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To all Members of the Cabinet

Date: 11 February 2020
Our Ref: PGF
Your Ref:

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Dear Councillor

CABINET - THURSDAY 13TH FEBRUARY, 2020

I refer to the agenda for the above meeting and now enclose the following minutes that were unavailable when the agenda was published.

| Agenda No. | Item |
|-------------------|--|
| 3. | Minutes of the Previous Meeting (Pages 271 - 280) Minutes of the meeting held on 6 February 2020 |

Yours sincerely,

DAVID MCCULLOUGH

Chief Legal and Democratic Officer

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THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON WEDNESDAY, 19 FEBRUARY 2020. MINUTE NO.S 103 AND 104 ARE NOT SUBJECT TO "CALL-IN"

CABINET

MEETING HELD AT THE COMMITTEE ROOM, TOWN HALL, BOOTLE ON THURSDAY 6TH FEBRUARY, 2020

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

ALSO PRESENT: Councillors McKinley and Sir Ron Watson.

100. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Hardy.

101. DECLARATIONS OF INTEREST

In accordance with Paragraph 9 of the Council's Code of Conduct, the following declarations of personal interest were made and the Member concerned left the room, took no part in the consideration of the items and did not vote thereon:

| Member | Minute No. | Nature of Interest |
|-----------------------|--|---|
| Councillor Veidman | Minute No. 104 - Green Sefton: Golf Driving Ranges Development | By virtue of his position as Chair of the Planning Committee |
| Councillor Veidman | Minute No. 107 - Ainsdale | By virtue of his position as Chair of the Planning Committee |

102. MINUTES OF THE PREVIOUS MEETING

Decision Made:

That the Minutes of the meeting held on 9 January 2020 be approved as a correct record.

103. ETHICAL BUSINESS PRACTICES WORKING GROUP FINAL REPORT

Further to Minute No. 34 of the meeting of the Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services) held on 14 January 2020 the Cabinet considered the report of the Chief Legal and Democratic Officer that presented formally the final report of the Council's Ethical Business Practices Working Group.

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Councillor McKinley, Lead Member of the Working Group presented the Final Report to Cabinet.

Decision Made:

That Council be recommended to:

- (1) request the Head of Corporate Resources to make arrangements, via the Council's decision-making processes, to include the revised statement of draft ethical business/investment principles as referred to below in the Treasury Management Strategy and to adopt it as part of the Council's Policy for investment:

ETHICAL INVESTMENT POLICY

"The Local Authority at times invests surplus funds with third party organisations and institutions and the Council's [core values](#) will play a major role in making investment decisions which will be aligned where possible to the following four overarching core principles;

- Sustainable and Responsible – manage the effect on the environment, community and for the good of society
- Value Based – invest in businesses that are aligned with the organisations core values;
- Maximising Impact – achieve a measurable positive, social or environmental impact, in addition to a financial return;
- Green – improving the environment."

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 to ensure compliance with statutory guidance. As part of this evaluation, the Council will consider ethical investment opportunities and identify and apply an appropriate weighting based on the Council's Core Values/overarching core principles.

Where the Council deposits surplus balances overnight or for a short-term, investments will be made with financial institutions in a responsible manner (aligned to the overarching core principles/councils core values) where possible and in accordance with advice from its Treasury Management Advisor. In the event that the Council has surplus balances that it can invest for the longer term (e.g. terms over 1 year) it will exclude direct investment in financial products that do not contribute positively to society and the environment. This will include the principle that investment in specific financial products whose performance is driven by off-shore trading, financial malpractice, debt swops, short selling, the arms trade and tobacco industry will be avoided. The same

rigorous criteria will be used to assess whether investment in certain countries will be contrary to Sefton's [core values](#).

It is recommended that the Head of Corporate Resources, to assess whether investment in certain countries will be contrary to Sefton's [core values](#), give consideration to the exclusion of those countries on the [EU list of non-cooperative tax jurisdictions](#) (the black list and the grey list), which aims to tackle external risks of tax abuse and unfair tax competition, within the Council's Treasury Management Strategy.

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 and assessed against the Council's core values and ethical business and investment principles/policy, including the ethical weighting to ensure balance and investments are aligned with the new policy.

The Council's Treasury Management Team will be continually engage 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 and not investing in such companies as highlighted above.

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 (including the ethical investment weighting). A specific section in the annual Treasury Management report will cover how the adopted ethical investment strategy is being applied to investment decisions.

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

- (2) request the Head of Strategic Support to make arrangements, via the Council's decision-making processes, to adopt the following revised statements of ethical procurement principles/policy.

ETHICAL PROCUREMENT POLICY

“The Local Authority routinely procures goods and services with a range of providers and the Council's [core values](#) will play a major role in making procurement decisions which will be aligned where possible to the following four overarching core principles;

- Sustainable and Responsible – manage the effect on the environment, community and for the good of society
- Value Based – work with businesses that are aligned

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- with an organisations core values;
- Maximising Impact – achieve a measurable positive, social or environmental impact, as a result of a contract;
- Green – improving the environment.”

