

THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON WEDNESDAY 7 AUGUST 2024. MINUTE NO.S 27 (6) TO (9) INCLUSIVE ARE NOT SUBJECT TO CALL-IN

CABINET

MEETING HELD AT THE COMMITTEE ROOM, TOWN HALL, BOOTLE ON 25 JULY 2024

PRESENT: Councillor Atkinson (in the Chair)
Councillors Doyle, Harvey, Lappin, Moncur, Roscoe
and Veidman

ALSO PRESENT: Councillors Sir Ron Watson

18. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Dowd and Howard.

19. DECLARATIONS OF INTEREST

No declarations of any disclosable pecuniary interests or personal interests were received.

20. MINUTES OF THE PREVIOUS MEETING

Decision Made:

That the Minutes of the meeting held on 20 June 2024 be confirmed as a correct record.

21. HIGH NEEDS MONITORING

The Cabinet considered the report of the Executive Director - Children's Social Care and Education that provided an update on the Council's position in respect of the High Needs Budget and resulting deficit. The report outlined:

- The current position nationally.
- Demand within Sefton.
- What this demand means for council services.
- The agreed programme of work that has been derived from the Delivering Better Value Programme.
- The Councils SEND transformation programme and how this supports continued service development.
- Current sufficiency work and planned capital investment; and
- The resulting financial position.

The following appendices were attached to the report:

- Delivering Better Value programme
- Governance Structure

Reference was made to funding of Special Educational Needs and the intention to review the funding process, and a request was made for the Cabinet Member – Children, Schools and Families to be fully involved in this process.

Decisions Made:

That

- (1) the update regarding the high needs funding deficit and the development of the quality assurance systems being put into place to address the monitoring of the spend, be noted;
- (2) the increasing number of children and young people who have an Education, Health and Care Plan (EHCP) and are educated in independent and non-maintained special schools (INMSS), be noted;
- (3) the agreed Delivering Better Value Submission be noted and received and that progress reports be provided to the Cabinet and Council every 6 months;
- (4) future projects to increase sufficiency across Sefton and the ambition to create more special school places be noted;
- (5) a High Needs Recovery Plan be presented within the next report to the Cabinet in December 2024.

Reasons for the Decisions:

- 1) To provide an updated on the 2023/24 High Needs budget financial position.
- 2) To provide Members with a provisional update of the potential deficit budget forecast against the High Needs budget in 2024/25.
- 3) To provide an update on the sufficiency programme to provide sustainable and effective SEND support for pupils within the available resources allocated through the Dedicated School Grant – High Needs Block.

Alternative Options Considered and Rejected:

Not Applicable.

22. EQUALITY, DIVERSITY AND INCLUSION ANNUAL REPORT

Further to Minute No. 146 of 6 April 2023, the Cabinet considered the report of the Executive Director – Regeneration, Economy and Assets indicating that the Council published its Equality, Diversity and Inclusion

Strategy for 2023-2027 following approval at the Cabinet meeting on 6 April 2023. The Cabinet had requested an annual report on progress against the strategy and action plan. The report provided a summary of progress over the first 12 months since approval of the Strategy against its objectives and action areas and outlined the breadth of activity and level of progress being made across the Council in all areas, recognising the strategy's focus on the Council's role as an employer as a priority in the short term. It was also recognised that there remained much to do in this important area of work as the Council continued to aim to improve all aspects of Equality, Diversity and Inclusion as an employer, a provider of services, a commissioner and as a place leader.

Reference was made to the need to ensure that any training provided was up-to-date and for Members to be included in any training provision.

Decisions Made:

That

- (1) the content of the report and the approved Strategy be noted;
- (2) key issues and opportunities arising, together with areas of potential interest for further review and focus in future years be noted; and
- (3) the next annual report on performance against the strategy and action plan be received in 12 months' time.

Reasons for the Decision(s):

The recommendations would support the effective and transparent governance of the Council's approach to inequality, diversity and inclusion, and its performance to date against the approved Strategy and Action Plan.

Alternative Options Considered and Rejected:

The alternative option of not producing an annual report was not considered.

23. APPOINTMENT OF REPRESENTATIVE ON OUTSIDE BODY

The Cabinet considered the report of the Chief Legal and Democratic Officer on the appointment of the Council's representative to serve on the Outside Body named within the report for the remainder of 2024/25.

Decision Made:

That the proposed appointment to the Outside Body indicated below, for the remainder of 2024/25, be approved:

Cheshire and Merseyside Integrated Care Joint Health Scrutiny Committee

Councillor Conalty to replace Councillor Hart

Reasons for the Decision:

The Cabinet had delegated powers set out in Chapter 5, Paragraph 40 of the Constitution to appoint the Council's representatives to serve on Outside Bodies.

