

MEETING: CABINET  
DATE: Thursday 3rd December, 2015  
TIME: 10.00 am  
VENUE: Birkdale Room, Town Hall, Southport

**Member**

Councillor

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

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The Cabinet is responsible for making what are known as Key Decisions, which will be notified on the Forward Plan. Items marked with an \* on the agenda involve Key Decisions

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

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

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

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# A G E N D A

Items marked with an \* involve key decisions

<u>Item No.</u>	<u>Subject/Author(s)</u>	<u>Wards Affected</u>	
1.	<b>Apologies for Absence</b>		
2.	<b>Declarations of Interest</b> Members are requested to give notice of any disclosable pecuniary interest, which is not already included in their Register of Members' Interests and the nature of that interest, relating to any item on the agenda in accordance with the Members Code of Conduct, before leaving the meeting room during the discussion on that particular item.		
3.	<b>Minutes of Previous Meeting</b> Minutes of the meeting held on 5 December 2015		(Pages 5 - 20)
* 4.	<b>Shale Gas (Fracking) Working Group - Final Report</b> Report of the Head of Regulation and Compliance  Councillor Weavers, the Lead Member of the Working Group will attend the meeting to outline the recommendations set out in the report	All Wards	(Pages 21 - 68)
* 5.	<b>Procurement proposals for Winter Service Bureau and Forecasting Services</b> Report of the Head of Locality Services - Commissioned	All Wards	(Pages 69 - 74)
* 6.	<b>Provision of Liquid Fuels</b> Report of the Head of Commissioning Support and Business Intelligence	All Wards	(Pages 75 - 80)
* 7.	<b>Revenue Budget 2015/16 Update</b> Report of the Head of Corporate Support	All Wards	(Pages 81 - 106)

**8. Sefton Local Plan - Further Post-Submission Changes**

Report of the Chief Executive

All Wards

(Pages 107 -  
126)

**THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON WEDNESDAY, 18 NOVEMBER 2015. MINUTE NOS. 67 AND 70 ARE NOT SUBJECT TO "CALL - IN."**

## **CABINET**

### **MEETING HELD AT THE COMMITTEE ROOM, TOWN HALL, BOOTLE ON THURSDAY 5TH NOVEMBER, 2015**

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

**ALSO PRESENT:** Councillors Dowd, Hands and Preece

#### **53. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Cummins.

#### **54. DECLARATIONS OF INTEREST**

The following declaration of pecuniary interest was made and the Member concerned left the room during the consideration of the items:

<b>Member</b>	<b>Minute No.</b>	<b>Nature of Interest</b>
Councillor Veidman	69 - Former Beach Road School and Training Centre Beach Road Litherland	He is the Cabinet Member for Planning and Building Control
Councillor Veidman	70 - Former Maghull Library and Youth Centre, Liverpool Road North, Maghull	He is the Cabinet Member for Planning and Building Control

#### **55. MINUTES OF PREVIOUS MEETING**

##### **Decision Made:**

That the minutes of the Cabinet meeting held on 1 October 2015 be confirmed as a correct record.

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## **56. ST AMBROSE BARLOW CATHOLIC COLLEGE - PUBLIC PETITION**

The Cabinet heard representations from Lorraine Fay who had submitted a petition on behalf of the St Ambrose Barlow Parent Action Group containing 27,478 signatures (of which 3,860 signatures were from residents in Merseyside) which stated: Save St Ambrose Barlow High School.”

### **Decision Made:**

That the petition and the representations made by the lead petitioner be noted and considered further during the consideration of the report by the Head of Schools and Families under Minute No. 57 below.

### **Reason for Decision:**

To enable the Cabinet to consider the report by the Head of Schools and Families on the same issue in Minute No. 57 of the meeting.

### **Alternative Options Considered and Rejected:**

None.

## **57. ST AMBROSE BARLOW CATHOLIC COLLEGE - OUTCOME OF CONSULTATION ON THE PROPOSED CLOSURE OF THE SCHOOL**

Further to Minute No. 27 of the meeting held on 3 July 2015, the Cabinet considered the report on the Head of Schools and Families which provided details of the outcome of the consultation on the proposed closure of St Ambrose Barlow Catholic College (known as St Ambrose Barlow Catholic High School) and sought approval to publish a Statutory Notice relating to the proposal.

The Head of Regulation and Compliance referred to a letter of 3 November 2015 circulated to Members of the Cabinet and Officers by Turner’s Solicitors of Bridgend relating to the content of the report and advised the Cabinet that the correspondence did not delay Cabinet’s consideration of the officer report before them today. The Council will be responding to the correspondence in the near future.

The Head of Schools and Families outlined the content of the report and the next steps to be taken subject to the Cabinet agreeing to publish the statutory notice.

Members of the Cabinet raised questions to the following issues and the Head of Schools and Families responded to the issues as indicated below:

Paragraph 4.6 of the report indicates “no sustainable viable financial proposals have been put forward as of the consultation process.” Have
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any viable proposals been submitted since the publication of the report?

