

Overview
& Scrutiny



MEETING: OVERVIEW AND SCRUTINY COMMITTEE (REGULATORY,
COMPLIANCE AND CORPORATE SERVICES)

DATE: Tuesday 12th February, 2019

TIME: 6.30 pm

VENUE: Committee Room, Town Hall Bootle

Member

Councillor
Councillor Bradshaw (Chair)
Councillor Byrom (Vice-Chair)
Councillor Brodie - Browne
Councillor Doyle
Councillor Grace
Councillor Jamieson
Councillor Killen
Councillor Daniel Lewis
Councillor McKinley
Councillor Marshall

Substitute

Councillor
Councillor Thomas
Councillor Murphy
Councillor Pugh
Councillor McGinnity
Councillor Roche
Councillor Jones
Councillor John Sayers
Councillor Shaw
Councillor Roscoe
Councillor Blackburne

COMMITTEE OFFICER: Paul Fraser
Senior Democratic Services Officer
Telephone: 0151 934 2068
Fax:
E-mail: paul.fraser@sefton.gov.uk

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

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A G E N D A

1. **Apologies for Absence**
2. **Declarations of Interest** (Pages 5 - 6)
Members are requested to give notice of any disclosable pecuniary or personal interest

An advice note on declaration of interests is attached
3. **Minutes of the Previous Meeting** (Pages 7 - 14)
Minutes of the meeting held on 15 January 2019
4. **The Prudential Code for Capital Finance in Local Authorities - Prudential Indicators 2019/20** (Pages 15 - 26)
Report of the Head of Corporate Resources
5. **Treasury Management Policy and Strategy 2019/20** (Pages 27 - 60)
Report of the Head of Corporate Resources
6. **Capital Strategy 2019/20 and Future Years** (Pages 61 - 76)
Report of the Head of Corporate Resources
7. **Asset Management Strategy and Asset Disposal Policy** (Pages 77 - 104)
Report of the Head of Corporate Resources
8. **Robustness of the 2019/20 Budget Estimates and the Adequacy of Reserves - Local Government Act 2003 - Section 25** (Pages 105 - 122)
Report of the Head of Corporate Resources
9. **Revenue and Capital Budget Plan 2019/20 and approach to Financial Strategy 2020/21 to 2022/23** (Pages 123 - 340)
Joint report of the Chief Executive and the Head of Corporate Resources

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Declarations of Interest

Members are requested at a meeting where a disclosable pecuniary interest or personal interest arises, which is not already included in their Register of Members' Interests, to declare any interests that relate to an item on the agenda.

Where a Member discloses a Disclosable Pecuniary Interest, he/she must withdraw from the meeting room, including from the public gallery, during the whole consideration of any item of business in which he/she has an interest, except where he/she is permitted to remain as a result of a grant of a dispensation.

Where a Member discloses a personal interest he/she must seek advice from the Monitoring Officer or staff member representing the Monitoring Officer to determine whether the Member should withdraw from the meeting room, including from the public gallery, during the whole consideration of any item of business in which he/she has an interest or whether the Member can remain in the meeting or remain in the meeting and vote on the relevant decision.

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

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OVERVIEW AND SCRUTINY COMMITTEE (REGULATORY, COMPLIANCE AND CORPORATE SERVICES)

**MEETING HELD AT THE COMMITTEE ROOM, TOWN HALL BOOTLE
ON TUESDAY 15TH JANUARY, 2019**

PRESENT: Councillor Byrom (in the Chair)
Councillors Doyle, Grace, Killen, Daniel Lewis and
Marshall

ALSO PRESENT: Councillor Lappin

32. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Bradshaw, Brodie-Browne and McKinley.

33. DECLARATIONS OF INTEREST

No declarations of disclosable pecuniary or personal interests were received.

34. MINUTES OF THE PREVIOUS MEETING

RESOLVED:

That the Minutes of the meeting held on 30 October 2018 be confirmed as a correct record.

35. SOCIAL MEDIA USE AND EFFECTIVENESS - PRESENTATION

The Committee received a presentation from Nicky Speed, Corporate Communications Manager on social media use and effectiveness.

Ms. Speed detailed:-

- That in the UK in 2018 77% of the population had a social media account
- The social media channels used by Sefton - Facebook, YouTube, Instagram, LinkedIn and Twitter
- That engagement via the above channels was on the increase
- That in Sefton social media was being used to promote key messages/priorities, listen to our communities, post engagement re: videos/visuals, encouraging customers to self-service, signpost to events and activities, consult on plans, share key partners' content and warn and inform of emergency incidents
- That plans for the future included a supporting self-service/reduction in calls, more focus on engagement, work with influencers/community groups and the provision of support for elected Members

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- And concluded by requesting Members to follow the Council on Twitter, LinkedIn, Facebook, Instagram and YouTube to help the Council reach customers, by sharing our messages and promoting Sefton when out and about; and that if Members were not using social media but needed help doing so then the Corporate Communications Team could facilitate this

Members of the Committee asked questions/made comments on the following issues:

- The mechanism in place to tweet to promote Sefton events
- Complaints being made via twitter and being logged as part of the formal complaints process
- The arrangements in place for staff to respond to Facebook and twitter comments
- The frequency of monitoring and reviews of the website to ensure that content was up to date
- Concerns about the use of social media becoming compulsive or obsessional
- The availability of social media training for Members

RESOLVED:

That Nicky Speed be thanked for her informative presentation.

36. THE ARVATO CONTRACT TRANSITION

Further to Minute No. 5 of 12 June 2018 the Committee considered the report of the Head of Corporate Resources that outlined the work undertaken and current status regarding the exit of Arvato and the transition of Transactional Finance, HR and ICT services to the Council and the Council's new ICT provider, Agilisys; and detailing the key achievements, ongoing transition activities and next steps to complete the project and move to a programme of transformation.

The report indicated that procurement for an external ICT contractor was undertaken, and successfully completed, within restrictive and aggressive timescales and that following an OJEU compliant procurement process, Agilisys were appointed in July 2018 to deliver ICT services for a 5-year period commencing 1 October 2018 with the provision for 2 annual extensions; that transition activities to support a seamless exit for Arvato and safe transfer to the Council/Agilisys commenced prior to the end of the partnership and were continuing as required; and that as transition activities were completed, these would form a base for transformation projects enabling realisation of proposed Target Operating Models and support the delivery of the wider Council PSR agenda.

Regarding key achievements and deliverables the report indicated that all milestones detailed within the project plans had been met and information

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was provided on key achievements relating to people, processes, technology and finance; and updated on the transitional actions undertaken to ensure the successful transition of employees and the continuity of operational work locations.

The report concluded by detailing the next steps of the process which included the continuation of transition activities to ensure no disruption of services whilst the move to Council operating procedures was fully complete; and that action plans would be maintained and monitored with actions closed once agreed that service delivery was operating as 'business as usual'

Councillor Lappin, Cabinet Member – Regulatory, Compliance and Corporate Services commended the excellent work undertaken by the Head of Corporate Resources and his staff facilitating the smooth Arvato transition of Transactional Finance, HR and ICT services to the Council and the Council's new ICT provider, Agilisys.

RESOLVED: That

- (1) the report on the Arvato Contract Transition be noted; and
- (2) the closure of the formal programme to transition services from Arvato to the Council and the Council's new ICT provider, Agilisys be noted.

37. UNIVERSAL CREDIT AND FULL SERVICE SEFTON COUNCIL

Further to Minute No. 39 of 16 January 2018 the Committee considered the report of the Head of Corporate Resources that set out the progress relating to the roll out of Universal Credit (UC) and Full Service in Sefton that commenced in Sefton Jobcentre Plus (JCP) offices on 11th October 2017.

The report indicated that the aim of UC was to help ensure working age claimants were better off in work than they were on benefits and provide support to help people prepare for work, move into work or earn more; that UC was a means tested benefit which replaced all the following means-tested benefits (that topped up existing income) with a single monthly payment:

- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance.
- Income Support.
- Child Tax Credits
- Working Tax Credits
- Housing Benefit for working age

and that the Department for Work and Pensions (DWP) referred to the above as legacy benefits.

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The report also indicated that UC Full Service commenced in Sefton JCP offices on 11 October 2017 and that the 'gateway' to UC had been expanded to all claim types of customers for both in and out of work benefits; and that the gateway to claim Housing Benefit for most claimants had now been closed except for the current exceptions as follows:

- People who are in receipt of Severe Disability Premium
- People living in Specified Accommodation
- People living in Temporary Accommodation
- Three or more children families
- Pensioners

Regarding the UC caseload in Sefton the report advised that the total number of people claiming UC in Sefton, as at the end of October 2018, was 11,668. Of these approximately 3,674 (31%) claimed Council Tax Reduction; and that there had been a relatively steady increase in the number of Sefton residents claiming UC since January 2018.

The report also provided information on the key tasks to implement UC Full Service relating to Sefton Benefit Service Back Office and Sefton's One Stop Shops; the Universal Support Actual volumes versus DWP forecasts which showed that Assisted Digital Support (ADS) provided by the Council's One Stop Shops had consistently exceeded the DWP figures; and what was changing for 2019 which included a Government announcement that from 1 October 2018 UC Support would be delivered through £39m being made available to Citizens Advice nationally and a commitment from Government regarding the "Breathing Space and Statutory Debt Repayment Plan".

The report concluded by detailing Discretionary Housing Payments; work undertaken with partners and key stakeholders regarding UC developments; UC service workload associated with Local Council Tax Reduction Scheme (LCTR) Notifications that had resulted in significant changes to working practices in Benefit Service administration; the impact on current service delivery and operational UC issues; and the UC managed migration for existing Housing Benefit customers that was due to start from July 2019 with an end date for completion of March 2023 had now been moved back to end in June 2024.

Members of the Committee asked questions/made comments on the following issues:

- How the Council responds to residents presenting with nil income forms and the arrangements in place to signpost residents to the appropriate support agencies

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- the funding allocations for Assisted Digital Support and Personal Budgeting Support that would be provided directly to Citizens' Advice Sefton by DWP from April 2019
- arrangements in place to support claimants suffering hardship arising from the imposition of sanctions
- direct payments to landlords
- how officers feedback to the DWP about the problems being experienced by the introduction of Universal Credit
- that Sefton had a good reputation nationally in mitigating the effects of Universal Credit

RESOLVED: That

- (1) that the report setting out progress relating to the roll out of Universal Credit (UC) and Full Service in Sefton be noted; and
- (2) the changes to grant funding arrangements from April 2019 for Universal Support as announced by Central Government on 1st October 2018 be noted.

38. REVIEW OF COUNCIL TAX REDUCTION SCHEME 2018/19, INCREASE TO LONG TERM EMPTY HOMES PREMIUM AND COUNCIL TAX BASE 2019/20

The Committee considered the report of the Head of Corporate Resources to be considered by Cabinet and Council at their meetings to be held on 10 and 24 January 2019 respectively and which provided details of the Local Council Tax Reduction Scheme (LCTRS) 2018/19 review and recommended that no change to the local scheme in 2019/20 for working age claimants be made; that sought Cabinet and Council approval for an increase to the long term empty homes premium from 50% to 100% following the outcome of the consultation and equality impact assessment; and presented an updated Council Tax Base for Sefton Council and each Parish area for 2019/20.

The report indicated that Cabinet and Council were required to take decisions on the above matters because each financial year the Council must consider whether to revise or replace its LCTRS and that the Council must approve and adopt the 2019/20 LCTRS by 11 March 2019 and the report commented on the impact of various changes made to the scheme for the current year 2018/19 together with the impact of the Government Welfare Reform changes; and stated that after consideration of the factors outlined in the report it was proposed that the LCTRS for 2019/20 remain unchanged for working age claimants. With regard to the long-term empty homes premium the increase was intended to encourage owners of homes that had been empty for more than two years to bring them back into use and that any additional income raised from the premium would help support the provision of Council services; and that regarding the Council Tax Base the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as amended, required the Council to set a

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tax base for both Sefton Council and for each Parish Area for 2019/20 before 31 January 2019.

Annex A to the report set out the relevant 2019/20 Council Tax Base for Sefton Council and each Parish Area; whilst Annex B set out the outcome of the consultation and equality impact assessment on the proposal to increase the long-term empty homes premium.

Members of the Committee asked questions/made comments on the following issues:

- the increase in the long-term empty homes premium and whether any views had been submitted to the Council by the Merseyside Fire and Rescue Service
- incentives to encourage the owners of empty homes to bring them back into use
- work undertaken to identify the causes of long-term vacant homes

RESOLVED:

That the report on the review of the Local Council Tax Reduction Scheme 2018/19, the increase to long term empty homes premium and the Council Tax base 2019/20 be noted.

39. LOCAL AIR QUALITY MANAGEMENT

The Committee considered the report of the Head of Highways and Public Protection that updated on Air Quality in Sefton.

The report indicated that the concept of Local Air Quality Management (LAQM) was introduced under the Environment Act 1995 (the Act); that evidence had shown that certain atmospheric pollutants were linked to poor health; that the Act placed a statutory duty on all Local Authorities to review and assess air quality in their areas at regular intervals; that the Air Quality Regulations, made under the Act, specified the pollutants that must be considered and set standards and objectives for each of the pollutants, which were referred to as National Air Quality Standard (NAQS) Objectives.

The report also indicated that as part of the ongoing air quality assessment process the boundaries of 4 Air Quality Management Areas (AQMA) had been identified across the Borough where NAQS objectives had not been met and these were located at:

- A5036 Princess Way and Crosby Road South junction, Seaforth
- A5058 Millers Bridge and Derby Road junction, Bootle
- A565 Crosby Road North and South Road junction, Waterloo
- B5422 Hawthorne Road and Church Road junction, Litherland

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The report also identified that in addition to the real-time monitors, Sefton measured monthly NO₂ levels at approximately 100 sites across the Borough using diffusion tubes; that a small number of diffusion tubes had shown exceedances of the NAQS objective in 2017; and that these tubes were all located in existing AQMAs and as such would be kept under review as part of the ongoing monitoring.

The report also detailed actions to improve air quality which included Port expansion mitigation measures involving a Defra funded study looking at an alternative fuels strategy (AFS) for HGVs and buses in Sefton and the Liverpool City Region, rather than using diesel as a fuel together with an HGV parking demand study; the commissioning of Environmental consultants AECOM to undertake a Clean Air Zone (CAZ) feasibility study to assess the feasibility of implementing CAZs in Sefton to reduce traffic related emissions; a schools air quality project; a communications strategy; an intensive road cleaning project; air quality messages on variable matrix signs; a Defra air quality grant bid; and a taxi electric vehicle project.

The report concluded that air quality in Sefton was of a good standard with NAQS Objectives complied with across the majority of the Borough; that on-going review and assessment had identified localised areas where NAQS Objectives would not be met and Action Plans were in place to work towards compliance in these areas; that Action Plan measures had shown significant success and levels of pollution had reduced with levels of PM10 at all monitoring locations below the NAQS objectives and resulted in the de-declaration of AQMA 1 near Waterloo Primary School; and that a detailed report would be submitted to a future meeting outlining the findings of the Clean Air Zone study and potential intervention options available.

Members of the Committee asked questions/commented on the following issues:

- Now that Brooms Cross Road was fully operational, together with the introduction of other traffic management measures, for example at the Crescent, Thornton, could NO₂ monitoring be undertaken in the Thornton area
- The number and location of real-time monitors and diffusion tubes across the borough
- Following the completion of the deep-water berth at the Port of Liverpool and the prediction that HGV traffic would increase as a result, the potential for a significant increase in NO₂ levels Princess Way AQMA

RESOLVED:

That the report updating on Air Quality in Sefton be noted.

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40. WORK PROGRAMME 2018/19, SCRUTINY REVIEW TOPICS AND KEY DECISION FORWARD PLAN

The Committee considered the report of the Chief Legal and Democratic Officer that updated the Committee on the Work Programme for 2018/19, topics for scrutiny reviews to be undertaken by a Working Group(s) appointed by the Committee and seeking the identification of any items for pre-scrutiny by the Committee from the Key Decision Forward Plan.

RESOLVED: That:

- (1) the Work Programme for 2018/19, as set out in Appendix 1 to the report be noted;
- (2) the report on the “Tool-Kit” for the Armed Forces Covenant be submitted to the next meeting of the Committee to be held on 5 March 2019; and
- (3) the up to date position in respect of Working Groups established by this Committee be noted.

41. CABINET MEMBER REPORT – OCTOBER 2018 TO JANUARY 2019

The Committee considered the report of the Chief Legal and Democratic Officer that included the most recent report from the Cabinet Member – Regulatory, Compliance and Corporate Services.

Councillor Lappin, Cabinet Member – Regulatory, Compliance and Corporate Services was in attendance to answer any questions regarding her report.

Members of the Committee asked questions/made comments on the following issues:

- The annual canvass of the electoral register for 2019
- The total forecast budget gap of £8.828m and the mechanisms in place to ensure a balanced budget can be set for 2019/20

RESOLVED: That

- (1) the update report from the Cabinet Member – Regulatory, Compliance and Corporate Services be noted; and
- (2) Councillor Lappin be thanked for her attendance at the meeting.

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| | | | |
|--------------------------------------|--|----------------------------------|--------------------------|
| Report to: | Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services) | Date of Meeting: | Tuesday 12 February 2019 |
| Subject: | The Prudential Code for Capital Finance in Local Authorities - Prudential Indicators 2019/20 | | |
| 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):

Overview and Scrutiny is recommended to:

- 1) Consider the Prudential Indicators (as detailed in the report) as the basis for compliance with The Prudential Code for Capital Finance in Local Authorities;
- 2) Note that the relevant Prudential Indicators will be revised as required and that any changes will be brought to Cabinet and then to Council for approval;
- 3) Note that the estimates of capital expenditure may change as grant allocations are received; and
- 4) Provide any comments to Council which will be considered as part of the formal approval of the Prudential Indicators for 2019/20.

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.

Alternative Options Considered and Rejected: None

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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 2019/20. |
| 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 (FD5532/19) and Head of Regulation and Compliance (LD4656/19) 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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| | |
|-------------------------|-----------------------------|
| Contact Officer: | Graham Hussey |
| Telephone Number: | 0151 934 4100 |
| Email Address: | Graham.Hussey@sefton.gov.uk |

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 2018/19 to 2021/22.
- 1.3. 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 2017/18 and the estimated current and future years capital programme are recommended for approval:

| Capital Expenditure - 2017/18 to 2021/22 | | | | | |
|---|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | 2017/18 £m Actual | 2018/19 £m Estimate | 2019/20 £m Estimate | 2020/21 £m Estimate | 2021/22 £m Estimate |
| TOTAL | 54.368 | 32.132 | 36.542 | 16.547 | 12.898 |

- 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 and additional capital schemes are made known to the Council and are approved for inclusion within the Capital Programme.

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. This measure demonstrates the affordability of capital plans by comparing the cost of borrowing undertaken to fund the capital programme (in previous years and for planned expenditure in future years) to the net revenue available to the Council in each of those years.
- 3.2. Actual figures for 2017/18 and estimates of the ratio for 2018/19 and future years are:

| Financing Costs / Net Revenue Stream | | | | | |
|---|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | 2017/18 £m Actual | 2018/19 £m Estimate | 2019/20 £m Estimate | 2020/21 £m Estimate | 2021/22 £m Estimate |
| Ratio | 3.7% | 3.7% | 4.3% | 4.5% | 4.6% |

- 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.

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 2017/18 and estimated year-end Capital Financing Requirements for current and future years are set out in the table below:

| Capital Financing Requirement | | | | | |
|--------------------------------------|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | 31/03/18 £m Actual | 31/03/19 £m Estimate | 31/03/20 £m Estimate | 31/03/21 £m Estimate | 31/03/22 £m Estimate |
| CFR | 234.478 | 236.141 | 236.414 | 232.241 | 227.543 |

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

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“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 finance leases, PFIs and the transferred debt from the now defunct Merseyside Residuary Body.

| Operational Boundary | | | | |
|-----------------------------|----------------|----------------|----------------|----------------|
| | 2018/19 £m | 2019/20 £m | 2020/21 £m | 2021/22 £m |
| Borrowing | 185.000 | 185.000 | 175.000 | 175.000 |
| Other Long-Term Liabilities | 10.000 | 10.000 | 10.000 | 10.000 |
| TOTAL | 195.000 | 195.000 | 185.000 | 185.000 |

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.

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 2019/20 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 | | | | |
|-----------------------------|----------------|----------------|----------------|----------------|
| | 2018/19 £m | 2019/20 £m | 2020/21 £m | 2021/22 £m |
| Borrowing | 195.000 | 195.000 | 185.000 | 185.000 |
| Other Long Term Liabilities | 10.000 | 10.000 | 10.000 | 10.000 |
| TOTAL | 205.000 | 205.000 | 195.000 | 195.000 |

6. Prudential Indicator – Actual External Debt

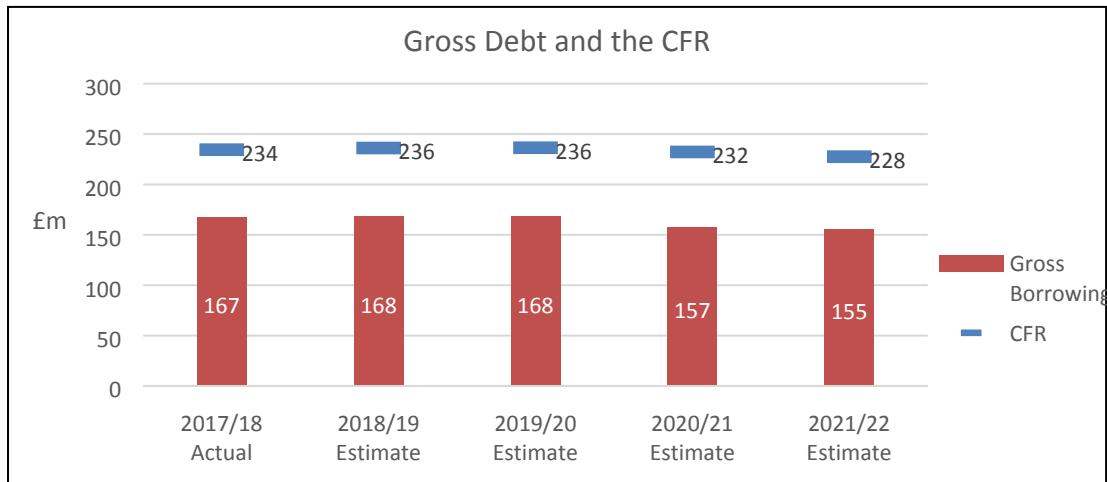
- 6.1. The Prudential Code requires that in setting indicators for 2019/20, the Council reports its actual levels of external debt as at 31st March 2018. The Council's actual external debt at 31st March 2018 was:

| | 31/03/2018 £m |
|-----------------------------|------------------|
| Borrowing | 154.687 |
| Other Long Term Liabilities | 12.584 |
| TOTAL | 167.272 |

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”.

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8. Prudential Indicators – 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

| | Upper Limit | Lower Limit |
|--------------------------------|-------------|-------------|
| Under 12 months | 35% | 0% |
| 12 months and within 24 months | 40% | 0% |
| 24 months and within 5 years | 40% | 0% |
| 5 years and within 10 years | 40% | 0% |
| 10 years and within 15 years | 40% | 0% |
| 15 years and above | 90% | 25% |

Debt Maturity – Variable Rate Borrowing

| | Upper Limit | Lower Limit |
|--------------------------------|-------------|-------------|
| 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.

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. An outturn report of performance against the Prudential Indicators will be presented to both Cabinet and Council following the financial year end.

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Summary of Prudential Indicators.

ANNEX A

| Capital Expenditure - 2017/18 to 2021/22 | | | | | |
|---|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | 2017/18 £m Actual | 2018/19 £m Estimate | 2019/20 £m Estimate | 2020/21 £m Estimate | 2021/22 £m Estimate |
| TOTAL | 54.368 | 32.132 | 36.542 | 16.547 | 12.898 |

| Financing Costs / Net Revenue Stream | | | | | |
|---|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | 2017/18 £m Actual | 2018/19 £m Estimate | 2019/20 £m Estimate | 2020/21 £m Estimate | 2021/22 £m Estimate |
| Ratio | 3.7% | 3.7% | 4.3% | 4.5% | 4.6% |

| Capital Financing Requirement | | | | | |
|--------------------------------------|--------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | 31/03/18 £m Actual | 31/03/19 £m Estimate | 31/03/20 £m Estimate | 31/03/21 £m Estimate | 31/03/22 £m Estimate |
| CFR | 234.478 | 236.141 | 236.414 | 232.241 | 227.534 |

| Operational Boundary | | | | | |
|-----------------------------|---------------|---------------|---------------|---------------|--|
| | 2018/19 £m | 2019/20 £m | 2020/21 £m | 2021/22 £m | |
| Borrowing | 185.000 | 185.000 | 175.000 | 175.000 | |
| Other Long Term Liabilities | 10.000 | 10.000 | 10.000 | 10.000 | |
| TOTAL | 195.000 | 195.000 | 185.000 | 185.000 | |

| Authorised Limit | | | | | |
|-----------------------------|---------------|---------------|---------------|---------------|--|
| | 2018/19 £m | 2019/20 £m | 2020/21 £m | 2021/22 £m | |
| Borrowing | 195.000 | 195.000 | 185.000 | 185.000 | |
| Other Long Term Liabilities | 10.000 | 10.000 | 10.000 | 10.000 | |
| TOTAL | 205.000 | 205.000 | 195.000 | 195.000 | |

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| | |
|-----------------------------|------------------|
| External Debt | 31/03/2018 £m |
| Borrowing | 154.687 |
| Other Long-Term Liabilities | 12.584 |
| TOTAL | 167.272 |

| Gross Debt and the CFR | 2017/18 £m Actual | 2018/19 £m Estimate | 2019/20 £m Estimate | 2020/21 £m Estimate | 2021/22 £m Estimate |
|-------------------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| CFR | 234.487 | 236.141 | 236.414 | 232.241 | 227.534 |
| Gross Borrowing | 167.272 | 168.085 | 168.471 | 157.031 | 155.104 |
| Under / (Over) Borrowing | 67.215 | 68.055 | 67.942 | 75.210 | 72.430 |

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 Longer than 365 Days | <u>Lower Limit</u> | <u>Upper Limit</u> |
|---|--------------------|--------------------|
| | 0% | 40% |

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| | | | |
|--------------------------------------|---|----------------------------------|--------------------------|
| Report to: | Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services) | Date of Meeting: | Tuesday 12 February 2019 |
| Subject: | Treasury Management Policy and Strategy 2019/20 | | |
| 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 2019/20 (Annex A)
- b) Treasury Management Strategy 2019/20 (Annex B)
- c) Minimum Revenue Provision Policy Statement 2018/19 and 2019/20 (Annex C).

Recommendation(s):

Overview and Scrutiny is recommended to:

- 1) Consider the proposed policies and strategy documents which include the objectives and operation of the Council's Treasury Management functions, the manner in which the Council will manage its investments and the methodology used to set aside revenue provision for the repayment of debt.
- 2) Provide any comments to Council that will be considered as part of the formal approval of the Treasury Management Policy, Treasury Management Strategy and Minimum Revenue Provisions Policy Statement.

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 2019/20. |
| 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: 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 (FD5531/19.) is the author of the report.

Head of Regulation and Compliance (LD4655/19) 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 2019

| | |
|-------------------------|-----------------------------|
| 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 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 the Ministry of Housing Communities and Local Government (MHCLG) Statutory Guidance on Local Government Investments 2018. 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 a 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.
- 1.4. The Capital Strategy document, which includes details of non-treasury investments (investment properties), will be introduced during the 2019/20 reporting cycle and is presented on the agenda.

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 2019/2020; 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 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) Policy Statement

- 4.1. 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
- 4.2. 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).
- 4.3. 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 on determining the “prudent” level of MRP, to which authorities are required to have regard. The 2008 regulations and associated guidance allowed local authorities more flexibility in calculating their MRP annual charge.
- 4.4. Authorities are required to prepare an annual statement of their MRP policy for submission to their full Council before the start of each financial year. The aim is to give elected Members the opportunity to scrutinise the proposed application of the MRP guidance.
- 4.5. Revised guidance was published in February 2012 and again in February 2018. Changes made in the 2018 Guidance have been set out in the MRP policy statement. Most of the changes come into force from 1 April 2019 with some changes applying earlier from 1 April 2018.
- 4.6. The proposed MRP Policy Statement set out in **Annex C**, sets out the changes that will apply to both 2018/19 and 2019/20 financial years.

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ANNEX A

Corporate Resources

Treasury Management Policy

2019/20

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 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 advisors.

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 1st April 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 1st April 2017.

2.2. The Council recognises that responsibility for treasury management decisions rests with the Council at all times. However, access to external treasury consultants provides 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 2019/20 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 on Treasury Management activity during the financial year and an annual outturn report 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 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;

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- 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 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 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

2019/20

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 2019/20

- 2.1. The Strategy for 2019/20 covers:
 - a) Treasury Limits in force which will limit the borrowing activity of the Council (2.2);
 - b) Prudential Indicators 2019/20 to 2021/22 (2.3);
 - c) Credit Risk (2.4);
 - d) Markets in Financial Instruments Directive (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) Municipal Bond Agency (2.10);
 - j) Borrowing in advance of need (2.11);
 - k) The Use of Financial Instruments for the Management of Risks (2.12);
 - l) Investment Strategy (2.13);
 - m) Ethical Investing (2.14);
 - n) Member and Officer Training (2.15).

2.2. Treasury Limits for 2019/20

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

| | | |
|----------------------------|---------|-----------|
| Affordable Borrowing Limit | Maximum | £205.000m |
|----------------------------|---------|-----------|

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 2019/20, 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% |
|--------------------------|---------|-----|

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 2019/20 | Upper Limit % | Lower Limit % |
|--|----------------------|----------------------|
| Under 12 months | 35% | 0% |
| 12 months and within 24 months | 40% | 0% |
| 24 months and within 5 years | 40% | 0% |
| 5 years and within 10 years | 40% | 0% |
| 10 years and within 15 years | 40% | 0% |
| 15 years and above | 90% | 25% |

The table above shows, for each maturity period, the minimum and maximum amount of fixed rate debt that the Council can hold as a percentage of its total external fixed rate debt. For example, when deciding to take out a loan that is due to mature within the next 24 months, the Council must ensure that this does not take the total amount of debt due to be repaid to more than 40% of all Council debt.

The table below applies the same principle but shows the structure that applies to variable rate borrowing.

| Maturity Structure of Variable Rate Borrowing During 2019/20 | Upper Limit % | Lower Limit % |
|---|----------------------|----------------------|
| 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% |

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.

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);

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- 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:

- 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 2019 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

Banks

- Australia and New Zealand Banking Group
- Commonwealth Bank of Australia
- Goldman Sachs International Bank
- Toronto Dominion Bank

Building Societies

- Coventry
- Leeds

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 (2.13).

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.

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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 | 31/01/2019 |
|--------------------------------------|-------------------|
| Average Interest Rate | 3.86% |
| <u>Debt Outstanding – Fixed Rate</u> | £m |
| PWLB | 148.692 |
| Other Long-Term Liabilities | 9.928 |
| Total Debt | 158.620 |

Other long-term liabilities represent transferred debt from the Merseyside Residuary Body (£3.282m) and finance lease liabilities (£6.646m).

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 2019/20 is as follows:

| Borrowing Requirement | Estimate £m |
|------------------------------|--------------------|
| New Borrowing | 7.182 |
| Replacement Borrowing | 0 |
| Total Borrowing | 7.182 |

The new borrowing represents the unsupported borrowing as required by the Capital Programme in 2019/20. 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 the current 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) which measures the amount of capital spending that has not yet been financed by capital receipts, capital grants or contributions from revenue income. It measures the underlying need to borrow for a capital purpose.
- 2.8.5. PWLB borrowing as at 31st January 2019, plus other long-term liabilities, is £158.620m, as against an estimated CFR of £236.141m for 2018/19. This means that we are in a position to borrow a further £77.521m which would take the current borrowing level to the level of the CFR. This strategy is described 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.
- 2.8.6. Despite the recent small increase in interest rates, 2019/20 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.
- 2.8.7. 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.
- 2.8.8. Against this background, caution will be adopted in undertaking borrowing in 2019/20. 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.
- 2.9. Debt Rescheduling Opportunities
- 2.9.1. Restructuring of external debt is now much less attractive than before due to the introduction by the PWLB of significantly lower rates on 1 November 2007. This has been compounded by a considerable further widening of the difference between new borrowing rates and repayment rates which has meant that large premiums would be incurred to repay debt early.
- 2.9.2. The lower interest rate environment and changes in the rules regarding the premature repayment of PWLB loans has therefore adversely affected the scope to undertake meaningful debt restructuring. The situation will be monitored however, and the Council will consider the option of debt restructuring during 2019/20, should the financial circumstances change.

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2.10. Municipal Bond Agency

2.10.1. It is possible that the Municipal Bond Agency will be offering loans to local authorities in the future. The Agency hopes that the borrowing rates will be lower than those offered by the Public Works Loan Board (PWLB). This Authority may make use of this new source of borrowing as and when appropriate.

2.11. Borrowing in advance of need

2.11.1. 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.

2.11.2. 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;
- 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.

2.11.3. The total amount borrowed will not exceed the authorised borrowing limit of £205.000m. 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.

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

2.12.1. 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. Lender Option Borrower Option (LOBO) loans – typically a very long-term loan (40-70 years) 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.

2.12.2. 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.

2.12.3. 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.

2.12.4. 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.

2.13. Investment Strategy

2.13.1. The Council manages the investment of its surplus funds internally, and operates in accordance with the Statutory Guidance on Local Government Investments issued by MHCLG, the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 and the CIPFA Treasury Management in Public Services Guidance Notes 2018 for Local Authorities. Surplus funds are invested on a daily basis ensuring security, followed by portfolio liquidity.

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

1. The security of capital
2. The liquidity of capital
3. Yield that can be generated

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.

2.13.3. 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.

2.13.4. The Council's investment portfolio as at 31st December 2018 is set out below:

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| Investments Portfolio | £m |
|------------------------------|--------------|
| Specified Investments | 21.920 |
| Non-Specified Investments | <u>5.000</u> |
| Total | 26.920 |

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

2.13.6. 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 2.13.3 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;

2.13.7. 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. |
| 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 |

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| | | |
|---|---|--|
| AAA rated Money Market Funds (MMFs), three types: i. Constant Net Asset Value ii. Low Volatility Net Asset Value iii. Variable Net Asset Value | Same day liquidity and high credit worthiness due to considerable diversification | Low Volatility Net Asset Value (LVNAV) and Variable Net Asset Value (VNAV) funds – potential for receiving less than paid in. |
| 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. |

- 2.13.8. 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.
- 2.13.9. It is not proposed that the Council will be making any Non-Specified Investments in 2019/20 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.
- 2.13.10. The Bank of England Base Rate has remained low at 0.75%. Link's projection of is for a rise to 1.00% by the end of June 2019 increasing to 1.25% by March 2020 (**Annex B2**). Given the volatility of the market, the forecasts can only be used as a general guide to the future position. Consequently for 2019/20, the Authority has taken a prudent view and budgeted for an investment return based upon Link's base rate projection during 2019/20.
- 2.13.11. 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:

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- ii) BGC Brokers LP;
- iii) Tradition UK Limited;
- iv) Tullet Prebon Limited.

There are 3 brokers within this list, however as with previous years, this is to provide maximum protection to the council. It is unlikely that these institutions will all be utilised during the financial year.

2.13.12. 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.

2.13.13. 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.

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

2.13.15. 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.

2.14. Ethical Investment Principles

2.14.1. The Local Authority routinely invests surplus funds with third party organisations and institutions. In deciding and then approving the counterparty list in which the Council will invest, the principles of security, liquidity and yield will always be the primary consideration in order to ensure compliance with statutory guidance.

2.14.2. As part of this evaluation, the Council will consider ethical investment opportunities. Investments will be made in a responsible manner and exclude direct investment in organisations which do not contribute positively to society and the environment.

2.14.3. In order for these organisations to be included on the Council's counterparty list they will be evaluated against the same criteria as other counterparties. The Council's Treasury Management Team will be continually engaged on progress in this sector, understanding where possible that Council

investments and deposits are aligned with its core values – for example, generating income for social reinvestment.

2.14.4. This approach will be supported by considering the opportunity for ethical investments as part of the development of the annual Treasury Management Strategy and engaging with the Council's Treasury Management Advisors as to whether any investment is contrary to the Council's values.

2.14.5. The Local Authority publishes a list of its investments to ensure openness and transparency.

2.15. Member and Officer training

2.15.1. 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.

2.15.2. 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 treasury management and which is tailored to the public sector. Training will be provided for Members of the Audit & Governance Committee on 20th March 2019 and it is intended for such training to occur at least annually.

INTEREST RATE FORECAST

Link Asset Services Interest Rate Forecast as at 7th January 2019

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:

| Link Asset Services Interest Rate View | | | | | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | Mar-19 | Jun-19 | Sep-19 | Dec-19 | Mar-20 | Jun-20 | Sep-20 | Dec-20 | Mar-21 | Jun-21 | Sep-21 | Dec-21 | Mar-22 |
| Bank Rate View | 0.75% | 1.00% | 1.00% | 1.00% | 1.25% | 1.25% | 1.25% | 1.50% | 1.50% | 1.75% | 1.75% | 1.75% | 2.00% |
| 3 Month LIBID | 0.90% | 1.00% | 1.10% | 1.20% | 1.30% | 1.40% | 1.50% | 1.50% | 1.60% | 1.70% | 1.80% | 1.90% | 2.00% |
| 6 Month LIBID | 1.00% | 1.20% | 1.30% | 1.40% | 1.50% | 1.60% | 1.70% | 1.70% | 1.80% | 1.90% | 2.00% | 2.10% | 2.20% |
| 12 Month LIBID | 1.20% | 1.30% | 1.40% | 1.50% | 1.60% | 1.70% | 1.80% | 1.90% | 2.00% | 2.10% | 2.20% | 2.30% | 2.40% |
| 5yr PWLB Rate | 2.10% | 2.20% | 2.20% | 2.30% | 2.30% | 2.40% | 2.50% | 2.50% | 2.60% | 2.60% | 2.70% | 2.80% | 2.80% |
| 10yr PWLB Rate | 2.50% | 2.60% | 2.60% | 2.70% | 2.80% | 2.90% | 2.90% | 3.00% | 3.00% | 3.10% | 3.10% | 3.20% | 3.20% |
| 25yr PWLB Rate | 2.90% | 3.00% | 3.10% | 3.10% | 3.20% | 3.30% | 3.30% | 3.40% | 3.40% | 3.50% | 3.50% | 3.60% | 3.60% |
| 50yr PWLB Rate | 2.70% | 2.80% | 2.90% | 2.90% | 3.00% | 3.10% | 3.10% | 3.20% | 3.20% | 3.30% | 3.30% | 3.40% | 3.40% |

INTEREST RATE FORECAST

The interest rate forecasts provided by Link Asset Services are predicated on an assumption of an agreement being reached on Brexit between the UK and the EU. In the event of an orderly non-agreement exit, it is likely that the Bank of England would take action to cut Bank Rate from 0.75% in order to help economic growth deal with the adverse effects of this situation. This is also likely to cause short to medium term gilt yields to fall. If there was a disorderly Brexit, then any cut in Bank Rate would be likely to last for a longer period and also depress short and medium gilt yields correspondingly. It is also possible that the government could act to protect economic growth by implementing fiscal stimulus.

The balance of risks to the UK:

- The overall balance of risks to economic growth in the UK is probably neutral.*
- The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are broadly dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.*

One risk that is both an upside and downside risk, is that all central banks are now working in very different economic conditions than before the 2008 financial crash as there has been a major increase in consumer and other debt due to the exceptionally low levels of borrowing rates that have prevailed for ten years since 2008. This means that the neutral rate of interest in an economy, (i.e. the rate that is neither expansionary nor deflationary), is difficult to determine definitively in this new environment, although central banks have made statements that they expect it to be much lower than before 2008. Central banks could therefore either over or under do increases in central interest rates.

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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

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 07/12/2018) 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

2018/19 and 2019/20

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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 Government issued guidance recommending local authorities to prepare an annual statement of its strategic policy on the MRP, to be approved by the full council. The guidance requires each authority to determine its own MRP within the given framework and 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 like 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.

3. Revised MRP Statutory Guidance (February 2018)

In February 2018, the Government issued revised statutory guidance on the minimum revenue provision. The revised guidance applies for accounting periods starting on or

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after 1 April 2019, except for the guidance on changing methods for calculating MRP, which apply from accounting periods starting on or after 1 April 2018.

Changes that apply from 1 April 2018

The key changes to the guidance that apply from 1 April 2018 are:

- Where a local authority changes the method(s) that it uses to calculate MRP, it should explain in its Statement, why the change will better allow it to make prudent provision.
- The calculation of MRP under the new method(s) should be based on the residual Capital Financing Requirement (CFR) at the point the change in method is made (i.e. it should not be applied retrospectively). Changing the method used to calculate MRP can never give rise to an overpayment in respect of previous years, and should not result in a local authority making a reduced charge or a charge of £nil for the accounting period in which the change is made, or in any subsequent period, on the grounds that it needs to recover overpayments of MRP relating to previous years.

Changes that apply from 1 April 2019

The key changes to the guidance that apply from 1 April 2019 are:

- The definition of 'Prudent Provision' used in the guidance has been updated so that the broad aim of prudent provision is to require local authorities to put aside revenue over time to cover their CFR.
- A charge to a revenue account for MRP cannot be a negative charge.
- If a local authority chooses to offset a previous year's overpayment, they should disclose this fact and any remaining cumulative overpayment of MRP in the Statement presented to full council.
- Where a local authority uses MRP options 3 or 4 or where it uses another methodology that has the useful life of assets as a component to the calculation, it should normally not exceed a maximum useful life of 50 years. Local authorities can exceed this maximum in two scenarios:
 - where a local authority has an opinion from an appropriately qualified professional advisor that an asset will deliver service functionality for more than 50 years it can use the life suggested by its professional advisor; and
 - for a lease or PFI asset, where the length of the lease/PFI contract exceeds 50 years. In this case the length of the lease/PFI contract should be used.

Impact of Guidance Changes on Sefton's MRP Policy.

There are no changes proposed to method used to calculate the Council's MRP in 2018/19, so the revised guidance has had no impact on the MRP charge made in this year.

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The Council has previously recouped all prior year overpayments and applies a maximum useful life of 50 years within the MRP calculation, except for PFI & Lease agreements which are based on the life of the contract, so the changes to the guidance are expected to have no impact on the Council's MRP policy in 2019/20 or the charges forecast in the Medium Term Financial Plan.