In order for the Council to have on-going representation on the Cheshire and Merseyside Integrated Care Joint Health Scrutiny Committee,

Alternative Options Considered and Rejected:

None.

24. FINANCIAL AND CORPORATE PERFORMANCE 2023/2024

The Cabinet considered the report of the Executive Director – Corporate Services and Commercial on the revenue and capital outturn position in relation to the 2023/24 financial year. The report outlined key variations and, where appropriate, any impact on future years' financial performance. In addition, the report provided details of the Council's Corporate Performance for 2023/24 and current corporate risks.

The following appendices were attached to the report:

- Appendix A – Corporate Performance Report 2023/24
- Appendix B – Corporate Risk Register – June 2024

Decisions Made:

That

Revenue Outturn

- (1) the fact that the General Fund net surplus of £4.309m for 2023/24 will increase the Council's General Balances by £0.114m less than was budgeted for, be noted;
- (2) the increase in Schools' balances of £2.381m for 2023/24 and the net reduction of non-schools centrally retained DSG balances of £19.489m., be noted;
- (3) the overall deficit on the High Needs Budget of £37.996m. be noted;
- (4) the changes to Earmarked Reserves in 2023/24 be noted.

Capital Programme

- (5) the total capital outturn of £40.937m for the financial year 2023/24 be noted;
- (6) the successful delivery of a number of schemes, as set out in section 10 of the report, which have supported the delivery of the Council's core purpose, be noted;

Corporate Performance

- (7) the Council's Corporate Performance Report for 2023/24 and the latest Corporate Risk Register alongside the financial outturn for the year be noted.

Reasons for the Decisions:

The production of a revenue and capital outturn report is a key feature of effective financial management and will allow Members to make informed decisions that will support service delivery and medium-term financial sustainability.

Alternative Options Considered and Rejected:

None.

25. TREASURY MANAGEMENT OUTTURN 2023/24

The Cabinet considered the report of the Executive Director – Corporate Services and Commercial providing a review of the Treasury Management activities undertaken during 2023/24 and an update to 30 June 2024. The Cabinet received the outturn report to allow monitoring against the Treasury Management Policy and Strategy and Prudential Indicators approved by the Cabinet and Council in March 2023. The report was also provided to the Audit and Governance Committee, whose role it was to carry out scrutiny of treasury management policies and practices.

Decision Made:

That the Treasury Management position during 2023/24 and the update to 30 June 2024 be noted, together with the review of the effects of decisions taken in pursuit of the Treasury Management Strategy and consideration of the implications of changes resulting from regulatory, economic and market factors affecting the Council's treasury management activities.

Reasons for the Decision:

The Council had acted in accordance with the CIPFA Prudential Code for Capital Finance in Local Authorities and had reviewed its Prudential Indicators to comply with legislation and was acting prudently in that its capital expenditure proposals remained affordable.

Alternative Options Considered and Rejected:

None.

26. CORPORATE PLAN

The Cabinet considered the report of the Executive Director – Corporate Services and Commercial indicating that the Sefton Corporate Plan (2023 to 2026) was approved in January 2023. It set out the Council's six strategic priorities agreed by the Cabinet and the corporate objectives to deliver those priorities. The report set out the refresh of the Sefton Corporate Plan (2024 to 2027), with revised corporate objectives to deliver the Council's agreed strategic priorities, as set out at Appendix A.

The report also set out an updated Service Planning and Performance Management framework, aligned to the refresh of the Sefton Corporate Plan (2024 to 2027), for embedding the service level improvements in performance management, and to inform regular, collective and cross-cutting performance discussions at Cabinet, as set out at Appendix B.

In April 2024, the Council received a letter from Simon Hoare MP, the then Minister for Local Government, requesting it to produce Productivity Plans, set out in the Local Government Finance Settlement, and setting out some guidance along with the timeframes for local authorities to submit their first iterations of the plan. The local authority was requested to submit its plan detailing ways to 'improve service performance and reduce wasteful expenditure' by Friday, 19 July 2024. The Council's Productivity Plan would be refreshed on an annual basis, informed by the Corporate Plan and following the same reporting mechanism set out in the Service Planning and Performance Management framework. The report set out the first iteration of the 'Sefton Productivity Plan 2024', as set out at Appendix C.

The following appendices were attached to the report:

- The Sefton Corporate Plan 2024 to 2027, set out at Appendix A.
- The Service Planning and Performance Management framework, set out at Appendix B.
- The first iterations of the 'Sefton Productivity Plan 2024' to be submitted to the Ministry of Housing, Communities and Local Government on 19 July 2024, as originally requested by the former government, if still required to do so by the new government.