Response:

A number of representations have been received since the publication of the report but no sustainable viable financial proposals have been submitted.

Please can you outline the transitional arrangements to be made in the event of the school closing to protect the welfare of the children.

Response:

The school would continue to be operational until it was closed and provide support to pupils and families. The school would also work with the local authority and other schools to ensure that bespoke transitional arrangements are put in place for each pupil. Vulnerable children who have health and care plans and/or require high needs support would be supported by the local authority Special Education Needs and Inclusion Service to ensure that those children have a smooth transition into their new school.

Paragraph 6.1 in the report indicates that there are significant surplus pupil places in secondary schools in the south of the Borough. Are you confident that there is sufficient capacity in other Catholic schools in the area to accommodate all of the pupils from St Ambrose Barlow?

Response:

The Archdiocese have indicated that they can provide places for all Catholic and non-Catholic pupils from St Ambrose Barlow in other Catholic secondary schools in the area. There are significant alternative options should families wish to go to other schools.

**Decision Made:** That:

- (1) the responses to the statutory consultation process be noted;
- (2) it be noted that the Archdiocese of Liverpool had requested the Council to proceed with the publication of the statutory notice: and
- (3) approval be given to the publication of the Statutory Notice on the closure of St Ambrose Barlow Catholic College.

**Reasons for Decision:**

The Local Authority has the statutory power to close a maintained school following the statutory process detailed in the report.

**Alternative Options Considered and Rejected:**

None.

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## **58. DRAFT POST 16 SEN TRANSPORT POLICY STATEMENT FOR 2016-17**

Further to Minute No. 52 of the meeting held on 15 January 2015, The Cabinet considered the report on the Head of Schools and Families which provided details of the outcome of the consultation on Post 16 Special Education Needs (SEN) transport provision and proposals for the Post 16 SEN transport provision moving forward.

### **Decision Made:** That:

- (1) the outcome of the consultation process on post 16 SEN transport to date be noted;
- (2) the pre scrutiny undertaken by Overview and Scrutiny Committee (Children's Services and Safeguarding) be noted;
- (3) the draft Post 16 Transport Policy statement 2016/17 set out in the report be approved for statutory consultation; and
- (4) a further report be submitted to the Cabinet on the final version of the Post 16 Transport policy following the statutory consultation period.

### **Reasons for Decision:**

To agree the proposed changes to the Post 16 Transport Policy Statement

### **Alternative Options Considered and Rejected:**

None - it is a statutory requirement to publish a Post 16 Transport Policy Statement.

## **59. SCHOOL PERFORMANCE REVIEW - FINAL REPORT**

The Cabinet considered the report on the Head of Schools and Families which provided details of the review of the performance of secondary education in Sefton given the difference in Ofsted outcomes between primary and secondary schools particularly in the south of the borough. The report concluded the review undertaken by the School Performance Working Group and set out the recommendations to continue improving standards in secondary schools which were agreed by the Overview and Scrutiny Committee (Children's Services and Safeguarding) at its meeting on 22 September 2015.

### **Decision Made:**

That approval be given to the recommendations for continued improvement in secondary school standards, as set out in paragraph 6 of



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the report, together with the required resources as set out in paragraph 7 of the report.

**Reasons for Decision:**

The report concludes the review of the School Performance Working Group and makes recommendations to continue improving standards in secondary schools.

**Alternative Options Considered and Rejected:**

None

**60. CHILD SEXUAL EXPLOITATION - QUARTERLY DATA 2015/16**

The Cabinet considered the report on the Director of Social Care and Health which provided details of the referrals received by the Sefton Multi Agency Safeguarding Hub (MASH) which were related to child sexual exploitation (CSE) during Quarter 1 (1 April – 30 June 2015) and Quarter 2 (1 July – 30 September 2015) and the action that had been taken as a result.

A report had previously been submitted to the Cabinet on 26 March 2015 on the work being undertaken to safeguard children from Child Sexual Exploitation, in respect of the duties under the Local Government Act 1999 regarding governance and scrutiny of children and young people's services.

Members of the Cabinet referred to the recent informal meeting they had held with the Chief Constable and the Merseyside Police and Crime Commissioner when they were advised that the Government requires Merseyside Police to make £48 million of cuts by the end of the financial year 2018/19 and sought assurances that the budget cuts would not have an impact on the work undertaken by the Police on CSE issues. The Chief Executive indicated that she had written to the Chief Constable and requested details of the budget reductions and their impact upon Sefton once they are in the public domain.

**Decision Made:** That:

- (1) The work taking place in Sefton regarding Child Sexual Exploitation be noted;
- (2) it be noted that an update report will be submitted to the Cabinet at the end of each quarter and that the Cabinet Member – Children, Schools and Safeguarding will be updated on a regular basis; and
- (3) that the Chief Executive submit a report to the Cabinet on the impact of the Merseyside Police budget reductions on the Borough

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of Sefton and in particular on the work undertaken by the Police on CSE issues, once they are in the public domain.

## **Reasons for Decision:**

To ensure the Cabinet Members are aware of the partnership activity undertaken to safeguard children from child sexual exploitation in Sefton.