4. MRP Policy for both 2018/19 and 2019/20

The recommended MRP policy is summarised below:

| <u>Category</u> | <u>Basis of MRP Calculation</u> |
|------------------------------------|---|
| Supported borrowing | Annuity Basis - Calculated over 50 years (commencing from 1 April 2015) |
| Unsupported (prudential) borrowing | Annuity Basis - Calculated using (Option 3) the estimated life method |

| <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:

| | |
|---|-----------------------------------|
| Intangibles (Software) | 3 Years |
| Vehicles, Plant & Equipment | 5 to 10 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 standard lives used for Vehicles, Plant & Equipment has been changed from a fixed period of 5 years. The amended MRP policy (above) allows the cost of borrowing to fund vehicle purchases to be extended to up to 10 years. The actual period used will reflect the forecast useful life of the vehicles at the point of purchase.

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The Chief Finance Officer will retain discretion to use alternative lives for assets (capital schemes) that have 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, the MRP 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: | Overview & Scrutiny Committee (Regulation, Compliance & Corporate Services) | Date of Meeting: | 12 February 2019 |
| Subject: | Capital Strategy 2019/20 and Future Years | | |
| 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 Capital Strategy sets out the long-term context in which capital expenditure and investment decisions are made and considers the impact of these decisions on the priorities within the Council's Core Purpose and Framework for Change Programme and the promises made in the 2030 Vision for Sefton.

At the heart of the Capital Strategy is the Council's core objective to continue deliver financial sustainability. As such a flexible capital investment programme is more important than ever as a method to stimulate and enable economic growth and strategic investment, ensuring best use of existing assets and of generating future income streams to pay for and deliver day to day services.

Recommendations:

Overview and Scrutiny is recommended to note the Capital Strategy including:

1. The overview of the governance process for prioritisation, approval and monitoring of capital expenditure;
2. A longer-term view of capital expenditure plans;
3. An overview of asset management planning;
4. The authority's approach to commercial activities including due diligence and risk appetite;
5. Expectations around debt and use of borrowing to support capital expenditure;
6. The knowledge and skills in the authority in relation to capital investment activities.

Reasons for the Recommendation(s):

The Capital Strategy is a key policy document for Sefton Council and follows guidance issued in the Prudential Code for Capital Finance in Local Authorities (2017 Edition).

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

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 Capital Strategy outlines the governance and framework for future capital investment decisions. Proposals may have an impact on physical assets and/or ongoing revenue income and expenditure and this will be assessed during the approval process.

Legal Implications:

The Council's decision-making processes resulting in the implementation of any capital programme must be transparent.

Equality Implications:

N/A

Contribution to the Council's Core Purpose:

Protect the most vulnerable:

The Capital Strategy will enable the Council to continue to seek to protect the most vulnerable within available resources.

Facilitate confident and resilient communities:

The Capital Strategy 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.

Commission, broker and provide core services:

The Capital Strategy 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.

Place – leadership and influencer:

The Capital Strategy will see the Council continue to demonstrate strong and effective leadership building on its proven track record of engagement, consultation, listening and considering feedback in the decision-making process.

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.

Drivers of change and reform:

The Capital Strategy 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.

Facilitate sustainable economic prosperity:

The Capital Strategy clearly articulates the Council's approach to investing in order to achieve financial sustainability and the ambitions of Sefton 2030.

Greater income for social investment:

The Capital Strategy recognises the Council's commitment to developing a commercial nature, looking at what it can do either by itself or with others to generate income and profit that can be reinvested into delivering social purpose.

Cleaner Greener: The Capital Strategy 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.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD 5533/19) is the author of the report and the Chief Legal and Democratic Officer (LD 4657/19) has been consulted and any comments have been incorporated into the report.

(B) External Consultations

N/A

Contact Officers: Stephan Van Arendsen

Tel: 0151 934 4082

Email: Stephan.VanArendsen@sefton.gov.uk

Appendices:

1. Capital Programme 2019/20 (2018/19 for reference)

Background Papers:

N/A

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CAPITAL STRATEGY 2019/20 to 2023/24 and Future Years

Executive Summary

The Capital Strategy sets out the long-term context in which capital expenditure and investment decisions are made and considers the impact of these decisions on the priorities within the Council's Core Purpose and Framework for Change Programme and the promises made in the 2030 Vision for Sefton.

At the heart of the Capital Strategy is the Council's core objective to continue deliver financial sustainability. As such a flexible capital investment programme is more important than ever as a method to stimulate and enable economic growth and strategic investment, ensuring best use of existing assets and of generating future income streams to pay for and deliver day to day services.

The Council is continuing with its well developed, long-term financial planning practice. This strategy contains details of the approach to the planned capital and investment programme up to 2023/24 and into future years. Further information and guidance particularly regarding ongoing revenue implications is a key aspect of this and will be evaluated as part of the agreed governance process.

The Capital Strategy outlines the Council's financial principles regarding risk, affordability and deliverability. The process of prioritising schemes and how financing decisions are made is explained alongside the agreed capital governance process in recognition of the strategic importance of the proposed programme. It clearly identifies the skills and knowledge required to ensure investment activities are subject to robust testing and due diligence. It presents the full picture of long term liabilities and the debt, borrowing and treasury management decision making process. The aim of the strategy is to give members and the public assurance that the benefits the Council intends to deliver through its Framework for Change programme meets the 2030 Vision and Core Purpose and are financially viable in the long-term.

Capital proposals are considered within the Council's overall medium to long-term priorities and the preparation of the capital programme is an integral part of the financial planning process. This includes taking full account of all the revenue implications as part of the revenue budget setting process and the updated Medium Term Financial Plan (MTFP).

1.0 Introduction and Background

- 1.1 The Capital Strategy is a key policy document for Sefton and follows guidance issued in the Prudential Code for Capital Finance in Local Authorities (2017 Edition). It is an overarching document which sets the policy framework and governance for the development, management and monitoring of capital investment and the use of capital resources. The strategy reflects the Council's Vision for 2030, Core Purpose, and sets out how capital expenditure will play a significant role in its delivery through the Framework for Change and Growth Programme. The Capital Strategy is aligned to the Treasury Management Strategy, Medium Term Financial Plan (MTFP), Asset Management Strategy and the Disposal Policy and all other approved policy's and frameworks.
- 1.2 During 2016 Sefton Council led on developing a new and exciting vision for the future of the Borough. The Imagine Sefton 2030 consultation engaged with thousands of people, local businesses and potential investors to create a vision that collectively promotes shared prosperity, coordinated public investment and a healthy environment and population. On the back of this work the Vision 2030 was agreed in November 2016, together with the Vision Outcomes Framework and the Council's Core Purpose.
- 1.3 The Council's major change programme - the Framework for Change - is the way in which the Council will deliver the 2030 Vision whilst maintaining its commitment to financial sustainability.
- 1.4 There are four pillars that underpin the programme and which will help the Council deliver against its stated objectives. These are:
 - Economic Growth – physical regeneration and enabling infrastructure for our economic growth priorities;
 - Public Sector Reform – Service Transformation Projects
 - Service Delivery Options – making efficiencies and savings to ensure a financially sustainable Council in a time of continued financial austerity; and
 - Strategic Investment – supporting investment opportunities the Council may wish to directly sponsor or support in an enabling or commissioning role where there is a sound commercial and financial justification/reason to do so.
- 1.5 One of the fundamental requirements and drivers to maintain and continually update the Council's Capital Strategy is the change in the way local government is to be financed in future with a greater emphasis on locally generated income (e.g. Council Tax and Business Rates). The reliance on this income to support the delivery of frontline services means that it is important that the Council, working with its partners, optimises this opportunity.
- 1.6 As a result, development of economic growth will play an important role in ensuring that financial sustainability of the Council is achieved and the ambitions

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as set out in Vision 2030 are met. This means the manner in which the Council manages capital funding will change from the position taken historically and certainly from that taken prior to 2010 (the introduction of financial austerity measures).

- 1.7 The Strategy also recognises that regeneration is a priority and that where it is appropriate to do so the Council can acquire strategic property for regeneration purposes where business cases provide a satisfactory payback period/profile.
- 1.8 The Strategy is brought forward in the recognition that Cabinet has approved and published a number of Town Centre Investment Frameworks and other policies and that should the opportunity present itself the Council might be the investor, subject to consideration of a robust business case by Cabinet.
- 1.9 The Capital Strategy will be the framework from which capital expenditure and investment decisions in Sefton are made to enable the Framework for Change to have the desired impact. The decision-making process will consider stewardship, value for money, prudence, sustainability and (long-term) affordability. The Capital Strategy contains:
 - An overview of the governance process for prioritisation, approval and monitoring of capital expenditure;
 - A longer-term view of capital expenditure plans;
 - An overview of asset management planning;
 - The authority's approach to commercial activities including due diligence and risk appetite;
 - Expectations around debt and use of borrowing to support capital expenditure;
 - The knowledge and skills in the authority in relation to capital investment activities.

2.0 Capital Programme Governance and Prioritisation

- 2.1 All capital programme expenditure will be governed through the Capital Strategy framework. Individual programmes and projects will commonly fall into three main categories:
 - Capital maintenance and improvement – to sustain the condition of existing assets and/or to avoid the short, medium and long-term revenue costs of “do nothing”.
 - Capital Investment for financial return – i.e. for commercial purposes to deliver an ongoing revenue return.
 - Capital Investment for non-financial return – investment in an asset of strategic importance linked to the 2030 Vision and Council's Core Purpose.
- 2.2 This categorisation will help to determine, for officers and members, the route that a project proposal must follow in order to gain approval into the capital programme. It will clarify the governance pathway and the degree of due diligence required before approval to spend is granted.

- 2.3 A robust planning and prioritisation process has been designed with clear approval stages at which risk, reward, value for money and alignment to the Council's priorities is tested.
- 2.4 The Capital Strategy proposes a governance structure that enables the effective management of whole capital programme. New capital schemes will typically take one of three routes to approval for inclusion in the capital programme.
- A. For recurrent capital schemes funded 100% from external resources the Finance Procedure Rules state:
- Schemes up to £100k can be approved by the Section 151 Officer and Chief Executive;
 - £100k - £250k the S151 Officer and Cabinet Member for Regulation and Compliance and Corporate Services;
 - £250k - £1m Cabinet;
 - £1m+ Cabinet and Council.
- B. Projects that require the use of council resources and meet strategic objectives will follow internal governance arrangements before submission to Cabinet for approval.
- C. Projects that require the use of council resources, meet strategic objectives and which propose to deliver a recurrent revenue budget return will be subject to additional scrutiny through the Investment Board before submission to Cabinet for approval.
- 2.5 The Council will approve this strategy / policy framework and in accordance with the Council's constitution and legislation, Cabinet will make decisions to implement the strategy.
- 2.6 Financial management and performance of the Council's approved and published Capital Programme is reported to Cabinet and Overview and Scrutiny Committee with an Annual Report being produced at the end of each financial year.
- 2.7 The draft and indicative Capital Programme is summarised in Appendix 1 and this will be continually updated as part of each budget cycle.

3.0 Capital Expenditure and Resources

- 3.1 Capital Expenditure must be incurred in line with the Financial Procedure Rules. The Head of Corporate Resources (Section 151 Officer) is responsible for ensuring that a capital programme is prepared on an annual basis for consideration by Cabinet before submission to Council for approval alongside the annual revenue budget.
- 3.2 Capital resources are held corporately and are allocated according to the priorities outlined in section 2. The Council will seek to maximise the use of

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external grants and contributions; and to consider joint funding initiatives with partners if the benefits of doing so align with Council priorities.

3.3 Capital expenditure is typically funded from:

- Government Grants
- Section 106
- External Contributions
- Prudential Borrowing
- Capital Receipts

Prudential Borrowing

3.4 Local authorities are able to borrow to invest in capital works and assets provided that the cost of that borrowing is affordable/repayable and in line with principles set out in the Chartered Institute of Public Finance and Accountings (CIPFA) Prudential Code Guidelines.

<http://www.cipfa.org/policy-and-guidance/publications/t/the-prudential-code-for-capitalfinance-in-local-authorities-2011-edition-book>

3.5 Each year the Council approves a Treasury Management Strategy and a range of prudential indicators that reflect its compliance with the CIPFA guidance and the approach to capital expenditure and borrowing for the forthcoming year. As such, projects that are identified under the framework for change and which supports the Council's corporate objectives (including financial sustainability) as set out within robust business cases may utilise prudential borrowing. Within such cases a full financial appraisal will be required to ensure that all revenue implications of the cost of borrowing are taken into account.

3.6 Any capital expenditure funded from prudential borrowing will have a future impact on the revenue budget as the Council is required to set aside a minimum revenue provision (MRP) to repay the principal and interest, i.e. the debt, over the life of the asset.

3.7 Within the Liverpool City Region, the devolution arrangements have facilitated the devolution of resources from Government to the Liverpool City Region Combined Authority, along with certain powers and responsibilities.

3.8 All additional and directly devolved funding streams will be managed by the Combined Authority and the elected Mayor for the City Region. The Council may consider directly or indirectly contributing towards priority projects managed by the Combined Authority where there is sound commercial and financial justification/reason to do so.

3.9 Resources that will be available via the City region include those that will support Investment and Regeneration and Transport. The City Region will therefore be a major source of capital finance for the Authority going forward and it is essential that the Council presents the strongest proposals in what is likely to be a very

competitive environment. This will require a managed project pipeline approach to development and where appropriate the 'front loading' of investment for pre-development activities.

- 3.10 The financing of the capital programme will be led by the Head of Corporate Resources in consultation with the Cabinet Member for Regulatory Compliance and Corporate Services. Consideration will be given to the long-term impact of capital expenditure and any ongoing revenue implications. The capital financing charges and any additional running costs arising from capital decisions are incorporated within the annual Budget and Medium Term Financial Plan. This enables members to consider the consequences of capital spend alongside other competing priorities for revenue funding.
- 3.11 Capital expenditure decision making is not only about ensuring that the initial allocation of capital funding meets corporate and service priorities but also that the asset is fully utilised, sustainable and affordable throughout its whole life. This overarching commitment to long term affordability is a key principle in all capital expenditure appraisal decisions.
- 3.12 The Prudential Code was introduced as part of the Local Government Act 2003. It details several measures/parameters known as prudential indicators that are set each year. When setting these indicators, the Prudential Code requires the Council to have regard to service objectives, affordability, prudence and sustainability. The Prudential Indicators Report is approved as part of the annual budget setting process and is also presented to Audit and Governance Committee.
- 3.13 The indicators are based upon capital programme expenditure and its funding requirements and ensure that the budgeted capital expenditure limit is monitored, along with the level of the Capital Financing Requirement which represents the Council's underlying need to borrow for the capital programme. Maximum borrowing limits are set for the Council, the affordability of which is assessed against total income from Government grants, Council Tax and Business Rate payers.

4.0 Asset Management Strategy

- 4.1 A core part of the Council's capital programme is informed by the Asset Management Strategy. The schedule of capital improvement works required to the Council's operational property portfolio is derived from this strategy. The Asset Management Strategy sits alongside the Asset Disposal Policy.
- 4.2 The main objectives of capital expenditure on operational assets is to ensure that they meet health and safety standards, are fit for purpose in terms of statutory guidance and legislation, as well as helping the Council to reduce costs from unnecessary revenue expenditure on poorly maintained and/or redundant stock. A key objective of the capital strategy is that it links with the Asset Management Strategy to protect current buildings and long-term assets to avoid incurring significant future costs, essentially spending now to save money in the future.

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- 4.3 The asset management capital expenditure decision making process must consider the Council's Asset Disposal Policy. A review of all Council owned assets is underway and will be presented to Members in order to inform decision making. This process will identify whether assets should be held for operational or heritage purposes, should form part of the Council's future investment and capital programme or should be disposed of.
- 4.4 The refreshed Asset Management Strategy and Asset Disposal Policy will be key documents to inform all long-term capital and revenue implications. A structured approach to any disposal and the likely capital receipt will mean that medium and long-term resourcing estimates can be made and aligned to future investment decisions.

5.0 Commercial Investment

- 5.1 As reliance on Government funding reduces, the importance of local income generation increases and this is a key stated central government objective for local government and one which reflects their future model for how local government will be funded. As a result, the Council is developing its commercial mindset in order to continue to support the achievement of a balanced budget, and at the same time, safely finance the Framework for Change Programme. This commercial mindset is being developed across services as officers strive to achieve the best use of available resources to deliver improved outcomes for residents.
- 5.2 A commercial approach will lead to more commercial activities being developed, assessed and delivered and means that processes and financial controls, regarding material capital investment, need to be robust. Due diligence and ongoing budget management will be effective and proportional to the level of investment and risk.
- 5.3 The revised governance structure for all capital investment and expenditure decisions, explained in section 2, contains additional gateway processes which allow further scrutiny, checks and levels of approval for commercial activity in recognition of the enhanced risk involved.
- 5.4 The Council already operates on a commercial basis in some areas of its core activity. The success of these functions provides assurance in terms of the Council's ability to manage commercial activity.

6.0 Non-Financial Investment Strategy

- 6.1 The Council's non-treasury investments consist of an Investment Property portfolio of over 200 properties. They deliver a return for the council after deducting for the cost of maintenance, net income of £2.060m in 2017/18, which contributes towards the provision of services.

- 6.2 The investment property portfolio is fully owned by the Council and no outstanding loans are held against it. No new investment properties have been added for several years. Any future purchases of such assets will follow the procedures set out in sections 2 and 3.
- 6.3 All properties classified as investment properties are revalued on an annual basis as part of the Statement of Account process and valuations are externally audited. The value at 31st March 2018 was £60.5m. All investment properties are valued at greater than original purchase price and have hence produced an unrealised capital return.
- 6.4 The liquidity of the portfolio will depend upon the prevailing market conditions. However, access to funds is not considered an issue as the portfolio does not provide security against loans and is providing an adequate return.
- 6.5 Any loans made by the Council that will support projects aligned to the Framework for Change programme, will require a full business case including robust due diligence and will be approved in accordance with the Councils governance processes. Any loan granted will be within the Councils approved prudential indicators.

7.0 Debt, Borrowing and Treasury Management

- 7.1 Any loans made by the Council that will support projects aligned to the Framework for Change programme will require a full business case including robust due diligence and will be approved in accordance with the Council's governance processes. Any loan granted will be within the Council's approved prudential indicators.
- 7.2 The Council has adopted CIPFA's revised 2017 Code of Practice on Treasury Management in public services which recommends the production of an annual Treasury Management Policy and Strategy documents. These documents are approved as part of the annual budget setting process and are presented to the Audit and Governance Committee. The strategy document sets out in detail how the treasury management activities are to be undertaken in a particular year to comply with the Council's Treasury Management policy.
- 7.3 The Treasury Management Strategy details how the Council will manage its borrowing, investments and cash flow and therefore forms an important part of the overall Capital Strategy. The Capital Programme and the mix of funding sources determines the borrowing requirement of the Council, which will require management of the Council's cash flow to ensure that the Council can meet both its future revenue and capital obligations.
- 7.4 If the Council is required to borrow funds, it can seek to support the capital programme through prudential borrowing from the Public Works Loan Board (PWLb). This borrowing is not supported by government grant. It means that there will be a future charge to the revenue budget to pay back the principal amount borrowed plus accrued interest. As a result, robust financial appraisals

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are used to determine a future financial benefit from the initial investment, which will be able to fund the future charge to the revenue budget and potentially achieve further cashable savings or income generation, for instance an invest to save (or earn) scheme, strategic investment or major regeneration schemes.

7.5 The Council's borrowing limit is contained within the Prudential Indicators Report:

| | 2018/19 £m | 2019/20 £m | 2020/21 £m |
|------------------|---------------|---------------|---------------|
| Authorised limit | 177,000 | 172,500 | 170,000 |

7.6 In recent years, the Council has followed a policy of internal borrowing, whereby borrowing for the capital programme is deferred whilst the Council holds healthy cash balances. This is advantageous as it avoids cost of carry and reduces the overall borrowing costs. This position requires careful management of interest rate risk in conjunction with our treasury consultants.

7.7 The Council has regard to the Ministry of Housing, Communities and Local Government's (MHCLG) guidance on the application of minimum revenue provision (MRP). The recommended MRP policy is summarised below:

| <u>Category</u> | <u>Basis of MRP Calculation</u> |
|------------------------------------|--|
| Supported Borrowing | Annuity Basis over 50 years (commencing from 1 April 2015) |
| Unsupported (prudential) borrowing | Annuity Basis – Calculated using the estimated life method |

Standard asset lives applied to calculate MRP charge vary from 3 years for intangible assets to 50 years for land.

8.0 Risk Management

8.1 Risk management across the Council has been reviewed over the last year in a process led by the Chief Internal Auditor. A corporate risk register is in place, as are service area risk registers. The final stage has seen operational, project and transformation risk registers developed.

8.2 Section 2 in the strategy describes the consistent approach to project management from concept stage through to full business case approval. The Project Charter has a risk section which means that consideration of risk and its mitigation is at the forefront throughout the project design and feasibility stage.

8.3 Risk management is embedded in project and programme boards. Live projects are subject to challenge in project board meetings from the Project Sponsor and Senior Responsible Officer. Significant risks will move on to Service and Corporate risk registers and be reported through capital scheme updates in the monthly budget monitoring report to Cabinet.

- 8.4 Treasury management risk is managed in line with MHCLG investment guidance principles of security, liquidity and yield. The Council's risk appetite for financial investments is detailed in the Treasury Management Strategy. The risk appetite is low, security and liquidity being the key principles underlying the investment strategy. The Treasury Team balance the risks associated with cash management, mitigating risks as much as possible to seek maximum financial return.
- 8.5 Treasury management activity will be reported to Audit and Governance via quarterly reports and an outturn report. Cabinet and Council receive a half yearly report and the annual outturn report.

9.0 Knowledge and Skills

- 9.1 The Council has a wide range of expertise to call upon, including professionally qualified legal, finance and property officers, to support the delivery of the Capital Strategy and Framework for Change.
- 9.2 There is commercial expertise across the Executive Leadership Team and Senior Leadership Board and a commercial approach is being embedded across the organisation.
- 9.3 Recent changes to the senior management structure have been made to better meet the resource requirements to support Framework for Change going forward.
- 9.4 Support services, including Finance, Legal, Property and Business Intelligence and Commissioning, are being reviewed with a focus on providing the right support and officers with the necessary skills, to work with the frontline service and project managers. Where gaps in knowledge are identified the relevant training is co-ordinated for individuals or teams.
- 9.5 The Capital Programme and Treasury Management Strategy is managed by a team of qualified accountants who follow a programme of continual professional development, attending tailored courses offered by the Council's retained treasury consultancy.
- 9.6 As part of the Treasury Management Strategy it is a requirement that all members involved in treasury management understand this complex area. Annual training is open to all members and is delivered by external treasury consultants. A record is maintained of member attendance.

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Appendix 1: Capital Programme 2018/19 to 2020/21

| | 2018/19 (For reference) | 2019/20 | 2020/21 |
|--|----------------------------|--------------|------------|
| | £'000s | £'000s | £'000s |
| CURRENT GRANT ALLOCATIONS AND EXPENDITURE | | | |
| CORPORATE RESOURCES | 5,184 | | |
| Southport Town Hall Boiler | 160 | 3 | |
| TOTAL | 5,344 | 3 | |
| LOCALITY SERVICES COMMISSIONED | 6,312 | | |
| CERMS 2016-21 | 1,104 | 492 | 534 |
| Crosby Marine Lake to Formby Point | 344 | 233 | 306 |
| Tree Planting | 162 | 70 | 70 |
| M58 Junction 1 | 4,609 | 772 | |
| A565 Northern Key Corridor | 721 | 117 | |
| TOTAL | 13,252 | 1,684 | 910 |
| LOCALITY SERVICES PROVISION | 2,530 | | |
| REGENERATION & HOUSING | 452 | | |
| REGULATION & COMPLIANCE | 9 | | |
| HEALTH & WELL BEING | 65 | | |
| OLDER PEOPLE | 3,944 | | |
| ASC IT Infrastructure | 50 | 70 | |
| TOTAL | 3,994 | 70 | |
| CHILDREN'S SERVICES | 5,709 | | |
| COMMUNITIES | 1,050 | | |
| INWARD INVESTMENT & EMPLOYMENT | | | |
| Southport Pier | 1,367 | 50 | 23 |
| DISABLED FACILITIES GRANT (DFG) | 2,200 | | |
| TOTAL ALL SERVICES | 35,972 | 1,807 | 933 |

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| | 2018/19 (For reference) | 2019/20 | 2020/21 |
|---|------------------------------------|----------------|----------------|
| | £'000s | £'000s | £'000s |
| FUTURE YEARS GRANT ALLOCATIONS | | | |
| CHILDREN'S SERVICES | | | |
| DFC | | 365 | 365 |
| Capital Maintenance | | 1,714 | 1,714 |
| Basic Need | | 2,872 | 1,847 |
| High Needs – Special Educational Needs & Disabilities | | 206 | 205 |
| TOTAL | | 5,157 | 4,131 |
| LOCALITY SERVICES COMMISSIONED | | | |
| LTP – Highways Maintenance | | 2,298 | 2,298 |
| LTP – Integrated Transport Block | | 990 | 990 |
| LTP – Additional Key Route Network | | 300 | 300 |
| Additional Highways Maintenance Fund | 1,283 | | |
| SIF Local Growth Fund Key Route Network A59 | | 2,356 | |
| TOTAL | | 5,944 | 3,588 |
| BETTER CARE FUND | | | |
| | | 3,939 | 3,939 |
| TOTAL ALL SERVICES | 1,283 | 15,040 | 11,658 |
| TOTAL – CURRENT AND FUTURE ALLOCATIONS | 37,255 | 16,847 | 12,591 |

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| | | | |
|--------------------------------------|---|----------------------------------|------------------|
| Report to: | Overview & Scrutiny Committee (Regulation, Compliance & Corporate Services) | Date of Meeting: | 12 February 2019 |
| Subject: | Asset Management Strategy & Asset Disposal Policy | | |
| 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:

These documents set out the vision and aspirations for the effective management of the Council's corporate asset portfolio and the role it plays in supporting and shaping the Council's agenda for the 2030 vision.

Aside from its staff the Council's next biggest resource is its land and property therefore it is vital that this resource is managed and used effectively and efficiently to ensure that the Council derives maximum benefit from its assets in support of its strategic aims and priorities.

The Asset Management Strategy will provide a framework for the planning, prioritisation, management and funding of the Councils asset base.

The Asset Disposal Policy will provide a framework for the disposal of the Councils assets as they are declared surplus and when deemed appropriate.

Recommendations:

Overview and Scrutiny is asked to note the content of the Asset Management Strategy & Asset Disposal Policy.

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Reasons for the Recommendation(s):

The Asset Management Strategy & Asset Disposal Policy are key documents for Sefton Council which sets out key parameters in respect of the delivery of an efficient and effective property portfolio.

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

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:

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 Asset Management Strategy & Asset Disposal Policy outlines the governance and framework for future property decisions. Proposals may have an impact on physical assets and/or ongoing revenue income and expenditure and these will be assessed both at a programme and individual project level. |
| Legal Implications: |
| To be considered on a case by case basis. |
| Equality Implications: |
| To be considered on a case by case basis. |

Contribution to the Council's Core Purpose:

| |
|---|
| <u>Protect the most vulnerable:</u> |
| The Asset Management Strategy & Asset Disposal Policy will enable the Council to continue to seek to protect the most vulnerable within available resources. |
| <u>Facilitate confident and resilient communities:</u> |
| The Asset Management Strategy & Asset Disposal Policy demonstrates a clear commitment to working with partners, communities and local businesses to reduce the reliance on the public sector. |
| <u>Commission, broker and provide core services:</u> |

The Asset Management Strategy & Asset Disposal Policy 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 with accessible links.

Place – leadership and influencer:

The Asset Management Strategy & Asset Disposal Policy will see the Council continue to demonstrate strong and effective leadership building on its proven track record of engagement, consultation, listening and considering feedback in the decision-making process.

Drivers of change and reform:

The Asset Management Strategy & Asset Disposal Policy 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.

Facilitate sustainable economic prosperity:

The Asset Management Strategy & Asset Disposal Policy clearly articulates the Council's approach to investing and change in order to achieve financial sustainability and the ambitions of Sefton 2030.

Greater income for social investment:

The Asset Management Strategy & Asset Disposal Policy recognises the Council's commitment to developing a commercial nature, looking at what it can do either by itself or with others to generate income and profit that can be reinvested into delivering social purpose.

Cleaner Greener:

The Asset Management Strategy & Asset Disposal Policy 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.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD 5534/19) is the author of the report and the Chief Legal and Democratic Officer (LD 4658/19) has been consulted and any comments have been incorporated into the report.

(B) External Consultations

N/A

Contact Officers: Stephan Van Arendsen
Tel: 0151 934 4082
Email: Stephan.VanArendsen@sefton.gov.uk

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Appendices:

1. Asset Management Strategy – Appendix 1.
2. Asset Disposal Policy – Appendix 2.

Background Papers:

N/A

1. **Introduction**

- 1.1 In-order to effectively manage a property portfolio, it is critical that all authorities have an Asset Management Strategy & Asset Disposal Policy approved and in place for the financial year 2019/20.
- 1.2 The Council has therefore sought to develop an Asset Management Strategy & Asset Disposal Policy for guidance.

2. **Content**

- 2.1 The content of the Asset Management Strategy & Asset Disposal Policy are defined, however it is recognised that each individual authorities final document will reflect its own individual circumstances. As such the documents aim to provide information and guidance on how decisions will be made and what considerations will be taken into account in the management of the programme.
- 2.2 The key elements of the Asset Management Strategy include:-
 - A summary of the Council Asset Base;
 - The Councils approach to Strategic Asset management
 - Governance
 - The investment principles that the Council will follow
 - Funding options; and
 - Alignment with other policies and Key Strategies
- 2.3 Within the Asset Disposal Strategy the following issues are covered
 - Detail of the Councils Asset Base;
 - Asset Disposal and Development principles;
 - The approach to be undertaken in relation to key development sites;
 - Community Right to Bid; and
 - Transparency and access to the disposal programme.
- 2.4 Both of these documents will be the subject of an annual review and when appropriate any revisions will be brought to Council for approval and are included in full in the following appendices

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Asset Management Strategy – Appendix 1 attached

Asset Disposal Policy – Appendix 2 attached

Sefton Council 

Asset Management Strategy

1. Introduction
2. Aims of the Strategic Asset Management Strategy
3. Types of Asset
4. The Councils approach to Strategic Asset Management
5. Governance
6. Key Challenges
7. Property Assets — Investment Priorities
8. Funding Options
9. Key Strategy and Policy Documents
10. Review
11. Summary

1. Introduction

This strategy sets out the vision and aspirations for the effective management of the Council's corporate asset portfolio and the role it plays in supporting and shaping the Council's agenda for the 2030 vision.

Aside from its staff the Council's next biggest resource is its land and property therefore it is vital that this resource is managed and used effectively and efficiently to ensure that the Council derives maximum benefit from its assets in support of its strategic aims and priorities.

The continued pressure on local authority finances makes it more critical that the Council has a robust strategic approach to ensure the correct decisions are taken regarding its property asset base. In moving forward there will need to be an increased emphasis on challenging and justifying why assets are being retained, whilst looking at other alternative options for asset use and service delivery to maintain front line services within the stringent budgetary framework which local authorities are required to operate within.

The Asset Management Strategy (the Strategy) will provide a framework for the planning, prioritisation, management and funding of the Councils asset base.

The Plan supports and informs the Council's Medium Term Financial Plan (MTFP), its budget up until 2022/23 and the Framework for Change programme.

2. Aims of the Strategy

The key aims of the Strategic Asset Management strategy are to;

- Enhance the opportunities for communities to access the Council's services in either our own or partner buildings;
- Maximise the use of space within buildings by enabling better and innovative ways of working;
- Ensure that buildings meet all Health & Safety requirements and other legislative standards;
- Provide a clear context within which the Council's property assets can be managed to ensure that all asset based investment is targeted towards meeting the Council's Priorities and/or legislative requirements;
- Maximise the use of revenue resources by establishing effective arrangements for the management of Council assets and expenditure including focused benchmarking and performance analysis to achieve of Value for Money (increase granularity of reporting down to m2 rate of assets to inform robust decisions);
- Establish a corporate approach to the management and release of capital from the Council's existing asset base.

3. Types of Assets

The use and management of the authority's assets can play a fundamental role in delivery of corporate and local priorities, as well as shape and influence the quality of life and place for local people and businesses. The property asset base divides into two key categories;

- **Operational Properties** — Owned or leased buildings that are required to enable the delivery of services. These are typically the main administrative buildings, but also encompass specialised facilities such as Schools and Care homes.
- **Non-operational Properties** — Also known as the investment portfolio, these assets are held because they generate an income return or present an opportunity for capital gain through redevelopment. Traditionally, the portfolio was a legacy of previous and often longstanding land ownerships that have come together with the merger of the composite authorities that now make up Sefton MBC and are not typical of most commercial investment portfolios that are a consequence of conscious decisions to invest and hold property as an investment asset. The portfolio includes properties subject to restrictive covenants.

There are a small number of assets where there is a cross over between both categories.

4. Approach to the Strategy

It is critical that the assets the Council retains are fit for purpose, provide value for money and meet/support both business and community needs. Decisions to invest and improve the asset base are made on the same robust and transparent basis.

The Council will adopt a formal Corporate Landlord Approach to drive a planned process to review and challenge the use and retention of assets, providing a transparent framework for investment and disinvestment decisions in the asset base.

The Council will also endeavour, through its programme of capital investment, to maintain its assets to a standard such that they remain fit for purpose, enabling continuity of service delivery to meeting corporate priorities. In particular it will carry out regular surveys of its stock of buildings and structures to ascertain their state of repair and any remedial works which may be necessary

In addition, the Plan will be influenced by the results of any service reviews which have been carried out by the Council, either as part of the budget preparation, one-off exercises or in support of the Sefton 2030 vision. Where these reviews identify areas of service which are to be restructured or discontinued, this may give rise to surplus assets. Each asset in the potential list of disposals will have different characteristics and the approach to evaluating whether disposal remains the best option and then identifying the objectives to be achieved for each will vary. A full appraisal will therefore be required with Member engagement to understand and agree what these objectives are that will in turn allow the Council to understand and then maximise its financial return. In addition to a potential capital receipt, other benefits will naturally be borne out of a disposal, one being a reduced revenue burden.

An ongoing review of the Council's accommodation provision will continually look at opportunities to rationalise occupation and release surplus accommodation from the Council's buildings. This will include identifying opportunities for shared use of Council facilities to enable the efficient provision of key services as well as potential co-locations with other public and private sector partners via the 'One Public Estate' agenda.

The Council's approach to the retention of assets is based around the ability to clearly demonstrate that they;

- Support and meet the Corporate objectives of the Council;

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- Contribute to the effective delivery of business provision (i.e. the condition and performance of the asset does not impede service delivery);
- Provide a strategic landholding in key locations in the borough;
- Provide value for money (in respect of their current or future investment, capital value, revenue generation and/or ability to influence regeneration).

Where assets do not satisfy the above criteria consideration will be given to the asset either being better utilised to free up accommodation elsewhere, or disposed.

The disposal process, including the rationale for using a particular method of disposal is set out in the Asset Disposal Policy.

5. Governance

The Council's governance arrangements are established and set out in the Council's Capital Strategy. Responsibility for the Strategic Asset Management Plan rests with Council.

6. Key Challenges

In developing a rolling plan, the Council will need to have a flexible approach to take account and accommodate a variety of factors and challenges which will impact on the future of the asset base. In summary these include:-

National level

The ongoing pressures on Local Government funding will produce a year on year reduction in available revenue and traditional forms of grant funding. This has placed increased pressure on how the Council uses and manages its assets in support of service delivery.

In addition, there is the impact of key Legislation. *These include;*

- ***The Localism Act 2011***
- ***Disposal and Appropriation of School Land — Changes in Legislation (Education Act 2011 and new Schedule 1 to the Academies Act 2010)***

Corporate Level

Asset and Property Maximisation

The Council will consider the property/assets opportunities arising from all projects within its Framework for Change programme. It will look to maximise opportunities to improve operational efficiency, reduce revenue costs and maximise the capital and income potential.

This will inform asset related decisions, and maximise capital receipt/revenue saving opportunities arising from;

- The reduction in the Council's size and consequential physical space requirements as a direct consequence of austerity and funding cuts;
- The reduction in physical space requirements as a result of service re-design;

- The reduction in space made possible by the adoption of ‘new ways of working’ with improved ICT systems and infrastructure; and
- The need to do something very different to maximize our assets.

Property is part of the infrastructure that helps to support the delivery of transformational change. It enables the organisation to provide a wider contribution to the overall aspirations of the Council’s Regeneration ambitions.

Agile Working

Sefton has begun to adopt an agile working and place based working collaterally. It enables the Council to work more closely with customers and other public-sector partner organisations with the added benefit of maximising asset use within a reduced building footprint across the portfolio.

In the medium term, and after significant engagement with partners, the opportunities to co-locate services and or operate through what are being called hubs (with more than one occupant) will become essential in-order to create lean and efficient services for residents and businesses.

Property as Assets for Reform

Property and assets underpin public sector reform; they are a catalyst for change and provide opportunities for cashable savings and efficiencies to be made.

The Council’s built assets also enable development opportunities and help create jobs in the Borough, significantly contributing towards cultural change, reform and delivery of the “Local Plan” growth drivers.

In this context Sefton’s longer term ambitions will be to sponsor and lead significant economic growth. As parcels of land are identified for investment by the private and third sector, this will provide either equity or capital to the Council in addition to improving the long term financial base given the business rates or Council tax potential.

Reducing the Level of Maintenance Backlog

The objective of the Corporate Asset Strategy is that property assets should make a positive contribution either to direct service delivery or to other social and economic objectives of the Council.

In-order to ensure consistency when prioritising levels of expenditure to tackle backlog maintenance relating to individual assets, a prioritisation method has been established. This firstly ensures health & safety and wind/watertight requirements are met. The desire is to maintain Council operational property portfolio to a ‘satisfactory’ condition ensuring that limited funding is expended in buildings with the greatest need.

Condition Surveys are to be carried out on a 5-yearly cycle with interim monitoring/updates. The method adopted will assist in categorising individual assets as follows;

- A: Good – Performing well and operating efficiently.
- B: Satisfactory – Performing adequately but showing minor deterioration.
- C: Poor – Showing major defects and/or not operating adequately.
- D: Bad – Economic life expired and/or risk of failure.

The Council is to aspire to a 'B' rating and above. Assets either meeting or exceeding this level will be considered to meet the service delivery standard. These ratings will also help to inform options appraisals linked to the overall asset strategy.

A programme of condition surveys has identified significant backlog maintenance and future capital allocations will support the completion of the most pressing works.

The Council will continue to fund essential backlog maintenance and maintenance where it resolves a health and safety hazard or could remove an impediment to the delivery of front line services.

It should be noted that resources are in place in-order to ensure that all operational and non-operational buildings comply with statutory requirements.

7. Investment Priorities

Ongoing Review and Maintenance

An ongoing review of both the operational and non-operational property portfolios will be undertaken to identify;

- The level of required maintenance (as assessed from the condition surveys);
- Including works needed in respect of statutory requirements, for instance, accessibility, asbestos, Legionella, environmental sustainability, etc;
- Areas of proposed capital investment, including enhancement, replacement and shared use of facilities and provision of accommodation focused on the Council's core, freehold buildings;
- Financial and opportunity savings realised through rationalisation and the level of anticipated receipts which could be relied upon (given the current and projected market conditions);
- the level of resources secured and/or potentially available to support future investment.
- Energy efficiencies through both day to day management and invest to save opportunities.

A financial lifecycle summary of the capital funding requirement between current and future asset needs will be produced and then updated on a periodic basis.

Asset Review

An Asset Review has commenced within the council. This has initially focussed on 200 assets (2018) and a rolling review will continue each year. Assets will be evaluated and categorised in to one of the areas below;

- Inform the development and subsequent delivery of an Investment Strategy;
- Understand the commercial value of those assets in variable scenarios;
- Define options for future consideration which might be;
 - *Assets held for operational purposes*
 - *Assets held for heritage reasons or other designated reasons*
 - *Assets held to be developed or re-purposed*
 - *Asset to be disposed of to create a capital receipt*

A review of all income generating assets not currently within the existing 'property budget / investment portfolio' structure will be conducted to ensure all incomes are captured and recorded, potentially moving under the Strategic Investment approach for consideration.

Delivery of Key Strategic Priorities

Building upon the momentum generated in previous years in regenerating key areas within the borough, the Council is committed to use its asset base to deliver the following key strategic priorities. As part of that process it will seek to align funding opportunities to those initiatives, including the allocation of specific land sites and land receipts to support the following aspects of the Framework for Change;

- **Economic Growth;** Growth is key to realising the ambitions of the Vision 2030 by laying the foundations for long-term self-sustaining economic prosperity. This will be achieved through a number of projects looking at housing needs, new transport/infrastructure schemes, the development of new and existing employment sites, regeneration of the whole borough, the development of employment skills, businesses support, active marketing and the development of social enterprises;
- **Strategic Investment;** In-order for the Council to play a key role in delivering the Sefton 2030 Vision, there will be a requirement to invest resources to facilitate and enable the delivery of key projects. This will fall under three areas: invest to grow, invest to save or invest to thrive This new approach to strategic investment will deliver new revenue streams to pay for services, maximise Council owned assets, develop and acquire new assets and dispose of redundant assets;
- **Public Sector Reform;** To provide an efficient estate which is right-sized, fit for purpose and located where needed with buildings facilitating co-location of services and partners from the public and private sector.

New Investment in Assets

In addition to the current asset portfolio, strategic acquisitions and development will also be considered where it aligns with the Council's priorities.

In terms of new capital bids for investment in property assets (current or proposed acquisitions), these will be submitted in accordance with the Council's governance process.

8. Funding Options

If the Council is to continue to invest in its property asset base it will need to consider alternative and innovative solutions to supplement more traditional funding sources as part of its resourcing strategy. All appropriate options will be explored as part of the individual business case:

9. Key Strategy & Policy Documents

This plan acts as an overarching document that sets the framework in which the Council's key, property asset based strategies, policies and procedures are developed, operated and reviewed.

The disposal process, including the rationale for using a particular method of disposal is set out in the Asset Disposal Policy.

10. Review

The strategy will be reviewed annually, adapting to the review of the Council's strategic objectives, changes in policy, professional practice and changes in the economy and property markets. It does not need to be redrafted annually if the existing documentation remains current.

