	150
Linacre Primary – Class Refurb	66	0	66
Essential & Planned Maintenance	912	1,064	1,976
Total Commitments	1,859	1,695	3,554
Funding Available for Allocation	560	3,597	4,157

NOTES

Government funding allocations are given to the local authority i.e. to determine schools of most need. Should any Maintained school become an Academy, the Council can recover any spent monies and allocate resources to other maintained schools. Academy schools receive their capital funding directly from the DfE.

2.2 Schools – Allocation of Balance of School Capital Funding 2018/19 and 2019/20

The table below shows the new school schemes to which the balance of school capital funding has been allocated.

Scheme	Description	2018/19 £'000	2019/20 £'000	Total £'000
Crosby High School – Special School	Assisted toilet	20	0	20
Impact (PRU) High Needs	Perimeter safeguarding	15	0	15
Lydiate Primary School	General Refurbishments	100	100	200
Forefield Infants	Toilet block reconstruction	175	125	300
Linaker Primary	Additional 1 form entry classrooms and support	100	2,600	2,700
Hatton Hill Primary	Access Corridor	0	41	41
Hudson Primary	Heating Provision	150	0	150
Essential Maintenance & Planned Maintenance (See note and recommendation below)	High Importance Projects	0	731	731
Total Proposed Schemes		560	3,597	4,157

2.3 Essential and Planned Schools Maintenance

2.3.1 The Capital Programme currently includes approved funding for work at Litherland Moss Primary School Phase 2, which, as yet, is on hold, and remains uncommitted at £2.097m. An Academy Activation Order is now in place for the school and it is expected to convert during 2018/19. In the event of conversion, the property would pass to the new Academy School or Trust. Academies have a separate mechanism for drawing down capital funding from the DfE.

2.3.2 On this basis, Members are requested to approve the transfer of this funding towards Essential and Planned schools maintenance.

2.3.3 The analysis of this funding transfer, if agreed, would be phased as follows:

Scheme	Description	2018/19 £'000	2019/20 £'000	Total £'000
Schools Essential Planned Maintenance	High Importance projects & Cyclic works	1,389	708	2,097

3.0 Transport - Provisional Government Capital Allocations 2018/19 to 2019/20

3.1 The table below itemises provisional / indicative capital allocations due to be received in respect of transport for 2018/19 to 2019/20. Commitments approved in 2017/18 from the provisional funding have been deducted to show the funding available for allocation.

	2018/19 £'000	2019/20 £'000	Total £'000
LTP – Highways Maintenance	*2,298	*2,298	4,596
LTP – Integrated Transport Block (ITB)	*998	*998	1,996
LTP – Additional Key Route Network Allocation	*300	*300	600
Provisional Funding Available	3,596	3,596	7,192
Current Commitments			
<u>LTP – Highways Maintenance</u> Major Scheme Contributions	190	91	281
<u>LTP – ITB</u> Major Scheme Contributions	193	91	284
Total Commitments	383	182	565
Funding Available for Allocation	3,213	3,414	6,627

*Provisional / Indicative figures

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3.2 Transport – Allocation of Balance of Transport Capital Funding 2018/19 and 2019/20

The table below shows the transport areas to which the balance of transport capital funding has been allocated. The detailed allocation of the funding will be proposed at a later date.

Scheme	2018/19 £'000	2019/20 £'000	Total £'000
<u>LTP – Highways Maintenance</u>	*2,108	*2,207	*4,315
Additional Key Route Network Allocation	300	300	600
<u>LTP – Integrated Transport Block</u>	*805	*907	*1,712
Total Proposed Schemes	3,213	3,414	6,627

* Split of funding to be agreed

4.0 Better Care Fund – Provisional Government Capital Allocations 2018/19 to 2019/20

4.1 The table below itemises provisional / indicative capital allocations due to be received in respect of Better Care Fund for 2018/19 to 2019/20.

	2018/19 £'000	2019/20 £'000	Total £'000
Better Care Fund	*3,400	*3,400	6,800
Previous Commitments	0	0	0
Funding Available for Allocation	3,400	3,400	6,800

*Provisional / Indicative figures

4.2 Better Care Fund – Allocation of Balance of Better Care Funding 2018/19 and 2019/20

The table below shows the areas to which the Better Care capital funding has been allocated.

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	2018/19 £'000	2019/20 £'000	Total £'000
Disabled Facilities Grants	2,400	2,400	4,800
Better Care Fund Balance to be allocated to Adult Social Care Schemes	*1,000	*1,000	2,000
Funding Available for Allocation	3,400	3,400	6,800

*split of funding to be agreed

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