## **Alternative Options Considered and Rejected:**

None

## **61. COMMUNITY EQUIPMENT SERVICE**

The Cabinet considered the report on the Director of Social Care and Health which indicated that the current NHS and Local Authority Community Equipment Store operates under a Section 75 Partnership Agreement between Sefton Council and Liverpool Community Health Trust under the National Health Act 2006; and that the Council and NHS had to consider how this service is best designed and provided for in the future.

The report set out proposals in respect of the current agreement, which is due to end on the 31 March 2016, in the context of ensuring the ongoing provision of this valuable service and the timetable for succession / replacement of the current NHS Community Services provider.

## **Decision Made:** That:

- (1) approval be given to the implementation of a new Section 75 Agreement with Liverpool Community Health Trust for the provision of a Community Equipment Store for the period 1 April 2016 to 31 March 2017; and
- (2) the Director of Social Care and Health be authorised to commission a new Community Equipment Service with effect from 1 April 2017.

## **Reasons for Decision:**

Community equipment services play a vital role in supporting people of all ages to develop their full potential and to maintain their health, well-being and independence. Community equipment services are crucial to support;

- Reducing community acquired pressure ulcer incidents
- Supporting increasingly more complex discharges from hospital
- Supporting the End of Life pathway
- Supporting hospital admission avoidance
- Maintaining independence in the community

The operating costs of the present Community Equipment Store are jointly funded by Sefton's Clinical Commissioning Groups and the Council and run by Liverpool Community Health Services under a Section 75

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partnership agreement with Sefton Council. Equipment budgets do not form part of the agreement, these costs are charged separately and directly to the appropriate organisation.

## **Alternative Options Considered and Rejected:**

This service is required to provide essential health and wellbeing services. If these specialist services were to cease or become unavailable to Sefton residents this would have a major impact on the quality of life for the individuals concerned and on the health and care system as a whole.

The other options considered were:

- to commence an immediate procurement exercise to replace the existing service from 1 April 2016 - this option was not considered favourable due to the extremely tight timescale, the plans and timescales for replacement of the current NHS community services provider and because a procurement exercise would be more effective as an outcome of a comprehensive review of the current services and consideration of more effective, innovative, integrated and cost-effective ways of delivering the required outcomes. Some of the possible alternatives to be considered in identifying the best future service model, would involve developing a completely different service offer, merger of services currently delivered by different organisations and potentially completely different business models, consequently this review would be quite complex and needs sufficient time to undertake properly.
- Delivering the service in-house – the current service was largely staffed by Sefton Council employees and operates from a building that is leased by Sefton Council (the lease runs until 2017). There may be some TUPE implications related to the small number of NHS employees involved in delivery of the service and clinical oversight of the NHS elements of the service would need to be resolved. However, the key reason for rejection of this option at this point in time is the same as the above, that it is important to first determine the best future service model rather than simply re-procuring or internalising the existing service model.

## **62. NHS HEALTH CHECKS AND INTEGRATED 0 - 19 YEARS' SERVICE**

Further to Minute No. 19 of the meeting held on 3 July 2015, the Cabinet considered the report on the Interim Head of Health and Wellbeing which provided details of the proposed commissioning arrangements for NHS Health Checks 2016 – 2018 based on a review of the existing local programme, national guidance and the requirements included in the Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013. The report also set out details of the proposed change of approach for the commissioning and procurement of an integrated 0 – 19 years' service.

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## **Decision Made: That:**

- (1) approval be given to Option 4 as outlined in section 4 of the report for NHS Health Checks for the contractual period 2016 – 2018 and the Interim Head of Health and Wellbeing be authorised to award the relevant contracts, within the identified budget
- (2) approval be given to the proposed changes in respect of the commissioning and procurement of an integrated 0 -19 years' service to commence 1 April 2017 and the Interim Head of Health and Wellbeing be authorised to award the relevant contracts, within the identified budget.

## **Reasons for Decision:**

Cabinet previously agreed to extend the current contract arrangements for this Service in July 2015 and it was agreed that the future commissioning arrangements for the NHS Health Checks programme be subject to a further report to Cabinet to confirm the process, timescale and any other pertinent information. The current contractual arrangements would expire on 31 March 2016.

NHS Health Checks are a national, mandatory service included within the Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013 and the Health and Social Care Act 2012. NHS Health Checks make an important contribution to improving public health outcomes particularly in relation to cardiovascular disease and cancer.

## **Alternative Options Considered and Rejected:**

This report includes consideration of the following procurement options for consideration and decision:

- Tender exercise via the Chest.
- Co-commissioner to CCG Quality Contract.
- Section 75 Agreement.
- Re-contract directly with GP's which requires waiver to Contract Procedure Rules.

## **63. SEFTON LOCAL PLAN - FURTHER POST-SUBMISSION CHANGES**

Further to Minute No. 51 of the meeting held on 1 October 2015, the Cabinet considered the report on the Chief Executive which provided details of a number of proposed changes to the Local Plan following its submission for examination to take account of representations where they will help to secure that the Plan is 'sound', updated evidence and minor editorial changes which is regarded as good practice.