The strategy will be read in conjunction with the Asset Management Delivery Plan. This will be an evolving document.

11. Summary

This Asset Management Strategy demonstrates and sets the framework which enables the Council to build a long-term asset management programme to ensure the efficient and effective use of assets to support the achievement of the Council's corporate priorities. This will help shape the future of Sefton and support the Communities within by aligning with the Council's core purpose as follows;

- Protect the most vulnerable:** i.e. those people who have complex care needs with no capacity to care for themselves and no other networks to support them. For those who are the most vulnerable we will have a helping role to play, we will challenge others to ensure we all protect the most vulnerable and where we need to we will intervene to help improve lives
- Facilitate confident and resilient communities:** the Council will be less about doing things to and for residents and communities and more about creating the capacity and motivation for people to get involved, do it for themselves and help one another. We will create an environment in which residents are less reliant on public sector support and which have well developed and effective social support
- Commission, broker and provide core services:** the Council will directly deliver fewer services but will act as a broker and commissioner of services which meet the defined needs of communities, are person-centred and localised where possible. We will deliver services which can't be duplicated elsewhere or where we add value.
- Place-leadership and influencer:** making sure what we and what others do are in the best interests of Sefton and its residents and has a contributing role to the 2030 vision of the borough. This includes strong leadership and influencing partner organisations to work towards common goals and building pride in the borough.
- Drivers of change and reform:** the Council will play a key role in leading change and reform to improve outcomes for Sefton residents and continuously improve the borough
- Facilitate sustainable economic prosperity:** that is, people having the level of money they need to take care of themselves and their family; creating the conditions where relatively low unemployment and high income prevail, leading to high purchasing power; and having enough money to invest in infrastructure.
- Generate income for social reinvestment:** the Council will develop 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.
- Cleaner and Greener:** the Council will work with others to maintain Sefton's natural beauty and ensure that its many assets provide a contribution to Sefton's economy, peoples wellbeing and the achievement of the 2030 Vision.

Sefton Council 

Asset Disposal Policy

1. Introduction
 - *Purpose*
 - *Objectives*
 - *Community Right to Bid*
 - *Scope of this Document*
 - *Other Development Initiatives*
 - *Document Structure*

2. The Council's Property Asset Base
 - *Background*
 - *Definitions*
 - *More information*

3. Asset Disposal & Development Principles
 - *Value for money*
 - *Working with local plans*
 - *Supporting economic development and regeneration*
 - *Promoting development and avoiding residual liabilities*
 - *Partner selection*
 - *Community led approaches*
 - *Self-build*
 - *Disposal process*
 - *Disposal for Less Than Best Consideration*

4. Key Development Sites
 - *Options for use and planning*
 - *Investment prior to disposal*
 - *Disposal routes*
 - *Disposal terms*
 - *Overage*
 - *Form of contract*

5. Other Land and Property Assets
 - *Market Sale Assets*

6. Disposal Programme

7. Policy Review

1. Introduction

Purpose

Access to a supply of development opportunities is a vital ingredient in successful economic growth. A key role for the Council is to work with government, other public bodies, the private sector and the VCF sector to unlock and accelerate the release of surplus public land and assets for the creation of new homes and employment opportunities. As part of this agenda we have been considering how we can best use the Council's own land holdings and property assets.

The Council's property assets can play a significant role in helping our communities achieve their ambitions, generate economic growth and realise a contribution to the Council's financial needs. To provide some clarity on the processes, this policy sets out how we wish to take forward the identification and disposal of our surplus land and property assets.

The government has set out its objective to achieve strong, sustainable and balanced economic growth. It has stressed the importance of land and housing supply and included a commitment to accelerate the release of public sector land to encourage new homes and jobs. Government Departments that hold land have been instructed to publish their release programmes and be held to account for delivery of new homes and jobs created as a result. The Council will seek to play its part and aims to lead by example including through the publication of this disposal policy.

This is Sefton Council's established formal asset disposal policy which is an active publication that will be refreshed on an annual basis. It aims to:

- set out our broad objectives in relation to how we use our property assets;
- summarise the Council's property asset base;
- set out the principles we use when making disposal decisions; and
- identify a list of sites and other property assets that are available for disposal.

Objectives

Recognising that land and property is a key enabler to promote economic, housing and community activity in Sefton, the Council has three key objectives in relation to our property and landholdings:

- being transparent about our property assets and our disposal principles and selling them in a way that creates a level playing field for potential end users to access sites when they are brought to market;
 - not holding land or buildings longer than necessary – making sure they are disposed of to support local growth,
 - that they are transferred to end users as quickly as possible,
 - carrying out disposals on terms that promote development, economic activity and growth.
- In disposing of assets, the Council will be guided by its obligation to secure value for money. Disposals are expected to be at market value predicated on the nature of the asset and any agreed mix of uses, however disposal at less than best consideration may be considered in exceptional circumstances.
- We expect to use our land and property assets effectively and in particular, to support the delivery of a range of housing to meet local needs. Such opportunities will be determined on a case by case basis taking account of the nature and location of the site.

Community Right to Bid

Under the Localism Act 2011 the Council is one of the public bodies covered by the Community Right to Bid (CRTB) under which any properly defined and recognised organisation can ask the Council to list a specified land or property asset (in public or private ownership) as an Asset of Community Value and should that asset then be sold on the open market there is the opportunity for the qualifying community group to bid for it within a prescribed timeframe and set of regulations.

The Council currently maintains and publishes two lists; a list, scheduling assets that have been successfully nominated as Assets of Community Value and one showing unsuccessful nomination. Each request to nominate will be considered on its own merit in accordance with the regulations established by the Act. We hope that the disposal principles and information about how we identify and dispose of assets contained within this document will help to provide context for any CRTB applicants relating to Council owned assets.

Scope of this Document

Although the Council has always worked in line with industry and professional best practise, this document formally documents the relevant process and practice. It is intended to monitor the effects of the policy and procedures with a view to carrying out a periodic review which takes account of any material changes in law, best practice and significant changes in the property market.

This policy focuses on disposal to end users (those who would carry out the development or long-term management/ownership of the asset). This policy does not consider how any capital receipts will be used as this area is governed by the Council's Capital Strategy.

Other Development Initiatives

It is clear that all public landowners have been asked to accelerate land release to support economic activity and housing growth. The Council is effectively seeking to accelerate its efforts to this end with the publication of this policy and is also working with public and private sector partners to explore the synergies available from the combining of adjacent land sites to create viable development opportunities.

Document Structure

The remainder of this document is set out as follows:

- Information about Council's landholdings;
- Core principles in disposal and development;
- Key development sites;
- Other land and assets – surplus operational assets and non-development assets; and
- Indicative schedule of sites available for disposal.

2. The Council's Property Asset Base

Background

The Council's property portfolio covers a wide range of assets and liabilities. The original reason for the Council (or its predecessors) to own the land will have arisen from; accumulation following the merger of the composite authorities that now comprise the Council; because the Council (and its predecessors) were considered best placed to manage the risks associated with these buildings and landholdings; or to holistically plan and manage development opportunities, such as infrastructure and expansion of settlements to enable economic growth.

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There is a concentration of assets in the main urban centres, but that aside there is no consistent pattern in terms of land distribution or type of site since the Council's inherited land and asset holdings are a reflection of the history of the Council and its predecessor bodies. The main categories of assets and in some cases liabilities are:

- The Council's operational property portfolio, including the Town Halls and other administrative buildings, schools, parks & green spaces and other specialist facilities;
- Various land and property interests across the Borough;
- The residue of the commercial ground rent portfolio (after disposal of the Industrial ground rents in 2007/2008);
- The residential ground rent portfolio (Including Chief Rents).

The breakdown of the portfolio between operational and non-operational properties as at the time of the publication of the policy document is as follows;

| | |
|----------------------------------|---------------|
| Operational | [380] Assets |
| Non-operational | [605] Assets |
| Residential Ground & Chief Rents | [2988] Assets |

The portfolio is a dynamic entity and these numbers will change over time as assets are reclassified, acquired or more likely disposed.

Definitions

In the remainder of this document we define the asset and landholdings as follows:

- **Key Development Sites:** sites suitable for development and identified as being of strategic priority. These may have either a positive or negative value in isolation so consideration will be given to packaging to create viable proposals to bring forward development.
- **Market Sale Assets:** other assets with a positive value which are not expected to play a strategically important role going forward (this includes smaller land sites, surplus operational properties and elements of the non-operational portfolio including the residential ground and chief rents).

More Information

A list of the Council's property assets is published on the Council's website under the *Transparency section*

3. Asset Disposal & Development Principles

This section of the policy sets out the key principles the Council will use when considering disposals and development across all the categories of land referred to in the previous section. Their application needs to be considered on an asset by asset basis and will reflect local market conditions and any specific proposals for the use of the site.

Value for Money

As a rule, the Council will seek to achieve a best consideration outcome given any agreed mix of uses. In exceptional or compelling circumstance the Council may agree to dispose at less than best consideration however this is unlikely to occur when the proposed transaction is set in a purely commercial context.

Where the Council is one of a number of landowners participating in a development scheme, we will work with them where possible, including to optimise the mix of uses and to get the best deal for the public sector as a whole.

Working with Local Plans

The Council's approach to the maximisation of outcomes from the development and disposal of land will be determined by local planning policies. Where sites have a planning allocation, we will work within that, unless it is agreed that a revised approach is appropriate. Where there is uncertainty, the Council will work with its partners to consider options for use taking account of wider policies and objectives and site viability.

Supporting Economic Development and Regeneration

The Council does not intend to hold assets longer than necessary. In considering the timing and nature of the disposal the Council will seek to ensure that its asset disposals complement the objectives for the economic development and regeneration of an area.

Factors that could influence the timing of disposal include:

- Strategic objectives for the area – for example if a major regeneration scheme is planned, the Council would not release its assets to market in advance of the wider scheme without appropriate contractual conditions;
- Local market and competing supply – the Council would not want to 'flood the market' if other land is already in the market and undeveloped; and
- Market appetite – where appropriate, the Council will carry out de-risking activities to improve the attractiveness of a site to potential purchasers and speed up its development once sold.

Promoting Development and Avoiding Residual Liabilities

In disposing of sites in areas where market conditions are difficult, the Council will consider a flexible approach that will incentivise development. We will do that on our own land and encourage our partners to do the same.

When disposing of sites the Council will aim to achieve a clear, sustainable exit having secured the desired uses and achieved financial close. The Council will seek to avoid residual liabilities. The principal circumstance where the Council would anticipate an ongoing role post development and financial completion is through longer term joint ventures or Local Asset Backed Vehicles.

Partner Selection

When disposing of developable land, the Council will seek to ensure that the purpose for which it is being developed meets the needs of the Council and the local community (using the planning system as the primary means to achieve this objective). The partner selection process should be transparent and identify the best placed organisation to develop the agreed use based on value for money and deliverability of proposals – both the construction phase and long-term management.

Given the inherent variability of each asset, each disposal is unique and whilst we set out below some of the core principles influencing the choice of disposal route, the Council will consider each case on its merits.

Disposals can be progressed by two broad methods:

- Competitively – there is a general presumption that such competitive disposals will be openly advertised and can include tender and auction; and
- Non-competitively – sales by private treaty or negotiated disposals.

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The guidance for Local Government bodies is that a competitive process should be the norm and that disposal by private treaty is the exception. To go down the negotiated disposal route there is a requirement to demonstrate that a non-competitive disposal will result in a better overall outcome for the public sector. This could include compelling practical reasons relating to the nature of the site and/or the identified party's status as a special or unique purchaser capable of extracting the full development potential (in terms of value, quality or outputs as appropriate).

There are two options in respect of competitive disposals:

- Single Stage Disposal - For simple sales or sales requiring a quick process then a single stage process is possible with interested parties
- Multi Stage Disposal – For larger, more complex propositions, the alternative is to adopt a multi-stage process with the first stage being a quick and efficient process to enable short-listing of the interested parties.

The Council will continue to adopt a case by case assessment relating to whether disposal opportunities have characteristics which raise the potential for the opportunity to be considered as a Procurement of Works. This technical assessment in conjunction with the view of local stakeholders and consideration of challenge risk will inform the case by case assessment. The incorporation of the EU Procurement Directive into English Law establishes that property transactions are outside the scope of the Regulations however this position becomes less clear when a simple sale is not adopted and where there is potential for the disposal objective to fall within the Works and Services requirements.

Community Led Approaches

The Council is committed to ensuring a level playing field in its partner selection, including community-led approaches. A community-led approach could compete on an even footing in a competitive market, either operating on its own or through partnership with a more experienced developer, Registered Provider or other private or public-sector partner. There is no defined set of circumstances in which a community-led approach should or should not work however there are some factors which are particularly beneficial to the success of the model:

- Local member support and / or a positive relationship between the group and the local Ward Members;
- A lead VCF organisation or other public body with time and resource to commit to enabling the community to come together and deliver the scheme;
- A shared commitment to a community led approach from all partners involved in the project;
- Availability of external expertise with experience in the sector;
- Strong and coherent community groups with a clear shared vision; and
- A business plan that clearly sets out a financially sustainable approach to the long-term management of the asset.

Self-build

Where Council owned plots have been identified as suitable for self-build, the approach to disposal will depend on the nature of the site. Individual plots may be sold directly to market, e.g. auction or through local advertisement. Small sites may be sold to organisations that can help facilitate bringing forward self-build schemes for self-builders or groups of self-builders. These plots are likely to be single infill plots, or small sites that can accommodate a small number of plots, rather than allocations within larger sites, however the Council will explore any statutory obligation to secure self-build plots within larger third-party developments.

The Council has established a 'register of interest' for people who may seek a self-build or custom build solution. The Council may need to consider introducing a further Policy to decide whether to sell sites/plots by way of an open market disposal for best price, or whether it may wish to prioritise which households may be given first/priority refusal for sites/plots.

Disposal Process

The main stages in the disposal process are as follows;

- Operational property closed, declared surplus to operational requirements and available for disposal by relevant Cabinet Member
- Non-operational property declared available for disposal by Cabinet Member Regulatory, Compliance and Corporate Services.
- Pre-disposal actions and activity (planning briefs or outline planning consent, disposal terms, method of disposal, etc) agreed by relevant Officers and implemented.
- The disposal will usually be handled by the Council's property team unless it is of a specialist nature that requires external expertise or resource
- In the case of open market disposals, the asset will be fully marketed using the Internet and more traditional advertising methods.
- The disposal process will take into account any moratorium periods under Community Right to Bid
- All offers will be considered for compliance with tender conditions and undergo a value for money assessment, initially by the relevant Council officials, before being reported as follows
 - Value: < £100,000 – Decision delegated to Head of Corporate Resources
 - Value: £100,001 to £500,000 – Decision made by Cabinet Member Regulatory, Compliance and Corporate Services
 - Value: > £500,001 – Decision made by Cabinet.
- After publication of the decision and progression through the call-in process (if instigated) the decision will be implemented and Legal Services instructed to deal with the requisite legal documentation and conveyance.
- Progress of disposal activity monitored by the Cabinet Member Regulatory, Compliance and Corporate Services

Disposals for Less Than Best Consideration

Local Authorities were given power under the Local Government Act 1972 Section 123 to dispose of land in any manner they wished, the only constraint being that, except in the case of leases for less than seven years, the sale had to be for the best consideration reasonably obtainable. Any other disposal at less than best consideration requires the approval of the Secretary of State.

Section 123 applies to land held for most local authority functions, but notable exceptions are disposals of land held for housing purposes within the HRA or otherwise let on secure tenancies (governed by the Housing Acts), and for planning purposes (governed by planning legislation). Until recently the 1998 General Disposal Consents enabled disposals at an undervalue in certain limited circumstances, e.g. disposals to a named charity.

It is Government policy that Local Authorities should dispose of surplus land wherever possible. Generally, it is expected that land should be sold for the best consideration reasonably obtainable. However, the Government recognises that there may be circumstances where an Authority considers it appropriate to dispose of land at an undervalue. However, when disposing of land at an undervalue, Authorities must remain aware of the need to fulfil their fiduciary duty in a way which is accountable to local people. Other specific consents/processes may be required for disposal of land held for particular purposes (e.g. charitable land, schools, allotment land or open spaces).

The General Disposal Consent (England) 2003 provides a general consent removing the requirement for Local Authorities to seek specific approval from the Secretary of State for a wide range of disposals at less than best consideration. Authorities are granted consent in circumstances where the undervalue does not exceed £2 million and where the disposing Authority considers the disposal is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of the whole or any part of its area or all or any persons resident or present in its area. It will be for the Council to decide whether any particular disposal meets these criteria or continues to require specific consent under the 1972 Act.

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All disposals need to comply with the European Commission's State aid rules. When disposing of land at less than best consideration, Authorities are providing a subsidy to the owner, developer and/or occupier of the land. Where this occurs, Authorities must ensure that the nature and amount of the subsidy complies with the State aid rules. Failure to do so would render the aid unlawful.

In Sefton, sales of land or property at an undervalue have only taken place on an exceptional basis and it is not envisaged that this approach will alter.

4. Key Development Sites**Options for Use and Planning**

Key sites will be identified through a periodic asset review. Thereafter, the Council may choose to agree a planning brief with the Planning Department (or in some circumstances seeking an outline consent if that process would resolve significant uncertainty about the use). Having achieved sufficient certainty, the Council would seek to dispose of the site and transfer the majority of the planning process to the developer, to allow them to bring their scheme through the local planning process.

Where assets are not yet allocated the Council will work with the Planning Department through the statutory planning process so that appropriate sites can be brought forward in due course with suitable infrastructure. The Council's planning policies will set out the requirements for sustainability and other elements of design and build quality on each site. If the Planning Department propose specific standards which relate solely to the Council's land holdings, we would seek further discussions around project viability.

Sites will predominantly be disposed of on a best consideration basis unless the provision of affordable housing has been prioritised in excess of the proportion required by current planning policies, subject to viability.

The Council will normally dispose of sites via open market means and invite bids however the Council is not bound to accept the highest financial bid. It may decide to accept a lower financial bid from a Registered Provider or equivalent, where they would seek to use a site to provide affordable housing, and the Council deems that the requirement for affordable housing outweighs the financial offer. Likewise the Council may limit the disposal of a site to offers from Registered Providers or equivalent only, where the Council is pro-actively seeking to secure the provision of affordable housing, or specialist housing to meet specific needs. Development briefs will be used to set out Council's specific requirements.

Investment Prior to Disposal

The Council may invest to de-risk the site prior to disposal. As a principle, the Council proposes to undertake the minimum necessary pre-disposal work. Often for key development sites there will be some complexity relating to planning, title, site conditions or environmental status. As many as possible of the investigations relating to such matters should be transferred to the purchaser however when the return on investment can be demonstrated and the site de-risked further work will be carried out.

In order to promote development and reflect market risk, larger sites may need to be sub-divided into manageable development parcels and disposed in phases. If some primary infrastructure is required to achieve that division into phases, the Council will need to consider how it can be funded, given local government expenditure constraints. Wherever possible, the Council will look to development partners to provide this infrastructure and use land value and adaptable payment terms to support this, (e.g. an open book approach with the provision of infrastructure reflected in the land value paid).

The Council will consider undertaking infrastructure works which would help bring forward self-build schemes and sites. The ability of the Council will be dependent on availability of funding to carry out such work.

Disposal Routes

Key development sites will generally be disposed of through a multi-stage disposal or through OJEU compliant procurement. We will generally dispose of strategic land on a single site basis. Smaller development sites may be best disposed of as a package of more than one site. In some cases, the best value for money route may be through a joint venture or Local Asset Backed Vehicle.

Joint ventures would normally be considered in the case of substantial or complex sites (with an expected construction phase of over four years) and an options appraisal would be carried out prior to selecting the preferred route. If local partners have developed or are developing a joint venture vehicle, the case for linking to or investing the Council's assets in that vehicle would be considered on a case by case basis and be subject to state aid and tax considerations.

The Council may also develop its own internal mechanisms to develop housing on land in its ownership. In this case the Council may choose not to expose the site to the market.

Disposal Terms

The terms of disposal will be considered on a case by case basis and reflect the development economics of a particular site and the risks associated with its development. In deciding which of the following broad sets of terms to use, the Council will seek to maximise the rate of development on a site (given the local market) whilst ensuring value for money. The decision on terms will focus on the optimal risk transfer to balance those objectives.

In some situations, the terms will be set before the disposal process starts, in other cases the disposal process will be used to test different terms to assess which offers the best value for money for that site. For smaller, self-contained sites where infrastructure costs are low and / or sites where demand is strong, an upfront payment may be appropriate as the sole basis of going to market.

For other sites, we would typically ask bidders to respond on one or more of three principal bases:

- upfront payment with overage;
- payment on milestones, for example at agreement of building lease, start on site, completion of phase (with overage), subject to a longstop date; and
- percentage share of sale values as units are sold, subject to a longstop date with a specified payment sum at that date.

Generally we would look to dispose of sites or phases at a scale where the repayment period would be up to five years, but an extended period would be considered if the specific circumstances direct that the extended time period would deliver a better outcome for the Council. Where payment is in the form of a percentage of receipts (the third option above), the longstop date should be within a five-year period, but with the ability to extend if circumstances dictate.

Bids will be compared on consistent basis which may include a discounted cash flow analysis.

When the Council disposes of its own land for residential development purposes, it will consider including provisions that require developers to sell houses on a freehold basis. This provision will still apply if the developer subsequently disposes of the land to another company.

Overage

Overage is usually defined as a method to capture, "an element of improved development value where there is a general uplift in the market or where the market value of the end development is not known at the time". The Council will seek to use overage alongside the base payment to capture value increases that were unexpected or uncertain at the time of disposal. This includes the situation where the market value at the end of the development exceeds that anticipated at the time of the disposal which may be as a result of

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increased house prices, and/or improved planning permission, amongst other things. Overage will be applied to all sites with an expected value in excess of £0.25m and other sites where it is considered appropriate (e.g. large, low value sites in an uncertain market or sites where a change in planning is possible).

Contracts will also include provision for claw back, including in the circumstances where the scheme is in material breach and forfeiture provisions are triggered requiring the claw back of the undeveloped land.

Form of Contract

In most circumstances where development outputs are expected, the Council's preferred disposal approach will be by way of Building Lease (or Licence). They will provide the Council with the ongoing legal interest in the land through to development completion thereby providing adequate protection in respect of any imposed conditions or any deferred payment arrangements.

Building Leases provide the following benefits;

- Building Leases are registrable legal interests and as such are preferred by the funders of developers. They are capable of being charged thus providing security to the funding process.
- Building Leases also afford funders adequate step in rights should a developer default.
- The Council will seek to adopt a fairly standardised format which will provide a consistency of approach to the market and should ensure disposal and transactional costs are kept to a minimum.
- The freehold may transfer to the developer or end purchasers after development completion/financial close, e.g. to a purchaser of an individual plot from a developer on completion of the sale.

The Council may also use a reversion clause in isolation or in conjunction with other control mechanisms to ensure that a preferred scheme is delivered.

5. Other Land and Property Assets

Market Sale Assets

Market sale assets are those which have not been identified as making a strategic contribution to the Council's business and social objectives. These assets will generally be much smaller or less valuable than the strategic sites and / or their end use may already be clearly defined (e.g. agricultural land with little chance of achieving planning permission for development to enhance value).

The nature of these assets and the Council's requirement to reduce its financial commitment to the asset base means that we will move to disengage from these sites in as straightforward a manner as possible.

The Council will continue to engage positively to requests from existing tenants wishing to acquire the freehold of their property particularly where the transfer will support further investment and job creation. The principal considerations are as follows;

- For market sale assets a development brief would not usually be required. Subject to case by case consideration, the transaction is more likely to be a straight disposal than procurement.
- Freehold transfer would normally be used with the purchaser expected to invest or build out in accordance with planning and building regulations. Market sale assets will usually be disposed of using an upfront payment at freehold transfer.
- The Council will not hold these market sale assets longer than necessary. The prioritisation of selection of assets for disposal will be influenced by holding costs and income generated. The Council will seek to disengage early from assets with highest holding costs but may need to consider the timing of disposal of certain assets if their receipt or income is needed to balance the costs of other sites.
- Claw back provisions may be included for change of use from a prescribed purpose.

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- For surplus parts of highways, grass verges, etc, we would generally seek to dispose on a freehold basis with a claw back condition in case of change of use. Disposal to private owners of adjacent properties may be considered if there is a clear indication that the transfer will not be contentious in the locality.
- For open space, there may be a range of potential recipients including the local Registered Provider and / or an associated community and not for profit organisations. In such cases, the Council would seek to transfer the land to such a body (preferably in perpetuity) with a clear specification of the level of ongoing management required, which will be tested for value for money and affordability. Such disposal would have due consideration to the relevant procurement rules.

Such transfers will have the benefit to the Council of reducing holding and management costs as well as ensuring that assets are managed sustainably in the future.

6. Disposal Programme

The Council will publish a list of the sites that it expects to bring forward for disposal over a rolling period of two years. These will be subject to review and due diligence and in practice it is likely that there will be additions and substitutions, but the purpose of publishing this information is to provide a transparent approach concerning potential disposals.

It will include a number of sites where disposal is being pursued on the basis of a review of Council assets based on the following criteria:

- Identification of strategic holdings;
- Development synergies;
- Demand from tenants or third-party interests;
- Reduction of holding costs

The listed sites are expected to be disposed over the relevant 24 months in accordance with the principles set out in this document with the aim of the realisation of capital receipts.

As set out in this document, sites will be disposed of or developers procured as appropriate. Opportunities will be advertised in due course as individual assets and sites are put forward in line with the agreed disposal programme.

7. Policy Review

This policy will be reviewed on a periodic basis to ensure that it takes account of any changes in professional and industry best practice and provides the Council with a fit for purpose means to review and rationalise the property asset base.

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| | | | |
|--------------------------------------|--|----------------------------------|------------------|
| Report to: | Overview & Scrutiny Committee (Regulation, Compliance & Corporate Services) | Date of Meeting: | 12 February 2019 |
| Subject: | Robustness of the 2019/20 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 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; and
- 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 2019/20.

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

What will it cost and how will it be financed?

(A) Revenue Costs

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Decisions taken as a consequence of this report will influence the Council's Revenue Budget and Council Tax for 2019/20 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 2019 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 5530/19).

Chief Legal & Democratic Officer has been consulted and her comments are incorporated in the report (LD 4654/19).

(B) External Consultations

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None

Implementation Date for the Decision

Following the Budget Council Meeting.

| | |
|-------------------|-----------------------------------|
| Contact Officer: | Stephan Van Arendsen |
| Telephone Number: | 0151 934 4082 |
| Email Address: | Stephan.vanarendsen@sefton.gov.uk |

Appendices:

None

Background Papers:

There are no background papers available for inspection.

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 2019/20 and the third 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 and the in-year financial pressure that has been generated in 2018/19, 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, e.g. 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.

Factors to be Considered

Financial Environment for Local Government and Sefton MBC

- 2.4 The Financial Environment within which local government is currently operating continues to be extremely challenging. After nearly 10 years of the government's austerity programme, there are an increasing number of authorities who are experiencing severe financial stress, both in terms of managing in year budgets and setting sustainable annual budgets.
- 2.5 Sefton has a successful track record of meeting its financial challenges and remaining on a sustainable financial footing, however the new and unforeseen in-year pressure of £8-£10m, that has been experienced in 2018/19 highlights the inherent risk that exists especially within those services that support the Council's most vulnerable residents.
- 2.6 Due to the scale of reductions that have taken place since 2010, the opportunity to manage new in year pressure of the value experienced in 2018/19 and then find the subsequent long-term savings is becoming increasingly difficult, but is essential in order for the council to remain financially sustainable. The management of this pressure remains one of the biggest risks facing the council over the next 12 months.

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- 2.7 This situation is compounded for all local authorities and Sefton, with the absence of any sustainable long-term funding solutions being made available from Central Government in relation to Adults and Children's Social Care and Schools and Families. Within Adults Social Care, the much-publicised long-term funding gap has yet to be met and a sustainable funding solution has yet to be developed, with Councils being offered short term funding options that are one-off in nature and fail to meet the level of resources required. Likewise, nationally over the last 18 months, Children's Social Care has experienced significant increases in both the number of children requiring support and the cost of providing this. There has been much lobbying and requests for support but again an appropriate long-term solution that supports these vulnerable children is not yet in place.
- 2.8 A number of local authorities are in the same position as Sefton, in having to manage this pressure and this will need diligent monitoring and the identification of remedial actions throughout the year to ensure that the appropriate level of service can be provided.

Impact of Previous Years' Budget

- 2.9 As a result of this environment, there has been an increased emphasis in developing this year's budget on ensuring that these key services start the year with an appropriate budget to meet current demand. In setting the budget for 2019/20, the forecast budget shortfall on four services (Adults and Children's Social Care, Schools and Families and Locality Service Provision) has been taken as the starting point for developing a sustainable budget.
- 2.10 As a result of this and the impact that this will have on previously approved Public Sector Reform proposals, an additional £13m of savings and Medium Term Financial Planning assumptions have been identified for implementation in 2019/20. These proposals are in addition to those previously approved for 2019/20 as part of the Councils three-year budget package (2017/18-2019/20) and mean that in next year a budget shortfall of £22m will need to be met.
- 2.11 Whilst the Council's original plan to meet its three year budget shortfall of £64m is on track, the additional financial pressure, presents the Council with a number of challenges that will need to be managed in the next 12 months, namely:-
- The need to divert additional member and senior officer capacity to delivering additional savings at the expense of delivering core services;
 - That the 'demand' trend within Adults and Children's Social Care and Schools and Families continues to increase thereby presenting the council with the real risk of additional financial pressure; and
 - That due to the lack of sustainable funding solutions, and the inadequate short-term funding provided by Government, the Council has used whatever flexibility it has in 2018/19, thereby limiting its opportunity to fund any new pressure in 2019/20.
- 2.12 As a result of this, the Council's approach to the risk management of the budget as set out later within this report will be critically important in 2019/20.

Four-year settlement and Central Government funding

2019/20

- 2.13 The financial settlement received for 2016/17 provided details of the funding levels to be received by the Council up until 2019/20. 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).
- 2.14 Whilst this certainty has been welcomed, with over 95% of councils accepting the multi-year settlement, the lack of flexibility within the settlement to reflect the changes and demand pressures faced by local authorities during these 4 years remains a cause for concern. As has been set out, the pressure on the councils most vulnerable services continues to increase both in terms of service demand and the incremental cost (caused by all authorities being in a similar position). These services now make up over 64% of the council's net revenue budget, therefore the lack of sustainable funding and the opportunity to make savings in these areas that can contribute to the overall £64m challenge are extremely limited. In addition, government one-off funding is often received at short notice and is far below the level required, thereby making budget planning difficult both in the short and medium term.
- 2.15 In respect of the 2019/20 budget, all of the Medium Term Financial Plan assumptions have been updated and are based upon confirmed funding due or latest detailed estimates e.g. council tax receipts.
- 2.16 As was reported in previous years, 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 have historically have been the case.
- 2.17 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 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

- 2.18 The scale of the budget shortfall that the Council has faced for period of this MTFP up until 2019/20 is severe and has 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 2019/20 budget setting process. This includes projects within the Public Sector Reform programme and the Strategic Investment / Economic Growth workstreams.

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- 2.19 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 two years of the budget plan and will continue into 2019/20 and beyond. As previously discussed the ability to meet the increased demand in Adults and Children's Social Care, Schools and Families and Locality Service Provision arising from 2018/19 has been a key aspect in developing this budget.

Resources to Deliver Change

- 2.20 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 has and will continue to change significantly in a number of areas. Within the three-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 2019/20 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

- 2.21 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 general price inflation. Due to the severity of the financial challenge facing the Council, services will be required to manage any such pressure within their existing cash limits.

Financial Management

- 2.22 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.

- 2.23 To support this approach and the inherent risk that is within the budget, a financial management review is currently taking place. To date Financial Procedure Rules and Schemes of Delegation have been updated, that have re-enforced the roles and responsibilities of Heads of Service, Budget Holders and finance staff and a training programme for these parties is also underway.
- 2.24 It has been stated both within this and also the wider budget report that the level of financial risk facing the Council and indeed all local authorities is increasing and 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.
- 2.25 In order to manage these risks and objectives, the Strategic Leadership Board and Members will need to monitor progress and delivery of each proposal and the financial performance of all services 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.

CIPFA Financial Resilience Index

- 2.26 CIPFA has recently published a first iteration of a Financial Resilience Index (which will be subject to further development over the coming months). This Index is intended to assist local authorities by identifying various indicators of potential financial stress for the organisation. There are 13 indicators which are compared to other local authorities. Seven of these indicators relate to the level of reserves held, three relate to the proportion of expenditure on high risk services (e.g. Adult and Children's Social Care) and three on the reliance of specific types of funding (Government Grants, Council Tax and Business Rates). As with any analysis of this type, it is based on raw data so needs to be carefully evaluated and local conditions considered before drawing conclusions.
- 2.27 When compared to other metropolitan district councils Sefton would appear to compare favourably (this being a relative conclusion when the overall financial environment within which the Council is operating is considered) in relation to its budget flexibility, i.e. relatively it spends a lower proportion of its budget on high risk services where the ability to reduce overall expenditure on these services is less due to rising demand. Sefton also compares favourably in that it is relatively less reliant on grant income. However, the Index shows that Sefton is at a higher risk of financial stress (relative to others) due to its level of reserves and balances at the end of 2017/18 being lower than other metropolitan councils. This is mainly due to the temporary use of Earmarked Reserves to fund the upfront payment of the Local Government Pension Scheme Deficit. The implications of this on these indicators is discussed further in Section 3.

Management of Risk

- 2.28 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

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Council's Internal Audit and Risk Section, the annual review of Corporate Governance and the completion of the Annual Governance Statement.

- 2.29 Given these controls and processes, the likelihood of unanticipated budget issues has been reduced as far as possible, however as outlined in this document and the budget report, the financial risks facing the Council both in this year and future years continue to increase. In the event that these have a material impact on the Council's budget a remedial action plan will be required both for the current year and to identify long term sustainable savings.
- 2.30 Within 2018/19, the Council made a decision to conduct a comprehensive mid-year review (as at end of July 2018) in order that members and officers could gain assurance on the deliverability of savings and visibility of any other emerging issues. This has proven to be an invaluable exercise in that it identified and forecast the in-year budget pressure of £8-10m and allowed sufficient time in order for a remedial plan to be developed and implemented. As a result of this and the ever increasing financial pressure, and to align with the development of the Council's corporate performance framework, detailed and comprehensive reviews will be conducted at the end of Quarter 1, mid-year and quarter 3 from 2019/20.
- 2.31 2019/20 represents the final year of the Council's current three-year budget plan and the setting of multi-year budgets within the Framework for Change programme has once again proven to be the correct decision in order to support service delivery, manage financial risk and deliver financial sustainability within ever tightening financial constraints. The Council will therefore commence the development of the next three-year MTFP (2020/21 to 2022/23) during 2019. At this stage, the funding envelope that the Council will be required to work within is unclear as Central Government embarks upon the review of the Business Rates retention model, a fair funding review and the review of Adult Social Care funding. These three reforms would represent the largest reform of local government finance in a generation and the impact will be significant for all Councils including Sefton.
- 2.32 The Council currently has a budget planning assumption that it may have to save a further £15m per year over the next three years (£45m in total), however until there is clear visibility on these reforms and the government 'promise' that the austerity programme will come to an end is understood, this planning assumption could and will vary considerably. In addition, central government has provided local authorities with limited one-off funding in 2019/20. This funding, whilst welcome, will not be available from 2020/21 therefore the importance of sustainable long-term funding that is in excess of current levels (and that aligns with the current government pledge that the austerity programme is over) will be critically important. As with each financial year, Officers will engage and lobby on all aspects of the reform programme in order to seek the most advantageous outcome for Sefton, but in the meantime the development of the next phase of reform projects will commence and will be facilitated by officer led Budget Development Sessions that will feed into Member discussions. The outcome of this work over the next nine months will be the setting of a new three-year budget in February/March of 2020.

Capital Strategy and Strategic Investment

- 2.33 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 2019/20 and an indicative plan for future years.
- 2.34 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.
- 2.35 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

- 2.36 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.

3. RESERVES STRATEGY 2019/20

- 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

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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 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 and one-off funding for 2019/20. These funding levels are included in the Budget Plan. At this stage, it is not expected that there will be any impact on funding available in 2019/20 as a result of Brexit, however this will inevitably impact upon future years' allocations.

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 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, particularly in respect of Adult and Childrens Social Care and Schools and Families. Based on the financial position as at the end of December 2018, these budgets have been re-aligned for 2019/20, however as discussed in this report there is still significant 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 2019/20 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. These reserves are reviewed as part of each budget cycle and the annual closure of accounts process.

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.
- 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 third 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.

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| Factors Considered | Risk Impact % of net budget | Impact on General Fund Balances £m |
|---|--|---|
| Normal Risk Level (lower level) | 3.0% | 6.6 |
| <u>National Considerations</u> | | |
| Impact of economic climate on Council costs | 1.0% | 2.2 |
| Anticipated reductions in Government Funding | 0.5% | 1.1 |
| <u>Local Considerations</u> | | |
| Delivery of planned changes in service delivery methods/contracts | 1.0% | 2.2 |
| Costs at risk from potential legal challenges | 0.5% | 1.1 |
| Rising demand for services | 1.5% | 3.3 |
| <u>Budget Setting Assumptions</u> | | |
| Sensitivity of budget assumptions | 1.0% | 2.2 |
| Significant earmarked balances | -2.5% | -5.5 |
| <u>Management / Member Actions</u> | | |
| Clear corporate / Member messages | -1.5% | -3.3 |
| Three-year plan developed | -1.0% | -2.2 |
| Total Abnormal Risk | 0.5% | 1.1 |
| Total Risk | 3.5% | 7.7 |

3.15 This shows that a risk adjusted assessment of the required level for the General Fund in 2019/20 should be in the region of £7.7m. A range of £1.0m is advised around this figure so a General Fund between £6.7m and £8.7m would be considered prudent. This represents 3.5% of the net budget.

3.16 The Council started 2018/19 with a General Fund balance of £9.132m. Incorporating the latest projections of expenditure for 2018/19 and the resultant anticipated use of General Balances it is estimated that the level of the General Fund by 31 March 2019 will be £7.209m. This would be within the assessed prudent range for 2019/20 and the risk assessed level will be kept under constant review. It should be noted that within the budget presented, a contingency sum of £1m has been included. Traditionally this sum has not been included within the budget, however in light of the extreme pressure in Adults and Children's Social Care and Schools and Families, it is considered that this is required. This is an additional provision to the general fund reserve.

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 2018 | Anticipated March 2019 |
|---|-------------------|-------------------------------|
| | £m | £m |
| Earmarked Reserves | | |
| - Strategic Reserves | 22.888 | 17.711 |
| - Committed Reserves | 12.589 | 12.589 |
| - Uncommitted Reserves | 0.000 | 0.000 |
| - Restricted Reserves | 1.934 | 1.934 |
| - Temporary Reserves | 7.668 | 6.003 |
| | 45.079 | 38.237 |
| School Earmarked Reserves | 0.916 | 0.916 |
| Total Earmarked Reserves | 45.995 | 39.153 |
| Temporary Use of Earmarked Reserves to Fund Pension Deficit Repayment | -20.308 | -10.154 |
| | | |
| Total Earmarked Reserves per Statement of Accounts | 25.687 | 28.999 |

- 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 55 existing earmarked reserves, 22 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 reserves held 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 2019/20 does not assume that any reserves will be used to support the delivery of savings, indeed £2m of previously utilised one - off reserves that were used to phase the introduction of savings will be returned to reserves in 2018/19 as set out in the 3 year budget plan. Any past and future use of these reserves is directly attributable to the delivery of long term sustainable savings.

Comparison of all Revenue Reserves

- 3.24 As mentioned in paragraphs 2.26 and 2.27, CIPFA has produced a first iteration of a Financial Resilience Index to assist local authorities in identifying early indicators of financial stress. Seven of the 13 indicators relate to the level of Earmarked Reserves and Balances held by the Council. 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 information produced by CIPFA reflects March 2018 balances. When comparing Sefton to other metropolitan district councils it would appear that Sefton is at more risk of financial stress due to its relatively low level of Earmarked Reserves and balances. However, this is mainly due to the temporary use of Earmarked Reserves to fund the upfront payment of the Local Government Pension Scheme Deficit (which has reduced Earmarked Reserves by £20.308m).
- 3.26 If this accounting adjustment is excluded from Sefton's indicators then they compare more favourably with other Councils. For example, the total level of Reserves and Balances would be 24.4% of net revenue expenditure. Out of the 36 metropolitan district councils, ten others have an indicator of between 20-30% with 22 having a higher percentage. Whilst each authority's assessment of risk will vary, this benchmarking process provides a broad indication that levels are adequate but not excessive. However, this level does reflect that the use of reserves needs to be carefully considered and be aligned to the delivery of financial sustainability.

Capital Reserves

Capital Receipts Reserve

- 3.27 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.
- 3.28 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 2017/18 was **£5.675m**.

Unapplied Capital Grants and Contributions Reserve

- 3.29 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 2017/18 was **£9.333m**. This funding will be utilised in future years. However, additional grants and contributions will be received that won't be fully utilised in the years they are received so will remain in the Reserve until utilised.

School Reserves

- 3.30 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

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- 4.1 Based upon the information contained within this report, it can be seen that although the councils 3 year financial plan is on target, 2019/20 will represent another significant financial challenge. In addition to a substantial savings package that needs to be delivered, the continually increasing demand being experienced in core councils services and the lack of funding available presents a real risk to the council that will need to be managed throughout 2019/20 as it has been in 2018/19. In the event that this pressure materialises, robust remedial plans will need to be developed and presented to members for decision in order that financial sustainability is maintained. Due to the existing pressure within the budget, the identification of such proposals will become increasingly difficult but all options will need to be explored, considered and implemented efficiently and these will be reported regularly to members.

The information provided from the initial work undertaken within the CIPFA financial resilience index, outlines that the Councils reserves whilst being at a level that can support the budget and being comparable with a number of authorities, are not excessive. As such this level will need to be kept under careful monitoring with any use of reserves carefully managed and directed towards maintaining financial sustainability. As such these reserves offer limited flexibility and it is considered prudent to maintain them at, at least current levels.