Procurement will enhance Social impact/value, including opportunities associated with national themes of Jobs: Promoting Local Skills and Employment; Growth: Supporting Sustainable Growth of Responsible Regional Business; Social: Healthier, Safer and more Resilient Communities; Environment: Protecting and Improving Our Environment; and Innovation: Promoting Social Innovation; and their outcomes and measures.

Implement and enhance a Procurement Strategy, based on the Local Government Association (LGA) National Procurement Strategy providing an effective mechanism for improving the social impact/social value from our contracted providers, particularly its focus on “Achieving Community Benefit”, which includes “obtaining social value”.

The local strategy for social value opportunities to include the increased emphasis in the refreshed Corporate Commissioning Framework and on developing an updated Social Value Action Plan.

Implement a stand-alone phased two-year Social Value Action Plan to include the guiding principles of catching up with those leading the field, going beyond compliance with the Public Services (Social Value) Act 2012, maximising the full breadth of Social Value outcomes and effectively measuring, monitoring and reporting delivery.

The Social Value Action plan will address the areas for development identified through the self-assessment against the LGA strategy and include tangible, clear, measurable, timebound targets to improve social value.

Maximise Social value opportunities connected with the joined-up approach across the Liverpool City Region – LCR Procurement Hub and work undertaken with Proactis and the Social Value Portal to join-up the Chest, the National Themes, Outcomes and measures and the online Measurement Tool”;

- (3) request the Head of Strategic Support to make arrangements, via the Council’s decision-making processes, to develop, adopt and implement a Social Value Action Plan in line with the following:

SOCIAL VALUE ACTION PLAN

“The guiding principles for development of our approach to Social

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Value are to catch up with those leading the field; Go beyond compliance with the Public Services (Social Value) Act 2012; maximise full breadth of Social Value outcomes; and effectively measure, monitor and report delivery.

Self-assessment against “Obtaining Social Value” in the LGA National Strategy will provide a framework whereby we can evaluate what we already do and identify areas for improvement including assessment against the following statements, “the extent to which...”:

- the requirements of the Social Value Act are embedded into corporate policy;
- social value awareness is embedded across all management levels;
- social value themes, outcomes and measures are reported and used (including evaluating the usefulness of social accounting quantitative measures to evaluate impact);
- social value requirements are embedded in the commissioning process;
- social value requirements are embedded in the procurement process;
- obtaining social value is part of engagement and third-party relationships;
- social value requirements in contracts are managed;
- social value is embedded in a wider collaborative environment;
- obtaining social value is communicated and reported;
- social value is embedded and managed in the commissioning and procurement process.
- These can all be addressed within the scope of the guiding principles, through specific, tangible and time-bound actions in a Procurement/Social Value Action Plan.”

The policy will be reviewed on completion of the SV action Plan;

- (4) the Chief Legal and Democratic Officer be requested to submit a monitoring report to the meeting of the Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Resources to be held in the June 2020 Committee cycle setting out progress made against each of the recommendations set out in the report and that thereafter, monitoring reports be submitted to the Committee on a six monthly basis; and
- (5) the Working Group be commended for their comprehensive report.

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Reasons for the Decision:

The Working Group has made recommendations that require approval by the Cabinet and Council.

Alternative Options Considered and Rejected:

No alternative options were considered. The Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services) established the Working Group to review the Council's Ethical Business Practices and the Working Group has performed this task and its recommendations need to be considered by Cabinet and Council.

104. GREEN SEFTON: GOLF DRIVING RANGES DEVELOPMENT

The Cabinet considered the report of the Head of Locality Services seeking approval of the construction of driving ranges within the Council's two Municipal Golf Courses in Bootle and Southport during 2020/21.

Decision Made: That

- (1) subject to Council approving the inclusion of the development of the two driving ranges in the Capital Programme and the Council obtaining the necessary planning permissions, the Head of Locality Services be authorised to conduct a procurement exercise to appoint a contractor or contractors to build the new facilities and provide machinery and maintenance thereafter;
- (2) the Head of Locality Services in consultation with the Cabinet Member for Health and Wellbeing be granted delegated authority to award the contract or contracts resulting from the procurement exercise; and
- (3) the outcome of the community engagement for the Southport Golf Links be reported to the Cabinet Member for Health and Wellbeing in due course and should the Cabinet Member consider that it should change the above recommendations then a further report be Submitted to Cabinet before Phase 2 of the project is commenced.

Reasons for the Decision:

The new facilities will enable much needed growth and improvement in the two municipal golf courses encouraging new people to play the sport and be active and have improved wellbeing. The project will also assist in meeting the Council's budgetary requirements and income targets for Green Sefton – initially contributing to meeting the £212k increase already accounted for in 2019/20, but over time to be increased as outlined in the enclosed report.