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The Head of Regulation and Compliance referred to a letter of 4 November 2015 circulated to Members of the Cabinet and Officers by Burnett Planning and Development Limited relating to the proposed changes to Policy ED2 in the Local Plan, which were referred to in the report and advised the Cabinet that as the letter was addressed to the Local Plan Inspector, the issues raised in the letter were a matter for him to consider at the Local Plan examination, rather than the Cabinet to deal with.

**Decision Made:**

The list of proposed post submission changes to the Local Plan as set out in Annex 1 of the report be approved for consideration by the Planning Inspector at the Local Plan examination.

**Reasons for Decision:**

To have in place a number of proposed changes to the Local Plan prior to the examination hearings which are due to begin in mid-November 2015. This would help show how the Council intends to respond to a number of representations where it accepts the premise of the argument and which would help to make the Plan sound.

**Alternative Options Considered and Rejected:**

None. It is good practice to suggest post submission changes which the Council supports before the hearings stage of the examination of the Local Plan. This would also help to reduce the length of the hearings.

**64. CROSBY INVESTMENT STRATEGY**

The Cabinet considered the report on the Chief Executive which sought authorisation to publish the final report of the Crosby Investment Strategy following the final round of public consultation on the final draft document. The report indicated that the strategy provided a long term view in respect of the potential opportunities for development and improvements which would be used to guide future developments and attract investment in Crosby.

**Decision Made:**

That the Crosby Investment Strategy be approved to guide future development and investment strategies.

**Reasons for Decision:**

An approved Crosby Investment Strategy would help promote the opportunity for investment and development potential that can support the Crosby town centre.

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## **Alternative Options Considered and Rejected:**

None

### **65. ANNUAL SERVICE CONTRACTS FOR HIGHWAY MAINTENANCE WORKS - EXTENSION OF CURRENT CONTRACTS**

The Cabinet considered the report on the Head of Locality Services – Commissioned which sought approval for the extension of the current Annual Service Contracts for Highway Maintenance Works from 1 April 2016 to 30 September 2016 at the latest to allow sufficient time for the the new arrangements for the new Annual Service Contracts to be made.

#### **Decision Made: That:**

- (1) the current Annual Service Contracts for Highway Maintenance Works be extended from 1 April 2016 to 30 September 2016 at the latest; and
- (2) the Head of Regulation and Compliance be authorised to make the necessary changes to the Contractual arrangements with each Contractor.

#### **Reasons for Decision:**

It is necessary to ensure that the transition of the delivery of Highway Maintenance works between the current Contractor and the Contractor appointed to deliver the Annual Service Contracts from 2016 onwards is as smooth as possible.

#### **Alternative Options Considered and Rejected:**

The programme of procurement of the Contractors to deliver the Annual Service Contracts for 2016 onwards had been developed to ensure that Contracts should be in place for April 2016. However there was a risk that the intensive process of assessing all the responses from potential suppliers to the OJEU notice, shortlisting contractors, progressing through a rigorous tender appraisal exercise and completing any potential negotiations over the transfer of workforce under the TUPE regulations may not be fully completed before April 2016. To mitigate this risk and to ensure a smooth delivery of all the works under each contract it was proposed to extend the timescale of the existing contracts to allow for services to continue to be delivered.

### **66. FUTURE ARRANGEMENTS FOR REFUSE AND RECYCLING POST AUGUST 2016**

The Cabinet considered the report on the Head of Locality Services – Provision which provided details of an assessment of proposed future arrangements for refuse and recycling collections, and the changes that

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would be required to implement a recommended option for all collection services post August 2016.

### **Decision Made:**

That approval be given to the implementation of Option 2, (Introduce a fully co-mingled recycling collection service, whilst also continuing to deliver a food collection service, a residual waste collection service and a green “garden waste” collection service), as detailed within paragraph 37 of the report.

### **Reasons for Decision:**

In September 2013 a report was presented to Cabinet outlining proposals to operate the Refuse Collection Service, the Green Composting Service, and to introduce plastic and card recycling collections, for the financial years 2014/15 and 2015/16. By utilising existing resources and funding streams, it was envisaged that all of the proposals contained within that report would be able to be delivered over the coming two years without the requirement for additional revenue support. During this two year period any impact arising from the amendments to the existing Alternating Weekly Collection (wheelie bin) service, and the changes to the garden waste collection service, were to be fully assessed.

In addition, the core period of the current contract for dry recycling was due to end in July 2016. It had been established that the option to extend for a further two years would not be acceptable to the existing Contractor on the current terms and conditions. A number of options have been developed and considered for the future provision of recycling collections. However, it was considered that Option 2 as detailed within the report was the most advantageous both financially and practicably for the Council.

It should also be noted that since January 2015 the Council has had a legal duty to assess whether the separate collection of key materials (paper, metal, plastic and glass) should be provided, especially if consideration is given to a change in collection methods. This is known as a ‘TEEP Assessment Process’ (Technically, Environmentally, Economically and Practicable) which is monitored, and may be challenged by the Environment Agency on behalf of the Department of Food and Rural Affairs.