- 4.2 Alongside this programme, work needs to commence on the Councils next 3 year budget. A forecast large budget shortfall will require further difficult decisions to be made but this scenario is further complicated by the absence of any firm detail around the financial envelope that the council will work be working in. As such the planning total is considered fit for purpose, but the fact that officers and members have less than 12 months to develop a budget package for the next 3 years when the key changes that are proposed from the reform of local government finance and their impact are not known, again presents a real risk that will need managing over the next 9 months. Throughout this period and in advance of the councils MTFP being reported in the autumn of 2019, officers will seek to evaluate the impact of these changes and communicate them to members accordingly.
- 4.3 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: | Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services) | Date of Meeting: | Tuesday 12 February 2019 |
| Subject: | Revenue and Capital Budget Plan 2019/20 and approach to Financial Strategy 2020/21 to 2022/23 | | |
| Report of: | Chief Executive, 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:

On 14 February 2019, Cabinet will be asked to recommend to Council a Budget Plan for 2019/20. On 28 February 2019, the Council will be asked to consider and approve the Budget Plan for 2019/20, and also the level of Council Tax for 2019/20. This report will provide Overview & Scrutiny Committee with:

- An assessment of the Council's current financial position and approach to the 2019/20 Budget Plan and preparation for the new three-year budget period 2020/21 to 2022/23;
- 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 2019/20;
- The Council's current financial position and the assumptions built into the Medium Term Financial Plan;
- The proposed Budget for 2019/20; and,
- The proposed Capital Programme for 2019/20.

The report sets out 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 and to balance its budget every year.

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, a

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detailed assessment of the previously approved plans for 2019/20 has been undertaken to confirm their deliverability. In addition, a limited number of additional savings proposals have been identified to balance the budget and ensure long-term financial sustainability.

The Overview & Scrutiny Committee will wish to consider the report and provide any comments to Cabinet regarding the Budget Plan for 2019/20 and setting the Council Tax for Sefton Council for 2019/20.

Recommendation(s):

Overview & Scrutiny Committee is recommended to:

1. Note the pressure arising from the 2018/19 budget and the resulting impact on the 2019/20 budget and the requirement for additional proposals to be approved in order to support financial sustainability;
2. Note the update of the Medium Term Financial Plan for the period 2019/20 to 2022/23; and,
3. Consider the proposals within the report and to provide any comments to Cabinet which can be considered as part of the formal approval of the Budget Plan for 2019/20 and the Council Tax for 2019/20.

Reasons for the Recommendation(s):

To ensure that Overview and Scrutiny Committee is fully aware of the latest MTFP position and the projects which need to be implemented to balance the budget in the next financial year. This engagement will support the Council in its duty to agree a budget and the level of Council Tax for 2019/20 on or before the statutory date of 10 March 2019.

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

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 Council 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. This notification under Section 188 is dependent on numbers and other ongoing activity.

In a similar way to a notification under Section 188, as above Form HR11 notifying of potential redundancies to the Department of Business Innovation and Skills may be necessary. Full consultation will take place with the Trade Unions and employees on the matters contained within the Budget Plan.

The proposals within the budget plan will 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 on or before 10th March 2019. In the course of considering each of the individual budget 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 transparent.

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 processes and to assess the impact of potential change options, identifying any risks and mitigating these where possible. Equality 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 with 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 since 2010 have focused on the priority given to protecting our most vulnerable people. The Budget Plan activity continues to seek to protect the most vulnerable within available resources.

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Facilitate confident and resilient communities:

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.

Commission, broker and provide core services:

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.

Place – leadership and influencer:

This first and second years 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.

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.

Drivers of change and reform:

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.

Facilitate sustainable economic prosperity:

The Budget Plan clearly articulates the Council's approach to investing in order to achieve financial sustainability and the ambitions of Sefton 2030.

Greater income for social investment:

The Budget Plan recognises the Council's commitment to developing a commercial nature, looking at what it can do either by itself or with others to generate income and profit that can be reinvested into delivering social purpose.

Cleaner Greener:

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.

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 (FD5537/19) is the author of the report and the Chief Legal and Democratic Officer (LD4661/19) has been consulted and any comments have been incorporated into the report.

(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 budget setting 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. 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

Cabinet on 14 February 2019 will receive and consider any comments on the Budget Plan from this Committee. Cabinet will then recommend the Budget Plan to Council (including any changes from Overview & Scrutiny Committee that are included by Cabinet). Officers will then be authorised to implement all decisions within the Budget report immediately following Council approval on 28 February 2019.

| | |
|-------------------------|---|
| Contact Officer: | Margaret Carney and Stephan Van Arendsen |
| Telephone Number: | Tel: 0151 934 2057 / 4082 |
| Email Address: | Margaret.Carney@sefton.gov.uk/ Stephan.VanArendsen@sefton.gov.uk |

Appendices:

- A. Service Options 2019/20
- B. Individual School Budgets 2019/20
- C. Draft Council Budget Summary 2019/20
- D. Fees and Charges 2019/20
- E. Capital Programme 2019/20 – 2020/21

Background Papers:

Mid-Year Review 2018/19 and Medium Term Financial Plan Update 2019/20 Onwards (incorporating the Revenue and Capital Budget Update 2018/19) – Report to Cabinet – 6th September 2018

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1. Introduction

- 1.1 This report provides Members with an update on the overall financial position of the Council. It refreshes the Medium Term Financial Plan for 2019/20 which is the final year of the Council's current Financial strategy period. In addition, it provides an initial view on the likely funding position that the Council will face from 2020/21 to 2022/23, including implications of the local government finance settlement. In doing so the report presents the proposed budget for 2019/20.
- 1.2 In addition, Individual School Budgets, Fees and Charges and the Capital Programme require approval.

2. The National Context and financial environment

- 2.1. 2019/20 will be the tenth year of the Government's programme of austerity. The impact of continuing central government funding reductions on local government since 2010 is stark and has been widely reported. The National Audit Office (NAO) has published a report into the financial sustainability of local authorities which summarises the legacy of funding reductions and outlines the main challenges facing councils over the short and medium term.
- 2.2. The NAO found that local authorities experienced an average 49.1% real terms reduction in central government funding between 2010/11 and 2017/18. For Sefton, central government funding has reduced by 51% compared to 2010 thus demonstrating the inequality in funding reductions across the country and the disproportionate impact on this Council.
- 2.3. Key findings from the NAO report highlight:
 - A 3% real terms reduction in spend on social care services;
 - 10.9% growth in the number of looked after children;
 - 14.3% increase in the number of people aged 65+ in need of care.
 - Expenditure on non-social care services has fallen by 32.6%;
 - Local authorities overspent on service budgets by £901m (2016/17); and
- 2.4. At the same time, as unprecedented cuts to core funding, local authorities have encountered increasing demand and cost pressures. This has been most apparent in adult social care and children's services as well as new burdens due to unfunded central government initiatives including the impact of the Living Wage and Apprenticeship Levy.
- 2.5. The Local Government Association (LGA) analysis of the funding gap in local government is shown in the table below and underlines the magnitude of the cost pressures faced and which all Council's including Sefton, have needed to manage during the course of this MTFP period and which will again need to be met in 2019/20.

| | 2017/18 | 2018/19 | 2019/20 |
|--------------------------|---------------|---------------|---------------|
| Children's Services | £1.1bn | £1.6bn | £1.9bn |
| Adult Social Care | £1.1bn | £1.3bn | £2.2bn |
| Homelessness | £100m | £100m | £200m |
| Apprenticeship Levy | £200m | £200m | £200m |
| Other Services | £1.2bn | £1.8bn | £2.3bn |
| Total Funding Gap | £3.7bn | £5.0bn | £6.8bn |

- 2.6. In light of this position many local authorities are reporting that they are coming under an increasing level of financial stress, with an increased use of one-off resources being used and the utilisation of reserves to bridge budget shortfalls, thus compromising their financial sustainability. The much-publicised situation at Northamptonshire County Council outlines the consequences of over relying on the use of reserves to mitigate funding reductions and a failure to effectively plan and enact robust and disciplined financial control.
- 2.7. In the last two years there has been some one-off funding allocated by Central Government to councils in addition to core funding to assist with the pressures being experienced across the sector. These short-term funding initiatives, whilst welcome, do not meet the spending pressures that local authorities, including Sefton, are experiencing; nor do they make it possible for councils to effectively plan over the short and medium term. Consequently, despite a four-year settlement being in place, local government continues to be underfunded, with key services that affect the most vulnerable in society not being sustainably supported.
- 2.8. Over the next six months the government has committed to the biggest review of local government finance in a generation. In addition to the recent Central Government declaration that the austerity programme is over, there is a commitment to a Fair Funding Review to address concerns about the current distribution of funding to local authorities. This review will look to implement a foundation formula which is transparent and sustainable. In addition, the eagerly awaited publication of the Adult Social Care Green Paper which is due “at the first opportunity in 2019”; and the reform and full roll out of the business rates retention scheme must all be brought together to develop a genuine long-term plan to deliver financial sustainability to local government. This is a large, complex and resource intensive reform programme that will fundamentally change the landscape and funding for local government and will require significant Member and officer input over this period to influence, understand and evaluate the key issues presented.

3. Sefton’s local factors and approach to sustainable financial planning

- 3.1. Sefton, like many local authorities, has found the last ten years challenging in terms of the national funding conditions outlined above and in light of significant and growing pressures across a range of council services. The Council has a proven track record of effectively managing its finances, meeting its financial objectives and delivering financial sustainability, however this is becoming increasingly difficult. In the Council’s recent Peer Review the approach to

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sustainable financial management was a key strength in the management of the overall Council.

- 3.2. In 2010, Central Government imposed 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 needing 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.
- 3.3. 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 rapidly increased over recent years as reflected in the NAO study. No sustainable additional resource has been provided by Government, although there has been some one-off grant to help to mitigate some of the cuts to core funding. Service budgets have seen significant reductions and as a result there have been major changes in service provision; however, the Council has continually strived to ensure that essential services that safeguard the most vulnerable residents are protected and prioritised in addition to ensuring that financial sustainability is maintained.

The Framework for Change Programme

- 3.4. During the current budget planning period of 2017/18 to 2019/20, the Council was faced with an overall funding gap of approximately £64m. 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.
- 3.5. The delivery vehicle for the Council's core purpose, with financial sustainability at its heart, is the "Framework for Change" programme. The key pillars of the programme – Growth, Public Sector Reform, Service / Corporate Savings Options and Strategic Investment – were approved by Members.
- 3.6. In the budget plan and the Framework for Change programme, the Council has continued to clearly demonstrate that the feedback from the Imagine Sefton 2030 consultation has been taken into account in the development of new strategies, projects and approaches to service delivery.

Framework for Change – Pillar 1: Growth

- 3.7. The Council's budget plan recognises the importance of investing in regeneration activity, assets and the Borough's infrastructure to support the creation of business growth, jobs and attract investment.
- 3.8. Growth is about creating new opportunities economic activity, maximising Sefton's unique assets including its coastline and ensuring opportunities for growth are linked to the need of residents. The focus for activity on growth across the Borough covers a number of areas including town centre regeneration, attracting investment into the Borough, developing our key growth sectors and management

of Sefton's coastal gateways. Utilising our assets and working in partnership to maximise opportunities available, a number of projects are in the process of development building on work undertaken to date including the Council's town centre investment frameworks and strategies, environmental improvements completed in Crosby Village; work undertaken as part of the Southport Pier improvement programme; and emerging work on the Sefton Economic Strategy, Visitor Economy Strategy and Hotel and Visitor Accommodation Study to help shape and influence delivery. In addition, and forming a key component of delivery, is the promise to deliver sustainable transport solutions as part of a Liverpool City Region wide programme, three schemes have been approved on the A565 as well as a number of improvements to cycle routes; Identifying possible external funding sources available to help realise Sefton's growth projects, is key element assisting delivery.

- 3.9 Digital connectivity and opportunities for further investment are a key element of the boroughs growth strategy. In particular, Sefton is exploring its current digital infrastructure capacity and opportunities for growth working alongside city region partners; Sefton's involvement in the City Region digital agenda, includes but not exclusive to provision of an infrastructure that is future fit for digital connectivity and the benefits that this delivers. The importance and value for Sefton and the wider city region in respect to digital is heightened by the "transatlantic cables" that land at Southport, which provide unique digital global connectivity and the associated significant potential this infrastructure could provide.
- 3.10 Building on and progressing the Growth and development of specific Sefton projects that have been and are part of the Economic Growth Programme; Sandway homes is now operating and has influence and interest in three Sefton sites delivering a potential of 120 new homes.
- 3.11 Working with new and existing projects, opportunities continue to be developed and delivered including Mersey Reach/Chancery gate – This is a c. £20m investment in a new industrial scheme that will create over 200,000 sq ft of new employment space, with the potential to create c. 375 new jobs. Also within Bootle town centre future development and opportunities are progressing in respect to the Strand. Working closely and part of the Growth Programme, InvestSefton engages with key employers across the borough to retain and develop investment opportunities. An example of this is the ongoing work with Santander, were the InvestSefton worked with Senior Executives at Santander to enable a positive decision to be made and resulted in the announcement of a new £75m investment to create the group's Operational Hub for the UK. Sefton Council are now working closely with Santander to deliver this investment.
- 3.12 Finally, the Council will seek to promote investment opportunities and sites to investors including marketing and promoting Sefton as a place to live, work and visit.

Framework for Change – Pillar 2: Public Sector Reform (PSR)

- 3.13 Significant progress has been made in the Public Sector Reform projects that seek to work with partners to deliver affordable services which achieve the best

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possible outcomes for the people of Sefton. A summary of the PSR programme is shown in section 4 which updates the 2019/20 Budget Plan.

3.14 As the Council's PSR projects are implemented, the Council will continue to change the way that it works and the way it uses its assets. 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.

3.15 Through Imagine Sefton 2030 local people were clear that the council needed to celebrate and care for local assets; this summer saw the launch of Green Sefton – bringing together Coast and Countryside, Parks and Greenspaces, Flooding and Coastal Erosion, Risk Management and Grounds Maintenance teams to ensure a joined-up approach to the vital management, development and oversight of the beautiful coastline, parks and green spaces for years to come.

3.16 Services in localities have come together, as part of a new Locality Delivery Model, to help deliver the early intervention and prevention agenda and ensure that the council is providing more joined up support at the right time and in the right ways to help people make positive changes to their lives.

Framework for Change – Pillar 3: Service and Corporate Saving Options

3.17 The Council will continue to explore all opportunities to make every pound count through Service and Corporate Savings Options. The second 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 £2.269m of savings in 2019/20. These additional Service Options are further explored in section 6 which focuses on the 2019/20 Budget Plan.

3.18 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.

Framework for Change – Pillar 4: Strategic Investment

3.19 The first year of the budget plan saw the Council demonstrate delivery against bold ambitions with the purchase of the Bootle New Strand Shopping Centre. The second year has seen approval granted to create a wholly Council owned Housing Development Company. "Sandway Homes" will not only enable new homes to be built for local people, but also generate additional financial resources to help protect Council front-line services. These strategic investment decisions sit at the

heart of Council and partner ambitions and aspirations, to create a great place to live, work, visit and invest.

- 3.20 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 developments such as these are taking place. The investment used to deliver this type of project cannot be used to deliver day to day Council services; however, the future income that they generate can be used to help protect frontline services and make Council services more sustainable in addition to the wider regeneration and economic benefits that they will deliver to both the Borough and residents.
- 3.21 The Council will continue to explore, develop and implement new income generating opportunities in order to support future sustainability and improve outcomes for local people. These 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.

4 Budget Plan Update 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 became available and projects progressed through their various stages of development, consultation and implementation.
- 4.2 As part of this budget setting cycle, each key element of the budget plan has been revised, namely: -
- There has been an assessment of the ongoing impact of financial pressure in 2018/19 on the 2019/20 budget;
 - All savings proposals previously approved have been reviewed to ensure deliverability; and,
 - All MTFP assumptions have been revised, and this builds upon the MTFP that was presented in the September 2018 Mid-Year Review. In addition, the implications of the Provisional Local Government Finance Settlement for 2019/20 have been reviewed.

The following sections of the report detail each of these aspects in turn.

The 2018/19 Budget Position and Impact on 2019/20

- 4.3 The three-year budget has been built on solid foundations, but the Council remains vulnerable to a range of environmental factors that without robust and timely action could impact upon its financial sustainability and which requires flexibility regarding budgetary decision making.
- 4.4 This vulnerability to external factors and the adverse impact it could have on council expenditure was highlighted in last year's budget report. Members therefore agreed that a comprehensive Mid-Year Review would take place to

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allow mitigations for the current year and a strategic approach and update for 2019/20 to be developed; building upon the Council's success of setting multi-year budgets.

- 4.5 The outcome from the Mid-Year Review highlighted significant new in-year cost pressures which have been reported to Cabinet throughout 2018/19 and which will have an impact into future years. As a result, a revised 2019/20 budget gap and some additional budget options are presented in this report for approval to contain spending within available resource limits.
- 4.6 The latest 2018/19 budget monitoring position for December 2018 reports a projected net service deficit of £6.760m. Best estimates of the impact on the 2019/20 budget of the current cost associated with the demand for front line services is that it will mean full year equivalent pressure of **£7.800m**. Provision will be made for this sum in the budget (see para 5.15) and Major Services Reviews will seek to reduce this pressure where possible. This, together with the final outturn position, will determine the final budget allocation to these services with Cabinet being presented with recommendations at the appropriate time. A summary of the key cost drivers in these services include:

Children's Social Care - £4.300m

- During the current financial year there has been a steady increase in the number of children and young people in care, from 469 in April to 508 in December. In addition to more children and young people in care, there are more in residential settings which can cost up to six times as much as alternative family based placements.
- The proportion of looked after children in high cost residential placements has risen from 9.8% to 11.1% which means the overall unit cost per place has increased; not only are there more placements, but the average placement cost is rising.
- A review of the top ten most expensive placements is underway to better understand commissioning arrangements and to explore opportunities to work with the market to mitigate any further cost increases and if possible reduce cost between now and the end of the year.

Adults Social Care - £0.800m

- The community care budget is under significant pressure due to sustained increases in demand for services across the system; in particular upward trends in demand, in year, for Domiciliary Care packages and also in numbers of clients in receipt of Direct Payments to fund their own care. There are pressures from the NHS in relation to delayed transfers of care and the need for more rapid hospital discharge impacting on demand for residential and reablement services. The budget pressure has been intensified by the cost of services for Children transitioning into Adult Social Care. The sustained increase in demand is combined with a lack of capacity in the provider market where difficulties in staff retention and other pressures are being experienced.

- In order to seek to mitigate budgets pressures, reviews of the highest cost packages have been undertaken and maximum NHS funding has been sought for appropriate cases. In addition, a Complex Case Board meets regularly to review any proposed decisions for complex cases and related costs.
- Inconsistent central government funding arrangements from year to year, with announcements being made late in the financial year, has not assisted with the ability to plan sustainable services, particularly where funding is non- recurrent

Schools and Families - £1.600m

- The forecast cost of packages for children with disabilities and direct payments is increasing due to some high cost cases. Home to School Transport is also under pressure due to rising numbers of children with SEND receiving transport, combined with rising prices from external providers.

Locality Services Provision - £0.900m

- The cemeteries and crematorium service achieves a net income but the surplus has been below budget in recent years due to competition from private sector providers.
- Sefton Arc are currently forecasting under achievement of budgeted income; and,
- Cleansing services have budget pressures due to the number of new build properties and the subsequent demand for new and/or replacement bins and staffing requirements.

4.7 In addition to service overspends there are some phasing delays in delivery of the Public Sector Reform Programme of £0.819m with an additional £1.659m which will not be delivered (see paragraph 4.12) and will require alternative options to be brought forward. It is important to note that with increased demand pressure within these core services occurring nationally and in Sefton, the Council not only has to divert or find additional resources to meet the expenditure but it also limits the opportunity to make savings either from the currently approved PSR programme or as part of a new requirement. These services make up the majority of the Councils net budget and as such this process is becoming increasingly difficult.

4.8 The overall pressure in 2018/19 is £9.238m as shown in the table below:

| | £m |
|---|--------------|
| Net Service Pressures | 6.760 |
| PSR Programme – Phasing Delays in Delivery | 0.819 |
| PSR Programme – Reduction in Saving Planning Assumption | 1.659 |
| Total Budget Pressure 2018/19 before mitigating measures | 9.238 |

4.9 The latest Budget Update Report to Cabinet (7th February 2019) contains measures within the medium term financial plan which mitigate cost pressure for the current year through a number of one-off actions totalling £6.046m. In

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addition, service areas have reviewed their budgets and have identified uncommitted funding and other actions that will reduce the deficit, including a moratorium on non-essential expenditure and a review of reserves and balances. This will realise a further £2.815m. The remaining pressure will be met by a freeze on all non-essential vacancies and expenditure for the remainder of the financial year.

- 4.10 As a result of this pressure in 2018/19, corresponding long-term funding solutions are required for 2019/20 in addition to those already approved. These are shown at Section 6.

Review of Public Sector Reform Projects 2019/20

- 4.11 The Budget Plan for 2019/20 included a budget planning assumption for Public Sector Reform projects savings to be delivered in 2019/20 of £11.072m. In addition, £1.810m of savings from 2018/19 weren't permanently achieved in the year so will need to be achieved in 2019/20. The total savings planned for 2019/20 from the PSR programme were therefore £12.882m. However, the budget planning assumptions have now been revised to £9.517m, a reduction of £3.365m (this is in addition to the reduction of £1.659m in 2018/19). The table in paragraph 4.12 provides explanations for the revised planning assumptions.
- 4.12 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:

| PSR Project | Saving 2019/20- original estimate (incl. Phasing) | Saving 2019/20- revised estimate | Reduction in Planning Assumption 2019/20 | Additional Reduction in Planning Assumption from 2018/19 (para 4.7) |
|--|--|---|---|--|
| | £'m | £'m | £'m | £'m |
| PSR1-EIP Most Vulnerable | 0.781 | 0.242 | 0.539 | 0.000 |
| As reported the Children's Social Care budget is under significant pressure – It is therefore not possible to achieve the savings on the Looked After Children budget. The Service will be subject to a Major Service Review commencing from quarter 4 of 2018/19. | | | | |

| | | | | |
|---|---------------|--------------|--------------|--------------|
| PSR2-EIP Locality Teams / Personalisation | 4.408 | 4.408 | 0.000 | 1.000 |
| By 2019/20 this project will have achieved savings of £9.350m, a shortfall of £1.000m on the planning assumption. As the new service model is introduced the next phase of the project will be developed | | | | |
| PSR4-Special Education Needs and Disability | 0.665 | 0.089 | 0.576 | 0.659 |
| As reported the Schools and Families budget is under significant pressure – As a result the savings on Children with Disabilities and Home to School Transport need to be reduced and the Service will be subject to a Major Service Review commencing from quarter 4 of 2018/19. | | | | |
| PSR6-Creating New and Improving Revenue Streams | 0.405 | 0.405 | 0.000 | 0.000 |
| PSR8-Asset Maximisation | 1.512 | 0.512 | 1.000 | 0.000 |
| A planning assumption of £1.000m was included for 2019/20 to reflect the potential savings from a full review of the Council’s assets. Whilst the Council is still moving towards full Agile Working and the Localities model the planning assumption has been revised. Future savings will be brought forward as assets are decommissioned / disposed of. | | | | |
| PSR9-ICT and Digital Inclusion | 3.439 | 3.439 | 0.000 | 0.000 |
| PSR10-Commissioning and Shared Services | 1.672 | 0.422 | 1.250 | 0.000 |
| A planning assumption of £1.000m was included for 2019/20 to reflect the potential savings from a full review of procurement activity, however there has been limited progress during 2018/19. In addition, a saving of £0.250m relating to Shared Services is now considered unachievable as no suitable opportunities have been identified. Any further savings on procurement activity will be brought forward as savings options. | | | | |
| Totals | 12.882 | 9.517 | 3.365 | 1.659 |

Updated Budget Plan 2019/20

- 4.13 Based upon the budget pressures being experienced in Services and revisions to the Public Sector Reform Project saving assumptions it is now estimated that the total Budget Plan savings required in 2019/20 will be £22.341m compared to £12.882m in the original plan. In addition, the original Budget Plan included a funding gap of £3.781m prior to any decision on any Council Tax increase. A detailed analysis is shown below:

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| | £'m | £'m |
|--|-------|---------------|
| Additional Budget Pressures from 2018/19: | | |
| - Adult Social Care | 0.800 | |
| - Children's Social Care | 4.300 | |
| - Locality Services | 0.900 | |
| - Schools and Families | 1.600 | |
| - Other | 0.200 | 7.800 |
| | | |
| Public Sector Reform Projects – amended assumptions: | | |
| - 2018/19 | 1.659 | |
| - 2019/20 | 3.365 | 5.024 |
| | | |
| Public Sector Reform Projects – Planned savings: | | 9.517 |
| | | |
| Total Savings Required 2019/20 | | 22.341 |
| | | |
| Original 2019/20 MTFP Funding Gap (prior to Council Tax Increase) | | 3.781 |
| | | |
| Total Revised MTFP Funding Gap (prior to Council Tax Increase) | | 26.122 |

5 Medium Term Financial Plan Update 2019/2020

The Local Government Settlement for 2019/20

- 5.1 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 three 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.
- 5.2 The Provisional Local Government Finance Settlement for 2019/20 was announced on 13th December 2018.
- 5.3 Members will recall that 2019/20 represents the final year of the four-year funding settlement. Therefore, the majority of the underlying figures in the settlement have been known for some time, however the Council has been hampered in its financial planning due to the uncertainty over previous short term and one-off funding in response to national pressures in social care in particular. This will impact upon the Council's short and medium term financial planning (beyond 2019/20).

5.4 Funding Changes

The Provisional Settlement includes details of the allocations of the additional funding for social care announced in the Autumn Budget Statement 2018 and the new proposed distribution of part of the national business rates levy account surplus (see paragraphs below). In addition, it confirmed the expected Council Tax Referendum Principles for 2019/20 (an increase not exceeding 3% without triggering a local referendum) and New Homes Bonus allocations (an increase of £0.024m on the amount assumed in the Budget Plan for 2019/20).

5.5 Winter pressures funding

The Autumn Budget Statement announced that £240 million of additional funding would be allocated in 2019/20 for councils to spend on adult social care services to help councils alleviate winter pressures on the NHS. This funding is being distributed based on the existing Adult Social Care Relative Needs Formula. This funding is ringfenced and will be pooled into the Better Care Fund to enable use of established reporting procedures. Sefton's provisional grant allocation is **£1.525m**.

5.6 Social Care Support Grant

The Autumn Budget Statement announced a further £410 million of additional funding would be allocated in 2019/20 for use for adult and children's social care services. This grant will not be ringfenced, and conditions or reporting requirements will not be attached. This funding is being distributed based on the existing Adult Social Care Relative Needs Formula. Sefton's provisional grant allocation is **£2.605m**.

5.7 Business Rate Retention - Levy Account Surplus

In previous years, the Government has top-sliced Revenue Support Grant as it appeared that the business rates levy would be insufficient to fund the safety net payments. There is now a surplus on the 2018/19 levy account of £195m. The Government intends to distribute £180m of this surplus as a one-off, back to all local authorities based on the 2013/14 settlement funding assessment. It is intended that the remainder of the surplus, £15m, be held back to meet potential safety net payments for 2019/20. Sefton's provisional allocation is **£0.980m**.

It is important to note that each of these allocations are one-off in nature and whilst this can be used to support the setting of the 2019/20 budget, in the event that this funding is not made available from 2020/21 there will be a corresponding budget gap that will need to be met.

Key MTFP Updated Assumptions

5.8 The Budget Plan for 2019/20 included a number of assumptions around 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 in 2019/20 as well as a number of other budget changes. These are set out as follows:

5.9 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 **£2.606m** will be experienced in 2019/20.

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5.10 Highways Maintenance Capitalisation

The 2017/18 and 2018/19 budgets included an enhanced amount of capitalised highways maintenance expenditure. It is considered appropriate to continue this level of capitalisation into 2019/20. This will produce a **one-off saving** of **£1.283m**.

5.11 Provision for Pay Inflation and Pension Increases

The Budget Plan includes provision for pay awards in 2019/20 as well as the increase in the employer pension contribution rate for the Local Government Pension Scheme. The figures provided for include all Council staff. However, a number of staff are within services that either trade or generate significant levels of external income. Therefore, pay inflation and pension increases within these services will be funded from income generated rather than through the Council's central provisions. This will reduce the central provision requirement by **£0.800m**.

5.12 Supplies and Services

The Council is moving to more agile ways of working alongside the implementation of a transformed ICT environment. This will enable certain supplies and services budgets to be centralised and allow for ongoing reductions in expenditure against these budgets. It is estimated that savings of **£0.500m** can be achieved.

5.13 Investment Strategy

In 2016/17 the Council recognised the importance of attracting inward investment to the Borough, particularly with the move towards increased Business Rates retention. Therefore the 2016/17 budget included £1.600m to enable greater investment in economic growth. The resource was to be used to secure sustainability of the service, give greater opportunity to proactively seek economic growth and provide specialist inputs into the investment plan. Officers have now reassessed the level of resources required for this investment taking into account the ability of the Council to charge specialist costs to the Capital Programme as projects are progressed. Therefore, it is considered that this budget can be reduced by **£0.400m** whilst still providing the resources required.

5.14 Other Changes

A number of other business as usual changes can be implemented with no impact on service delivery. These include the receipt of a dividend from the Council's wholly owned social care company (£0.250m) and savings following the retender of the contracts relating to insurance premiums (£0.150m). In total, these will reduce the Council's budget gap by a further **£0.832m**.

5.15 Contingency

As explained in paragraphs 4.3 to 4.6, there were significant pressures on the 2018/19 budget. As a result, the Council has developed a remedial plan to meet the £9m budget pressure which involved short-term savings and the use of one-off resources. Although the proposed 2019/20 budget takes account of the pressures from 2018/19, there is a clear financial risk remaining in relation to the Council's social care budgets in particular. Therefore, in addition to the £7.800m provision that will meet the existing known pressure, it is considered prudent to create a Budget Pressure Fund of £1.000m that can be used in year to contribute to any unforeseen financial pressure within the budget. This sum will be considered and

utilised alongside all other reserves and balances that are currently included in the 2019/20 Budget Plan. In accordance with the overall management of the 2019/20 revenue budget, Members are therefore asked to give delegated authority to the Chief Executive and the Head of Corporate Resources, in conjunction with the Leader of the Council, to commit or otherwise this Budget Pressure Fund and other reserves that are included in the Budget Plan.

6 Budget Plan 2019/20

- 6.1 Based upon the revisions and updated to these key elements of the budget plan, it is now estimated that the funding shortfall in 2019/20 will be £6.050m, before any Council Tax decisions are made and any additional service delivery options are considered. A detailed analysis is shown below:

| | £'m | £'m |
|---|--------|---------------|
| Total Revised 2019/20 MTFP Funding Gap (prior to Council tax Increase) | | 26.122 |
| Public Sector Reform Projects – previously approved savings: | | -9.517 |
| The Local Government Settlement for 2019/20: | | |
| - New Homes Bonus | -0.024 | |
| - Winter pressures funding | -1.525 | |
| - Social Care Support Grant | -2.605 | |
| - Business Rate Retention - Levy Account Surplus | -0.980 | |
| | | -5.134 |
| Key MTFP assumption revisions: | | |
| - Business Rates and Council Tax Base | -2.606 | |
| - Highways Maintenance Capitalisation | -1.283 | |
| - Provision for Pay Inflation and Pension Increases | -0.800 | |
| - Supplies and Services | -0.500 | |
| - Investment Strategy | -0.400 | |
| - Other Changes | -0.832 | |
| - Contingency Fund | 1.000 | |
| | | -5.421 |
| Revised MTFP Funding Gap | | 6.050 |

- 6.2 As detailed in paragraph 6.1 it can now be seen that the residual budget shortfall to be met in 2019/20 is now estimated to be **£6.050m**.

Service Delivery Options

- 6.3 In order to support this revised funding gap, a number of additional Service Delivery Options are now proposed. Details of the individual savings are outlined in Appendix A and are listed below:

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| | £'m |
|--|---------------|
| Children's Social Care – Fostering Sufficiency | -0.125 |
| Corporate Resources - Finance Service Review | -0.250 |
| Corporate Resources - ICT budget reduction | -0.100 |
| Corporate Resources - Assets Declared Surplus | -0.065 |
| Economic Growth & Housing – Reduce Planning Budgets | -0.040 |
| Public Health - Injury Prevention Contract | -0.017 |
| Public Health - Removal of Vacancies | -0.035 |
| Highways and Public Protection- Transportation & Highway Infrastructure – Staffing Changes | -0.245 |
| Highways and Public Protection- Highways Maintenance Contract Extensions | -0.500 |
| Locality Services – Green Sefton – Golf Income | -0.064 |
| Locality Services – Green Sefton – Concessions & Temporary Events | -0.040 |
| Locality Services – Green Sefton – Maximising Best Use of Golf Courses | -0.212 |
| Locality Services – Green Sefton – Commercial Services | -0.008 |
| Locality Services – Green Sefton – Develop Natural Alternatives model | -0.015 |
| Locality Services – Cleansing – Food Waste included in residual | -0.150 |
| Education Excellence – Home to School Transport - Transport team restructure and reassessments | -0.050 |
| Strategic Support – Communications Team Restructure | -0.101 |
| Strategic Support – Complaints Team Restructure | -0.009 |
| Commercial Development – Sefton Security | -0.100 |
| Commercial Development – Catering | -0.100 |
| Commercial Development – Vehicle Fleet Management | -0.043 |
| Total Service Delivery Options | -2.269 |

6.4 Based upon the additional Service Delivery Options set out above, a summary of the Council's overall budget position for 2019/20 is shown as follows:

| | Total £'m |
|---------------------------------|--------------|
| Revised MTFP Funding Gap | 6.050 |
| Budget proposals | |
| Service Delivery Options | -2.269 |
| Remaining Funding Gap | 3.781 |

6.5 It can be seen within the table at 6.4, that there remains a gap of £3.781m in 2019/20. The budget gap excludes any Council Tax increase at this stage. The Government are providing authorities with the opportunity to increase Council Tax by 2.99% in 2019/20. If the Council were to increase Council Tax by the maximum in 2019/20 the remaining budget gap would be met.

Risk Management, Financial Monitoring and Sustainability

- 6.6 It is inevitable 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.
- 6.7 In order to reduce the risk of significant variance to budget plan the Council has introduced a number of safeguards. Risk management has been reviewed and an enhanced risk management process adopted with new operational and service risk registers in place that feed into the overall corporate risk register.
- 6.8 In 2018/19 a mid-year budget and MTFP review saw the start of a robust review of all service budgets. This process of in-depth budget analysis and challenge has been built into an ongoing programme of budget development and member engagement, which commenced in the autumn and will form part of a new quarterly finance and performance reporting cycle.
- 6.9 A programme management office (PMO) which will focus on bringing finance and performance reporting together will further enhance the existing processes that are in place including monthly in-year budget update reports to Cabinet and regular lead member briefings with senior officers across portfolios and service areas.
- 6.10 As outlined earlier in the report, significant budget pressures have occurred in 2018/19 due to increased demand for services in recent years as well as delays in agreed savings being fully achieved. As a result, the Council had to develop a remedial plan to meet the £9m budget pressure which involved short-term savings and the use of one-off resources. Although the proposed 2019/20 budget takes account of the pressures from 2018/19, as well as a Contingency Fund, any further pressure in 2019/20 will need to be managed within the available budget. The continuation of robust monitoring will be required with the improvements outlined above supporting this.

7 Budget Planning 2020/21 to 2022/23

- 7.1 2019/20 is the final year of the Government's four-year fixed settlement period. This, coupled with the number of short term additional funding announcements over the past two years, means that much is unknown regarding medium and long-term core funding from central government beyond 2019/20.
- 7.2 As with all organisations, the Council needs to be flexible in how it approaches and responds to new issues. In developing the next phase of the Framework for Change programme the Council will remain committed to listening to stakeholders

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as proposals are designed, implemented and updated in line with the Council's budget and policy framework.

- 7.3 This budget report focuses on 2019/20. However, it is prudent for the Council to look towards the next three-year budget planning period – 2020/21 to 2022/23. 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 has therefore already started.
- 7.4 In last year's budget report, an initial estimate of a £15m shortfall in 2020/21 was reported. Due to the lack of visibility on the fair funding review, business rates reform and social care funding, this remains the best estimate. However, this will inevitably be the subject of change and depending on the outcome of these reviews this initial estimate could vary considerably. The Council will develop a three-year budget from 2020/21 to 2022/23 and therefore at present the estimated shortfall over the three-year period is £45m. Central government has suggested recently that its 'austerity programme' will come to an end from 2020/21 with all government departments seeing real term increases in funding available, however due to the lack of visibility at present on what this means and any supporting financial detail it is considered that that the Council needs to plan prudently. Looking at three-year horizon is once again key to ensure financial sustainability in an uncertain and variable environment.
- 7.5 Following the budget development sessions held with Heads of Service in October and November 2018 there was a focus on the management of the 2018/19 and 2019/20 budgets but also the key strategic areas of the council that should be the focus of the MTFP from 2020/21. As a result, four Major Service Reviews and five cross-service projects have been identified and these will form the core element of the new Public Sector Reform work within the Framework for Change programme that will in turn form a critical part of the strategy to balance the next three year budget plan from 2020/21 to 2022/23.
- 7.6 The major service review and cross service transformational projects are:

| Major Service Reviews | Transformational Projects |
|------------------------------|---|
| Adult Social Care | Localities / EIP Phase 4 |
| Children Social Care | Council wide Infrastructure |
| Education Excellence | Organisational Design |
| Locality Service Provision | ICT and Digital transformation |
| | Commercialisation / Enterprise Strategy |

- 7.7 The timeline and key milestones for the development of the new three-year budget plan are as follows:

| Key Milestones | Date |
|---|-------------|
| Business Cases developed for Major Service Review and transformational Cross Service projects that are to proceed | Mar/Apr-19 |

| | |
|--|------------|
| MTFP assumptions refined to take account of legislative changes and latest information | Jul-19 |
| Members engaged to agree how three-year budget plan will be delivered | Jul-19 |
| Updated MTFP presented to Cabinet | Oct-19 |
| Financial settlement received | Dec-19 |
| Three-year budget for 2020/21 to 2022/23 presented to Council for approval | Feb/Mar-20 |

8 **Budget 2019/20 – Specific Issues**

Charges Relating to External / Levying Bodies

- 8.1 The Council is required to pay charges relating to levies from external bodies. The expected payments for 2019/20 and their impact on Sefton’s budget compared to 2018/19 is shown in the table below: -

| <u>Levying Body</u> | <u>2018/19</u> | <u>2019/20</u> | <u>Change</u> |
|---|-----------------------|-----------------------|----------------------|
| | <u>£</u> | <u>£</u> | <u>£</u> |
| Liverpool City Region (LCR) Combined Authority - Transport Levy | 18,605,000 | TBC | TBC |
| Waste Disposal Authority | 14,430,056 | TBC | TBC |
| Environment Agency | 154,826 | TBC | TBC |
| Inshore Fisheries & Conservation Authority | 65,415 | TBC | TBC |
| Port Health Authority | 13,500 | TBC | TBC |
| | 33,268,797 | TBC | TBC |

The 2019/20 figures will be reported at Budget Council.

Proposed Overall Council Tax increase

- 8.2 The proposed total increase in the Sefton Council Tax for 2019/20 will be reported to Budget Council following any recommendation from Cabinet.

9 **Dedicated Schools Grants (DSG) 2019/20**

- 9.1 The Dedicated Schools Grant (DSG) is a ringfenced grant from the Department for Education (DfE) to fund education provision. It is made up of four main funding blocks:

- Schools – Mainstream schools and academies.

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- Central School Services – Funding for centrally (council) retained services, including school admissions.
- Early Years – Universal and additional entitlement for three and four-year olds; two-year old entitlement; and funding for maintained nursery schools.
- High Needs – Funding for the education of pupils with an identified special educational need and who will often be subject to an Education, Health and Care Plan (EHCP).

9.2 The 2019/20 Dedicated Schools Grant settlement was announced on 17th December 2018. The 2019/20 National DSG allocation for Sefton of £204.771m is set out in the table below. Note that these figures are as allocated by the DfE and before any adjustments have been made for agreed. The Schools Forum has agreed to transfer funding contributions from Schools Block (£0.795m) and Early Years Block (£0.200m) towards High Needs budget pressures in 2019/20.

| <u>Block</u> | <u>2018/19 Revised allocation</u> | <u>2019/20 Initial allocation</u> | <u>Increase / Decrease (-)</u> |
|---------------------------------|--|--|---|
| | <u>£m</u> | <u>£m</u> | <u>£m</u> |
| Schools Block (incl. Academies) | 156.920 | 158.980 | 2.060 |
| Central School Services Block | 1.254 | 1.271 | 0.017 |
| Early Years Block | 17.328 | 17.314 | -0.014 |
| High Needs Block | 26.447 | 27.206 | 0.759 |
| Summary totals | 201.949 | 204.771 | 2.822 |

**Individual school allocations are shown in Appendix B and are net of a £0.795m contribution to High Needs from the Schools Block funding and of £0.350m Infant Class pupil growth funding retained centrally.

9.3 In July 2017 the then Secretary of State for Education announced that an extra £1.3bn of funding was to be made available to schools over a two-year period 2018/19 – 2019/20, which allowed for a minimum growth of +0.5% per pupil in each year. In 2019/20 the Schools Block funding has therefore been increased by the second tranche of +0.5% growth.

9.4 The DfE has used the new National Schools Formula funding methodology as the basis for allocating DSG to Local Authorities. However, local authorities are permitted, under a two year “soft” implementation of the National Funding Formula and with the agreement of Schools Forum, to move flexibly towards the National Formula Funding distribution methodology or continue to use their own existing Local formula.

9.5 The Local Authority has shared numerous funding models with schools and the Schools Forum and Sefton Headteachers have decided to continue to retain a locally based formula rather than move towards the National Formula methodology as Sefton’s current funding model is more advantageous to most of Sefton’s schools.

Schools Block

- 9.6 The national funding calculation for 2019/20 has seen an increase in Sefton's School Block of £2.060m compared to 2018/19. This figure includes the headroom growth funding of +0.5% per pupil, referred to above (£0.572m). Additional funding for an increase in the year on year pupil numbers October 2017 to 2018 (+246.5 pupil increase) (£1.061m). An increase in funding towards pupil growth in the classroom which might occur during the academic year and for small changes in Business Rates (£0.427m).
- 9.7 In 2019/20 the DfE has applied a change in the methodology used to calculate Pupil Class Growth Funding as opposed to using an historic calculation within the Schools Block settlement. The DfE stated that Local Authorities may apply all, or as much of this allocation as they require, towards pupil Class Growth funding in 2019/20. Sefton Schools Forum has previously agreed to retain an allocation of £0.150m to support pupil growth and changes in classroom support during the academic year. In 2019/20 the Schools Forum has agreed to increase the central contingency that is set aside to support infant class size growth, or support increased school admission numbers based on areas of likely population increases in the year to £0.350m. The residual growth balance of £0.227m is to be allocated to all schools through the schools' formula.
- 9.8 The biggest change in school funding for 2019/20 (£1.061m), is due to a significant increase in pupil numbers between October 2017 and October 2018 (+246.5). Primary numbers increased by +176 pupils, whilst, for the first time in many years, Secondary pupil numbers increased by +70.5.