Decisions Made:

That

- (1) the refresh of the Sefton Corporate Plan 2024 to 2027, set out at Appendix A to the report be noted;

- (2) the updated Service Planning and Performance Management framework, as set out at Appendix B to the report be noted.
- (3) the first iterations of the 'Sefton Productivity Plan 2024' to be submitted to the Ministry for Levelling Up, Housing and Communities on 19 July 2024, as set out at Appendix C to the report be noted.

Reasons for the Decisions:

The Corporate Plan set out the Council's strategic priorities for the short to medium term, aligned to the medium-term financial planning process. It described where overall the Council is headed (Council priorities) and outlined a roadmap to get there (corporate objectives).

Alternative Options Considered and Rejected:

None.

27. FINANCIAL MANAGEMENT 2024/25 TO 2027/28 - REVENUE AND CAPITAL BUDGET UPDATE 2024/25 – JULY UPDATE

The Cabinet considered the report of the Executive Director – Corporate Services and Commercial informing the Cabinet of:

- 1) The current position relating to the 2024/25 revenue budget.
- 2) The current forecast on Council Tax and Business Rates collection for 2024/25.
- 3) The monitoring position of the Council's capital programme to the end of June 2024:
 - 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.
- 4) The latest prudential indicator information for 2024/25.

Appendix A to the report set out the Capital Programme 2024/25 to 2026/27

Decisions Made:

That

Revenue Outturn

- (1) the current position relating to the 2024/25 revenue budget be noted;

- (2) the actions being taken to refine forecasts and identify mitigating efficiencies to ensure each service achieves a balanced position, be noted;
- (3) the financial risks associated with the delivery of the 2024/25 revenue budget be recognised and it be acknowledged that the forecast outturn position will continue to be reviewed, and remedial actions put in place, to ensure a balanced forecast outturn position and financial sustainability can be achieved;

Capital Programme

- (4) the spending profiles across financial years for the approved capital programme, as set out at paragraph 7.1 of the report, be noted;
- (5) the latest capital expenditure position as at 30 June 2024 of £12.106m, as set out at paragraph 7.12 of the report, and the latest full year forecast is £85.497m, as set out at paragraph 7.13 of the report, be noted;
- (6) **the Council be recommended to approve** a supplementary capital estimate of £0.022m for the Enterprise Arcade project funded by capital receipts, as set out at paragraph 7.7 of the report;
- (7) **the Council be recommended to approve** a supplementary capital estimate of £0.498m for the ICT Cyber Security project funded by external borrowing, as set out at paragraph 7.8 of the report;
- (8) **the Council be recommended to approve** a supplementary capital estimate of £0.128m for the Committee Meeting Microphone and Live Streaming System funded by external borrowing, as set out at paragraphs 7.9 – 7.10 of the report;
- (9) **the Council be recommended to approve** a supplementary capital estimate of £0.040m for the Red Rose Park works funded by capital receipts, as set out at paragraph 7.11 of the report;
- (10) it be noted that capital resources will be managed by the Executive Director - Corporate Services and Commercial to ensure the capital programme remains fully funded and that capital funding arrangements secure the maximum financial benefit to the Council, as set out at paragraphs 7.16-7.18 of the report; and

Prudential Indicators

- (11) the forecasts for the Prudential Indicators relating to capital expenditure and financing as at 30th June 2024 be noted.

Reasons for the Decisions:

To ensure the Cabinet was informed of the current position in relation to the 2024/25 revenue budget.

To provide an updated forecast of the outturn position with regard to the collection of Council Tax and Business Rates.

To keep Members informed of the progress of the Capital Programme against the profiled budget for 2024/25 and agreed allocations for future years.

To progress any changes that were 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 could be applied to capital schemes in the delivery of the Council's overall capital strategy.

To ensure the Cabinet was informed of prudential indicators, key performance information and key risk management areas.

Alternative Options Considered and Rejected:

None.

28. EXCLUSION OF PRESS AND PUBLIC

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

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 Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. The Public Interest Test has been applied and favours exclusion of the information from the Press and Public.

29. ADJOURNMENT OF MEETING

Decision Made:

Due to members of the public refusing to leave the committee room the meeting was adjourned and moved venue temporarily whilst the exempt item was considered.

30. ASSET DISPOSAL - PENDLE DRIVE, LITHERLAND - EXEMPT APPENDICES

The Cabinet considered exempt information provided by the Executive Director - Regeneration, Economy and Assets in relation to the Asset Disposal - Pendle Drive, Litherland (Minute No. 32 below refers). The exempt information provided affected St. Oswald Ward.

Decision Made:

That the exempt information be considered as part of the report in relation to the Asset Disposal - Pendle Drive, Litherland (Minute No. 32 below refers).