A TEEP Assessment had been undertaken within Sefton to inform this report and it is felt that there is sufficient, suitable and adequate justification within the assessment to justify the changes to collection methods proposed within this report.

### **Alternative Options Considered and Rejected:**

All options considered suitable are contained within the report.

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## **67. EUROPEAN FUNDING APPLICATIONS**

Further to Minute No. 35 of the meeting held on 3 September 2015, the Cabinet considered the report on the Head of Inward Investment and Employment which provided details of the urgent decision taken by the Leader of the Council on 12 October 2015 to authorise the submission of full and final funding applications for two project proposals to the European Structural and Investment Fund for Liverpool City Region

### **Decision Made:**

That the report be noted.

### **Reasons for Decision:**

To note the decision taken by the Leader of the Council which would provide additional resources in line with the Cabinet's economic priorities to positively impact on the prosperity of Sefton and provide support for the most vulnerable (NEET, young unemployed, long-term workless).

### **Alternative Options Considered and Rejected:**

There are currently no other funding options available for this work. Not to fund this project would severely reduce the Council's ability to support new business growth and attract inward investment in line with its economy priorities and objectives.

## **68. REVENUE BUDGET 2015/16 UPDATE**

The Cabinet considered the report on the Head of Corporate Support which provided details of the progress in the achievement of the approved savings for 2015/16 (and any residual savings carried forward from 2014/15); other financial risks elsewhere in the budget; the forecast on Council Tax and Business Rates collection; an update on the Government announcement of future years finance settlements; and the Council's potential financial impact (and proposed response to the Department of Health on the "Public Health grant allocation formula for 2016/17".

### **Decision Made:** That:

- (1) the progress to date on the achievement of approved savings for 2015/16 and residual savings carried forward from previous years be noted;
- (2) the wider financial pressures being experienced in the remainder of the Budget be noted;
- (3) the forecast position on the collection of Council Tax and Business Rates be noted;



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- (4) the update on future years finance settlements as outlined in paragraph 7 of the report be noted; and
- (5) the proposed response to the Department of Health regarding the Council's significant concerns with the "Public Health grant allocation for 2015/16 and 2016/17", as set out in paragraph 8 of the report be approved and the Cabinet Member - Health and Wellbeing be granted delegated authority to agree the final response.

### **Reasons for Decision:**

To ensure Cabinet are informed of the latest position on the achievement of savings for the current financial year and to identify wider budget pressures being experienced elsewhere in the budget. To provide an update on the forecast outturn position on the collection of Council Tax and Business Rates. An update on the announcement of future years Government finance settlements and the implications for the Budget timetable

### **Alternative Options Considered and Rejected:**

None

### **69. FORMER BEACH ROAD SCHOOL AND TRAINING CENTRE BEACH ROAD LITHERLAND**

The Cabinet considered the report of the Head of Corporate Support which provided details of the tenders received as a result of the marketing exercise for the sale of the Council's freehold interest in the former School and Training Centre at Beach Road, Litherland.

### **Decision Made: That:**

- (1) subject to the receipt of planning permission, the Council disposes of its freehold interest in the former School and Training Centre in Beach Road Litherland to the tenderer submitting the highest bid, as detailed in Appendix 1 on the terms set out in the report; and
- (2) the Head of Regulation and Compliance be authorised to prepare the necessary legal documentation on the terms and conditions detailed in the tender documents, by way of Building Lease followed by Conveyance of the freehold interest, or an appropriate means of Transfer, if required.

### **Reasons for Decision:**

Beach Road School was closed in 2008 and Ruthven Road Training Centre closed in 2013. The premises were declared surplus to operational

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requirements. The Council is demolishing the premises leaving a cleared site for development. Both premises are included in the Council's Asset Disposal Programme for 2015/16. Disposal will bring the cleared site back into productive use.

## **Alternative Options Considered and Rejected:**

The Council could retain the site and continue to meet the holding costs.

### **70. FORMER MAGHULL LIBRARY AND YOUTH CENTRE, LIVERPOOL ROAD NORTH, MAGHULL**

Further to Minute No. 43 of the meeting held on 3 2015, the Cabinet considered the report of the Head of Corporate Support which provided details of the tenders received as a result of the marketing exercise for the sale of the Council's freehold interest in the former Maghull Library and adjoining Youth Centre, Liverpool Road North, Maghull.

The previous decision of the Cabinet had been called-in and was considered by the Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services) on 22 October 2015. The Committee had decided that it should be referred back to Cabinet to enable information to be provided on the following issues:-

1. that the views of local residents were not taken into account
2. the local housing needs were not given adequate consideration particularly bearing in mind the ageing population of Maghull
3. the principle of social value was not taken into account
4. the requirement for a different mix of shopping opportunities on the site
5. the Maghull Neighbourhood Plan was not taken into account
6. the strategic opportunity for the development of the wider site/area, to provide a greater development opportunity, was not considered

The report provided information on the above issues in Paragraph 4.5 of the report.