Central School Services Block

- 9.9 The Central School Services Block is funding given to cover ongoing historic and 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 0. schools in the Borough. This block is now funded on a per pupil basis by the DfE, and Local Authorities have been advised that this funding may be reduced in future settlements. The DfE expects Local Authorities to start reducing many of their historic cost related activities over the next few years, prior to a National Formula being imposed. The funding of these services sees a small increase into 2019/20 of just £0.017m from £1.254m to £1.271m. An analysis of the 2019/20 central budgets is shown below, and these have been formally agreed at Schools Forum on 14th January 2019:

- Contribution to combined services 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 - **£0.191m** as announced by the DfE in December 2018
- Servicing of the Schools Forum - **£0.062m**

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- 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 - **£0.592m**

9.10 In addition to the statutory duties covered by the former ESG funding across all schools, the schools' forum has approved charges for maintained schools regarding ongoing statutory functions which the Council performs on their behalf, but for which it no longer receives funding for from Central Government. This was formally agreed in 2018/29 and again with schools at Schools Forum on 14th January 2019 for 2019/20. This is expected to recover around £0.520m of statutory costs. This is treated as a de-delegated charge against all the maintained schools, even though these functions cannot be delegated to schools.

Early Years Block

9.11 Early Years has seen very little change in funding between 2018/19 and 2019/20 (£-0.014m). Base funding to Local Authorities has remained the same into 2019/20 for both the 2-year-old childcare (£5.22 p hr); and 3-4-year-old 15 hours universal provision and increased 15 hours per week childcare for working parents (£4.30 p hr). Maintained Nursery Schools also continue to receive a subsidy to ensure their financial stability, at the same level of funding as 2018/19, and as part of a three-year guaranteed funding amount (2017/18 to 2019/20). No announcements have been made about any ongoing subsidy for Maintained Nursery Schools beyond 2019/20 and the loss of this funding (£0.587m) would potentially leave Sefton's Maintained Nursery Schools unviable, unless their costs can be reduced, or ongoing subsidy is awarded.

High Needs Block

9.12 The High Needs Block allocation is increasing by £0.759m in 2019/20 compared to 2018/19. In December 2018, the Secretary of State announced additional funding nationally for High Needs over two years (£250m), split evenly between 2018/19 and 2019/20. Sefton will receive £0.562m of this funding in both years.

9.13 Sefton's High Needs budgets continue to operate under severe pressure and are currently forecast to overspend by £1.9m, inclusive of the £0.562m funding above. Overspending is expected to continue into 2019/20 and the Authority is developing a recovery plan to address the budget pressure and deliver budget sustainability in future years.

9.14 The Council is permitted with the agreement of Schools Forum to transfer up to 0.5% (£0.795m) of the Schools Block funding to the High Needs Block. This transfer was ratified at Schools Forum on 14th January 2019.

9.15 A decision to transfer of £0.200m from the Early Years Block to the High Needs Block was made in 2018/19 and this has remained in budget assumptions for 2019/20. This level of support is considered affordable but will be kept under review every year. The additional resources allocated to High Needs from the Schools and Early Years Blocks, plus the new growth announced, will help

alleviate some of the budget pressures currently experienced, but overspending on High Needs is still expected to continue in 2019/20.

10 Other Government Grant Notifications 2019/20

- 10.1 The Government have announced grant notifications for 2019/20 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.

Independent Living Fund - £2.107m

- 10.2 The indicative allocation for the 2019/20 Independent Living Fund grant is £2.107m. The 2018/19 allocation was £2.173m. It is proposed that the 2019/20 allocation will continue to be allocated to appropriate Adult Social Care budgets.

Lead Local Flood Authorities Grant - £0.011m

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

Flexible Homelessness Support Grant - £0.206m

- 10.4 The indicative allocation for the 2019/20 Flexible Homelessness Support Grant is £0.206m. The 2018/19 allocation was £0.158m. It is proposed that the 2019/20 allocation will continue to be allocated to appropriate Homelessness budget.

11 Summary of Budget Proposals for 2019/20

- 11.1 As a result of the information contained within this report the bridging of the 2019/20 funding gap is shown as follows:

| | 2019/20 £'m |
|--|------------------------|
| Additional Budget Pressures from 2018/19 | 7.800 |
| Public Sector Reform Projects – amended assumptions | 5.024 |
| Public Sector Reform Projects – planned savings | 9.517 |
| | |
| Total Savings Required 2019/20 | 22.341 |
| | |
| Original 2019/20 MTFP Funding Gap (prior to Council Tax Increase) | 3.781 |
| | |

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| | |
|---|---------------|
| Total Revised MTFP Funding Gap (prior to Council Tax Increase) | 26.122 |
| Public Sector Reform Projects – planned savings | -9.517 |
| The Local Government Settlement for 2019/20 | -5.134 |
| Key MTFP assumption revisions | -5.421 |
| Revised Funding Gap | 6.050 |
| Budget Proposals | |
| Service Delivery Options | -2.269 |
| Remaining Funding Gap | 3.781 |
| Council Tax increase (TBC%) | TBC |

A summary of the budget for 2019/20 is shown at Appendix C (note that for illustrative purposes this assumes a Council Tax increase of 2.99% in 2019/20).

12 Precepts

a. Police & Crime Commissioner and Fire & Rescue Precepts

The Police and Crime Commissioner is due to set a budget / precept for 2019/20 during February 2019, with a Band C increase of 13.49% proposed (£24.00 on a Band D property). The Fire and Rescue Authority is also due to set its budget / precept for 2019/20 in February 2019; with a Band C increase of 2.99% proposed.

| | Precept | | | Band C | | |
|--------|------------|---------|--------|---------|---------|--------|
| | 2018/19 | 2019/20 | Change | 2018/19 | 2019/20 | Change |
| | £ | £ | £ | £ | £ | % |
| Police | 14,760,740 | TBC | TBC | 158.20 | TBC | TBC |
| Fire | 6,349,848 | TBC | TBC | 68.05 | TBC | TBC |

The approved 2019/20 figures will be reported at Budget Council.

b. LCR Mayoral Precept

In order to support the 2018/19 transitional Mayoral requirements of the Liverpool City Region Combined Authority, the six constituent councils have made revenue contributions totalling £6.2m into the Single Investment Fund, of which Sefton Council's contribution was £1.209m. To be able to deliver the Mayor's key priorities in 2019/20 a new Mayoral Precept will be levied on Council Taxpayers across the region, with a Band C increase of £16.89 proposed (£19.00 on a Band D property).

The approved 2019/20 figures will be reported at Budget Council.

c. Parishes

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

| | Precept | | | Band C | | |
|-----------------|------------------|------------|--------|---------|---------|--------|
| | 2018/19 | 2019/20 | Change | 2018/19 | 2019/20 | Change |
| | £ | £ | £ | £ | £ | % |
| Aintree Village | 113,000 | TBC | TBC | 49.31 | TBC | TBC |
| Formby | 80,000 | TBC | TBC | 7.80 | TBC | TBC |
| Hightown | 5,460 | TBC | TBC | 5.62 | TBC | TBC |
| Ince Blundell | 2,009 | TBC | TBC | 10.98 | TBC | TBC |
| Little Altcar | 3,074 | TBC | TBC | 8.26 | TBC | TBC |
| Lydiate | 150,583 | TBC | TBC | 65.36 | TBC | TBC |
| Maghull | 643,347 | TBC | TBC | 87.37 | TBC | TBC |
| Melling | 20,000 | TBC | TBC | 17.79 | TBC | TBC |
| Sefton | 3,500 | TBC | TBC | 13.16 | TBC | TBC |
| Thornton | 5,000 | TBC | TBC | 5.82 | TBC | TBC |
| | 1,025,973 | TBC | | | | |

13 Recommended Council Tax for 2019/20

Council are recommended to approve the Budget for 2019/20, as set out in the main report.

The recommended overall Band C Council Tax to be raised for 2019/20 (excluding Parish Precepts) is as follows: -

| | 2018/19 | 2019/20 | Increase |
|-----------------------------|-----------------|------------|------------|
| | £ | £ | % |
| Sefton | 1,355.30 | TBC | TBC |
| Police & Crime Commissioner | 158.20 | TBC | TBC |
| Fire & Rescue Authority | 68.05 | TBC | TBC |
| Mayoral Precept | 0.00 | TBC | TBC |
| | 1,581.45 | TBC | TBC |

The recommended Council Tax will be reported to Budget Council

14 Capital Programme 2019/20 to 2020/21

14.1 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.

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

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- Capital investment in core services e.g. schools, transport and adult social care;
 - 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.
- 14.3 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 E, in addition to the proposed use of the Better Care Fund.
- 14.4 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 three to five-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, in order that emerging priorities can be reflected as and when required.
- 14.5 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 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.
- 14.6 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.
- 14.7 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.
- 14.8 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.

List of Appendices

- A Service Options 2019/20
- B Individual School Budgets 2019/20
- C Draft Council Budget Summary 2019/20
- D Fees and Charges 2019/20
- E Capital Programme 2019/20 - 2020/21

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Appendix A

| Service Option | £'m |
|--|---------------|
| Children's Social Care – Fostering Sufficiency | -0.125 |
| Corporate Resources - finance service review | -0.250 |
| Corporate Resources - ICT budget reduction | -0.100 |
| Corporate Resources - Assets Declared Surplus | -0.065 |
| Economic Growth & Housing – Reduce Planning Budgets | -0.040 |
| Public Health - Injury Prevention Contract | -0.017 |
| Public Health - Removal of Vacancies | -0.035 |
| Highways and Public Protection- Transportation & Highway Infrastructure – Staffing Changes | -0.245 |
| Highways and Public Protection- Highways Maintenance Contract Extensions | -0.500 |
| Locality Services – Green Sefton – Golf Income | -0.064 |
| Locality Services – Green Sefton – Concessions & Temporary Events | -0.040 |
| Locality Services – Green Sefton – Maximising Best Use of Golf Courses | -0.212 |
| Locality Services – Green Sefton – Commercial Services | -0.008 |
| Locality Services – Green Sefton – Develop Natural Alternatives model | -0.015 |
| Locality Services – Cleansing – Food Waste included in residual | -0.150 |
| Education Excellence – Home to School Transport - Transport team restructure and reassessments | -0.050 |
| Strategic Support – Communications Team Restructure | -0.101 |
| Strategic Support – Complaints Team Restructure | -0.009 |
| Commercial Development – Sefton Security | -0.100 |
| Commercial Development – Catering | -0.100 |
| Commercial Development – Vehicle Fleet Management | -0.043 |
| | |
| Total Service Delivery Options | -2.269 |

| | | | | | |
|---|------------------------|------------------------|------------------------|------------------------|---------------------------------|
| Title: Fostering Sufficiency | | | | | |
| Description | | | | | |
| <p>It is proposed to engage with care providers with view to ensuring that existing placements continue to deliver the best possible outcomes for our children and young people plus best value for money throughout the placement. In accordance the Council's Contract Procedure Rules Officers will engage with contracted providers to explore the potential for price reduction whilst maintaining care and support.</p> <p>The Council has recently introduced a new fostering scheme that will continue to be actively promoted with a view to moving some of our most vulnerable children and young people from high cost residential placements to a family setting where appropriate. For those children and young people this will provide a more supportive environment, build and maintain meaningful relationships.</p> <p>The Council's reducing resources requires an increased focus on ensuring value from the contracts that it holds.</p> <p>Communications, Consultation & Engagement –</p> <p>Type: Inform <input type="checkbox"/> Consult internal <input type="checkbox"/></p> <p>Engage <input checked="" type="checkbox"/> Co-production <input type="checkbox"/> Consult external <input type="checkbox"/></p> | | | | | |
| Financial Information (Revenue Implications) | | | | | |
| Stage | 2019/20 £'m | 2020/21 £'m | 2021/22 £'m | 2022/23 £'m | Comment |
| Fostering Sufficiency | -0.125 | -0.625 | -0.250 | | Total FYE cost reduction of £1m |

Title: Corporate Resources - Finance Service Review

Description

In April 2018, the Head of Corporate Resources launched a review of Financial Services in light of the changes taking place across the Council.

The review has focused on five areas:

- Council financial policies and procedures
- Roles and Responsibilities regarding budget management
- Training towards a wider change in financial management
- Review of the budgets and chart of accounts
- Possible IT solutions to assist self-serve access to financial information

Significant progress has been made: revised Finance Procedure Rules were approved by Cabinet in August 2018; a realignment of budgets and a review of the Chart of Accounts has been completed; training documentation has been prepared and training sessions are due for roll out in Q1 of 2019/20.

The next phase of the review will focus on the roles and responsibilities of finance officers, budget holders, service managers and leaders to best meet the budget challenges and opportunities over the short, medium and long-term. The process will highlight the responsibility and accountability of budget holders for expenditure.

A new commercial finance team will be developed to support the existing post of Finance Manager (Commercial) and in recognition of the finance expertise needed to support the Growth Programme and Framework for Change.

Impact of service change –

Service Users – NA

Partners – NA

Council – The role of finance officers will be clear and ensure that resources are at the right level to deliver the statutory requirements of the service in Corporate Finance and Internal Audit. The Financial Management section will adopt a model of collaborative working with services. A culture of business partnering will be embedded alongside a new IT solution to support self-serve facilities for budget holders. It will provide timely and accurate management information and allow efficiencies to be made.

Equality Impact Assessment – It is expected that there are no equality impacts arising from these proposals. However, Officers will comply with HR policies and procedures. This will include regular HR monitoring reports to Cabinet Member for Regulatory, Compliance & Corporate Services.

Communications, Consultation & Engagement –

| | | | |
|---------------------|--------------------------|-------------------------|-------------------------------------|
| Type: Inform | <input type="checkbox"/> | Consult internal | <input checked="" type="checkbox"/> |
| Engage | <input type="checkbox"/> | Co-production | <input type="checkbox"/> |
| | | Consult external | <input type="checkbox"/> |

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| Financial Information (Revenue Implications) | | | | | |
|--|----------------|----------------|----------------|----------------|---------|
| Stage | 2019/20 £'m | 2020/21 £'m | 2021/22 £'m | 2022/23 £'m | Comment |
| Implementation | -0.250 | | | | |

Title: ICT Budget Reduction

Description

The authorities' new ICT Contract commenced on the 1st of October.

Technology and digital is a key enabler to service transformation, the Council is keen to build upon the ICT transformation work to date and ensure the best use of technology to improve services to residents and empower both staff and local communities. However, there is a period of transition and remedial work to be completed if the Council is to futureproof its infrastructure to support the delivery of digital workforce. Unfortunately, there is a legacy of little investment, therefore the Council needs to ensure that its development budget is utilised to ensure the provision of a secure and robust architecture, which meets all statutory obligations as well as supporting whole scale transformational change.

IT and Digital is recognised as a key enabler of service redesign and significant work is required to ensure that the current ICT Infrastructure is fit for purpose and secure.

The Council's reducing resources requires a rigorous prioritisation of activity. It is proposed to reduce the value of the development budgets by £0.100m. In the event that additional works are required that cannot be accommodated within the available budget consideration will be given to calling upon the cost of change budget if a demonstrable return can be demonstrated.

Financial Information (Revenue Implications)

| Stage | 2019/20 £'m | 2020/21 £'m | 2021/22 £'m | 2022/23 £'m | Comment |
|----------------|----------------|----------------|----------------|----------------|---------|
| Implementation | -0.100 | | | | |

Title: Corporate Resources - Assets Declared Surplus

The Council is moving to a corporate landlord model for the management of its assets and operational buildings. For those existing and future assets that are declared surplus in accordance with Council policy, a full cost assessment will be undertaken. This will include void costs, potential capital receipts and future lifecycle costs.

This will inform the decision making process with regard to the asset. As a result of this work, it is estimated that this part of the Council's estate will be managed more efficiently and effectively and revenue savings made.

Financial Information (Revenue Implications)

| Stage | 2019/20 £'m | 2020/21 £'m | 2021/22 £'m | 2022/23 £'m | Comment |
|----------------|----------------|----------------|----------------|----------------|---------|
| implementation | -0.065 | -0.095 | | | |

Title: Economic Growth & Housing – Reduce Planning Budgets

The Planning Service has a number of budget lines which have a notional target for income or expenditure, however many of these are out of the influence and control of the Council. This means they can vary widely dependent upon external influences and the budget now requires realignment to reflect this.

Budget lines will be realigned accordingly.

Financial Information (Revenue Implications)

| Stage | 2019/20 £'m | 2020/21 £'m | 2021/22 £'m | 2022/23 £'m | Comment |
|--------------------|----------------|----------------|----------------|----------------|---------|
| Budget Realignment | -0.040 | | | | |

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Appendix A

Title: Public Health - Injury Prevention Contract

The Council has an injury prevention service which is funded from the public health grant. The aim of the service is

- To provide free small child safety equipment to the local community
- To provide home safety education/ advice to families with children aged 0-4
- To reduce accidents and injuries among young children
- To provide a safety project which is accessible to disadvantaged families
- To maintain and extend links with health visitors, midwives, children's centres staff to ensure optimum take up of families

It is five years since the last service review, and it is considered that a review be undertaken to ensure it remains targeted, responsive to need, effective, efficient and best value.

The Council's reducing resources requires an increased focus on ensuring value from the contracts that it holds.

Financial Information (Revenue Implications)

| Stage | 2019/20 £'m | 2020/21 £'m | 2021/22 £'m | 2022/23 £'m | Comment |
|-------|----------------|----------------|----------------|----------------|--|
| 1 | -0.017 | -0.020 | | | Existing contracts may require a staged reduction over two-years |

Title: Public Health - Removal of Vacancies

The Council's reducing resources requires a rigorous prioritisation of activity. It is proposed to permanently disestablish two vacant posts within Public Health.

Impact of service change –

Service Users – NA

Partners – NA.

Council – The Council will have less flexibility for related activity and the team will prioritise activity accordingly.

Equality Impact Assessment –

It is expected that there are no equality impacts arising from these proposals. However, Officers will comply with HR policies and procedures. This will include regular HR monitoring reports to Cabinet Member for Regulatory, Compliance & Corporate Services.

Communications, Consultation & Engagement –

Type: Inform Consult internal
 Engage Co-production Consult external

Financial Information (Revenue Implications)

| Stage | 2019/20 £'m | 2020/21 £'m | 2021/22 £'m | 2022/23 £'m | Comment |
|--------------|----------------|----------------|----------------|----------------|---------|
| Delete posts | -0.035 | | | | |

Agenda Item 9

Appendix A

Project Title: Highways and Public Protection- Transportation & Highway Infrastructure – Staffing Changes

The Council's reducing resources requires a rigorous prioritisation of activity. It is proposed to commence a consultation on a restructure of the Service.

Impact of service change –

Service Users – The restructuring will result in reduced capacity, prioritisation of activity will seek to minimise the impact of the change on the community.

Partners – The team will continue to develop the strong partnership links in respect of activity.

Council – The restructuring will result in reduced capacity, prioritisation of activity will seek to minimise the impact of the change. There may be some gaps in knowledge due to the possible departure experienced staff.

Equality Impact Assessment –

It is expected that there are no equality impacts arising from these proposals. However, Officers will comply with HR policies and procedures. This will include regular HR monitoring reports to Cabinet Member for Regulatory, Compliance & Corporate Services.

Communications, Consultation & Engagement –

Type: Inform Consult internal X
Engage Co-production Consult external

Financial Information (Revenue Implications)

| Stage | 2019/20 £'m | 2020/21 £'m | 2021/22 £'m | 2022/23 £'m | Comment |
|----------------|----------------|----------------|----------------|----------------|---------|
| Implementation | -0.245 | | | | |

Title: Highway Maintenance Contract Extensions

Description

The Council's reducing resources requires an increased focus on ensuring value from the contracts that it holds.

It is proposed to engage with contracted providers with view to ensuring that existing contracts continue to deliver best value throughout the life of the contract. In accordance the Council's Contract Procedure Rules Officers will engage with contracted providers to explore the potential for price reduction whilst maintaining service quality and standards.

Financial Information (Revenue Implications)

| Stage | 2019/20 £'m | 2020/21 £'m | 2021/22 £'m | 2022/23 £'m | Comment |
|-------|----------------|----------------|----------------|----------------|---|
| | -0.500 | | | | Subject to negotiation with contractors |

Title: Locality Services – Green Sefton – Golf Income

There will be a budget realignment to take account of revisions to the VAT regulations in respect of fees and charges payable at golf courses.

Financial Information (Revenue Implications)

| Stage | 2019/20 £'m | 2020/21 £'m | 2021/22 £'m | 2022/23 £'m | Comment |
|----------------|----------------|----------------|----------------|----------------|---------|
| Implementation | -0.064 | | | | |

Agenda Item 9

Appendix A

Title Locality Services – Green Sefton – Concessions & Temporary Events

It is proposed to explore a number of different uses and activities within assets managed by Green Sefton to generate additional sources of income such as markets, car boot sales, circuses, fair grounds, catering outlets, pop up shops etc.

Impact of service change –

Service Users – The community and visitors will have access to a range of new activities, some which may require payment. It is anticipated that local businesses will benefit from additional footfall and outlet opportunities.

Partners – The team will continue to develop the strong partnership links in respect of activity.

Council – Increased income and use of much loved assets.

Equality Impact Assessment –

It is expected that there are no equality impacts arising from these proposals.

Communications, Consultation & Engagement –

Type: Inform Consult internal
Engage Co-production Consult external

Financial Information (Revenue Implications)

| Stage | 2019/20 £'m | 2020/21 £'m | 2021/22 £'m | 2022/23 £'m | Comment |
|-------|----------------|----------------|----------------|----------------|---------|
| | -0.040 | -0.020 | -0.020 | | |

Title: Locality Services – Green Sefton – Maximising Best Use of Golf Courses

Green Sefton manages two municipal golf courses one of which a Links course and the other is a Parkland course.

Each course currently has capacity for circa 140,000 rounds per year. A range of activities are proposed that will lead to increased use, participation and resulting income. The target is for 36% utilisation to be reached.

Impact of service change –

Service Users – The community and visitors will have access to a wider golf offer.

Partners –The team will continue to develop the strong partnership links in respect of activity.

Council – Increased income and use of much loved assets.

Equality Impact Assessment –

It is expected that there are no equality impacts arising from these proposals.

Communications, Consultation & Engagement –

Type: Inform Consult internal

Financial Information (Revenue Implications)

| Stage | 2019/20 £'m | 2020/21 £'m | 2021/22 £'m | 2022/23 £'m | Comment |
|-------|----------------|----------------|----------------|----------------|---------|
| | -0.212 | -0.107 | -0.106 | -0.042 | |

Title: Green Sefton Commercial Services

Green Sefton has a unique opportunity to develop commercial services – offering a one stop shop for all issues associated with landscape development and management, community liaison and development etc.

It is proposed that a service be developed to offer grounds maintenance / land management services in the first instance – this will then offer opportunities to expand the offer and provide additional services that other organisations require.

Impact of service change –

Service Users – increased capacity in the land management marketplace.

Partners –The team will continue to develop the strong partnership links in respect of activity.

Council – Increased income.

Agenda Item 9

Appendix A

Equality Impact Assessment –

It is expected that there are no equality impacts arising from these proposals.

Communications, Consultation & Engagement –

Type: Inform

Consult internal

Financial Information (Revenue Implications)

| Stage | 2019/20 £'m | 2020/21 £'m | 2021/22 £'m | 2022/23 £'m | 2023/24 £'m | Comment |
|-------------------|----------------|----------------|----------------|----------------|----------------|---------|
| Estimated Surplus | -0.008 | -0.032 | -0.033 | -0.041 | -0.008 | |

Title Locality Services – Green Sefton – Develop Natural Alternatives model

Natural Alternatives currently offers a safe, secure and challenging work environment for participants which includes adults with learning difficulties and young people not in education, employment or training; providing training, education and work experience. Participants undertake site conservation and access work, as well as horticulture and small maintenance works, across the Green Sefton portfolio, on a project basis with community and other groups.

The cost of participation has not increased for 7 years and it is proposed to increase the charge from £40 per day to £45 per day. It is also proposed to increase the number of staff supporting the scheme to enable more people to participate.

Impact of service change –

Service Users – a greater number of people will be able to participate in and benefit from the service. This will improve life skills for those individuals and provide training, opportunity to gain qualifications, real work experience for people wanting to improve their opportunity to gain employment.

Partners – NA

Council – The Council will expand the existing operation to:

- develop at least one new base
- employ additional staff to work alongside participants, developing skills for work, and take orders for products such as seats and planters
- develop nursery offer including shop sales
- operate an outlet for products such as plants and trees and creative crafts (at Botanic Gardens ex-nursery shop)

Equality Impact Assessment –

It is expected that there are no equality impacts arising from these proposals.

Communications, Consultation & Engagement –

Type: Inform Consult internal
 Engage Co-production Consult external

Financial Information (Revenue Implications)

| Stage | 2019/20 £'m | 2020/21 £'m | 2021/22 £'m | 2022/23 £'m | Comment |
|-------------------------------|----------------|----------------|----------------|----------------|---------|
| Double number of participants | -0.015 | | | | |

Agenda Item 9

Appendix A

Title: Locality Services – Cleansing – Food Waste included in residual

The Food Waste collection service was insourced along with the wider recycling service in August 2016. At that time, some 5,000 tonnes of food waste were collected each year, the volume of food waste collected as part of this service has fallen to 1,300 tonnes each year. The take up of this service continues to decrease with less than 20% of households participating on a regular basis.

This level of take up, means that the continuation of this service in its current format is not sustainable, with the food waste collection service costing in excess of three times the cost of collecting a bin. Allied to that is the point that there is also no financial benefit to the Council in disposing of food waste in the current manner.

It is proposed to cease the separate collection of food waste, continue to encourage a greater level of recycling and make use of other waste collection services. Should the proposal be approved the Council will collect the food caddies, if requested, for disposal.

The recently published DEFRA includes the proposal to “*reduce greenhouse gas emissions from landfill by ensuring that every householder and appropriate businesses have a weekly separate food waste collection by 2023*”. As part of this ongoing dialogue the Council will lobby for new burdens funding to support the proposals made.

Equality Impact Assessment –

It is expected that there are no equality impacts arising from this proposals.

Communications, Consultation & Engagement –

Type: Inform Consult internal
Engage Co-production Consult external

Financial Information (Revenue Implications)

| Stage | 2019/20 £'m | 2020/21 £'m | 2021/22 £'m | 2022/23 £'m | Comment |
|-------|----------------|----------------|----------------|----------------|---------|
| | -0.150 | -0.150 | | | |

Title: Home to School Transport - Transport team restructure and reassessments

The transport service/team will be reviewed in order that they can undertake robust assessment of eligibility, undertake reassessments; enforce policy; carry out travel training; administer alternative travel options and personal travel budgets; commission external transport provision; and manage contractors.

Current management information and communication with service users is in need of improvement. It is proposed to engage and implement a new management system to address this.

It is also proposed to carry out reassessment of transport provision based on current policy.

Impact of service change –

Service Users – improved information and communications.

Partners – NA

Council – improved processes and systems.

Equality Impact Assessment –

It is expected that there are no equality impacts arising from these proposals. However, Officers will comply with HR policies and procedures. This will include regular HR monitoring reports to Cabinet Member for Regulatory, Compliance & Corporate Services.

Communications, Consultation & Engagement –

Type: Inform Consult internal
 Engage Co-production Consult external

Financial Information (Revenue Implications)

| Stage | 2019/20 £'m | 2020/21 £'m | 2021/22 £'m | 2022/23 £'m | Comment |
|---|----------------|----------------|----------------|----------------|---------|
| Restructure team and reassess provision | -0.050 | -0.100 | -0.100 | -0.100 | |

Agenda Item 9

Appendix A

Title: Internal Restructure – Corporate Communications team

Description

It is proposed to commence consultation on the following change – Internal Restructure of the Communications Team

The Council’s reducing resources requires a rigorous prioritisation of activity. It is proposed to commence a consultation on a team restructure.

Impact of service change –

Service Users – Prioritisation of activity will seek to minimise the impact of the change on the community.

Partners – The team will continue to develop the strong partnership links in respect of communication activity.

Council – The Council will have less flexibility for communication of activity but the team will continue to explore opportunities to improve communications and prioritise activity. There may be some gaps in knowledge due to the possible departure experienced staff. It is anticipated that the team is sufficiently experienced and well trained to overcome these gaps.

Equality Impact Assessment –

It is expected that there are no equality impacts arising from these proposals. However, Officers will comply with HR policies and procedures. This will include regular HR monitoring reports to Cabinet Member for Regulatory, Compliance & Corporate Services.

Communications, Consultation & Engagement –

Type: Inform Consult internal X
 Engage Co-production Consult external

Financial Information (Revenue Implications)

| Stage | 2019/20 £'m | 2020/21 £'m | 2021/22 £'m | 2022/23 £'m | Comment |
|-----------------------|----------------|----------------|----------------|----------------|---------|
| Part Year restructure | -0.101 | | | | |

Title: Internal Restructure – Complaints team

Description

It is proposed to commence consultation on the following change – Internal Restructure of the Complaints Team.

The Council’s reducing resources requires a rigorous prioritisation of activity. It is proposed to commence a consultation on a team restructure.

Impact of service change –

Service Users – Prioritisation of activity will seek to minimise the impact of the change on the community

Partners – NA

Council – The Council will have increased flexibility for complaints of activity.

Equality Impact Assessment –

It is expected that there are no equality impacts arising from these proposals. However, Officers will comply with HR policies and procedures. This will include regular HR monitoring reports to Cabinet Member for Regulatory, Compliance & Corporate Services.

Communications, Consultation & Engagement –

Type: Inform Consult internal X
 Engage Co-production Consult external

Financial Information (Revenue Implications)

| Stage | 2019/20 £'m | 2020/21 £'m | 2021/22 £'m | 2022/23 £'m | Comment |
|-----------------------|----------------|----------------|----------------|----------------|---------|
| Part Year restructure | -0.009 | | | | |

Agenda Item 9

Appendix A

Title: Commercial Development – Sefton Security

Sefton Security (Sefton Arc) provides bespoke, reliable security and healthcare solutions for businesses and communities, that is subject to the highest standards with staff qualified and accredited by NSI and NICE, and vetted by DBS.

Sefton Arc operates a secure, award-winning control room which is resilient and monitored 24 hours per day, 365 days per year, coordinating all maintenance and security services, as well as CCTV.

Sefton Arc services include: CCTV operations; Alarms and response; Fire Compliance; Electrical services; Access control; Assistive technology; Lone worker devices.

It is proposed to expand the customer base for this quality service offer to include the following:

- Private businesses
- Other councils
- Schools
- Further/higher education establishments
- Private social care and residential care homes

Communications, Consultation & Engagement –

Type: Inform Consult internal

Engage Co-production Consult external

Financial Information (Revenue Implications)

| Stage | 2019/20 £'m | 2020/21 £'m | 2021/22 £'m | 2022/23 £'m | Comment |
|-------|----------------|----------------|----------------|----------------|---------|
| | -0.100 | | | | |

Title: Commercial Development – Catering

Sefton Catering Services have a wealth of knowledge in providing catering to educational establishments. They provide a high quality and value for money service.

All work is managed and monitored for the customer and delivered by staff who are well presented, highly qualified and experienced. Food is prepared using fresh produce, which is sourced locally where possible.

Sefton Catering Services include:

- Free school meals for qualifying pupils and all infant pupils
- Paid school meals on request
- Advice to schools on catering-related issues
- Additional catering services in schools, as required, including Children's Centres, breakfast clubs, breaks, vending and hospitality catering

There is a greater opportunity to expand the customer base for this quality service offer to include the following:

- Schools and colleges across the Liverpool City Region
- Offer to public
- Concessions
- Residential care homes
- Events and mobile catering

Communications, Consultation & Engagement –

Type: Inform Consult internal
 Engage Co-production Consult external

Financial Information (Revenue Implications)

| Stage | 2019/20 £'m | 2020/21 £'m | 2021/22 £'m | 2022/23 £'m | Comment |
|-------|----------------|----------------|----------------|----------------|---------|
| | -0.100 | | | | |

Agenda Item 9

Appendix A

Title: Commercial Development – Vehicle Fleet Management

Sefton already successfully delivers Commercial Fleet Management services in a commercial environment.

Awarded green flag status for its technical competence and a specialist in ecological solutions, staff are highly trained across a wide technical scope. As a Council-led operation, Commercial Fleet Management operates an ethical and reliable service which provides value for money.

Their facility offers a convenient location close to the Port of Liverpool and is also situated near to public transport links across the Borough and Liverpool.

Sefton's Commercial Fleet services include:

- Tachograph calibration and repair
- Private vehicle MOT testing
- Taxi licencing

There is a greater opportunity to expand the customer base for this quality service offer to include the following: Transportation and haulage companies; HGV drivers; Minibus firms; Private vehicles under 3.5 tonnes; Taxis and Uber vehicles.

Communications, Consultation & Engagement –

Type: Inform Consult internal
Engage Co-production Consult external

Financial Information (Revenue Implications)

| Stage | 2019/20 £'m | 2020/21 £'m | 2021/22 £'m | 2022/23 £'m | Comment |
|-------|----------------|----------------|----------------|----------------|---------|
| | -0.043 | -0.015 | | | |

| <u>SCHOOLS FORMULA FUNDING ALLOCATIONS 2019/20</u> | |
|---|-----------------------|
| | <u>BUDGET</u> |
| | <u>2019/20</u> |
| | <u>£</u> |
| TOTAL FORMULA FUNDING LEVELS - SCHOOLS 2019/20 (BEFORE DE-DELEGATION AND EXCL PPG) | 157,830,075 |
| <u>PRIMARY PHASE - MAINTAINED SCHOOLS</u> | |
| Linacre Primary School | 762,604 |
| Netherton Moss Primary School | 949,749 |
| The Grange Primary School | 1,169,857 |
| Birkdale Primary School | 1,527,102 |
| Churchtown Primary School | 2,858,198 |
| Farnborough Road Junior School | 1,762,636 |
| Farnborough Road Infant School | 1,339,279 |
| Linaker Primary School | 1,819,250 |
| Norwood Primary School | 1,881,065 |
| Marshside Primary School | 732,956 |
| Kew Woods Primary School | 1,518,764 |
| Aintree Davenhill Primary School | 1,555,463 |
| Hudson Primary School | 749,332 |
| Waterloo Primary School | 1,604,122 |
| Forefield Junior School | 1,361,764 |
| Forefield Community Infant and Nursery School | 1,039,792 |
| Lander Road Primary School | 907,201 |
| Hatton Hill Primary School | 1,483,390 |
| Northway Primary School | 1,187,032 |
| Woodlands Primary School | 1,171,211 |
| Summerhill Primary School | 818,478 |
| Freshfield Primary School | 854,345 |
| Green Park Primary School | 837,127 |
| Redgate Community Primary School | 690,962 |
| Kings Meadow Primary School and Early Years Education Centre | 771,900 |
| Larkfield Primary School | 1,132,738 |
| Melling Primary School | 819,948 |
| Valewood Primary School | 850,350 |
| Lydiate Primary School | 1,039,372 |
| Bedford Primary School | 1,725,274 |
| Christ Church Church of England Controlled Primary School | 1,539,018 |
| St John's Church of England Primary School | 743,953 |
| St Luke's Church of England Primary School | 1,471,103 |
| St Philip's Church of England Controlled Primary School | 857,314 |
| St Oswald's Church of England Primary School | 906,145 |
| St Philip's Church of England Primary School | 831,034 |
| Ainsdale St John's Church of England Primary School | 840,391 |
| St Monica's Catholic Primary School | 1,694,539 |
| St Robert Bellarmine Catholic Primary School | 853,743 |
| Holy Spirit Catholic Primary School | 886,071 |
| Holy Family Catholic Primary School | 821,005 |
| Our Lady of Lourdes Catholic Primary School | 1,885,669 |
| St Teresa's Catholic Infant and Nursery School | 319,475 |
| St Patrick's Catholic Primary School | 1,357,229 |
| St John's Church of England Primary School | 794,184 |
| St Luke's Halsall Church of England Primary School | 790,521 |
| St Nicholas Church of England Primary School | 790,650 |

Agenda Item 9

Appendix B

| | |
|--|-------------------|
| St George's Catholic Primary School | 764,823 |
| Great Crosby Catholic Primary School | 2,425,042 |
| St Mary's Catholic Primary School | 478,040 |
| St Edmund's and St Thomas' Catholic Primary School | 1,196,596 |
| Our Lady Star of the Sea Catholic Primary School | 897,761 |
| Our Lady of Compassion Catholic Primary School | 828,229 |
| English Martyrs' Catholic Primary School | 1,589,707 |
| St Elizabeth's Catholic Primary School | 1,598,323 |
| St William of York Catholic Primary School | 877,357 |
| Our Lady Queen of Peace Catholic Primary School | 589,763 |
| St Gregory's Catholic Primary School | 822,210 |
| Ursuline Catholic Primary School | 1,535,525 |
| St Jerome's Catholic Primary School | 800,893 |
| Holy Rosary Catholic Primary School | 1,517,050 |
| St John Bosco Catholic Primary School | 817,527 |
| Bishop David Sheppard Church of England Primary School | 976,392 |
| Springwell Park Community Primary School | 1,761,283 |
| Thomas Gray Primary School | 919,118 |
| Trinity St Peter's CofE Primary School | 814,050 |
| St Benedict's Catholic Primary School | 874,139 |
| Our Lady of Walsingham Catholic Primary School | 894,693 |
| All Saints Catholic Primary School | 1,437,085 |
| Rimrose Hope CofE Primary School | 1,211,473 |
| | 79,930,389 |
| <u>SECONDARY PHASE - MAINTAINED SCHOOLS</u> | |
| Meols Cop High School | 4,313,407 |
| Savio Salesian College | 2,637,205 |
| Maricourt Catholic High School | 5,473,965 |
| Sacred Heart Catholic College | 5,166,692 |
| Holy Family Catholic High School | 3,983,228 |
| Christ The King Catholic High School and Sixth Form Centre | 4,438,643 |
| | 26,013,140 |
| <u>PRIMARY ACADEMY SCHOOLS</u> | |
| Litherland Moss Primary School | 920,042 |
| St Andrews Church of England Primary School, Maghull | 1,166,151 |
| Holy Trinity Church of England Primary School, Southport | 928,637 |
| St Thomas Church of England Primary School, Lydiate | 803,363 |
| Shoreside Primary School | 806,629 |
| | 4,624,821 |
| <u>SECONDARY ACADEMY/FREE SCHOOLS</u> | |
| King's Leadership Academy Hawthornes | 1,775,349 |
| St Michael's Church of England High School | 3,246,672 |
| Hillside High School | 3,957,890 |
| Litherland High School | 3,226,003 |
| Stanley High School | 3,032,253 |
| Deyes High School | 5,534,400 |
| Formby High School | 4,214,400 |
| Chesterfield High School | 5,438,710 |
| Range High School | 4,670,400 |
| Birkdale High School | 3,573,434 |
| Greenbank High School | 4,824,550 |
| Maghull High School | 3,767,663 |
| | 47,261,725 |

| Line Ref | Service | Base Budget 2016/2017 £ | Base Budget 2017/2018 £ | Draft Base Budget 2018/2019 £ | Draft Base Budget 2019/2020 £ |
|----------|---|----------------------------|----------------------------|----------------------------------|----------------------------------|
| 1 | Strategic Management | 2,974,950 | 3,110,250 | 3,049,400 | 3,004,400 |
| 2 | Strategic Support Unit | 2,891,550 | 3,758,350 | 3,026,150 | 2,861,400 |
| 3 | Adult Social Care | 86,171,650 | 86,984,850 | 95,349,000 | 96,730,500 |
| 4 | Children's Social Care | 27,547,600 | 27,224,575 | 28,137,275 | 27,753,275 |
| 5 | Communities | 10,571,750 | 10,248,320 | 8,223,070 | 8,088,070 |
| 6 | Corporate Resources | 4,083,100 | 5,365,200 | 5,669,050 | 5,104,050 |
| 7 | Health and Wellbeing | 23,310,800 | 23,256,550 | 22,541,350 | 22,489,350 |
| 8 | Inward Investment and Employment | 2,516,500 | 2,561,700 | 2,446,550 | 2,221,550 |
| 9 | Locality Services - Commissioned | 18,596,050 | 18,336,300 | 20,071,400 | 18,988,150 |
| 10 | Locality Services - Provision | 9,380,850 | 9,639,500 | 10,536,250 | 10,103,250 |
| 11 | Regeneration and Housing | 4,621,700 | 4,465,050 | 4,666,500 | 4,626,500 |
| 12 | Regulation and Compliance | 4,444,300 | 3,654,600 | 3,775,850 | 3,775,850 |
| 13 | Schools and Families | 25,926,100 | 25,095,515 | 23,079,265 | 23,394,265 |
| 14 | Public Sector Reform Projects - Budget Planning Assumptions still to be allocated to Services | 0 | -1,281,660 | -4,038,810 | -8,456,810 |
| 15 | Other Services | 3,390,400 | 3,250,400 | 3,189,400 | 3,189,400 |
| 16 | Net Cost of Services | 226,427,300 | 225,669,500 | 229,721,700 | 223,873,200 |
| 17 | Less Capital Charges | -13,375,600 | -13,375,600 | -13,352,950 | -13,352,950 |
| 18 | Debt Repayment / Net Interest | 4,491,800 | 8,076,800 | 7,580,800 | 7,400,800 |
| 19 | Capital Chargeable to Revenue | 95,000 | 95,000 | 95,000 | 0 |
| 20 | Sub total | 217,638,500 | 220,465,700 | 224,044,550 | 217,921,050 |
| 21 | Provision relating to 2018/19 Service Pressures | 0 | 0 | 0 | 7,800,000 |
| 22 | Budget Pressure Fund | 677,757 | -168,388 | 1,601,436 | 1,000,000 |
| 23 | Levies | 33,768,700 | 31,554,650 | 33,255,300 | 34,158,300 |
| 24 | Application of Provisions / Reserves / Corporate Expenditure | 1,992,550 | 1,875,050 | 1,841,200 | 1,441,200 |
| 25 | Capitalisation | -2,000,000 | -3,266,000 | -3,266,000 | -2,849,000 |
| 26 | Corporate / One-Off Savings | -5,055,450 | -11,478,296 | -995,200 | -1,187,200 |
| 27 | Inflationary Items to be Allocated | 3,373,000 | 0 | 0 | 2,631,006 |
| 28 | Corporate Savings to be allocated to Services | -2,018,300 | -867,550 | 0 | -620,000 |
| 29 | Total | 248,376,757 | 238,115,166 | 256,481,286 | 260,295,356 |
| 30 | Specific Government Grants | -22,492,000 | -21,938,000 | -21,374,000 | -20,810,000 |
| 31 | Non-Specific Government Grants | -12,310,700 | -12,993,907 | -12,828,050 | -20,346,058 |
| 32 | Total | 213,574,057 | 203,183,259 | 222,279,236 | 219,139,298 |

Draft Council Budget Summary 2019/20

| Line Ref | Service | Base Budget 2016/2017 £ | Base Budget 2017/2018 £ | Draft Base Budget 2018/2019 £ | Draft Base Budget 2019/2020 £ |
|-----------------------------------|---------------------------------|----------------------------|----------------------------|----------------------------------|----------------------------------|
| 33 | Use of Balances | -969,000 | 0 | 0 | 0 |
| 34 | Total Budget Requirement | 212,605,057 | 203,183,259 | 222,279,236 | 219,139,298 |
| 35 | Add Parish Precepts | 924,859 | 921,458 | 1,025,973 | 1,025,973 |
| 36 | Total Net Expenditure | 213,529,916 | 204,104,717 | 223,305,209 | 220,165,271 |
| <u>SUMMARY OF BALANCES</u> | | | | | |
| 37 | Balances Brought Forward | 8,177,743 | 7,208,743 | 7,208,743 | 7,208,743 |
| 38 | Use of Balances | -969,000 | 0 | 0 | 0 |
| 39 | Balances Carried Forward | 7,208,743 | 7,208,743 | 7,208,743 | 7,208,743 |

| <u>FINANCING OF SEFTON'S BUDGET REQUIREMENT</u> | | | | | |
|--|--|--------------------|--------------------|--------------------|--------------------|
| Total Budget Requirement | | 212,605,057 | 203,183,259 | 222,279,236 | 219,139,298 |
| Less: Revenue Support Grant | | -38,576,743 | 0 | 0 | 0 |
| Top-Up Grant | | -24,463,952 | -21,574,749 | -24,653,183 | -19,627,987 |
| Business Rates Receipts | | -34,378,682 | -61,760,320 | -70,420,393 | -66,489,171 |
| Collection Fund Deficit / Surplus (-) - Council Tax | | -4,467,038 | -2,021,982 | -746,975 | -995,556 |
| Sefton Requirement from Council Tax | | 110,718,642 | 117,826,208 | 126,458,685 | 132,026,584 |
| Band D Council Tax | | 1,370.17 | 1,438.54 | 1,524.71 | 1,570.30 |
| Illustrative Council Tax Increase | | | | | 2.99% |

Note that the Sefton Requirement from Council Tax and quoted Band D Council Tax in 2019/20 is based on a Council Tax increase that is for illustrative purposes only.