Alternative Options Considered and Rejected:

Undertake no investment into the sites that would result in Green Sefton not hitting the required income targets and for the existing facilities to further degrade over time.

105. REVENUE AND CAPITAL BUDGET UPDATE 2019/20

The Cabinet considered the report of the Head of Corporate Resources that advised of:

- (1) the current forecast revenue outturn position for the Council for 2019/20;
- (2) the current forecast on Council Tax and Business Rates collection for 2019/20; and
- (3) The monitoring position of the Council's Capital Programme to the end of December 2019 in respect of:
 - the forecast expenditure to year end;
 - variations against the approved budgets and an explanation of those variations for consideration by Members;
 - updates to spending profiles and proposed amendments to capital budgets necessary to ensure the efficient delivery of capital projects and seeking approval of such; and
 - seeking a review of the spending profiles across financial years; and the new schemes added to the Capital Programme under delegated authority for 2019/20 (as detailed in paragraphs 5.1.1 and 5.1.3 of the report respectively)

Decision Made: That

- (1) In respect of the Revenue Budget:
 - (A) the current forecast revenue outturn position for 2019/20 and the current position relating to delivery of savings included in the 2019/20 revenue budget be noted;
 - (B) the mitigating measures being used to partially mitigate the forecast outturn position, as outlined in paragraph 2.2 of the report, excluding a forecast deficit on Housing Benefits which will be considered at the end of the financial year if it materialises be noted; and
 - (C) it be acknowledged that a comprehensive review of all forecast outturn estimates and potential remedial measures has been undertaken and the outcome has significantly reduced the forecast overspend reported; and that the position will continue to be reviewed to

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ensure a balanced forecast outturn position can be achieved or understand a potential call of General Fund Balances; and

- (2) in respect of the Capital Programme:
- (A) the latest capital expenditure position as at 31 December 2019 of £12.104m (as detailed in paragraph 5.2.2 of the report) with the latest full year forecast being £21.234m (as detailed in paragraph 5.3.1 of the report) be noted;
 - (B) the explanations of variances to project budgets (as detailed in paragraph 5.3.2 of the report) be noted; and
 - (C) it be acknowledged that capital resources will be managed by the Head of Corporate Resources to ensure the capital programme remains fully funded and that capital funding arrangements secure the maximum financial benefit to the Council (as detailed in section 5.5 of the report).

Reasons for the Decision:

To ensure Cabinet are informed of the forecast outturn position for the 2019/2020 Revenue Budget as at the end of December 2019, including delivery of agreed savings, and to provide an updated forecast of the outturn position regarding the collection of Council Tax and Business Rates.

To keep members informed of the progress of the Capital Programme against the profiled budget for 2019/20 and agreed allocations for future years.

To progress any changes that are required in order to maintain a relevant and accurate budget profile necessary for effective monitoring of the Capital Programme.

To approve any updates to funding resources so that they can be applied to capital schemes in the delivery of the Council's overall capital strategy.

In March 2017 Council approved a three-year budget plan to March 2020. The final year of this plan was revised in February 2019 as part of the process of setting the 2019/20 budget. The Council is in the final year of the budget plan and remains confident its strategic approach to budget planning alongside good financial management and extensive community engagement means that the plan continues to develop on solid foundations; it remains flexible and will secure the future sustainability to 2020 and beyond. However, in year demand for social care services is currently resulting in the costs for these services significantly exceeding the budget. If further budget pressures are identified between now and the

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end of the year additional remedial action will be required to bring the overall budget into balance.

Alternative Options Considered and Rejected:

None.

106. EXCLUSION OF PRESS AND PUBLIC

Decision Made:

That, under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the press and public be excluded from the meeting for the following item on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 3 and 4 of Part 1 of Schedule 12A to the Local Government Act 1972. The Public Interest Test has been applied and favours exclusion of the information from the Press and Public.

107. AINSDALE

The Cabinet considered the report of the Head of Corporate Resources seeking approval to negotiate the acquisition of the leasehold interests in a property in Ainsdale.

Decision Made: That

- (1) the appointment of the professional valuers, detailed within the report, to act for the Council in negotiating the acquisition of the leasehold interests at a property in Ainsdale be approved;
- (2) negotiations be undertaken with the leaseholders to acquire their interests in the property; and
- (3) approval be granted to set aside the sum, detailed within the report, to acquire all the leasehold interests in the property.

Reasons for the Decision:

The overall condition and appearance of the property in Ainsdale is very poor and in need of total redevelopment. The site suffers from anti-social behaviour and has a negative impact on the local community and area.

Alternative Options Considered and Rejected:

Do not acquire leasehold interests – risk is the continued physical deterioration of the property in Ainsdale and associated problems for the local community.

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Risk: current residential leaseholders look to extend their Leases in the near future under the relevant legislation as there are currently less than 50 years remaining – one new tenant has made an approach already.

Not acting now simply risks delaying the inevitable requirement for the Council to intervene at a point in the future with higher cost to the public purse.