## **Decision Made:** That:

- (1) the additional information set out in Paragraph 4.5 of the report be noted;
- (2) subject to the receipt of planning permission, approval be given to disposal of the Council freehold interest in the former Maghull Library and Youth Centre to the highest bidding tenderer detailed in Appendix 1, on the terms set out in the report; and.
- (3) the Head of Regulation and Compliance be authorised to prepare the necessary legal documentation on the terms and conditions detailed in the tender documents, by way of a Building Lease followed by Conveyance of the freehold interest, or an appropriate alternative means of Transfer, if required.

**Reasons for Decision:**

Maghull Library relocated to new premises within the Meadows Leisure Centre in Maghull and the existing property was declared surplus to operational requirements. The adjoining Youth Centre had also been closed and declared surplus to requirements. The premises are included in the Council's Asset Disposal Programme for 2015/16. Disposal would bring the premises into productive use and relieve the Council of an ongoing liability.

**Alternative Options Considered and Rejected:**

The Council could retain the premises and continue to incur the holding costs.

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**Report to:** Cabinet

**Date of Meeting:** 3 December 2015

**Subject:** Shale Gas (Fracking) Working Group - Final Report

**Report of:** Head of Regulation and Compliance      **Wards Affected:** All

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

**Exempt/Confidential** No

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## **Purpose/Summary**

To present formally the final report of the Shale Gas (Fracking) Working Group.

**Recommendation:** That the Cabinet be requested to approve the following recommendations:

- (i) That the Head of Regeneration and Housing be requested to establish a Cross-Regulator Working Group, to include Elected Member representation, for all shale gas (and oil) development proposals at all stages;
- (ii) That the Head of Regeneration and Housing be requested to prepare a “Good Practice and Expectations Document” to provide transparency to the industry and the public and that it is appropriately referred to in the explanatory text to Mineral Policy NH8 within Sefton’s Local Plan;
- (iii) That the Head of Regeneration and Housing be requested to ensure that the local validation checklist is updated as appropriate to take account of the issues identified in this Report;
- (iv) That the Head of Regeneration and Housing be requested to ensure that Sefton Council’s Statement of Community Involvement is updated as appropriate to take account of the issues identified in this Report with respect to matters of community engagement in relation to shale gas (and oil) development;
- (v) That the Head of Regeneration and Housing be requested to ensure an Environmental Statement accompanies development that requires it when assessed against the EIA Regulations;
- (vi) That the Head of Regeneration and Housing be requested to ensure that Environmental Monitoring Plans are agreed at each stage of the shale gas (and oil) development cycle;

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- (vii) That the Head of Regeneration and Housing be requested to ensure that in respect of the Habitat Regulations any applicant should be advised to engage in early pre-application discussion to ensure that the baseline information provided enables Sefton Council to complete the assessment of likely significant effects of proposed projects; and
- (viii) That the Head of Regeneration and Housing in consultation with the Chief Finance Officer be requested to complete a regulatory capacity assessment of low, medium and high development scenarios in order to inform resource planning and budget allocation and inform liaison and negotiation with applicants include planning performance agreements of other such similar mechanisms.

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

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

### Reasons for the Recommendation:

The Working Group has made a number of recommendations that require approval by the Overview and Scrutiny Committee (Regeneration and Environmental Services) and the Cabinet.

### What will it cost and how will it be financed?

There are no direct financial implications arising for the Council as a direct result of approving this report. Based on the conclusions arrived at in Section 5.6 of the report, it is unlikely that any development proposals will come forward for consideration in the short term.

However it should be noted that, based on experience in Lancashire, applications from the shale industry have the potential to be very resource intensive (Section 7.12 of the report refers). There is a risk that, in the event of a development proposal needing to be considered, the cost of effectively administering and informing the planning and regulatory process could be substantially greater than any fees charged. Planning fees fall a long way short of the cost of joined up Local Authority regulation of this activity and there is a need to explore mechanisms to build capacity in the long term.

**Implications:** N/A

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

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

**Impact on Service Delivery:** N/A

### **What consultations have taken place on the proposals and when?**

The Chief Finance Officer has been consulted and notes that there are no direct financial implications for the Council arising from the findings of the Working Group. However in the longer term it has to be recognised (given Lancashire County Council's experience) that a risk exists that the cost of dealing with a shale gas application will exceed income generated from planning fees. Fees currently fall a long way short of the cost of joined up Local Authority regulation of this activity and there is a need to explore mechanisms to build capacity. (FD 3874/15)

The Head of Regulation and Compliance has been consulted and has no comments on this report as there are no legal implications arising from the contents of this report. (LD 3157/15).

**Are there any other options available for consideration?** The Cabinet and Council could decide to amend or not approve the recommendations.

### **Implementation Date for the Decision**

Following the expiry of the call-in period following the publication of the Cabinet minutes

**Contact Officer:** Ruth Harrison

**Tel:** ext. 0151 934 2042

**Email:** [ruth.harrison@sefton.gov.uk](mailto:ruth.harrison@sefton.gov.uk)

### **Background Papers:**

There are no background papers available for inspection.