SEFTON MBC FEES AND CHARGES 2019/20

Appendix D

| Adult Social Care | | | | | |
|--|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| | | £ | £ | £ | £ |
| Financial Contributions | | | | | |
| Long Term care home placements * | O | £23,250 max | | £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 | 139.45 | 142.80 | 142.35 | 2.90 |
| Aged 25 to under pensionable age * | O | 81.75 | 83.71 | 82.55 | 0.80 |
| Aged 18-24 years * | O | 66.55 | 68.15 | 67.35 | 0.80 |
| Personal Expense Allowances * | O | 24.90 | 25.50 | 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 | 452.34 | 463.20 | 470.57 | 18.23 |
| Residential Mental Health | O | 511.80 | 524.08 | 532.43 | 20.63 |
| <u>Capital of £23,250 and under **</u> | | | | | |
| The weekly charge for respite and short stays are as follows: | | | | | |
| Pensionable age and above * | O | 101.05 | 103.48 | 104.30 | 3.25 |
| Aged 25 to under pensionable age * | O | 81.75 | 83.71 | 82.55 | 0.80 |
| Service Users aged 18-24 years * | O | 66.55 | 68.15 | 67.35 | 0.80 |
| Intermediate Care - there is no charge for this service | | | | | |
| <p>* The Department of Health has not published annual updated figures, so above figures are based on an assumption that capital and personal allowance figures will remain unchanged.</p> <p>**It is anticipated that these flat rate charges will be replaced with a financial assessment, following recent legal advice.</p> <p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p> | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Adult Social Care | | | | | |
|---|----------|-------------------------|--|-------------------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| Day Centre Charges | | £ | £ | £ | £ |
| Charge per Admission (subject to financial assessment If savings £23,250 or under) | O | Max per day of 17.50 | 17.92 | Max per day of 17.50 | 0.00 |
| (If savings above £23,250) | O | Max per day of 45.00 | 46.08 | Max per day of 45.00 | 0.00 |
| Day Centre charge per meal (flat rate for everyone) | O | 3.25 | 3.33 | 3.25 | 0.00 |
| Transport Charges | | | | | |
| Charge per trip (flat rate for everyone) | O | 1.50 | 1.54 | 1.50 | 0.00 |
| (If savings £23,250 or under) | | | | | |
| (in house service) or the actual cost of taxi's (If savings above £23,250) | O | 6.50 | 6.66 | 6.50 | 0.00 |
| NB The above charges are subject to review as part of the Personalisation agenda. Service Users who are in receipt of S.117 are exempt from the admission and transport charge. This also applies to residents of Care Homes who will also be exempt from meal charges as they will be making their maximum contribution as part of the Care Home Costs. | | | | | |
| Charges for the following are based on the actual cost of service: | | | | | |
| Home Care | | | | | |
| Community support | | | | | |
| Shared Lives schemes | | | | | |
| Direct Payments | | | | | |
| Supported Living schemes | | | | | |
| Extra care supported living schemes | | | | | |
| Re-enablement Service | | | | | |
| There is no charge for this service up to a maximum of 6 weeks | | | | | |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Adult Social Care | | | | | |
|---|-----------------|-------------------------------|---|-----------------------|-------------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| | | £ | £ | £ | £ |
| Charges from 1 April 2019 | | | | | |
| Deferred Payment Scheme | | | | | |
| First year set up costs | O | 800.00 | 819.20 | 700.00 | -100.00 |
| Bungalow/Apartment | | | | 325.00 | 325.00 |
| 1-3 Bedroom House | | | | 300.00 | 300.00 |
| 4+ Bedroom House | | | | 325.00 | 325.00 |
| Annual Charge | O | 115.00 | 117.76 | 120.00 | 5.00 |
| Missed appointment by client | | | | 100.00 | |
| Property re-valuation | O | 175.00 | 179.20 | | -175.00 |
| Bungalow/Apartment | | | | 325.00 | 325.00 |
| 1-3 Bedroom House | | | | 300.00 | 300.00 |
| 4+ Bedroom House | | | | 325.00 | 325.00 |
| Charge to register property | O | 140.00 | 143.36 | 140.00 | 0.00 |
| Final charge to close account | O | 175.00 | 179.20 | 175.00 | 0.00 |
| Appointeeship policy - draft policy awaiting finalisation by end of March 2019 | | | | | |
| Clients for whom Sefton is Appointee | | | | | |
| For those with savings above £1000 (per week) | S | | | 5.00 | New |
| Account closure - one off charge | S | | | £150 p.a. | New |
| Clients for whom Sefton is Deputy | | | | | |
| First year annual fee | O | | | £775 one-off | New |
| Subsequent annual fee 3.5% of savings up to maximum £650 | O | | | 3.5% of savings | New |
| Cost of report for Office of Public Guardian | O | | | £216 as required | New |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

GREEN SEFTON

| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
|--|----------|------------------------|--|---|---|
| | | £ | £ | £ | £ |
| CHARGES FOR HIRE OF FACILITIES FOR EVENTS contd | | | | | |
| advertising on sites - boundary railings, within play areas and other agreed features etc.: | | | | | |
| Tier 1 Sites: 1 Week | S | 50.00 | 51.20 | 50.00 | 0.00 |
| Tier 1 Sites: 2 Weeks | S | 75.00 | 76.80 | 75.00 | 0.00 |
| Tier 1 Sites: 1 Month | S | 150.00 | 153.60 | 150.00 | 0.00 |
| Tier 1 Sites: 2 Month | S | 300.00 | 307.20 | 300.00 | 0.00 |
| Tier 1 Sites: 3 Month | S | 450.00 | 460.80 | 450.00 | 0.00 |
| Tier 1 Sites: Removal of unauthorised banners | S | 50.00 | 51.20 | 50.00 | 0.00 |
| Tier 1 Sites: Removed and disposal of outdated banners | S | 15.00 | 15.36 | 15.00 | 0.00 |
| Tier 2 Sites: 1 Week | S | 15.00 | 15.36 | 15.00 | 0.00 |
| Tier 2 Sites: 2 Weeks | S | 30.00 | 30.72 | 30.00 | 0.00 |
| Tier 2 Sites: 1 Month | S | 50.00 | 51.20 | 50.00 | 0.00 |
| Tier 2 Sites: 2 Month | S | 100.00 | 102.40 | 100.00 | 0.00 |
| Tier 2 Sites: 3 Month | S | 150.00 | 153.60 | 150.00 | 0.00 |
| Tier 2 Sites: Removal of unauthorised banners | S | 50.00 | 51.20 | 50.00 | 0.00 |
| Tier 2 Sites: Removed and disposal of outdated banners | S | 15.00 | 15.36 | 15.00 | 0.00 |
| NEW Permitted Activities on Green Sefton Land | | | | | |
| NEW charge for permit for use of Kitebeach | | 0.00 | 0.00 | 25.00 | 25.00 |
| NEW charge for Vehicle Permit for recreational boat launching | | 0.00 | 0.00 | 25.00 | 25.00 |
| NEW charge for Vehicle Permit for setting nets and lines | | 0.00 | 0.00 | 25.00 | 25.00 |
| NEW Beach gate key refundable deposit with return of key | | 0.00 | 0.00 | 10.00 | 10.00 |
| NEW Permit for horseriders using beach | | 0.00 | 0.00 | 25.00 | 25.00 |
| NEW Permit for commercial use of drones - avu | | 0.00 | 0.00 | 50.00 | 50.00 |
| NEW Use of Green Sefton sites by commercial dog walking companies | | 0.00 | 0.00 | 50 | 50.00 |
| OUTDOOR RECREATION | | | | | |
| Allotment Rents:- | | | | | |
| Annual rents | | | | | |
| Full plot | O | 103.00 | 105.47 | 106.00 | 3.00 |
| Half Plot | O | 77.00 | 78.85 | 80.00 | 3.00 |
| Utilities: | | | | | |
| to be determined on a site by site/use basis | S | actual cost | actual cost | actual cost plus 15% administration fee | actual cost plus 15% administration fee |
| Allotment tenancy set up charge | O | 45.00 | 46.08 | 50.00 | 5.00 |
| | S | Standard Rated (20%) | | | |
| | E | Exempt | | | |
| | O | Outside the scope | | | |
| | N | Zero Rated | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| GREEN SEFTON | | | | | |
|---|----------|--|--|--|--|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| | | £ | £ | £ | £ |
| OUTDOOR RECREATION contd. | | | | | |
| Playing fields | | | | | |
| Cricket (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 plus a 15% administration fee for utilities | Full recharge of Grounds maintenance,repairs and utility costs plus a 15% administration fee for utilities |
| Football - adults per season (start Sept to mid May) with changing room hire | 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 plus a 15% administration fee for utilities | Full recharge of Grounds maintenance,repairs and utility costs plus a 15% administration fee for utilities |
| Football - adults per season (start Sept to mid May)withOUT changing room hire | 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 plus a 15% administration fee for utilities | Full recharge of Grounds maintenance,repairs and utility costs plus a 15% administration fee for utilities |
| Football: Junior (per season start Sept to mid May) with changing room hire | | | | | |
| 11 v 11 | E* | 255.00 | 261.12 | 261.00 | 6.00 |
| 9 v 9 | E* | 210.00 | 215.04 | 215.00 | 5.00 |
| 7 v 7 | E* | 165.00 | 168.96 | 169.00 | 4.00 |
| 5 v 5 | E* | 165.00 | 168.96 | 169.00 | 4.00 |
| Football: Junior (per season start Sept to mid May) without changing room hire | | | | | |
| 11 v 11 | E* | 205.00 | 209.92 | 210.00 | 5.00 |
| 9 v 9 | E* | 165.00 | 168.96 | 169.00 | 4.00 |
| 7 v 7 | E* | 140.00 | 143.36 | 143.00 | 3.00 |
| 5 v 5 | E* | 140.00 | 143.36 | 143.00 | 3.00 |
| E* - Exemption only applies to Individuals and Not For Profit Groups or when the block booking exemption can be applied. | | | | | |
| Standard Rated VAT will be applied in all other instances | | | | | |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

GREEN SEFTON

| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
|---|----------|---|---|--|--|
| PARKS Continued | | £ | £ | £ | £ |
| Playing fields | | | | | |
| Baseball | 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 plus a 15% administration fee for utilities | Full recharge of Grounds maintenance,repairs and utility costs plus a 15% administration fee for utilities |
| Rugby - adults per season (start Sept to mid May) with changing room hire | 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 plus a 15% administration fee for utilities | Full recharge of Grounds maintenance,repairs and utility costs plus a 15% administration fee for utilities |
| Rugby - adults per season (start Sept to mid May) without changing room hire | 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 plus a 15% administration fee for utilities | Full recharge of Grounds maintenance,repairs and utility costs plus a 15% administration fee for utilities |
| Rugby - junior per season (start Sept to mid May) with changing room hire | | | | | |
| senior | E* | 255.00 | 261.12 | 261.00 | 6.00 |
| midi | E* | 210.00 | 215.04 | 215.00 | 5.00 |
| mini | E* | 165.00 | 168.96 | 169.00 | 4.00 |
| Rugby - junior per season (start Sept to mid May) without changing room hire | | | | | |
| senior | E* | 205.00 | 209.92 | 209.00 | 4.00 |
| midi | E* | 165.00 | 168.96 | 169.00 | 4.00 |
| mini | E* | 140.00 | 143.36 | 143.00 | 3.00 |
| 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 plus a 15% administration fee for utilities | Full recharge of Grounds maintenance,repairs and utility costs plus a 15% administration fee for utilities |
| E* - Exemption only applies to Individuals and Not For Profit Groups or when the block booking exemption can be applied. | | | | | |
| Standard Rated VAT will be applied in all other instances | | | | | |
| | S | Standard Rated (20%) | | | |
| | E | Exempt | | | |
| | O | Outside the scope | | | |
| | N | Zero Rated | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| GREEN SEFTON | | | | | |
|--|----------|--------------------------------|--|--|--|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| | | £ | £ | £ | £ |
| <u>CHARGES FOR GREEN SEFTON PROFESSIONAL / ADVISORY SERVICES</u> | | | | | |
| ALL GREEN SEFTON SERVICES including Arboricultural Reports , Flood and Coastal Erosion Risk Management, Grounds Maintenance Expertise, Countryside Management Advice, Playground Safety checks and monitoring. | | | | | |
| 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 15% | officer time per hour plus 15% |
| Works arising from the above (such as grounds maintenance, repairs, improvements etc) | S | actual costs plus 10% | actual costs plus 10% | actual costs plus 15% | actual costs plus 15% |
| Charges for production of site furniture | | | | | |
| Standard Oak seat with back rest | S | 650.00 | 665.60 | 650.00 | 0.00 |
| NEW Site furniture (bins, benches, noticeboards etc.) | | n/a | n/a | full costs, officer time per hour plus 15% | full costs, officer time per hour plus 15% |
| Engraving Service (charge per hour, materials extra) | S | 20.00 | 20.48 | 25.00 | 5.00 |
| NEW Publications | | | | | |
| Sandscape Book (as agreed with HLF - income to go to book fund to fund further reprints) | N | 15.00 | 15.36 | 15.00 | 0.00 |
| NEW General publications | | | | actual costs plus 15% | actual costs plus 15% |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| GREEN SEFTON | | | | | |
|--|-----------------|-------------------------------|---|--|--|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| INCLUSION PROGRAMME / ENVIRONMENTAL EDUCATION / TRAINING ACTIVITIES | | | | | |
| Fully supervised / facilitated by Green Sefton Staff | | | | | |
| Day rate for Service Users | N | 40.00 | 40.96 | 45.00 | 5.00 |
| Forest School and Beach School Session | E | 125.00 | 128.00 | 150.00 | 25.00 |
| Forest School and Beach School Training / Taster Day per person half day | E | 35.00 | 35.84 | 35.00 | 0.00 |
| Forest School and Beach School Training / Taster Day per person full day | E | 50.00 | 51.20 | 50.00 | 0.00 |
| Forest School and Beach School Training / Taster Day per person twilight session | E | 25.00 | 25.60 | 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 | 0.51 - 5.12 | 0.50-5.00 | 0.00 |
| Charge for public event / activity per adult (variable charge) | S | 1.00-10.00 | 1.02 - 10.24 | 1.00-10.00 | 0.00 |
| Holiday Club per child per day (non-subsidised without parents) | S | 25.00 | 25.60 | 25.00 | 0.00 |
| NEW Charges for External Groups / Organisations | | | | | |
| Guided walk / talk (at Sefton Council site or premises) | S | n/a | n/a | 30.00 | 30.00 |
| Guided walk / talk (off site) | S | n/a | n/a | 30 plus travel expenses | 30 plus travel expenses |
| Environmental activity off site (requested by others) | S | n/a | n/a | 30 plus travel expenses | 30 plus travel expenses |
| Group Team Building / Away Days - non residential up to 15 people | S | n/a | n/a | £500 or as determined by Head of Locality Services | £500 or as determined by Director of Head of Locality Services |
| Group Team Building / Away Days - non residential 16 - 30 people | S | n/a | n/a | £900 or as determined by Head of Locality Services | £900 or as determined by Director of Head of Locality Services |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| GREEN SEFTON | | | | | |
|---|----------|------------------------|--|---|---|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| NEW membership scheme | | | | | |
| Green Sefton Membership scheme (adult) | S | n/a | n/a | £50 or as determined by Head of Locality Services | £50 or as determined by Head of Locality Services |
| Green Sefton Membership scheme (junior) | S | n/a | n/a | £10 or as determined by Director of Head of Locality Services | £10 or as determined by Director of Head of Locality Services |
| Green Sefton Membership scheme (family - up to two adults and two children) | S | n/a | n/a | £60 or as determined by Head of Locality Services | £60 or as determined by Head of Locality Services |
| Green Sefton Membership scheme (over 60's) | S | n/a | n/a | £40 or as determined by Head of Locality Services | £40 or as determined by Head of Locality Services |
| Green Sefton Membership scheme (corporate) | S | n/a | n/a | up to £25 per employee or as determined by Head of Locality Services | up to £25 per employee or as determined by Head of Locality Services |
| Green Sefton Membership scheme (corporate, carbon offset) | S | n/a | n/a | up to £100 per employee or as determined by Head of Locality Services | up to £100 per employee or as determined by Head of Locality Services |
| Flood and coastal erosion risk management | | | | | |
| Land Drainage Consent (per application per structure) | O | 50.00 | 51.20 | 50.00 | 0.00 |
| 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 @ October 2018

2.40%

| GREEN SEFTON | | | | | |
|--|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| | | £ | £ | £ | £ |
| BOOTLE GOLF COURSE | | | | | |
| Green Fees | | | | | |
| Adult - Mon/Fri | E* | 11.80 | 12.08 | 11.90 | 0.10 |
| Sat/Sun/Bank Hols | E* | 14.80 | 15.16 | 14.90 | 0.10 |
| Over 60s, Mon / Fri only | E* | 7.80 | 7.99 | 7.90 | 0.10 |
| Junior (up to and including aged 16) | E* | 6.80 | 6.96 | 6.90 | 0.10 |
| NEW Child (up to and including age 16) - festival of golf | E* | 0.00 | 0.00 | 0.00 | 0.00 |
| NEW 9-Hole fee | E* | 0.00 | 0.00 | 6.90 | 6.90 |
| Summer Twilight ticket Mon - Fri | E* | 7.20 | 7.37 | 7.40 | 0.20 |
| Summer Twilight ticket Sat / Sun / Bank Hols | E* | 7.20 | 7.37 | 7.40 | 0.20 |
| Winter Twilight ticket Mon - Fri | E* | 7.20 | 7.37 | 7.40 | 0.20 |
| Winter Twilight ticket Sat / Sun / Bank Hols | E* | 7.20 | 7.37 | 7.40 | 0.20 |
| (twilight ticket only to be issued no more than 2 hours before sunset - junior players at junior rate) | | | | | |
| Season Tickets | | | | | |
| 5-day (Mon - Fri) | E* | 403.00 | 412.67 | 412.00 | 9.00 |
| 7 Day | E* | 598.00 | 612.35 | 612.00 | 14.00 |
| Weekend Contract | E* | 0.00 | 0.00 | 450.00 | 450.00 |
| 10 Round Contract | E* | 0.00 | 0.00 | 110.00 | 110.00 |
| 9 hole contract | E* | 0.00 | 0.00 | 180.00 | 180.00 |
| Over 60s (Mon - Fri only) | E* | 271.00 | 277.50 | 277.50 | 6.50 |
| Junior (7 Day) | E* | 165.00 | 168.96 | 80.00 | -85.00 |
| NEW Child - 7 Day - first child with any contract bought | E* | 0.00 | 0.00 | 26.00 | 26.00 |
| NEW Child - 7 Day - for participants of Festival of Golf | E* | 0.00 | 0.00 | 0.00 | 0.00 |
| Alternate Use | | | | | |
| NEW Foot Golf | E* | 0.00 | 0.00 | 4.75 | 4.75 |
| NEW Frisbee Golf | E* | 0.00 | 0.00 | 4.75 | 4.75 |
| | | S | Standard Rated (20%) | | |
| | | E | Exempt | | |
| | | O | Outside the scope | | |
| | | N | Zero Rated | | |

(*) CPI Inflation rate @ October 2018

2.40%

GREEN SEFTON

| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
|--|----------|------------------------|--|----------------|------------------|
| Miscellaneous Charges | | £ | £ | £ | £ |
| COMPULSORY INSURANCE | | | | | |
| SOUTHPORT GOLF LINKS | | | | | |
| Insurance per round (additional to green fees) | E | 1.00 | 1.02 | 1.25 | 0.25 |
| Insurance per annual season ticket (additional to green fees) | E | 15.00 | 15.36 | 20.00 | 5.00 |
| BOOTLE GOLF COURSE | | | | | |
| Insurance per round (additional to green fees) | E | 0.60 | 0.61 | 1.10 | 0.50 |
| Insurance per annual season ticket (additional to green fees) | E | 15.00 | 15.36 | 20.00 | 5.00 |
| New Contract Cancellation Protection | E | 0.00 | 0.00 | 15.00 | 15.00 |
| PLAYING WITHOUT BOOKING or WITHOUT GIVING PRIOR NOTIFICATION OF INTENTION TO PLAY | E* | 40.00 | 40.96 | 40.00 | 0.00 |
| Administration fee (applicable to contracts applied for mid year (after 1st June)) | E* | 25.00 | 25.60 | 25.00 | 0.00 |
| Instalment plan (5 payments) | | | | | |
| adult, colt | E* | 50.00 | 51.20 | 50.00 | 0.00 |
| child | E* | 25.00 | 25.60 | 25.00 | 0.00 |
| over 60s | E* | 50.00 | 51.20 | 50.00 | 0.00 |
| Direct debit (12 equal payments) | E* | 0.00 | 0.00 | 0.00 | 0.00 |
| E* - Exemption only applies to Individuals and Not For Profit Groups or when the block booking exemption can be applied. | | | | | |
| Standard Rated VAT will be applied in all other instances | | | | | |
| <p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p> | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

SEFTON MBC FEES AND CHARGES 2019/20

| Communities | | | | | |
|--|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| | | £ | £ | £ | £ |
| LEISURE CARD | | | | | |
| LIBRARIES & INFORMATION SERVICES | | | | | |
| Overdue Charges | | | | | |
| Adult 1st week - 1st day | O | 0.12 | 0.12 | 0.12 | 0.00 |
| 12pence per day up to a max of £6 | O | 0.12 - 6.00 | 0.12 - 6.14 | 0.12 - 6.00 | 0.00 |
| Child 1st week - 1st day | O | 0.01 | 0.01 | 0.01 | 0.00 |
| 1p per day for 150 days to a max of £1.50 | O | 0.02 - 1.50 | 0.02 - 1.58 | 0.02 - 1.50 | 0.00 |
| DVD loan charge-per item per week | O | 2.50 | 2.56 | 2.50 | 0.00 |
| DVD loan charge-per item per week (older titles) | O | 1.50 | 1.54 | 1.50 | 0.00 |
| Reservation fee | O | 0.00 | 0.00 | 0.00 | 0.00 |
| Reservation fee (per item). For items borrowed outside Sefton | O | 4.20 | 4.30 | 4.20 | 0.00 |
| Reservation fee (children up to 16) | O | free | free | free | 0.00 |
| Reservation fee (visually impaired people) for spoken word and large print books | O | free | free | free | 0.00 |
| Lost tickets - replacements | O | 1.30 | 1.33 | 1.30 | 0.00 |
| Administration charge for lost items (per item) | O | 1.10 | 1.13 | 1.10 | 0.00 |
| Local History - research fee | S | 33.00 | 33.79 | 33.00 | 0.00 |
| Local History - research fee (per 15 minutes) | S | 5.00 | 5.12 | 5.00 | 0.00 |
| <div style="display: flex; justify-content: flex-end; align-items: flex-start;"> <div style="text-align: right; margin-right: 20px;"> <p>S Standard Rated (20%)</p> <p>E Exempt</p> <p>O Outside the scope</p> <p>N Zero Rated</p> </div> </div> | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Communities | | | | | |
|--|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| LEISURE CARD | | £ | £ | £ | £ |
| LIBRARY PREMISES - | | | | | |
| Lettings - per hour | | | | | |
| Crosby Library small lecture room: | | | | | |
| Monday - Saturday | E | 20.00 | 20.48 | 20.00 | 0.00 |
| Formby Library meeting room: | | | | | |
| Monday - Saturday | E | 20.00 | 20.48 | 20.00 | 0.00 |
| Other library spaces | | | | | |
| Monday - Saturday | E | 10.00 | 10.24 | 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 | 0.50 | 0.00 | 0.50 | 0.00 |
| 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 @ October 2018

2.40%

| Communities | | | | | |
|---|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| LIBRARIES & INFORMATION SERVICES | | £ | £ | £ | £ |
| | | | | | |
| Reproduction Fee (per item - local history) | S | | | | |
| Personal use | S | 4.00 | 4.10 | 4.00 | 0.00 |
| Print for publication | S | 18.50 | 18.94 | 18.50 | 0.00 |
| Radio/tv/video | S | 45.00 | 46.08 | 45.00 | 0.00 |
| Photographic download | S | 2.50 | 2.56 | 2.50 | 0.00 |
| Photographic reproduction | S | 11.00 - 14.00 | 11.26 - 14.34 | 11.00 - 14.00 | 11.00 - 14.00 |
| | S | Standard Rated (20%) | | | |
| | E | Exempt | | | |
| | O | Outside the scope | | | |
| | N | Zero Rated | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Communities | | | | | |
|---|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| | | £ | £ | £ | £ |
| LEISURE CARD | | | | | |
| ARTS & CULTURAL SERVICES | | | | | |
| THE ATKINSON | | | | | |
| Studio | | | | | |
| Studio Commercial show only (7 hour Package) | S | 825.00 | 844.80 | 825.00 | 0.00 |
| Studio commercial full day (12 Hour Package) | S | 1250.00 | 1280.00 | 1250.00 | 0.00 |
| Studio commercial rehearsal /get in (7 Hour Package) | S | 525.00 | 537.60 | 525.00 | 0.00 |
| Studio additional hours over commercial | S | 110.00 | 112.64 | 110.00 | 0.00 |
| Full day (2 shows package) | s | 1500.00 | 1536.00 | 1500.00 | 0.00 |
| Studio Community get in/rehearsal (7 Hour Package) | S | 525.00 | 537.60 | 525.00 | 0.00 |
| Studio Community show only (7 hour Package) | S | 750.00 | 768.00 | 750.00 | 0.00 |
| Studio full day community (12 hour Package) | S | 1,200.00 | 1,228.80 | 1,200.00 | 0.00 |
| Studio additional hours community | S | 110.00 | 112.64 | 110.00 | 0.00 |
| Full Day (2 shows package) | S | 1,400.00 | 1,433.60 | 1,400.00 | 0.00 |
| Theatre | | | | | |
| Theatre community get in /rehearsal full day (7 hour Package) | S | 525.00 | 537.60 | 525.00 | 0.00 |
| Theatre community (7 hour Package) show only | S | 950.00 | 972.80 | 950.00 | 0.00 |
| Theatre community (12 hour Package) | S | 1400.00 | 1433.60 | 1400.00 | 0.00 |
| Theatre additional hours community | S | 110.00 | 112.64 | 110.00 | 0.00 |
| Full day (2 shows package) | S | 1800.00 | 1843.20 | 1800.00 | 0.00 |
| Theatre Commercial show only (7hour Package) | S | 1050.00 | 1075.20 | 1050.00 | 0.00 |
| Theatre commercial full day (12 hour Package) | S | 1700.00 | 1740.80 | 1700.00 | 0.00 |
| Theatre Commercial rehearsal (7 hour Package) | S | 750.00 | 768.00 | 750.00 | 0.00 |
| Theatre additional hours over packages (hourly rate) | S | 110.00 | 112.64 | 110.00 | 0.00 |
| Full day (2 shows package) | S | 1900.00 | 1945.60 | 1900.00 | 0.00 |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

SEFTON MBC FEES AND CHARGES 2019/20

| Health & Wellbeing Service | | | | | |
|---------------------------------------|----------|---|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| | | £ | £ | £ | £ |
| LEISURE CARD | | | | | |
| Sale of discarded items | | Price to be set by the Head of Health & Wellbeing | | | |
| Commercial Notice Boards - | | | | | |
| A5 or under per week | S | free for | free for | free for | free for |
| A4 or under per week | S | community | community | community | community |
| A3 or under per week | S | groups | groups | groups | groups |
| A2 or under per week | S | no commercial | no commercial | no commercial | no commercial |
| Display of leaflets per week | S | usage | usage | usage | usage |
| Display space charge | S | negotiable + 27.5% | | | |
| | | commission | | | |
| Commercial sales | S | 35% commission | | | |
| Items for sale | S | Price to be set by the Head of Health & Wellbeing | | | |
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| | | | | | |
| | | | | | |
| | | S | Standard Rated (20%) | | |
| | | E | Exempt | | |
| | | O | Outside the scope | | |
| | | N | Zero Rated | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Health & Wellbeing Service | | | | | |
|--|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| | | £ | £ | £ | £ |
| LEISURE CARD | | | | | |
| SPORT & RECREATION SERVICES | | | | | |
| LEISURE CENTRE CHARGES | | | | | |
| Active Sefton Leisure Card - Annual Charge | | | | | |
| Adult (from age 17) | S | 7.00 | 7.17 | 8.00 | 1.00 |
| Child - up to and including age 16 | S | 3.90 | 3.99 | 4.00 | 0.10 |
| Swimming Charges | | | | | |
| Adult | E* | 4.80 | 4.92 | 4.80 | 0.00 |
| Child - up to and including age 16 | E* | 2.80 | 2.87 | 2.80 | 0.00 |
| O.A.P | E* | 2.80 | 2.87 | 2.80 | 0.00 |
| Adult Active Choices | E* | 2.80 | 2.87 | 2.80 | 0.00 |
| Child Active Choices | E* | 2.00 | 2.05 | 2.00 | 0.00 |
| Family swim for 4 | E* | 12.50 | 12.80 | 12.50 | 0.00 |
| Family swim for 5 | E* | 13.80 | 14.13 | 13.80 | 0.00 |
| Active Sefton swim pass - monthly | E* | 19.00 | 19.46 | 20.00 | 1.00 |
| Locker hire (£1.00 refundable) | S | 1.70 | 1.74 | 1.70 | 0.00 |
| Spectators (aged 3+) | S | 0.50 | 0.51 | 0.60 | 0.10 |
| Spectators (under 3) | S | 0.00 | 0.00 | 0.00 | 0.00 |
| E* - Exemption only applies to Individuals and Not For Profit Groups or when the block booking exemption can be applied. | | | | | |
| Standard Rated VAT will be applied in all other instances | | | | | |
| <p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p> | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

Health & Wellbeing Service

| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
|---|----------|---|--|----------------|------------------|
| LEISURE CARD | | £ | £ | £ | £ |
| Swimming Charges continued | | | | | |
| Private school swimming lesson- per student | E | 5.40 | 5.53 | 18.50 | 13.10 |
| Adult - swimming lesson | E | 5.40 | 5.53 | 5.40 | 0.00 |
| Junior - swimming lesson | E | 5.00 | 5.12 | 5.00 | 0.00 |
| Hire of whole pool area - private use per hour | E* | 120.00 | 122.88 | 123.60 | 3.60 |
| Parties | S | Price to be set by the Head of Health & Wellbeing | | | |
| Club letting whole pool - fees per hour - Monday to Sunday | E* | 80.00 | 81.92 | 82.40 | 2.40 |
| Gala fee (minimum hire 2 hours) | E* | 250.00 | 256.00 | 257.50 | 7.50 |
| Learner pool hire per hour | E* | 90.00 | 92.16 | 92.70 | 2.70 |
| Swimming lane hire (one lane) - per hour | E* | 21.00 | 21.50 | 21.70 | 0.70 |
| Swimming lane hire (two lanes) - per hour | E* | 40.00 | 40.96 | 41.20 | 1.20 |
| PHAB club | E | 45.00 | 46.08 | 46.40 | 1.40 |
| Sauna/Steam | | | | | |
| Adult - (incl free swim) | S | 7.00 | 7.17 | 7.30 | 0.30 |
| E* - Exemption only applies to Individuals and Not For Profit Groups or when the block booking exemption can be applied. | | | | | |
| Standard Rated VAT will be applied in all other instances | | | | | |
| S Standard Rated (20%) | | | | | |
| E Exempt | | | | | |
| O Outside the scope | | | | | |
| N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Health & Wellbeing Service | | | | | |
|--|----------|-----------------------------|--|-----------------------------|-----------------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| LEISURE CARD | | £ | £ | £ | £ |
| LEISURE CENTRE CHARGES continued | | | | | |
| Sports Hall | | | | | |
| Equipment Hire | S | 3.00 | 3.07 | 3.10 | 0.10 |
| Deposit | S | 5.00 | 5.12 | 5.20 | 0.20 |
| Badminton Court/Table Tennis/Short Tennis/Trampolining | | | | | |
| -Use per hour | | | | | |
| -Adult - | E* | 8.00 | 8.19 | 8.00 | 0.00 |
| -Adult - Daytime Special | E* | 7.00 | 7.17 | 7.00 | 0.00 |
| -Child | E* | 7.00 | 7.17 | 7.00 | 0.00 |
| Hire of Hall | | | | | |
| Quarter Hall - peak | E* | 12.70 | 13.00 | 13.10 | 0.40 |
| Half Hall - peak | E* | 26.40 | 27.03 | 27.20 | 0.80 |
| Whole Hall - peak | E* | 33.70 | 34.51 | 34.80 | 1.10 |
| Junior Whole Hall - peak | E* | 26.40 | 27.03 | 27.20 | 0.80 |
| Commercial bodies | S | negotiated at premium rates | negotiated at premium rates | negotiated at premium rates | negotiated at premium rates |
| E* - Exemption only applies to Individuals and Not For Profit Groups or when the block booking exemption can be applied. | | | | | |
| Standard Rated VAT will be applied in all other instances | | | | | |
| <p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p> | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Health & Wellbeing Service | | | | | |
|--|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| LEISURE CARD | | £ | £ | £ | £ |
| Litherland Sports Park | | | | | |
| Fitness Suite | | | | | |
| Gym, Group X & Swim | | Up To | | | |
| Adult | E* | 9.50 | 9.73 | 9.80 | 0.30 |
| Adult Active Choices | E* | 7.50 | 7.68 | 7.80 | 0.30 |
| Child - up to and including age 16 | E* | 5.00 | 5.12 | 5.20 | 0.20 |
| Special sessions only | E* | 3.50 | 3.58 | 3.70 | 0.20 |
| GP Referral | E* | 2.50 | 2.56 | 2.60 | 0.10 |
| Induction Courses | | | | | |
| Adult | E* | 20.00 | 20.48 | 20.00 | 0.00 |
| Child | E* | 7.00 | 7.17 | 10.00 | 3.00 |
| GP Referral | E* | 7.00 | 7.17 | 10.00 | 3.00 |
| Annual Fitness Packages | | | | | |
| Committed - 12 month notice period | | | | | |
| Active8 Anytime - single payment - 1 month free | E* | 319.00 | 326.66 | 330.00 | 11.00 |
| Active8 Anytime - Direct Debit | E* | 348.00 | 356.35 | 360.00 | 12.00 |
| Active8 Choices - single payment - 1 month free | E* | 242.00 | 247.81 | 253.00 | 11.00 |
| Active8 Choices - Direct Debit | E* | 264.00 | 270.34 | 276.00 | 12.00 |
| Active8 Anytime student | E* | 242.00 | 247.81 | 254.00 | 12.00 |
| Active8 Anytime - workforce | E* | 242.00 | 247.81 | 254.00 | 12.00 |
| Active8 Anytime - referral | E* | 242.00 | 247.81 | 254.00 | 12.00 |
| Active8 Anytime - junior | E* | 165.00 | 168.96 | 177.00 | 12.00 |
| E* - Exemption only applies to Individuals and Not For Profit Groups or when the block booking exemption can be applied. | | | | | |
| Standard Rated VAT will be applied in all other instances | | | | | |
| <p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p> | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Health & Wellbeing Service | | | | | |
|---|----------|---|--|---|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| | | £ | £ | £ | £ |
| LEISURE CARD | | | | | |
| Litherland Sports Park continued | | | | | |
| Synthetic Turf Pitch | | | | | |
| Adult - whole pitch hire - per hour | E* | 101.50 | 103.94 | 101.50 | 0.00 |
| Adult - half pitch hire - per hour | E* | 57.90 | 59.29 | 57.90 | 0.00 |
| Adult - 5-a-side pitch - per hour | E* | 41.10 | 42.09 | 41.10 | 0.00 |
| Junior - whole pitch hire - per hour | E* | 66.20 | 67.79 | 66.20 | 0.00 |
| Junior - half pitch hire - per hour | E* | 42.10 | 43.11 | 42.10 | 0.00 |
| Junior - 5-a-side pitch - per hour | | 27.90 | 28.57 | 27.90 | 0.00 |
| Community Sports Development Programmes | E* | Price to be set by the Head of Health & Wellbeing | | Price to be set by the Head of Health & Wellbeing | |
| Commercial Activities (Soccer Schools etc) | S | Price to be set by the Head of Health & Wellbeing | | Price to be set by the Head of Health & Wellbeing | |
| Athletics | | | | | |
| Annual Permit - adult | E* | 100.00 | 102.40 | 103.00 | 3.00 |
| Annual Permit - child | E* | 70.00 | 71.68 | 80.00 | 10.00 |
| Full Day Permit - adult | E* | 5.60 | 5.73 | 5.80 | 0.20 |
| Half Day Permit - adult | E* | 3.40 | 3.48 | 3.60 | 0.20 |
| Full Day Permit - child | E* | 3.40 | 3.48 | 3.60 | 0.20 |
| Half Day Permit - child | E* | 2.30 | 2.36 | 2.40 | 0.10 |
| E* - Exemption only applies to Individuals and Not For Profit Groups or when the block booking exemption can be applied. | | | | | |
| Standard Rated VAT will be applied in all other instances | | | | | |
| S Standard Rated (20%) | | | | | |
| E Exempt | | | | | |
| O Outside the scope | | | | | |
| N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