Reasons for the Decision:

The exempt information was required to be considered with the information in the public domain in order that an informed decision might be made.

Alternative Options Considered and Rejected:

None – alternative options within non-exempt part of report.

31. RE-ADMITTANCE OF THE PUBLIC

Decision Made:

That the press and public be re-admitted to the meeting.

32. ASSET DISPOSAL - PENDLE DRIVE, LITHERLAND

The Cabinet considered the report of the Executive Director – Regeneration, Economy and Assets requesting approval to enter into a conditional contract for the asset disposal of land and buildings at Pendle Drive, Litherland to Aldi Stores Ltd. Following the disposal, a new food store development would be brought forward pending planning approval. The report indicated that in January 2020, the Cabinet approved the disposal of the first phase of surplus assets to generate capital receipts in support of the Growth and Strategic Investment and Framework for Change Programmes. Officers were provided with the authority to negotiate terms and conditions for each disposal in line with delegated authority set out in the Council’s Asset Disposal Policy. Brooklea House, Pendle House, and Pendle Drive were three unoccupied buildings located on the site known as Pendle Drive, Litherland (“Pendle Drive”). The site was in the first phase of the disposal programme. In 2019, the Council was approached by a food store operator to acquire part of the site, however the operator withdrew from the deal in June 2023. Since that date a separate approach had been made by Aldi Stores Ltd in January 2024 to

acquire part of the site for a food store scheme. Principle Heads of Terms had been agreed subject to Council approval and intrusive site investigations were in progress as part of the feasibility work to inform a planning application.

The following exempt appendices were attached to the report:

- Appendix 1 – Heads of Terms for Freehold Disposal
- Appendix 2 – Site Plan – Land to be acquired by Aldi Stores Ltd

Decisions Made:

That

- (1) the sale of the Council's freehold interest in land at Pendle Drive (shown edged red on the plan within Appendix 2) to Aldi Stores Ltd on the basis of the Heads of Terms detailed within Appendix 1 of the report, be approved;
- (2) the deduction of up to 4% of the eventual capital receipt to cover the professional fees and incidental costs of disposal as set out in Capital Accounting Regulations, be approved;
- (3) the Chief Legal and Democratic Officer be authorised to complete the necessary legal formalities in relation to the completion of land sale contracts;
- (4) it be noted that demolition of all buildings at Pendle Drive (including those on the land to be retained by the Council) will be demolished under licence agreement in autumn 2024; and
- (5) it be noted that officers in Property Services and Housing and Investment Services are exploring options for the disposal of the remainder of land (c.1.14acres) in the Council's ownership for housing development. A proposal will be brought forward to Members in line with delegations for future consideration.

Reasons for the Decisions:

The disposal would maximise the land receipt to support the Growth and Strategic Investment Programme. Alternative use value (residential) would not generate a capital receipt of a comparable level. The opportunity cost would be the loss of a capital receipt as currently projected in the disposal programme.

The disposal of land adhered to two criteria: that each capital receipt forecasted represented financial "best consideration" and where the loss of other opportunities was quantifiable and did not undermine wider service delivery and economic development/ regeneration priorities.

The Heads of Terms required that Aldi Stores Ltd demolished all buildings across the site, including Pendle House which was located on the retained

land. This ensured that the Council had no capital expenditure ask to progress demolition work and was left with a de-risked opportunity.

The final disposal price would meet best consideration requirements in accordance with Section 123 of the Local Government Act 1972 and complied with the approved processes within the Asset Disposal Policy. An independent valuation would be commissioned once abnormal costs had been confirmed.

Alternative Options Considered and Rejected:

Option 1 – “Dispose of the whole site to a Registered Provider”: market all the Pendle Drive site to Registered Providers/ housing developers.
Risk: The site had marginal financial viability for residential use and this option was discounted as it secured only a nominal land receipt. The Council would likely have to commit capital up front to progress demolition works to de-risk the site. Redevelopment of part for a retail store was the only way to secure a significant capital receipt to the Council.

Option 2 – “Do minimum - demolish buildings”: to reduce site management liability and risk of antisocial behaviour.

Risk: This option was not favoured as there would be ongoing management and maintenance costs to the Council. The asset was in the disposals programme – the disposal of the site had previously been approved for the very purpose of generating a land receipt to support the delivery of the Framework of Change programme.

Option 3 – “Market the site more widely for sale”: the Council would commence a formal marketing process seeking financial offers.

Risk: a financial appraisal showed that a residential development scheme would only generate a modest land receipt. Officers commissioned a marketing report completed in 2023, which provided no substantive evidence that there were any alternative credible purchasers.