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## **BACKGROUND:**

The Overview and Scrutiny Committee (Regeneration and Skills) established the Shale Gas (Fracking) Working Group. Accordingly, the Working Group has met on numerous occasions to undertake such review and its final report, together with associated recommendations, is attached. The Overview and Scrutiny Committee (Regeneration and Skills) at its meeting held on 10 November 2015 agreed the contents of the report and recommend that Cabinet agree the recommendations as set out above and in Paragraph 7 of that report.

***The Cabinet is requested to approve the recommendations.***



**OVERVIEW AND SCRUTINY COMMITTEE  
(REGENERATION & ENVIRONMENTAL SERVICES)**

**SHALE GAS (FRACKING) WORKING GROUP  
FINAL REPORT  
OCTOBER 2015**



# Overview & Scrutiny



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## LEAD MEMBER'S INTRODUCTION

It gives me great pleasure to submit to you the findings of the investigation in relation to Shale Gas.

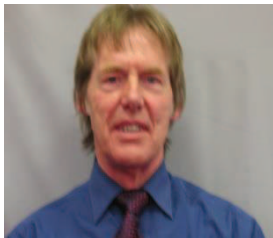
The investigation was undertaken as a result of a Notice of Motion to the Council in July 2014 and the Working Group was established by the former Overview and Scrutiny Committee (Regeneration and Environmental Services) in September 2014.

During the course of the study, Members gained a significant knowledge of the Fracking process.

It is highly likely that the Government will continue to support the development of Shale Gas.

The Working Group agreed a number of recommendations which, if agreed by the Cabinet, we believe will go a long way in getting the best deal for the Communities of Sefton.

On behalf of the Working Group I would like to take this opportunity to thank all the agencies, outside bodies and organisations that took part in this review and all Members and Officers from Sefton M.B.C. that were involved in completing the report.



**Councillor Fred Weavers**  
**Lead Member of the Shale Gas (Fracking) Working Group**

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## 1.0 BACKGROUND

- 1.1 At its meeting on 24 July 2014, the Council considered a motion (follow the link below to access details of the motion) and resolved that:-

“an all-party Working Group be appointed to consider the implications set out in the Motion and Amendment in more detail and submit their findings to Cabinet for consideration in due course and that the membership and terms of reference of the Working Group be determined in the near future.”

Link to the motion submitted to the Council:

<http://modgov.sefton.gov.uk/moderngov/ecCatDisplay.aspx?sch=doc&cat=13602&path=0>

- 1.2 At its meeting held on 16 September 2014, the Overview and Scrutiny Committee (Regeneration and Environmental Services) resolved that:

Councillors Lappin, McGuire and Weavers be nominated to serve on the Shale Gas (Fracking) Working Group and that any other Members of the Committee wishing to serve on the Working Group be requested to contact the Director of Corporate Services.

- 1.3 At its meeting on 20 January 2015, the Overview and Scrutiny Committee (Regeneration and Environmental Services) resolved that:-

Councillors Hartill and Maguire be included as Members of the Shale Gas (Fracking) Working Group.

- 1.4 At its meeting on 17 March 2015, the Overview and Scrutiny Committee (Regeneration and Environmental Services) resolved that Councillor O'Brien be appointed to serve on the Shale Gas (Fracking) Working Group.

- 1.5 The work of the Working Group spanned two Municipal Years and so consequently there had been a change in Membership. At its meeting on 28 July 2015 the Overview and Scrutiny Committee (Regeneration and Skills) resolved that:-

“the membership of the Shale Gas (Fracking) Working Group be re-affirmed as Councillors O'Brien and Weavers and Councillors Hartill and McGuire be invited to comment on the Final Report as former Members of the Committee who served on the Working Group.”

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1.6 Details of Working Group meetings are as follows:-

Date	Activity
6.11.14	Presentation in relation to Local Authority Powers relating to Shale Gas, Background Information and Scope Review
1.12.14	Agree Scoping Document; and Interview Key Witness – Mr. Peter Cowley, Principal Lawyer, Planning, Environment and Property Services Team, Sefton M.B.C.
15.1.15	Interview Key Witness – Dr. Emer Coffey, Associate Director of Public Health, Health Protection, Liverpool City Council and Consultant in Public Health, Sefton M.B.C.
12.2.15	Interview Key Witnesses: Mr. Gordon Whitaker, Environment Agency; and Mr. Stephen Birch, Team Leader, Strategic Transportation Planning Unit, Investment Programmes and Infrastructure, Sefton M.B.C.
26.3.15	Interview Key Witnesses: Mr. Tony Almond, representative from the Health and Safety Executive; and Mr. Derek McKenzie, Interim Head of Planning, Sefton M.B.C.
9.7.15	Interview Key Witness – Mr. Mark Long, Head of Inward Investment and Employment, Sefton M.B.C.