Health & Wellbeing Service

| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
|---|----------|---|--|----------------|------------------|
| LEISURE CARD | | £ | £ | £ | £ |
| Litherland Sports Park continued | | | | | |
| School Track Hire - Sefton LEA Schools - Term Time - 9.00am - 5.00pm | O | Price to be set by the Head of Health & Wellbeing | | | |
| School Track Hire - Other Schools/Acads - Term Time - 9.00am - 5.00pm | E* | | | | |
| Athletics meetings | S | | | | |
| Cycling | | | | | |
| Annual Permit - adult | E* | 46.20 | 47.31 | 47.60 | 1.40 |
| Annual Permit - child | E* | 31.50 | 32.26 | 32.50 | 1.00 |
| Full Day Permit - adult | E* | 5.80 | 5.94 | 6.00 | 0.20 |
| Half Day Permit - adult | E* | 3.50 | 3.58 | 3.70 | 0.20 |
| Full Day Permit - child | E* | 3.50 | 3.58 | 3.70 | 0.20 |
| Half Day Permit - child | E* | 2.50 | 2.56 | 2.60 | 0.10 |
| Cycle meeting | E* | Price to be set by the Head of Health & Wellbeing | | | |
| Activity Studio - Full Studio | E* | 55.00 | 56.32 | 56.70 | 1.70 |
| Activity Studio - Half Studio | E* | 35.00 | 35.84 | 36.10 | 1.10 |
| Activity Studio - Full Commercial Bookings | E* | Price to be set by the Head of Health & Wellbeing | | | |
| E* - Exemption only applies to Individuals and Not For Profit Groups or when the block booking exemption can be applied. | | | | | |
| Standard Rated VAT will be applied in all other instances | | | | | |
| S Standard Rated (20%) | | | | | |
| E Exempt | | | | | |
| O Outside the scope | | | | | |
| N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Health & Wellbeing Service | | | | | |
|---|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| LEISURE CARD | | £ | £ | £ | £ |
| SPLASHWORLD - per 1.5 hr session | | | | | |
| Off season - session is 2 hours | | | | | |
| Adults (over 16's) | E* | 11.50 | 11.78 | 11.90 | 0.40 |
| Juniors (6 years to 15 years) | E* | 9.00 | 9.22 | 9.30 | 0.30 |
| Juniors (3 years to 5 years) restrictions on some rides | E* | 7.50 | 7.68 | 7.80 | 0.30 |
| Toddlers (under 3 years) | E* | 3.00 | 3.07 | 3.50 | 0.50 |
| Family Ticket (2 adults + 2 children) | E* | 37.00 | 37.89 | 38.20 | 1.20 |
| Family Ticket (2 adults + 3 children) | E* | 45.00 | 46.08 | 46.40 | 1.40 |
| Spectators | S | 5.00 | 5.12 | 5.00 | 0.00 |
| Gold Pass - Full day ticket - no time restrictions | | | | | |
| Adults (over 16's) | E* | 17.10 | 17.51 | 17.10 | 0.00 |
| Juniors (6 years to 15 years) | E* | 13.50 | 13.82 | 13.50 | 0.00 |
| Juniors (3 years to 5 years) restrictions on some rides | E* | 12.00 | 12.29 | 12.00 | 0.00 |
| Toddlers (under 3 years) | E* | 3.00 | 3.07 | 3.00 | 0.00 |
| Family Ticket (2 adults + 2 children) | E* | 50.00 | 51.20 | 50.00 | 0.00 |
| Family Ticket (2 adults + 3 children) | E* | 55.00 | 56.32 | 55.00 | 0.00 |
| E* - Exemption only applies to Individuals and Not For Profit Groups or when the block booking exemption can be applied. | | | | | |
| Standard Rated VAT will be applied in all other instances | | | | | |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Health & Wellbeing Service | | | | | |
|--|----------|---|--|--|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| | | £ | £ | £ | £ |
| LEISURE CARD | | | | | |
| CROSBY LAKESIDE ADVENTURE CENTRE | | | | | |
| Annual Fitness Packages | | | | | |
| Non-Committed - 3 month notice period | | | | | |
| Active8 Anytime - single payment - 1 month free | E* | n/a | n/a | n/a | n/a |
| Active8 Anytime - Direct Debit | E* | 456.00 | 466.94 | 467.00 | 11.00 |
| Active8 Choices - single payment - 1 month free | E* | n/a | n/a | n/a | n/a |
| Active8 Choices - Direct Debit | E* | 324.00 | 331.78 | 335.00 | 11.00 |
| Active8 Anytime student | E* | 324.00 | 331.78 | 335.00 | 11.00 |
| Active8 Anytime - workforce | E* | 300.00 | 307.20 | 311.00 | 11.00 |
| Active8 Anytime - referral | E* | 300.00 | 307.20 | 311.00 | 11.00 |
| Active8 Anytime - junior | E* | 240.00 | 245.76 | 251.00 | 11.00 |
| Corporate memberships | S | Price to be set by the Head of Health & Wellbeing | | | |
| CROSBY LAKESIDE ADVENTURE CENTRE | | | | | |
| Lakeside Learning - (Classroom Hire) | S | prices to be set by Head of Health & Wellbeing | | prices to be set by Head of Health & Wellbeing | |
| Lakeside Hospitality - (Functions & Events) | S | | | | |
| Lakeside Lodge - (Overnight Accommodation) | S | | | | |
| Lakeside Bistro - (Bar & Restaurant) | S | | | | |
| Lakeside Watersports (lake and water activities) | E* | | | | |
| Group session: (10 users with a recognised leader) | | | | | |
| Standard Bookings | | | | | |
| Young People - up to 2 hours | E* | 115.00 | 117.76 | 125.00 | 10.00 |
| Young People - up to 3 hours | E* | 155.00 | 158.72 | Replaced by 1/2 day rate | n/a |
| Young People- 1/2 Day - new 2018 | E* | 175.00 | 179.20 | 180.00 | 5.00 |
| Young People - Full Day - New 2018 | E* | 275.00 | 281.60 | 280.00 | 5.00 |
| Adults - up to 2 hours | E* | 145.00 | 148.48 | 145.00 | 0.00 |
| Adults - up to 3 hours | E* | 200.00 | 204.80 | 200.00 | 0.00 |
| | | S | Standard Rated (20%) | | |
| | | E | Exempt | | |
| | | O | Outside the scope | | |
| | | N | Zero Rated | | |

(*) CPI Inflation rate @ October 2018

2.40%

Health & Wellbeing Service

| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
|---|----------|------------------------|--|----------------|------------------|
| | | £ | £ | £ | £ |
| LEISURE CARD | | | | | |
| CROSBY LAKESIDE ADVENTURE CENTRE continued | | | | | |
| Facility Memberships | | | | | |
| Monthly Lake Membership - Lake Access | S | 130.00 | 133.12 | 135.00 | 5.00 |
| H2O Mememrship - Product Rename / Launch- Lake Access & Equipment Hire | S | 315.00 | 322.56 | 270.00 | -45.00 |
| SUP Membership - New Product - 2019 | S | 0.00 | 0.00 | 150.00 | 150.00 |
| Boat and Equipment Storage | | | | | |
| Small Container | S | 375.00 | 384.00 | 394.00 | 19.00 |
| Large Container | S | 750.00 | 768.00 | 787.50 | 37.50 |
| Boat Park Space | S | 135.00 | 138.24 | 138.50 | 3.50 |
| Daily 'Pay & Play' Usage | | | | | |
| Peak Rate - 08.00 - 17.00 | S | 12.50 | 12.80 | 13.00 | 0.50 |
| Off Peak Rate - 17.00 - 22.00 | S | 6.50 | 6.66 | 6.50 | 0.00 |
| Activity Courses* | | 32.50 - 125.00 | 33.28 - 128.00 | 27.50 - 137.50 | |
| Sailing Courses* | E | 165.00 | 168.96 | 155.00 | -10.00 |
| Windsurfing Courses* | E | 165.00 | 168.96 | 155.00 | -10.00 |
| Powerboat Courses* | E | 195.00 | 199.68 | 195.00 | 0.00 |
| Paddling Courses* | E | 70.00 - 140.00 | 71.68-143.36 | 60.00 | #VALUE! |
| Adventure Days* | E | 32.50 - 125.00 | 33.28 - 128.00 | 27.50 - 137.50 | #VALUE! |
| * 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 @ October 2018

2.40%

| Health & Wellbeing Service | | | | | |
|--|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| LEISURE CARD | | £ | £ | £ | £ |
| NETHERTON ACTIVITY CENTRE continued | | | | | |
| Bouncy Castle | | | | | |
| Bouncy Castle Party (1 hour) | S | 61.20 | 62.67 | 65.00 | 3.80 |
| Bouncy Castle Party (2 hours) | S | 102.00 | 104.45 | 110.00 | 8.00 |
| Table Tennis | | | | | |
| Adult Peak (per court) | E* | 9.10 | 9.32 | 9.10 | 0.00 |
| Junior Peak (per court) | E* | 7.00 | 7.17 | 7.00 | 0.00 |
| Daytime Session (per court) | E* | 5.90 | 6.04 | 5.90 | 0.00 |
| Badminton | | | | | |
| Adult Peak (per court) | E* | 9.20 | 9.42 | 9.20 | 0.00 |
| Junior Peak (per court) | E* | 7.20 | 7.37 | 7.20 | 0.00 |
| Daytime Session (per court) | E* | 6.10 | 6.25 | 6.10 | 0.00 |
| Equipment Hire | | | | | |
| Equipment Hire (Football, Racquet etc) | S | 2.30 | 2.36 | 2.30 | 0.00 |
| Equipment Hire Deposit | S | 5.50 | 5.63 | 5.00 | -0.50 |
| Crèche | | | | | |
| Child Session | E | 1.80 | 1.84 | 1.90 | 0.10 |
| Health & Fitness Member | | free | free | free | free |
| Be Active Child Member | | free | free | free | free |
| E* - Exemption only applies to Individuals and Not For Profit Groups or when the block booking exemption can be applied. | | | | | |
| Standard Rated VAT will be applied in all other instances | | | | | |
| <p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p> | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Health & Wellbeing Service | | | | | |
|---|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| LEISURE CARD | | £ | £ | £ | £ |
| NETHERTON ACTIVITY CENTRE continued | | | | | |
| 5 - a - Side | | | | | |
| Adult | | | | | |
| Peak - per hour (6.00pm - 10.00pm) | E* | 47.90 | 49.05 | 47.90 | 0.00 |
| Off Peak (9.00am - 6.00pm) | E* | 36.90 | 37.79 | 36.90 | 0.00 |
| Junior | | | | | |
| Peak - per hour (6.00pm - 10.00pm) | E* | 24.40 | 24.99 | 24.40 | 0.00 |
| Off Peak (9.00am - 6.00pm) | E* | 19.00 | 19.46 | 19.00 | 0.00 |
| 7 - a - Side | | | | | |
| Adult | | | | | |
| Peak - per hour (6.00pm - 10.00pm) | E* | 63.80 | 65.33 | 63.80 | 0.00 |
| Off Peak (9.00am - 6.00pm) | E* | 52.10 | 53.35 | 52.10 | 0.00 |
| Junior | | | | | |
| Peak - per hour (6.00pm - 10.00pm) | E* | 30.50 | 31.23 | 30.50 | 0.00 |
| Off Peak (9.00am - 6.00pm) | E* | 26.40 | 27.03 | 26.40 | 0.00 |
| E* - Exemption only applies to Individuals and Not For Profit Groups or when the block booking exemption can be applied. | | | | | |
| Standard Rated VAT will be applied in all other instances | | | | | |
| S Standard Rated (20%) | | | | | |
| E Exempt | | | | | |
| O Outside the scope | | | | | |
| N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Health & Wellbeing Service | | | | | |
|---|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| NON LEISURE CARD | | £ | £ | £ | £ |
| SPORT & RECREATION SERVICES | | | | | |
| LEISURE CENTRE CHARGES | | | | | |
| Swimming Charges | | | | | |
| Adult | E* | 5.70 | 5.84 | 5.70 | 0.00 |
| Child - up to and including age 16 | E* | 3.50 | 3.58 | 3.50 | 0.00 |
| O.A.P | E* | 3.50 | 3.58 | 3.50 | 0.00 |
| Family swim for 4 | E* | 14.60 | 14.95 | 14.60 | 0.00 |
| Family swim for 5 | E* | 15.60 | 15.97 | 15.60 | 0.00 |
| Active Sefton swim pass - monthly | E* | 19.00 | 19.46 | 20.00 | 1.00 |
| Locker hire (£1.00 refundable) | S | 1.70 | 1.74 | 1.70 | 0.00 |
| Spectators (aged 3+) | S | 0.50 | 0.51 | 0.60 | 0.10 |
| Spectators (under 3) | S | 0.00 | 0.00 | 0.00 | 0.00 |
| E* - Exemption only applies to Individuals and Not For Profit Groups or when the block booking exemption can be applied. | | | | | |
| Standard Rated VAT will be applied in all other instances | | | | | |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Health & Wellbeing Service | | | | | |
|--|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| | | £ | £ | £ | £ |
| NON LEISURE CARD | | | | | |
| Fitness Suite | | | | | |
| Adult | E* | 9.50 | 9.73 | 9.80 | 0.30 |
| Adult Active Choices | E* | 7.50 | 7.68 | 7.80 | 0.30 |
| Child - up to and including age 16 | E* | 5.00 | 5.12 | 5.20 | 0.20 |
| Special sessions only | E* | 3.50 | 3.58 | 3.70 | 0.20 |
| GP Referral | E* | 2.50 | 2.56 | 2.60 | 0.10 |
| Inductions | | | | | |
| Adult | E* | 20.00 | 20.48 | 20.00 | 0.00 |
| Child | E* | 7.00 | 7.17 | 10.00 | 3.00 |
| GP Referral | E* | 7.00 | 7.17 | 10.00 | 3.00 |
| Annual Fitness Packages | | | | | |
| Committed - 12 month notice period | | | | | |
| Active8 Anytime - single payment - 1 month free | E* | 319.00 | 326.66 | 330.00 | 11.00 |
| Active8 Anytime - Direct Debit | E* | 348.00 | 356.35 | 360.00 | 12.00 |
| Active8 Choices - single payment - 1 month free | E* | 242.00 | 247.81 | 253.00 | 11.00 |
| Active8 Choices - Direct Debit | E* | 264.00 | 270.34 | 276.00 | 12.00 |
| Active8 Anytime student | E* | 242.00 | 247.81 | 254.00 | 12.00 |
| Active8 Anytime - workforce | E* | 242.00 | 247.81 | 254.00 | 12.00 |
| Active8 Anytime - referral | E* | 242.00 | 247.81 | 254.00 | 12.00 |
| Active8 Anytime - junior | E* | 165.00 | 168.96 | 177.00 | 12.00 |
| E* - Exemption only applies to Individuals and Not For Profit Groups or when the block booking exemption can be applied. | | | | | |
| Standard Rated VAT will be applied in all other instances | | | | | |
| <p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p> | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Health & Wellbeing Service | | | | | |
|---|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| NON LEISURE CARD | | £ | £ | £ | £ |
| LEISURE CENTRE CHARGES continued | | | | | |
| Sports Hall | | | | | |
| Equipment Hire | S | 3.00 | 3.07 | 3.00 | 0.00 |
| Deposit | S | 5.00 | 5.12 | 5.00 | 0.00 |
| Badminton Court/Table Tennis/Short Tennis/Trampolining | | | | | |
| -Use per hour | | | | | |
| -Adult - off peak | E* | 11.50 | 11.78 | 11.50 | 0.00 |
| -Adult - peak | E* | 9.00 | 9.22 | 9.00 | 0.00 |
| -Child | E* | 9.00 | 9.22 | 9.00 | 0.00 |
| Hire of Hall | | | | | |
| Quarter Hall - peak | E* | 13.30 | 13.62 | 13.70 | 0.40 |
| Half Hall - peak | E* | 24.50 | 25.09 | 25.30 | 0.80 |
| Whole Hall - peak | E* | 35.40 | 36.25 | 36.50 | 1.10 |
| Commercial bodies - Per Court Booked | S | 27.70 | 28.36 | 28.60 | 0.90 |
| Junior Whole Hall - peak | E* | 30.00 | 30.72 | 30.90 | 0.90 |
| E* - Exemption only applies to Individuals and Not For Profit Groups or when the block booking exemption can be applied. | | | | | |
| Standard Rated VAT will be applied in all other instances | | | | | |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Health & Wellbeing Service | | | | | |
|--|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| NON LEISURE CARD | | £ | £ | £ | £ |
| Litherland Sports Park | | | | | |
| Fitness Suite | | | | | |
| Adult | E* | 9.50 | 9.73 | 9.80 | 0.30 |
| Adult Active Choices | E* | 7.50 | 7.68 | 7.80 | 0.30 |
| Child - up to and including age 16 | E* | 5.00 | 5.12 | 5.20 | 0.20 |
| Special sessions only | E* | 3.50 | 3.58 | 3.70 | 0.20 |
| GP Referral | E* | 2.50 | 2.56 | 2.60 | 0.10 |
| Inductions | | | | | |
| Adult | E* | 20.00 | 20.48 | 20.00 | 0.00 |
| Child | E* | 7.00 | 7.17 | 10.00 | 3.00 |
| GP Referral | E* | 7.00 | 7.17 | 10.00 | 3.00 |
| Annual Fitness Packages | | | | | |
| Committed - 12 month notice period | | | | | |
| Active8 Anytime - single payment - 1 month free | E* | 319.00 | 326.66 | 330.00 | 11.00 |
| Active8 Anytime - Direct Debit | E* | 348.00 | 356.35 | 360.00 | 12.00 |
| Active8 Choices - single payment - 1 month free | E* | 242.00 | 247.81 | 253.00 | 11.00 |
| Active8 Choices - Direct Debit | E* | 264.00 | 270.34 | 276.00 | 12.00 |
| Active8 Anytime student | E* | 242.00 | 247.81 | 254.00 | 12.00 |
| Active8 Anytime - workforce | E* | 242.00 | 247.81 | 254.00 | 12.00 |
| Active8 Anytime - referral | E* | 242.00 | 247.81 | 254.00 | 12.00 |
| Active8 Anytime - junior | E* | 165.00 | 168.96 | 177.00 | 12.00 |
| E* - Exemption only applies to Individuals and Not For Profit Groups or when the block booking exemption can be applied. | | | | | |
| Standard Rated VAT will be applied in all other instances | | | | | |
| <p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p> | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

Health & Wellbeing Service

| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
|---|----------|---|--|----------------|------------------|
| NON LEISURE CARD | | £ | £ | £ | £ |
| Litherland Sports Park | | | | | |
| Fitness Suite | | | | | |
| Annual Fitness Packages | | | | | |
| Non-Committed - 3 month notice period | | | | | |
| Active8 Anytime - single payment - 1 month free | E* | n/a | n/a | n/a | n/a |
| Active8 Anytime - Direct Debit | E* | 456.00 | 466.94 | 467.00 | 11.00 |
| Active8 Choices - single payment - 1 month free | E* | n/a | n/a | n/a | n/a |
| Active8 Choices - Direct Debit | E* | 324.00 | 331.78 | 335.00 | 11.00 |
| Active8 Anytime student | E* | 324.00 | 331.78 | 335.00 | 11.00 |
| Active8 Anytime - workforce | E* | 300.00 | 307.20 | 311.00 | 11.00 |
| Active8 Anytime - referral | E* | 300.00 | 307.20 | 311.00 | 11.00 |
| Active8 Anytime - junior | E* | 240.00 | 245.76 | 251.00 | 11.00 |
| Corporate memberships per person | S | Price to be set by the Head of Health & Wellbeing | | | |
| E* - Exemption only applies to Individuals and Not For Profit Groups or when the block booking exemption can be applied. | | | | | |
| Standard Rated VAT will be applied in all other instances | | | | | |
| S Standard Rated (20%) | | | | | |
| E Exempt | | | | | |
| O Outside the scope | | | | | |
| N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Health & Wellbeing Service | | | | | |
|---|----------|---|--|---|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| NON LEISURE CARD | | £ | £ | £ | £ |
| Litherland Sports Park continued | | | | | |
| School Track Hire - Sefton LEA Schools - Term Time - 9.00am - 5.00pm | O | Price to be set by the Head of Health & Wellbeing | | Price to be set by the Head of Health & Wellbeing | |
| School Track Hire - Other Schools/Acads - Term Time - 9.00am - 5.00pm | E* | | | | |
| Athletics meetings | S | | | | |
| Cycling | | | | | |
| Annual Permit - adult | E* | 54.30 | 55.60 | 56.00 | 1.70 |
| Annual Permit - child | E* | 38.70 | 39.63 | 39.90 | 1.20 |
| Full Day Permit - adult | E* | 6.10 | 6.25 | 6.30 | 0.20 |
| Full Day Permit - child | E* | 5.00 | 5.12 | 5.20 | 0.20 |
| Cycle meeting | | Prices to be set by Head of Health & Wellbeing | | Prices to be set by Head of Health & Wellbeing | |
| Activity Studio - Full Studio | E* | 45.00 | 46.08 | 46.40 | 1.40 |
| Activity Studio - Half Studio | E* | 40.00 | 40.96 | 41.20 | 1.20 |
| Activity Studio - Full Commercial Bookings | S | Prices to be set by Head of Health & Wellbeing | | Prices to be set by Head of Health & Wellbeing | |
| E* - Exemption only applies to Individuals and Not For Profit Groups or when the block booking exemption can be applied. | | | | | |
| Standard Rated VAT will be applied in all other instances | | | | | |
| S Standard Rated (20%) | | | | | |
| E Exempt | | | | | |
| O Outside the scope | | | | | |
| N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Health & Wellbeing Service | | | | | |
|---|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| | | £ | £ | £ | £ |
| NON LEISURE CARD | | | | | |
| SPLASHWORLD - per 1.5 hr session | | | | | |
| Off season - session is 2 hours | | | | | |
| Adults (over 16's) | E* | 11.50 | 11.78 | 12.50 | 1.00 |
| Juniors (6 years to 15 years) | E* | 9.00 | 9.22 | 9.90 | 0.90 |
| Juniors (3 years to 5 years) restrictions on some rides | E* | 8.00 | 8.19 | 8.70 | 0.70 |
| Toddlers (under 3 years) | E* | 3.50 | 3.58 | 4.00 | 0.50 |
| Family Ticket (2 adults + 2 children) | E* | 37.00 | 37.89 | 39.20 | 2.20 |
| Family Ticket (2 adults + 3 children) | E* | 45.00 | 46.08 | 45.50 | 0.50 |
| Spectators | S | 5.00 | 5.12 | 5.00 | 0.00 |
| Spectators - Active Choices | S | 0.00 | 0.00 | 0.00 | 0.00 |
| Gold Pass - Full day ticket - no time restrictions | | | | | |
| Adults (over 16's) | E* | 17.50 | 17.92 | 17.50 | 0.00 |
| Juniors (6 years to 15 years) | E* | 14.00 | 14.34 | 14.00 | 0.00 |
| Juniors (3 years to 5 years) restrictions on some rides | E* | 13.00 | 13.31 | 13.00 | 0.00 |
| Toddlers (under 3 years) | E* | 3.00 | 3.07 | 3.00 | 0.00 |
| Family Ticket (2 adults + 2 children) | E* | 50.00 | 51.20 | 50.00 | 0.00 |
| Family Ticket (2 adults + 3 children) | E* | 55.00 | 56.32 | 55.00 | 0.00 |
| Synthetic Turf Pitch (New Facility) | | | | | |
| Adult Peak 5-10pm | E* | 48.00 | 49.15 | 48.00 | 0.00 |
| Junior Peak 5-10pm | E* | 36.00 | 36.86 | 36.00 | 0.00 |
| Off Peak 9am -4pm | E* | 18.00 | 18.43 | 18.00 | 0.00 |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Health & Wellbeing Service | | | | | |
|---|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| NON LEISURE CARD | | £ | £ | £ | £ |
| CROSBY LAKESIDE ADVENTURE CENTRE continued | | | | | |
| | | | | | |
| Facility Memberships | | | | | |
| Monthly Lake Membership - NEW Product | E* | 130.00 | 133.12 | 135.00 | 5.00 |
| H2O Membership - NEW Product | S | 315.00 | 322.56 | 270.00 | -45.00 |
| SUP Membership - New Product - 2019 | S | 0.00 | 0.00 | 150.00 | 150.00 |
| | | | | | |
| | | | | | |
| Boat and Equipment Storage | | | | | |
| Small Container | S | 375.00 | 384.00 | 394.00 | 19.00 |
| Large Container | S | 750.00 | 768.00 | 787.50 | 37.50 |
| Boat Park Space | S | 135.00 | 138.24 | 138.50 | 3.50 |
| | | | | | |
| Daily 'Pay & Play' Usage | | | | | |
| Peak Rate - 08.00 - 17.00 | E* | 12.50 | 12.80 | 13.00 | 0.50 |
| Off Peak Rate - 17.00 - 22.00 | E* | 6.50 | 6.66 | 6.50 | 0.00 |
| | E* | | | | |
| | | | | | |
| Activity Courses* | E* | 32.50 - 125.00 | 33.28 - 128.00 | 27.50-137.50 | #VALUE! |
| Sailing Courses* | E* | 165.00 | 168.96 | 155.00 | -10.00 |
| Windsurfing Courses* | E* | 165.00 | 168.96 | 155.00 | -10.00 |
| Powerboat Courses* | E* | 195.00 | 199.68 | 195.00 | 0.00 |
| Paddling Courses* | E* | 70.00 - 140.00 | 71.68-143.36 | 60.00 | #VALUE! |
| Adventure Days* | E | 32.50 - 125.00 | 33.28 - 128.00 | 27.50-137.50 | #VALUE! |
| | | | | | |
| * 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 @ October 2018

2.40%

| Health & Wellbeing Service | | | | | |
|---|----------|------------------------|--|----------------------|----------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| | | £ | £ | £ | £ |
| NON LEISURE CARD | | | | | |
| NETHERTON ACTIVITY CENTRE continued | | | | | |
| Bouncy Castle | | | | | |
| Bouncy Castle Party (1 hour) | | as with leisure card | as with leisure card | as with leisure card | as with leisure card |
| Bouncy Castle Party (2 hours) | | as with leisure card | as with leisure card | as with leisure card | as with leisure card |
| Table Tennis | | | | | |
| Adult Peak (per court) | E* | 11.50 | 11.78 | 11.50 | 0.00 |
| Junior Peak (per court) | E* | 9.00 | 9.22 | 9.00 | 0.00 |
| Daytime Session (per court) | E* | 9.00 | 9.22 | 9.00 | 0.00 |
| Badminton | | | | | |
| Adult Peak (per court) | E* | 11.50 | 11.78 | 11.50 | 0.00 |
| Junior Peak (per court) | E* | 9.00 | 9.22 | 9.00 | 0.00 |
| Daytime Session (per court) | E* | 9.00 | 9.22 | 9.00 | 0.00 |
| Equipment Hire | | | | | |
| Equipment Hire (Football, Racquet etc) | S | 3.50 | 3.58 | 3.50 | 0.00 |
| Equipment Hire Deposit | S | 5.00 | 5.12 | 5.00 | 0.00 |
| Crèche | | | | | |
| Child Session | E | 3.00 | 3.07 | 3.10 | 0.10 |
| Health & Fitness Member | | free | free | free | free |
| Be Active Child Member | | free | free | free | free |
| E* - Exemption only applies to Individuals and Not For Profit Groups or when the block booking exemption can be applied. Standard Rated VAT will be applied in all other instances | | | | | |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

SEFTON MBC FEES AND CHARGES 2019/20

| Inward Investment & Employment | | | | | |
|---|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| | | £ | £ | £ | £ |
| Southport Brochure | | | | | |
| Price per copy on personal application to the TIC. NO LONGER SOLD | N | 1.00 | 1.02 | 0.00 | -1.00 |
| Foreshore Car Park | | | | | |
| Free parking to invalid carriages, where the driver is in receipt of a Government grant for the vehicle (road fund licence is so endorsed) and Blue badge holders. These charges are suspended when Special Events are held | | | | | |
| Cars and Motorcycles:- | | | | | |
| Daily Charge (Flexible system is in operation) | S | 5.00 - 6.00 | 5.12 - 6.14 | 5.00 - 6.00 | 0.00 |
| Seasonal Foreshore Parking Contract | S | 45.00 | 46.08 | 45.00 | 0.00 |
| Southport Airshow | | | | | |
| Advance ticket Prices (inclusive of VAT) | | | | | |
| Adult | S | 8.50 | 8.70 | 8.50 | 0.00 |
| Child (5-15) | S | 6.50 | 6.66 | 6.50 | 0.00 |
| Infant (4 and under) | | FREE | FREE | FREE | FREE |
| On the Gate ticket prices (inclusive of VAT) | | | | | |
| Adult | S | 10.00 | 10.24 | 10.00 | 0.00 |
| Child (5-15) | S | 8.00 | 8.19 | 8.00 | 0.00 |
| Infant (4 and under) | | FREE | FREE | FREE | FREE |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

Inward Investment & Employment

| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
|---|----------|------------------------|--|----------------|------------------|
| Southport Market | | | | | |
| | | | | | |
| 1 | S | 14,060.76 | 14,398.22 | 14,060.76 | 0.00 |
| 2a | S | 4,158.92 | 4,258.73 | 4,158.92 | 0.00 |
| 3 | S | 16,340.84 | 16,733.02 | 16,340.84 | 0.00 |
| 4 | S | 14,480.26 | 14,827.79 | 14,480.26 | 0.00 |
| 5 | S | 9,582.06 | 9,812.03 | 9,582.06 | 0.00 |
| 6 | S | 8,321.08 | 8,520.79 | 8,321.08 | 0.00 |
| 7 | S | 13,800.54 | 14,131.75 | 13,800.54 | 0.00 |
| 8 | S | 11,883.00 | 12,168.19 | 11,883.00 | 0.00 |
| 9 | S | 12,897.55 | 13,207.09 | 12,897.55 | 0.00 |
| 10 | S | 4,925.01 | 5,043.21 | 4,925.01 | 0.00 |
| 11 | S | 9,535.08 | 9,763.92 | 9,535.08 | 0.00 |
| 12 | S | 7,896.09 | 8,085.60 | 7,896.09 | 0.00 |
| 13 | S | 4,842.77 | 4,959.00 | 4,842.77 | 0.00 |
| 14 | S | 8,685.90 | 8,894.36 | 8,685.90 | 0.00 |
| 15 | S | 10,670.64 | 10,926.74 | 10,670.64 | 0.00 |
| 16 | S | 8,587.29 | 8,793.38 | 8,587.29 | 0.00 |
| 17 | S | 9,079.96 | 9,297.88 | 9,079.96 | 0.00 |
| 18 | S | 9,409.15 | 9,634.97 | 9,409.15 | 0.00 |
| 19 | S | 9,459.98 | 9,687.02 | 9,459.98 | 0.00 |
| 20 | S | 5,437.19 | 5,567.68 | 5,437.19 | 0.00 |
| 21 | S | 6,932.51 | 7,098.89 | 6,932.51 | 0.00 |
| 22 | S | 5,610.02 | 5,744.66 | 5,610.02 | 0.00 |
| 23 | S | 6,725.11 | 6,886.51 | 6,725.11 | 0.00 |
| 24 | S | 8,536.02 | 8,740.88 | 8,536.02 | 0.00 |
| 25 | S | 8,782.47 | 8,993.25 | 8,782.47 | 0.00 |
| 26 | S | 9,374.58 | 9,599.57 | 9,374.58 | 0.00 |
| 27 | S | 11,604.76 | 11,883.27 | 11,604.76 | 0.00 |
| 28 | S | 12,568.91 | 12,870.56 | 12,568.91 | 0.00 |
| 29 | S | 6,208.79 | 6,357.80 | 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 @ October 2018

2.40%

SEFTON MBC FEES AND CHARGES 2019/20

| Locality Services-Provision | | | | | |
|--|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| | | £ | £ | £ | £ |
| Trade & Clinical Waste Refuse Collection Service | | | | | |
| Commercial Prices | | | | | |
| 240 litre wheeled Bin | O | 330.00 | 337.92 | 335.00 | 5.00 |
| 360 litre wheeled Bin | O | 537.00 | 549.89 | 545.00 | 8.00 |
| 1100 litre wheeled Bin | O | 1033.00 | 1,057.79 | 1048.00 | 15.00 |
| 240 litre wheeled Bin (Comingled) | O | 144.00 | 147.46 | 157.00 | 13.00 |
| 360 litre wheeled Bin (Comingled) | O | 144.00 | 147.46 | 157.00 | 13.00 |
| 1100 litre wheeled Bin (Comingled) | O | 144.00 | 147.46 | 157.00 | 13.00 |
| 240 litre wheeled Bin (Food Waste & Green garden waste) | O | 330.00 | 337.92 | 342.00 | 12.00 |
| Schools & Charity Prices | | | | | |
| 240 litre wheeled Bin | O | 182.00 | 186.37 | 185.00 | 3.00 |
| 360 litre wheeled Bin | O | 256.00 | 262.14 | 260.00 | 4.00 |
| 1100 litre wheeled Bin | O | 343.00 | 351.23 | 348.00 | 5.00 |
| 240 litre wheeled Bin (Comingled) | O | 151.00 | 154.62 | 157.00 | 6.00 |
| 360 litre wheeled Bin (Comingled) | O | 151.00 | 154.62 | 157.00 | 6.00 |
| 1100 litre wheeled Bin (Comingled) | O | 151.00 | 154.62 | 157.00 | 6.00 |
| Bulky Items collection (via contact centre) - max 3 items per call -unchanged | O | 10.00 | 10.24 | 10.00 | 0.00 |
| Clinical Waste - LEA Schools & Internal buildings Only | O | 488.00 | 499.71 | 495.00 | 7.00 |
| Duty of Care - Administration form | O | 50.00 | 51.20 | 50.00 | 0.00 |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

SEFTON MBC FEES AND CHARGES 2019/20

| Highways and Public Protection | | | | | |
|---|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| | | £ | £ | £ | £ |
| Building Skip Permissions | | | | | |
| Permission per week per skip | O | 17.00 | 17.41 | 17.00 | 0.00 |
| Illegal Placement per occurrence | O | 81.00 | 82.94 | 83.00 | 2.00 |
| Permission in a high amenity area per week per skip | O | 33.00 | 33.79 | 34.00 | 1.00 |
| Scaffolding Safety Hoardings Licences | | | | | |
| First Week | O | 136.00 | 139.26 | 139.00 | 3.00 |
| Subsequent weeks (<10m) | O | 136.00 | 139.26 | 139.00 | 3.00 |
| First Week | O | 163.00 | 166.91 | 167.00 | 4.00 |
| Subsequent week (>10m & <20m) | O | 163.00 | 166.91 | 167.00 | 4.00 |
| First Week | O | 190.00 | 194.56 | 195.00 | 5.00 |
| Subsequent weeks (>20m & <30m) | O | 190.00 | 194.56 | 195.00 | 5.00 |
| First Week | O | 244.00 | 249.86 | 250.00 | 6.00 |
| Subsequent weeks (>30m & <50m) | O | 244.00 | 249.86 | 250.00 | 6.00 |
| First Week | O | 298.00 | 305.15 | 305.00 | 7.00 |
| Subsequent weeks (>50m) | O | 298.00 | 305.15 | 305.00 | 7.00 |
| Open Air Cafes | | | | | |
| CPI Increase per table per annum | O | 98.00 | 100.35 | 100.00 | 2.00 |
| Non Compliance per Occurrence | O | 33.00 | 33.79 | 34.00 | 1.00 |
| Cherry Pickers / Cranes | | | | | |
| Licence Fee | O | 136.00 | 139.26 | 139.00 | 3.00 |
| Daily Inspection Fee | O | 136.00 | 139.26 | 139.00 | 3.00 |
| Street Works Licences | | | | | |
| Per inspection unit (max 2 payable) per Road (application) | O | 812.00 | 831.49 | 831.00 | 19.00 |
| Licences under Section 50 of New Roads & Streetworks Act 1991 | O | 1,386.00 | 1,419.26 | 1,419.00 | 33.00 |
| Licences under Section 184 of Highways Act 1980 | O | 1,300.00 | 1,331.20 | 1,331.00 | 31.00 |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

Highways and Public Protection

| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
|--|----------|------------------------|--|----------------|------------------|
| Commercial Events on the Highway Licence (Negotiation to suit individual circumstances) | | | | | |
| Southport Town Centre | | | | | |
| Chapel Street | | | | | |
| Site 1: o/s train station 11m x 3m | O | 258.00 | 264.19 | 264.00 | 6.00 |
| Site 2: o/s M&S 9m x 5m | O | 258.00 | 264.19 | 264.00 | 6.00 |
| Site 3: o/s Café Nero 10m x 7m | O | 309.00 | 316.42 | 316.00 | 7.00 |
| Eastbank Street Square | | | | | |
| Site 4: Adjacent to toilets 7m x 5m | O | 258.00 | 264.19 | 264.00 | 6.00 |
| London Square | | | | | |
| Site 5: fronting 124-130 9m x 4m | O | 206.00 | 210.94 | 211.00 | 5.00 |
| Site 6: fronting Natwest Bank 7m x 3m | O | 206.00 | 210.94 | 211.00 | 5.00 |
| Promenade | | | | | |
| Site 7: Floral Hall 7m x 3m | O | 155.00 | 158.72 | 159.00 | 4.00 |
| Lord Street | | | | | |
| Site 8: Jct Nevill Street 3m x 2m | O | 155.00 | 158.72 | 159.00 | 4.00 |
| Formby | | | | | |
| Chapel Lane | | | | | |
| Site 9: o/s 5 (Card Factory) 5m x 3m | O | 155.00 | 158.72 | 159.00 | 4.00 |
| Site 10: o/s 11 (Opticians) 6m x 2m | O | 155.00 | 158.72 | 159.00 | 4.00 |
| Site 11: o/s 25 (Holland & Barrett) 4m x 4m | O | 206.00 | 210.94 | 211.00 | 5.00 |
| Maghull | | | | | |
| Westway | | | | | |
| Site 12: o/s 30 (Timpson) 4m x 3m | O | 103.00 | 105.47 | 105.00 | 2.00 |
| Netherton | | | | | |
| Marian Square | | | | | |
| Site 13: o/s 15 (Betfred) 5m x 4m | O | 77.00 | 78.85 | 79.00 | 2.00 |
| Site 14: fronting 8-10 (Chemist) 11m x 11m | O | 155.00 | 158.72 | 159.00 | 4.00 |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Highways and Public Protection | | | | | |
|--|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| | | £ | £ | £ | £ |
| Continued | | | | | |
| Crosby | | | | | |
| Moor Lane / Liverpool Road | | | | | |
| Site 15: o/s 24 (Boots) 6m x 6m | O | 155.00 | 158.72 | 159.00 | 4.00 |
| Bootle | | | | | |
| Stanley Road | | | | | |
| Site 16: o/s Poundland 7m x 4m | O | 206.00 | 210.94 | 211.00 | 5.00 |
| Building Materials | | | | | |
| per 5sqm per week | O | 17.00 | 17.41 | 17.00 | 0.00 |
| Illegal Placement per occurrence | O | 81.00 | 82.94 | 83.00 | 2.00 |
| Non Compliance per Occurrence | O | 30.00 | 30.72 | 31.00 | 1.00 |
| Storage Containers / Welfare Facilities (new) | | | | | |
| Permission per week per container | O | 163.00 | 166.91 | 167.00 | 4.00 |
| Illegal Placement per occurrence | O | 325.00 | 332.80 | 333.00 | 8.00 |
| Non Compliance per Occurrence | O | 30.00 | 30.72 | 31.00 | 1.00 |
| Road Closure (Works) | O | 1,502.00 | 1,538.05 | 1,538.00 | 36.00 |
| Emergency Closure | O | 693.00 | 709.63 | 710.00 | 17.00 |
| Dedicated Street Seats | O | 1,624.00 | 1,662.98 | 1,663.00 | 39.00 |
| CYCLE HIRE | | | | | |
| The Sefton & West Lancashire Visitor Economy LSTF Project Cycle Hire Scheme | | | | | |
| Up to 4 hours | S | 7.00 | 7.17 | 7.00 | 0.00 |
| Full Day | S | 11.00 | 11.26 | 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 @ October 2018

2.40%

Highways and Public Protection

| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
|---|----------|--|--|--|--|
| | | £ | £ | £ | £ |
| Highway Safety | | | | | |
| Road Closure (Charity and Civic Events) | O | 450.00 | 460.80 | 461.00 | 11.00 |
| Progression of Traffic Regulation Order | O | 921.00 | 943.10 | 943.00 | 22.00 |
| H Bracket (up to 5 linear metres) | O | 111.00 | 113.66 | 114.00 | 3.00 |
| H Bracket (extra per metre if greater than 5 linear metres) | O | n/a | n/a | 50.00 | New Rate |
| Road Casualty Data (per link or node) | O | POA | POA | POA | POA |
| Highways Development Control | | | | | |
| Adoption of New Roads under s38 of the Highways Act 1980 which includes the Legal Agreement cost. In addition to this, supervision, contract and management of the works and procedure is 10% of the civils construction cost based on the Council's term maintenance contract values or £1,500 minimum fee whichever is the greater. | O | 1,840.00 | 1,884.16 | 1,884.00 | 44.00 |
| Highways works under Section 278 of Highways Act 1980 which includes the Legal Agreement cost. In addition to this, supervision, contract and management of the works and procedure is 10% of the civils construction cost based on the Council's term maintenance contract values or £1,500 minimum fee whichever is the greater. | O | 1,840.00 | 1,884.16 | 1,884.00 | 44.00 |
| Stopping up/Diversion of the highway Section 116 Highways Act 1980 | O | 2,545.00 | 2,606.08 | 2,606.00 | 61.00 |
| Council Approval for stopping up under S247/s257 of T&CPA 1990 | O | 650.00 | 665.60 | 666.00 | 16.00 |
| Licences under Sections 115 or 177 of Highways Act 1980 | O | 1,299.00 | 1,330.18 | 1,330.00 | 31.00 |
| Licence under Section 144, 178 or 179 of Highways Act 1980 | O | 1,299.00 | 1,330.18 | 1,330.00 | 31.00 |
| Stopping up/Diversion of a Right of Way under Section 118 & 119 Highways Act 1980 | O | 2,468.00 | 2,527.23 | 2,527.00 | 59.00 |
| Minor Works Agreement - Initial Proposal | O | 750.00 | 768.00 | 768.00 | 18.00 |
| Minor Works Agreement - Implementation Fee | O | 12% of works cost- minimum fee of £500 | 12% of works cost- minimum fee of £500 | 12% of works cost- minimum fee of £500 | 12% of works cost- minimum fee of £500 |
| Public Rights of Way declaration (section 31 (6) HA - Single Application) | O | 300.00 | 307.20 | 307.00 | 7.00 |
| Public Rights of Way declaration (section 31 (6) HA - Joint Application) | O | 400.00 | 409.60 | 410.00 | 10.00 |
| <p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p> | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Highways and Public Protection | | | | | |
|---|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 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 | 71.00 | 72.70 | 73.00 | 2.00 |
| Additional questions (each) per plot | S | 15.00 | 15.36 | 16.00 | 1.00 |
| Highway Search Queries - Anything greater than single plot | S | POA | POA | POA | POA |
| Street naming and numbering due to redesign of layout | O | 379.00 | 388.10 | 388.00 | 9.00 |
| Naming of a new road | O | 155.00 | 158.72 | 159.00 | 4.00 |
| Renaming of a Road (Plus cost of required Street Nameplates) | O | n/a | n/a | 159.00 | New Rate |
| Renumbering of existing properties (per address) | O | 47.00 | 48.13 | 48.00 | 1.00 |
| Registering and numbering of new properties (per address) | O | 47.00 | 48.13 | 48.00 | 1.00 |
| Renaming of a property | O | 26.00 | 26.62 | 48.00 | 22.00 |
| Changes to development layout after initial notification | O | 52.00 | 53.25 | 53.00 | 1.00 |
| Confirmation of postal address | O | 26.00 | 26.62 | 27.00 | 1.00 |
| Copy of Notification of Address and/or Postcode (Per copy) | O | 15.00 | 15.36 | 15.00 | 0.00 |
| | | | | | |
| Highway Maintenance, Street Lighting & UTC | | | | | |
| Vehicle Crossing Fee (Per Crossing installed) PLUS contractor/works costs | O | 157.00 | 160.77 | 161.00 | 4.00 |
| | | | | | |
| Traffic Signals Report | O | 258.00 | 264.19 | 264.00 | 6.00 |
| Traffic Signals Switch off/on : - Mon-Fri 08:00-19:00 | O | 400.00 | 409.60 | 460.00 | 60.00 |
| Traffic Signals Switch off/on : - Mon- Fri 19:00-08:00 | O | 400.00 | 409.60 | 520.00 | 120.00 |
| Traffic Signals Switch off/on: - Saturday (Any Time) | O | 400.00 | 409.60 | 520.00 | 120.00 |
| Traffic Signals Switch off/on : - Sunday (Any Time) | O | 400.00 | 409.60 | 520.00 | 120.00 |
| Traffic Signals Switch off/on : - Bank Holiday (Any Time) | O | 400.00 | 409.60 | 520.00 | 120.00 |
| Traffic Signals Switch off/on : - Abortive call with less than 24 hrs notice | O | n/a | n/a | 460 or 520 | New Rate |
| Extra over for bagging over traffic signal head (per head) | O | n/a | n/a | 11.00 | New Rate |
| 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 | 180.00 | 184.32 | 184.00 | 4.00 |
| New: Traffic Signals Infrastructure - Commuted Sum (towards future maintenance costs) per basic intstallation | O | 15,000.00 | 15,360.00 | 15,360.00 | 360.00 |
| Street Lighting Design of 3rd Party Developers - for schemes up to 10 columns | S | 773.00 | 791.55 | 792.00 | 19.00 |
| 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 | 157.00 | 160.77 | 161.00 | 4.00 |
| | | | | | |
| | S | Standard Rated (20%) | | | |
| | E | Exempt | | | |
| | O | Outside the scope | | | |
| | N | Zero Rated | | | |

(*) CPI Inflation rate @ October 2018

2.40%

SEFTON MBC FEES AND CHARGES 2019/20

| Economic Growth and Housing | | | | | |
|---|----------|--------------------------|--|--------------------------|--------------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| | | £ | £ | £ | £ |
| Photocopies of Planning Documents | | | | | |
| A3 & A4 size Photocopies - | | | | | |
| Decision or completion documents per notice | S | 15.00 | 0.00 | 20.00 | 5.00 |
| per page A4 | S | 0.25 | 0.26 | 0.25 | 0.00 |
| per page A3 | S | 0.50 | 0.51 | 0.50 | 0.00 |
| Plan Prints - | | | | | |
| per page | S | 2.50 | 2.56 | 3.00 | 0.50 |
| Supply of Environmental Information | | | | | |
| Hourly rate (normal working hours) | O | 62.00 | 63.49 | 65.00 | 3.00 |
| Hourly rate (outside normal working hours) | O | 75.00 | 76.80 | 97.50 | 22.50 |
| Confirmation of compliance with enforcement notices | O | n/a | n/a | hourly rate | hourly rate |
| Fast Track Services | | | | | |
| . Copies of planning documents | O | 50.00 | 51.20 | 50.00 | 0.00 |
| . Validation of planning application | O | 100.00 | 102.40 | 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 | 60.00 | 61.44 | 60.00 | 0.00 |
| | | | | | |
| Historic Environment Searches | S | 62.00 | hourly rate | hourly rate | hourly rate |
| | | | | | |
| Preparation of bespoke reports | S | 62.00 | hourly rate | hourly rate | hourly rate |
| | | | | | |
| Cross boundary working for planning and building regulations applications | S | 62.00 | hourly rate | hourly rate | hourly rate |
| | | | | | |
| Waiver letter for taxis | O | 100.00 | 102.40 | 130.00 | 30.00 |
| | | | | | |
| 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 |
| | | | | | |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Economic Growth and Housing | | | | | |
|---|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 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 | 179.20 | 175.00 | 0.00 |
| Single Householder BioBank Data Product to 1km | S | 125.00 | 128.00 | 125.00 | 0.00 |
| Reduced Biobank Data Product for specific species within 2km | S | 90.00 | 92.16 | 90.00 | 0.00 |
| Optional Enhancements to Standard BioBank Data Product: | | | | | |
| Biobank Data Mapping (imagery) - optional | S | 50.00 | 51.20 | 50.00 | 0.00 |
| Data Mapping (GIS) attribute layers - optional | S | 70.00 | 71.68 | 70.00 | 0.00 |
| LCR Ecological Network data GIS layers - optional | S | 100.00 | 102.40 | 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 | 179.20 | 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 | 179.20 | 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 | 102.40 | 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 @ October 2018

2.40%

Economic Growth and Housing

| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
|---|----------|------------------------|--|---|------------------|
| | | £ | £ | £ | £ |
| Major Development | | | | | |
| 30 - 49 Dwellings | S | 1,800.00 | 1,843.20 | 2,400.00 | 600.00 |
| Non-Residential Schemes floorspace between 2 and 5 hectares | S | 1,800.00 | 1,843.20 | 2,400.00 | 600.00 |
| Strategic Development | | | | | |
| Any scheme requiring an EIA (Environmental Impact Assessment) | S | 1,800.00 | 1,843.20 | 2,400.00 | 600.00 |
| Non-Residential Schemes floorspace over 5 hectares | S | 3000.00 | 3072.00 | £2,400 + £100 per additional 0.5 hectare (Max of £20,000) | |
| 50+ dwellings | S | 1,800.00 | 1843.20 | £2,400 + £100 per additional dwelling (Max of £20,000) | |
| Tree Works | | | | | |
| | S | 75.00 | 76.80 | 75.00 | 0.00 |
| Heritage Advice (Listed Buildings & Conservation Areas) | S | 70.00 | 71.68 | 70.00 | 0.00 |
| Building Regulations Advice | | | | | |
| | S | hourly rate | hourly rate | hourly rate | hourly rate |
| Meetings | | | | | |
| Building Control Officer | S | 75.00 | 76.80 | 78.00 | 3.00 |
| Planning Officer | S | 75.00 | 76.80 | 78.00 | 3.00 |
| Team Leader | S | 75.00 | 76.80 | 102.00 | 27.00 |
| Planning Manager | S | 75.00 | 76.80 | 120.00 | 45.00 |
| Building Control Manager | S | 75.00 | 76.80 | 120.00 | 45.00 |
| Chief Planning Officer | S | 75.00 | 76.80 | 240.00 | 165.00 |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Economic Growth and Housing | | | | | |
|--|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| SCHEDULE 1 | | £ | £ | £ | £ |
| <u>Plan Charges (contd)</u> | | | | | |
| FOUR house or flat types (design) | | | | | |
| Number of dwellings - | | | | | |
| one | S | - | - | - | |
| two | S | - | - | - | |
| three | S | - | - | - | |
| four | S | 552.00 | 565.25 | 558.00 | 6.00 |
| five | S | 564.00 | 577.54 | 570.00 | 6.00 |
| six | S | 576.00 | 589.82 | 582.00 | 6.00 |
| seven | S | 588.00 | 602.11 | 594.00 | 6.00 |
| eight | S | 600.00 | 614.40 | 606.00 | 6.00 |
| nine | S | 612.00 | 626.69 | 618.00 | 6.00 |
| ten | S | 624.00 | 638.98 | 630.00 | 6.00 |
| FIVE house or flat types (design) | | | | | |
| Number of dwellings - | | | | | |
| one | S | - | - | - | |
| two | S | - | - | - | |
| three | S | - | - | - | |
| four | S | - | - | - | |
| five | S | 630.00 | 645.12 | 636.00 | 6.00 |
| six | S | 642.00 | 657.41 | 648.00 | 6.00 |
| seven | S | 654.00 | 669.70 | 660.00 | 6.00 |
| eight | S | 666.00 | 681.98 | 672.00 | 6.00 |
| nine | S | 678.00 | 694.27 | 684.00 | 6.00 |
| ten | S | 690.00 | 706.56 | 696.00 | 6.00 |
| <p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p> | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Economic Growth and Housing | | | | | |
|--|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| SCHEDULE 1 | | £ | £ | £ | £ |
| <u>Plan Charges (contd)</u> | | | | | |
| EIGHT house or flat types (design) | | | | | |
| Number of dwellings - | | | | | |
| one | S | - | - | - | |
| two | S | - | - | - | |
| three | S | - | - | - | |
| four | S | - | - | - | |
| five | S | - | - | - | |
| six | S | - | - | - | |
| seven | S | - | - | - | |
| eight | S | 864.00 | 884.74 | 870.00 | 6.00 |
| nine | S | 876.00 | 897.02 | 882.00 | 6.00 |
| ten | S | 888.00 | 909.31 | 894.00 | 6.00 |
| NINE house or flat types (design) | | | | | |
| Number of dwellings - | | | | | |
| one | S | - | - | - | |
| two | S | - | - | - | |
| three | S | - | - | - | |
| four | S | - | - | - | |
| five | S | - | - | - | |
| six | S | - | - | - | |
| seven | S | - | - | - | |
| eight | S | - | - | - | |
| nine | S | 942.00 | 964.61 | 947.00 | 5.00 |
| ten | S | 954.00 | 976.90 | 959.00 | 5.00 |
| <p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p> | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

Economic Growth and Housing

| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 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 | 141.31 | 144.00 | 6.00 |
| Inspection Charge | S | 228.00 | 233.47 | 234.00 | 6.00 |
| Building Notice Charge | S | 366.00 | 374.78 | 372.00 | 6.00 |
| Regularisation Charge | O | 396.50 | 406.02 | 403.00 | 6.50 |
| Category 11 - Attached garage - floor area less than 60sq/m | | | | | |
| Plan Charge | S | 156.00 | 159.74 | 162.00 | 6.00 |
| Inspection Charge | S | 228.00 | 233.47 | 234.00 | 6.00 |
| Building Notice Charge | S | 384.00 | 393.22 | 390.00 | 6.00 |
| Regularisation Charge | O | 416.00 | 425.98 | 422.50 | 6.50 |
| Category 12 - Detached habitable building - floor area less than 40sq/m | | | | | |
| Plan Charge | S | 264.00 | 270.34 | 270.00 | 6.00 |
| Inspection Charge | S | 336.00 | 344.06 | 342.00 | 6.00 |
| Building Notice Charge | S | 636.00 | 651.26 | 642.00 | 6.00 |
| Regularisation Charge | O | 689.00 | 705.54 | 695.50 | 6.50 |
| Category 13 - Detached habitable building - floor area between 40sq/m and 100sq/m | | | | | |
| Plan Charge | S | 300.00 | 307.20 | 306.00 | 6.00 |
| Inspection Charge | S | 444.00 | 454.66 | 450.00 | 6.00 |
| Building Notice Charge | S | 816.00 | 835.58 | 822.00 | 6.00 |
| Regularisation Charge | O | 884.00 | 905.22 | 890.50 | 6.50 |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

Economic Growth and Housing

| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
|---|----------|------------------------|--|----------------|------------------|
| | | £ | £ | £ | £ |
| Schedule 3 Other Alterations and Building Works to Non-Domestic Buildings | | | | | |
| Category 1-Structural and internal alterations with a commercial value of less than £1,000 | | | | | |
| *Plan Charge | S | 168.00 | 172.03 | 174.00 | 6.00 |
| Inspection Charge | S | - | - | - | - |
| Building Notice Charge | S | 168.00 | 172.03 | 174.00 | 6.00 |
| Regularisation Charge | O | 182.00 | 186.37 | 188.50 | 6.50 |
| Category 2-Structural and internal alterations with a commercial value of less than £2,000 | | | | | |
| *Plan Charge | S | 198.00 | 202.75 | 204.00 | 6.00 |
| Inspection Charge | S | - | - | - | - |
| Building Notice Charge | S | 198.00 | 202.75 | 204.00 | 6.00 |
| Regularisation Charge | O | 214.50 | 219.65 | 221.00 | 6.50 |
| Category 3-Structural and internal alterations with a commercial value of less than £5,000 | | | | | |
| *Plan Charge | S | 258.00 | 264.19 | 264.00 | 6.00 |
| Inspection Charge | S | - | - | - | - |
| Building Notice Charge | S | 258.00 | 264.19 | 264.00 | 6.00 |
| Regularisation Charge | O | 279.50 | 286.21 | 286.00 | 6.50 |
| Category 4-Structural and internal alterations with a commercial value of less than £10,000 | | | | | |
| Plan Charge | S | 86.40 | 88.47 | 92.40 | 6.00 |
| Inspection Charge | S | 136.40 | 139.67 | 142.40 | 6.00 |
| Building Notice Charge | S | 324.00 | 331.78 | 330.00 | 6.00 |
| Regularisation Charge | O | 351.00 | 359.42 | 357.50 | 6.50 |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Economic Growth and Housing | | | | | |
|---|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 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 | 104.45 | 108.00 | 6.00 |
| Inspection Charge | S | 282.00 | 288.77 | 288.00 | 6.00 |
| Building Notice Charge | S | 384.00 | 393.22 | 390.00 | 6.00 |
| Regularisation Charge | O | 416.00 | 425.98 | 422.50 | 6.50 |
| Category 6-Structural and internal alterations with a commercial value of less than £20,000 | | | | | |
| Plan Charge | S | 117.00 | 119.81 | 123.00 | 6.00 |
| Inspection Charge | S | 326.40 | 334.23 | 332.40 | 6.00 |
| Building Notice Charge | S | 444.00 | 454.66 | 450.00 | 6.00 |
| Regularisation Charge | O | 481.00 | 492.54 | 487.50 | 6.50 |
| Category 7-Replacement windows up to 10 units | | | | | |
| *Plan Charge | S | 132.00 | 135.17 | 138.00 | 6.00 |
| Inspection Charge | S | - | - | - | - |
| Building Notice Charge | S | 132.00 | 135.17 | 138.00 | 6.00 |
| Regularisation Charge | O | 143.00 | 146.43 | 149.50 | 6.50 |
| Category 8-Replacement windows 11 to 50 units | | | | | |
| *Plan Charge | S | 234.00 | 239.62 | 240.00 | 6.00 |
| Inspection Charge | S | - | - | - | - |
| Building Notice Charge | S | 234.00 | 239.62 | 240.00 | 6.00 |
| Regularisation Charge | O | 253.50 | 259.58 | 260.00 | 6.50 |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

Economic Growth and Housing

| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 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 | 313.34 | 312.00 | 6.00 |
| Inspection Charge | S | - | - | - | - |
| Building Notice Charge | S | 306.00 | 313.34 | 312.00 | 6.00 |
| Regularisation Charge | O | 331.50 | 339.46 | 338.00 | 6.50 |
| Category 10-New/replacement shop front | | | | | |
| *Plan Charge | S | 288.00 | 294.91 | 294.00 | 6.00 |
| Inspection Charge | S | - | - | - | - |
| Building Notice Charge | S | 288.00 | 294.91 | 294.00 | 6.00 |
| Regularisation Charge | O | 312.00 | 319.49 | 318.50 | 6.50 |
| Category 11-Single storey extension less than 10m2 | | | | | |
| *Plan Charge | S | 228.00 | 233.47 | 234.00 | 6.00 |
| Inspection Charge | S | 288.00 | 294.91 | 294.00 | 6.00 |
| Building Notice Charge | S | n/a | n/a | n/a | n/a |
| Regularisation Charge | O | 599.00 | 613.38 | 605.50 | 6.50 |
| Category 12-Single storey extension between 10 - 40m2 | | | | | |
| Plan Charge | S | 264.00 | 270.34 | 270.00 | 6.00 |
| Inspection Charge | S | 396.00 | 405.50 | 402.00 | 6.00 |
| Building Notice Charge | S | n/a | n/a | n/a | n/a |
| Regularisation Charge | O | 715.00 | 732.16 | 721.50 | 6.50 |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Economic Growth and Housing | | | | | |
|---|----------|--|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| | | £ | £ | £ | £ |
| Category 13 - Two storey extension less than 40 sq m | | | | | |
| Plan Charge | S | 264.00 | 270.34 | 270.00 | 6.00 |
| Inspection Charge | S | 390.00 | 399.36 | 396.00 | 6.00 |
| Building Notice Charge | S | | | | |
| Regularisation Charge | O | 715.00 | 732.16 | 721.50 | 6.50 |
| 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 | 86.53 | 90.50 | 6.00 |
| Where design foundations are required | S | 162.50 | 166.40 | 168.50 | 6.00 |
| <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 @ October 2018

2.40%

| Economic Growth and Housing | | | | | |
|--|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 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 | 870.40 | 850.00 | 0.00 |
| For the renewal of an existing licence made before the current licence expires | O | 800.00 | 819.20 | 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 | 870.40 | 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 | 153.60 | 150.00 | 0.00 |
| For 30 - 20 units of accommodation | O | 250.00 | 256.00 | 250.00 | 0.00 |
| For 21+ units of accommodation | O | 350.00 | 358.40 | 350.00 | 0.00 |
| Discount for accreditation | O | 150.00 | 153.60 | 150.00 | 0.00 |
| Additional HMO Scheme (5 years from March 2018) | | | | | |
| Full Fee | | 850.00 | 870.40 | 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 | 153.60 | 150.00 | 0.00 |
| For 13 - 20 units of accommodation | O | 250.00 | 256.00 | 250.00 | 0.00 |
| For 21+ units of accommodation | O | 350.00 | 358.40 | 350.00 | 0.00 |
| Discount for accreditation | O | 150.00 | 153.60 | 150.00 | 0.00 |
| Discount for Accredited Managing Agent (licence holder) | O | 200.00 | 204.80 | 200.00 | 0.00 |
| Discount Early Bird application | O | 50.00 | 51.20 | 50.00 | 0.00 |
| Red Rose Caravan Park, Broad Lane, Formby - Pitch Rent | | | | | |
| Single Pitch per week | E | 70.40 | 72.09 | 72.10 | 1.70 |
| Double Pitch per week | E | 77.30 | 79.16 | 79.20 | 1.90 |
| Single let as double per week | E | 74.00 | 75.78 | 75.80 | 1.80 |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

Economic Growth and Housing

| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
|--|----------|------------------------|--|----------------|------------------|
| | | £ | £ | £ | £ |
| Selective Licensing Scheme (5 years from March 2018) | | | | | |
| Full Fee | O | 695.00 | 711.68 | 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 | 153.60 | 150.00 | 0.00 |
| For 13 - 20 units of accommodation | O | 250.00 | 256.00 | 250.00 | 0.00 |
| For 21+ units of accommodation | O | 350.00 | 358.40 | 350.00 | 0.00 |
| Discount for accreditation | O | 150.00 | 153.60 | 150.00 | 0.00 |
| Discount for Accredited Managing Agent (licence holder) | O | 200.00 | 204.80 | 200.00 | 0.00 |
| Discount for Early Bird application | O | 75.00 | 76.80 | 75.00 | 0.00 |
| Supply of Reports/Information | | | | | |
| Statement of Facts | S | 130.40 | 133.53 | 133.50 | 3.10 |
| Immigration Certificate | O | 130.40 | 133.53 | 133.50 | 3.10 |
| Pre or new purchase inspection of HMO/purpose built flats | S | 130.40 | 133.53 | 133.50 | 3.10 |
| Service of Housing Act 2004 Notices | | | | | |
| Improvement notice (sec 11 or 12) | O | 380.85 | 389.99 | 390.00 | 9.15 |
| Prohibition Order | O | 380.85 | 389.99 | 390.00 | 9.15 |
| Emergency Prohibition Order | O | 380.85 | 389.99 | 390.00 | 9.15 |
| Emergency Remedial Action | O | 193.00 | 197.63 | 198.00 | 5.00 |
| Hazard Awareness Notice | O | 0.00 | 0.00 | 0.00 | 0.00 |
| Review of Suspended Improvement Notice | O | 127.30 | 130.36 | 130.00 | 2.70 |
| Review of Suspended Prohibition Order | O | 127.30 | 130.36 | 130.00 | 2.70 |
| Demolition Order (Sec 265, Housing Act 1985) | O | 380.85 | 389.99 | 390.00 | 9.15 |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Regulation & Compliance | | | | | |
|---|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| | | £ | £ | £ | £ |
| ANIMAL BOARDING AND DAY CARE ESTABLISHMENTS | | | | | |
| Grant or Renewal of Licence | | | | | |
| 0-4 animals | O | 225.00 | 230.40 | 225.00 | 0.00 |
| 5-50 animals | O | 255.00 | 261.12 | 255.00 | 0.00 |
| Re-Inspection fee | | | | | |
| 0-4 animals | O | 225.00 | 230.40 | 225.00 | 0.00 |
| 5-50 animals | O | 255.00 | 261.12 | 255.00 | 0.00 |
| Variation | | | | | |
| 0-4 animals | O | 120.00 | 122.88 | 120.00 | 0.00 |
| 5-50 animals | O | 140.00 | 143.36 | 140.00 | 0.00 |
| RIDING ESTABLISHMENTS | | | | | |
| Grant or Renewal of Licence* | | | | | |
| Re-Inspection Fee* | O | 275.00 | 281.60 | 275.00 | 0.00 |
| *Plus veterinary fees | | | | | |
| Variation* | O | 155.00 | 158.72 | 155.00 | 0.00 |
| TATTOOING, EAR PIERCING, ACUPUNCTURE, ELECTROLYSIS | | | | | |
| person | O | 16.50 | 16.90 | 16.90 | 0.40 |
| premises | O | 102.00 | 104.45 | 104.45 | 2.45 |
| SCRAP METAL DEALERS ACT 2013 | | | | | |
| Grant/Renewal of Site Licence | | | | | |
| Grant/Renewal of Collector's Licence | O | 101.00 | 103.42 | 103.40 | 2.40 |
| Variation of Site/Collector's Licence | O | 79.00 | 80.90 | 80.90 | 1.90 |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Regulation & Compliance | | | | | |
|--|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| | | £ | £ | £ | £ |
| SMALL CASINO PREMISE LICENCE | | | | | |
| Grant | O | 8,000.00 | 8,192.00 | 8,000.00 | 0.00 |
| Annual Fee | O | 5,000.00 | 5,120.00 | 5,000.00 | 0.00 |
| Variation | O | 4,000.00 | 4,096.00 | 4,000.00 | 0.00 |
| Transfer | O | 1,800.00 | 1,843.20 | 1,800.00 | 0.00 |
| Re-Instatement | O | 1,800.00 | 1,843.20 | 1,800.00 | 0.00 |
| Provisional Statement | O | 8,000.00 | 8,192.00 | 8,000.00 | 0.00 |
| Change of Circumstances | O | 27.70 | 28.36 | 28.40 | 0.70 |
| Copy of Licence | O | 11.80 | 12.08 | 12.10 | 0.30 |
| CONVERTED CASINO PREMISE LICENCE | | | | | |
| Annual Fee | O | 2,003.00 | 2,051.07 | 2,003.00 | 0.00 |
| Variation | O | 1,335.00 | 1,367.04 | 1,335.00 | 0.00 |
| Transfer | O | 901.00 | 922.62 | 901.00 | 0.00 |
| Re-Instatement | O | 901.00 | 922.62 | 901.00 | 0.00 |
| Change of Circumstances | O | 27.70 | 28.36 | 28.40 | 0.70 |
| Copy of Licence | O | 11.80 | 12.08 | 12.10 | 0.30 |
| BINGO PREMISE LICENCE | | | | | |
| Grant | O | 2,336.00 | 2,392.06 | 2,336.00 | 0.00 |
| Annual Fee | O | 668.00 | 684.03 | 668.00 | 0.00 |
| Variation | O | 1,169.00 | 1,197.06 | 1,169.00 | 0.00 |
| Transfer | O | 801.00 | 820.22 | 801.00 | 0.00 |
| Re-Instatement | O | 801.00 | 820.22 | 801.00 | 0.00 |
| Provisional Statement | O | 2,336.00 | 2,392.06 | 2,336.00 | 0.00 |
| Change of Circumstances | O | 27.70 | 28.36 | 28.40 | 0.70 |
| Copy of Licence | O | 11.80 | 12.08 | 12.10 | 0.30 |
| <p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p> | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Regulation & Compliance | | | | | |
|--|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| | | £ | £ | £ | £ |
| TAXI LICENSING | | | | | |
| All Driver's Licences | | | | | |
| New and Renewal drivers licence fee (max 3 years) | O | 71.00 | 72.70 | 73.00 | 2.00 |
| Private Hire up to 8 years old - 12 months | O | 135.50 | 138.75 | 139.00 | 3.50 |
| Private Hire up to 8 years old - 6 months | O | 79.00 | 80.90 | 81.00 | 2.00 |
| All Hackney Carriages up to 8 years old (*) - 12 months | O | 135.50 | 138.75 | 139.00 | 3.50 |
| Non Metropolitan Hackney cabs over 8 years old (**) - 6 months | O | 79.00 | 80.90 | 81.00 | 2.00 |
| Metropolitan Hackney cabs between 8 - 11 years (*) - 12 months | O | 135.50 | 138.75 | 139.00 | 3.50 |
| Metropolitan Hackney cabs between over 11 years (**) - 6 months | O | 79.00 | 80.90 | 81.00 | 2.00 |
| Horse Omnibuses - any age - 12 months | O | 123.00 | 125.95 | 126.00 | 3.00 |
| Pedicab Omnibuses - 12 months | O | 61.00 | 62.46 | 62.00 | 1.00 |
| (*) 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 | 31.74 | 32.00 | 1.00 |
| Operate 3 - 50 vehicles | O | 154.00 | 157.70 | 158.00 | 4.00 |
| Operate 51 - 100 vehicles | O | 185.00 | 189.44 | 190.00 | 5.00 |
| Operate 100+ vehicles | O | 215.50 | 220.67 | 220.00 | 4.50 |
| Miscellaneous Fees | | | | | |
| Transfer of Hackney Driver licence to Private Hire | O | 19.00 | 19.46 | 19.50 | 0.50 |
| Transfer of Private Hire Driver licence to Hackney | O | 19.00 | 19.46 | 19.50 | 0.50 |
| Transfer of Licence Holder - any vehicle | O | 19.00 | 19.46 | 19.50 | 0.50 |
| Change of Vehicle Registration - any vehicle | O | 19.00 | 19.46 | 19.50 | 0.50 |
| Duplicate Licence (any type) | O | 13.00 | 13.31 | 13.50 | 0.50 |
| Duplicate driver's badge or internal vehicle plate | O | 6.00 | 6.14 | 6.50 | 0.50 |
| Duplicate external vehicle plate | O | 13.00 | 13.31 | 13.50 | 0.50 |
| Enhanced DBS check | O | 49.00 | 50.18 | 50.00 | 1.00 |
| DVLA Check | O | 5.00 | 5.12 | 5.00 | 0.00 |
| Minimum Solicitor & Road Traffic Accident written enquiry response | | | | | |
| If approved for release of data | O | 37.00 | 37.89 | 38.00 | 1.00 |
| | | S | Standard Rated (20%) | | |
| | | E | Exempt | | |
| | | O | Outside the scope | | |
| | | N | Zero Rated | | |

(*) CPI Inflation rate @ October 2018

2.40%

Regulation & Compliance

| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
|---|----------|------------------------|--|----------------|------------------|
| | | £ | £ | £ | £ |
| On-Street Car Parking Charges | | | | | |
| <u>Southport On-Street Red (Central Zone)</u> | | | | | |
| Up to 30 mins | O | 0.80 | 0.00 | 0.80 | 0.00 |
| Up To 1hr | O | 1.50 | 1.54 | 1.50 | 0.00 |
| Up To 2hrs | O | 3.00 | 3.07 | 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 | 0.80 | 0.82 | 0.80 | 0.00 |
| Up To 1hr | O | 1.50 | 1.54 | 1.50 | 0.00 |
| Up To 2hrs | O | 3.00 | 3.07 | 3.00 | 0.00 |
| Up To 4hrs | O | 5.00 | 5.12 | 5.00 | 0.00 |
| 4hrs+ | O | 7.00 | 7.17 | 7.00 | 0.00 |
| <u>Bootle - On-Street Town Hall Area</u> | | | | | |
| Up to 1hr | O | 0.90 | 0.92 | 0.90 | 0.00 |
| Up to 2hrs | O | 1.80 | 1.84 | 1.80 | 0.00 |
| Up to 4hrs | O | 3.60 | 3.69 | 3.60 | 0.00 |
| <u>Bootle On - Street Stanley Road</u> | | | | | |
| Up to 30 mins | O | 0.90 | 0.92 | 0.90 | 0.00 |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Regulation & Compliance | | | | | |
|---|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| | | £ | £ | £ | £ |
| Off-Street Car Park Charges Income | | | | | |
| <u>Bootle Multi Storey</u> | | | | | |
| Up To 30 mins | S | 0.90 | 0.92 | 0.90 | 0.00 |
| Up To 1 hr | S | 1.10 | 1.13 | 1.10 | 0.00 |
| Up To 2 hrs | S | 1.80 | 1.84 | 1.80 | 0.00 |
| Up To 4 hrs | S | 3.20 | 3.28 | 3.20 | 0.00 |
| 4hrs + | S | 4.20 | 4.30 | 4.20 | 0.00 |
| Annual Contract | S | 655.00 | 670.72 | 655.00 | 0.00 |
| <u>Crosby Off - Street</u> | | | | | |
| Up To 30 mins | S | 0.30 | 0.31 | 0.30 | 0.00 |
| Up To 1 hr | S | 0.50 | 0.51 | 0.50 | 0.00 |
| Up To 2 hrs | S | 1.00 | 1.02 | 1.00 | 0.00 |
| Up To 4 hrs | S | 1.90 | 1.95 | 1.90 | 0.00 |
| 4hrs + | S | 3.80 | 3.89 | 3.80 | 0.00 |
| Annual Contract | S | 535.00 | 547.84 | 535.00 | 0.00 |
| <u>Waterloo Off - Street</u> | | | | | |
| Up To 30 mins | S | 0.30 | 0.31 | 0.30 | 0.00 |
| Up To 2 hrs | S | 1.00 | 1.02 | 1.00 | 0.00 |
| Up To 4 hrs | S | 1.90 | 1.95 | 1.90 | 0.00 |
| 4hrs + | S | 3.80 | 3.89 | 3.80 | 0.00 |
| <u>Southport Off-Street Tulketh Street</u> | | | | | |
| Up To 1hr | S | 0.90 | 0.92 | 0.90 | 0.00 |
| Up To 2hrs | S | 1.60 | 1.64 | 1.60 | 0.00 |
| Up To 4hrs | S | 3.20 | 3.28 | 3.20 | 0.00 |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

Regulation & Compliance

| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
|---|----------|------------------------|--|----------------|------------------|
| | | £ | £ | £ | £ |
| Off-Street Car Park Charges Income continued | | | | | |
| <u>Southport Off-Street Central 12</u> | | | | | |
| Up to 30mins | S | 0.40 | 0.41 | 0.40 | 0.00 |
| Up To 1hr | S | 0.80 | 0.82 | 0.80 | 0.00 |
| Up To 2hrs | S | 1.60 | 1.64 | 1.60 | 0.00 |
| Up To 3hrs | S | 2.30 | 2.36 | 2.30 | 0.00 |
| <u>Southport Off-Street Seawall</u> | | | | | |
| Up to 1hr | S | 1.10 | 1.13 | 1.10 | 0.00 |
| Over 1 hr | S | 4.20 | 4.30 | 4.20 | 0.00 |
| <u>Southport Off-Street Park & Ride</u> | | | | | |
| Esplanade/Fairways | # | 2.00 | 2.05 | 2.00 | 0.00 |
| <u>Southport Off-Street Esplanade (When Park & Ride not Operating)</u> | | | | | |
| Sun | S | 5.00 | 5.12 | 5.00 | 0.00 |
| Coaches | S | 5.00 | 5.12 | 5.00 | 0.00 |
| Formby Pool - Managed on behalf of the Pool Trust who set the Parking Charges | | | | | |
| Up To 1hr | S | 1.00 | 1.02 | 1.00 | 0.00 |
| Up To 2hr | S | 2.00 | 2.05 | 2.00 | 0.00 |
| Up To 4hrs | S | 4.50 | 4.61 | 4.50 | 0.00 |
| # Public Transport - Bus - zero rated | | | | | |
| Car parking - standard rated | | | | | |
| S Standard Rated (20%) | | | | | |
| E Exempt | | | | | |
| O Outside the scope | | | | | |
| N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Regulation & Compliance | | | | | |
|---|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
| | | £ | £ | £ | £ |
| Off-Street Car Park Charges Income continued | | | | | |
| LEISURE | | | | | |
| Bootle Leisure | | | | | |
| Up To 1hr | S | 0.60 | 0.61 | 0.60 | 0.00 |
| Up To 2hrs | S | 1.10 | 1.13 | 1.10 | 0.00 |
| Up To 4hrs | S | 2.00 | 2.05 | 2.00 | 0.00 |
| 4hrs+ | S | 4.50 | 4.61 | 4.50 | 0.00 |
| Splashworld / Dunes - | | | | | |
| Up to 1 hr | S | 0.70 | 0.72 | 0.70 | 0.00 |
| Up To 2hr | S | 1.40 | 1.43 | 1.40 | 0.00 |
| Up To 4hrs | S | 3.20 | 3.28 | 3.20 | 0.00 |
| 4hrs + | S | 4.50 | 4.61 | 4.50 | 0.00 |
| TOURISM | | | | | |
| Floral Hall | | | | | |
| Up To 1hr | S | 0.90 | 0.92 | 0.90 | 0.00 |
| Up To 2hrs | S | 1.60 | 1.64 | 1.60 | 0.00 |
| Up To 4hrs | S | 3.00 | 3.07 | 3.00 | 0.00 |
| 4hrs+ | S | 4.50 | 4.61 | 4.50 | 0.00 |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

Regulation & Compliance

| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
|--|----------|------------------------|--|----------------|------------------|
| | | £ | £ | £ | £ |
| <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 | 71.68 | 70.00 | 0.00 |
| -if paid within 14 days | O | 35.00 | 35.84 | 35.00 | 0.00 |
| Lower - £50 | O | 50.00 | 51.20 | 50.00 | 0.00 |
| -if paid within 14 days | O | 25.00 | 25.60 | 25.00 | 0.00 |
| CAR PARKING | | | | | |
| Blue badge Parking Permit | O | 10.00 | 10.24 | 10.00 | 0.00 |
| Residents Privileged Parking Permit (RPP) per Vehicle Permit | O | 30.00 | 30.72 | 30.00 | 0.00 |
| Residents Privileged Parking Permit (RPP) per Visitors Permit | O | 30.00 | 30.72 | 30.00 | 0.00 |
| Parking Suspension Bay Suspension, per 5m bay per day | O | 10.00 | 10.24 | 10.00 | 0.00 |
| Parking Suspension (RPP Zones), per 5m bay per month | O | 10.00 | 10.24 | 10.00 | 0.00 |
| <p>S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated</p> | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

| Regulation & Compliance | | | | | |
|---|----------|------------------------|--|----------------|------------------|
| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 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 | 1.02 | 1.00 | 0.00 |
| - up to 4 hours | S | 1.00 | 1.02 | 1.00 | 0.00 |
| - over 4 hours | S | 3.80 | 3.89 | 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 | 1.02 | 1.00 | 0.00 |
| - up to 4 hours | S | 1.90 | 1.95 | 1.90 | 0.00 |
| - over 4 hours | S | 3.80 | 3.89 | 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 | 1.02 | 1.00 | 0.00 |
| - up to 4 hours | S | 1.90 | 1.95 | 1.90 | 0.00 |
| - over 4 hours | S | 3.80 | 3.89 | 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 | 1.02 | 1.00 | 0.00 |
| Annual Pass for seafront car parks | | | | | |
| | S | 35.00 | 35.84 | 35.00 | 0.00 |
| S Standard Rated (20%) E Exempt O Outside the scope N Zero Rated | | | | | |

(*) CPI Inflation rate @ October 2018

2.40%

Regulation & Compliance

| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 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 | 35.84 | 36.00 | 1.00 |
| Pest Control | | | | | |
| Rats | S | 37.50 | 38.40 | 38.50 | 1.00 |
| Mice | S | 37.50 | 38.40 | 38.50 | 1.00 |
| Cockroaches, Fleas | S | 63.00 | 64.51 | 64.50 | 1.50 |
| Bedbugs | S | 63.00 | 64.51 | 85.00 | |
| Cockroaches & Fleas, properties 4 or more bedrooms | S | 103.00 | 105.47 | 105.50 | 2.50 |
| Bedbugs, properties with 4 or more bedrooms | S | 103.00 | 105.47 | 175.00 | |
| insect identification /initial assesment visit | S | 31.00 | 31.74 | 32.00 | 1.00 |
| Treatment of Public health pests within commercial premises | S | On Quotation | On Quotation | On Quotation | On Quotation |
| Trading Standards | | | | | |
| Weights and Measures Inspector - examination time verification etc | O | 63.50 | 65.02 | 65.00 | 1.50 |
| Weights and Measures Technical Officer - examination time verification etc | O | 40.00 | 40.96 | 41.00 | 1.00 |
| 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 reinspection | O | 164.00 | 167.94 | 164.00 | 0.00 |
| Export Certificate (simple) | O | 55.00 | 56.32 | 56.50 | 1.50 |
| Export Certificate (complex) Hourly Rate | O | 80.00 | 81.92 | 80.00 | 0.00 |
| Food Hygiene New Business Advice Visit | S | 120.00 | 122.88 | 120.00 | 0.00 |
| Food Hygiene Existing Business Visit | S | 180.00 | 184.32 | 180.00 | 0.00 |
| Voluntary Surrender of Food | S | 62.00 | 63.49 | 63.50 | 1.50 |
| Food Regulatory Advice Seminar half day (per person) | E | 37.00 | 37.89 | 37.00 | 0.00 |
| Food Regulatory Advice Seminar full day (per person) | E | 67.00 | 68.61 | 67.00 | 0.00 |
| Bespoke Food/Health& Safety/Environmental Law Advice/guidance Hourly Rate | S | 100.00 | 102.40 | 100.00 | 0.00 |
| | S | Standard Rated (20%) | | | |
| | E | Exempt | | | |
| | O | Outside the scope | | | |
| | N | Zero Rated | | | |

(*) CPI Inflation rate @ October 2018

2.40%

Corporate Resources

| Service Details | VAT Rate | Current Charge 2018/19 | Charge if increased by CPI inflation (*) 2019/20 | 2019/20 Charge | 2019/20 Increase |
|--|----------|------------------------|--|----------------|------------------|
| ASSISTED LETS - BOOTLE TOWN HALL | | £ | £ | £ | £ |
| COUNCIL CHAMBER | | | | | |
| Mon-Thu & Fri up to 5.00pm | E | 73.50 | 75.26 | 73.50 | 0.00 |
| FRI AFTER 5PM | E | 73.50 | 75.26 | 73.50 | 0.00 |
| SATURDAY (Minimum of 4 Hours) | E | 73.50 | 75.26 | 73.50 | 0.00 |
| SUNDAY (Minimum of 4 Hours) | E | 84.00 | 86.02 | 84.00 | 0.00 |
| MEMBERS ROOM 1 | | | | | |
| Mon-Thu & Fri up to 5.00pm | E | 26.25 | 26.88 | 26.25 | 0.00 |
| FRI AFTER 5PM | E | 26.25 | 26.88 | 26.25 | 0.00 |
| SATURDAY (Minimum of 4 Hours) | E | 26.25 | 26.88 | 26.25 | 0.00 |
| SUNDAY (Minimum of 4 Hours) | E | 63.00 | 64.51 | 63.00 | 0.00 |
| COMMITTEE ROOM | | | | | |
| Mon-Thu & Fri up to 5.00pm | E | 31.50 | 32.26 | 31.50 | 0.00 |
| FRI AFTER 5PM | E | 31.50 | 32.26 | 31.50 | 0.00 |
| SATURDAY (Minimum of 4 Hours) | E | 31.50 | 32.26 | 31.50 | 0.00 |
| SUNDAY (Minimum of 4 Hours) | E | 63.00 | 64.51 | 63.00 | 0.00 |
| ASSEMBLY ROOM | | | | | |
| Mon-Thu & Fri up to 5.00pm | E | 39.90 | 40.86 | 39.90 | 0.00 |
| FRI AFTER 5PM | E | 39.90 | 40.86 | 39.90 | 0.00 |
| SATURDAY (Minimum of 4 Hours) | E | 39.90 | 40.86 | 39.90 | 0.00 |
| SUNDAY (Minimum of 4 Hours) | E | 68.25 | 69.89 | 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 @ October 2018

2.40%

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Capital Programme 2018/19 to 2020/21

| | 2018/19 (For reference) | 2019/20 | 2020/21 |
|--|----------------------------|--------------|------------|
| | £'000s | £'000s | £'000s |
| CURRENT GRANT ALLOCATIONS AND EXPENDITURE | | | |
| CORPORATE RESOURCES | 5,184 | | |
| Southport Town Hall Boiler | 160 | 3 | |
| TOTAL | 5,344 | 3 | |
| LOCALITY SERVICES COMMISSIONED | 6,312 | | |
| CERMS 2016-21 | 1,104 | 492 | 534 |
| Crosby Marine Lake to Formby Point | 344 | 233 | 306 |
| Tree Planting | 162 | 70 | 70 |
| M58 Junction 1 | 4,609 | 772 | |
| A565 Northern Key Corridor | 721 | 117 | |
| TOTAL | 13,252 | 1,684 | 910 |
| LOCALITY SERVICES PROVISION | 2,530 | | |
| REGENERATION & HOUSING | 452 | | |
| REGULATION & COMPLIANCE | 9 | | |
| HEALTH & WELL BEING | 65 | | |
| OLDER PEOPLE | 3,944 | | |
| ASC IT Infrastructure | 50 | 70 | |
| TOTAL | 3,994 | 70 | |
| CHILDREN'S SERVICES | 5,709 | | |
| COMMUNITIES | 1,050 | | |
| INWARD INVESTMENT & EMPLOYMENT | | | |
| Southport Pier | 1,367 | 50 | 23 |
| DISABLED FACILITIES GRANT (DFG) | 2,200 | | |
| TOTAL ALL SERVICES | 35,972 | 1,807 | 933 |

Agenda Item 9

Appendix E

| | 2018/19 (For reference) | 2019/20 | 2020/21 |
|---|----------------------------|---------------|---------------|
| | £'000s | £'000s | £'000s |
| FUTURE YEARS GRANT ALLOCATIONS | | | |
| CHILDREN'S SERVICES | | | |
| DFC | | 365 | 365 |
| Capital Maintenance | | 1,714 | 1,714 |
| Basic Need | | 2,872 | 1,847 |
| High Needs – Special Educational Needs & Disabilities | | 206 | 205 |
| TOTAL | | 5,157 | 4,131 |
| LOCALITY SERVICES COMMISSIONED | | | |
| LTP – Highways Maintenance | | 2,298 | 2,298 |
| LTP – Integrated Transport Block | | 990 | 990 |
| LTP – Additional Key Route Network | | 300 | 300 |
| Additional Highways Maintenance Fund | 1,283 | | |
| SIF Local Growth Fund Key Route Network A59 | | 2,356 | |
| TOTAL | | 5,944 | 3,588 |
| BETTER CARE FUND | | 3,939 | 3,939 |
| TOTAL ALL SERVICES | 1,283 | 15,040 | 11,658 |
| TOTAL – CURRENT AND FUTURE ALLOCATIONS | 37,255 | 16,847 | 12,591 |