1.7 Members of the Group drafted and agreed the following terms of reference and objectives of the review:-

## 2.0 SHALE GAS

2.1 Terms of Reference

2.1.1 Clarify the licensing and regulatory framework for Shale Gas development.

2.1.2 Clarify the extent of control that Sefton Council has over shale gas extraction within its boundaries.

2.1.3 Identify the issues that should be addressed through the planning process, including assessments and information requirements, to enable Sefton Council to determine applications for Shale Gas development.

2.1.4 Compile an evidence base of licensed areas and proposed / consented sites within Sefton and the stage of development.

2.1.5 Clarify the position and law of “Trespass” in terms of land under home owners and businesses where fracking could be undertaken.

2.1.6 Review the studies or policy position of other Authorities within the Liverpool City Region, the Combined Authority and the LEP.



- 2.1.7 Identify potential community impacts, benefits and opportunities for Carbon off-set.
- 2.1.8 Report to Cabinet on its findings.
- 2.2 Objectives
  - 2.2.1 To enable Sefton Council, as local planning and minerals planning authority to develop a robust response to planning applications for shale gas.
  - 2.2.2 For the Working Group to only address those matters for which Sefton has a regulatory role and statutory responsibility, principally through Local Plan policy and regulatory compliance including the National Planning Framework and Habitats Regulations.
  - 2.2.3 To review the Regulatory Framework for shale gas and identify any improvements to local co-ordination of regulatory response and oversight and, where applicable, reference to Government.

## **3.0 METHODS OF ENQUIRY**

- 3.1 Background reading.
- 3.2 Presentation:- Member shale gas presentation.
- 3.3 Topic based discussion:- thematic meetings, drawing on key witnesses, primarily from regulatory organisations such as the Environment Agency.

## **4.0 KEY WITNESSES – SUMMARY OF FINDINGS**

- 4.0.1 Members of the Working Group gathered evidence through various methods, including presentations and briefings and receiving reports. Evidence was also obtained when Members had the opportunity to interview key witnesses, various Officers and Partners.
- 4.0.2 Paragraphs 4.1 – 4.7 provide a summary of the points raised in presentations/discussions held with key witnesses who had been invited to attend Working Group meetings.

## **4.1 THE POSITION AND LAW OF “TRESPASS”**

- 4.1.1 The Working Group received a verbal presentation from the Principal Lawyer, Planning, Environment and Property Services, Mr. Peter Cowley in relation to the legal position of landowners in terms of extraction of minerals under their land. Mr. Cowley presented the following facts:-

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## Legal position:

- A landowner owns all the substrata which lie beneath their land up to an undefined depth where the notion of ownership becomes absurd. However there may be occasions where large landowners could sell the land and retain the mineral rights.
- Permission to drill under the land or property of a landowner is required from the landowner and if it is not obtained then it is deemed to be trespass.
- Where permission has not been granted, there is a statutory procedure under which a court may grant a right to extract minerals under the Mines (Working Facilities and Support) Act 1966, subject to the following limitations.
  - Limitation on grant of rights:-
    - (1) No right shall be granted under section 1 of the Act unless the court is satisfied that the grant is expedient in the national interest.
    - (2) No right shall be granted under section 1 of the Act unless it is shown that it is not reasonably practicable to obtain the right by private arrangement for any of the following reasons:-
      - (a) That the persons with power to grant the right are numerous or have conflicting interests;
      - (b) That the persons with power to grant the right, or any of them, cannot be ascertained or cannot be found;
      - (c) That the persons from whom the right must be obtained, or any of them, have not necessary powers of disposition, whether by reason or defect in title, legal disability or otherwise;
      - (d) That the person with power to grant the right unreasonably refuses to grant it or demands terms which, having regard to the circumstances, are unreasonable.
  - Application for rights
    - (1) An application for the grant under section 1 of this Act shall be sent to the Minister, and the applicant for an ancillary right for the purpose of or in connection with working any minerals may be a person either having or applying for the right to work those minerals.
    - (2) The application shall set out the circumstances alleged to justify the grant of the right, and shall be in such form and accompanied by such information verified in such manner as the Minister may direct.
    - (3) The Minister shall consider the application, and shall, unless after communication with such other parties interested (if any) as he may think fit, he is of opinion that a *prima facie* is not made out, refer the matter to court.
  - Reference of application to court
    - (1) Where a matter is referred to the court under the last foregoing section, the court, if satisfied that the requirements of this Act are complied with in the case of the applicant, may, by order, grant the right on such terms and subject to such conditions, and for such period, as the court may think fit, and upon such an order being made, the right specified in the



order shall, subject to the following provisions of this Act, vest in the applicant.

(2) Where a right is granted, such compensation or consideration as in default of agreement may be determined by the court shall be paid or given by the applicant in respect of the acquisition of the right to such persons as the court may determine to be entitled thereto.

- That the current above procedure was a long one and could take up to 2 years.
- Case law “Bocado SA v Star Energy Onshore UK Ltd” – An energy company had carried out activities relating to the extraction of oil beneath a property without the title owner’s permission. The issue raised was whether this constituted a trespass, and to what extent does the owner of the surface land also own the substrata which lie beneath. Star Energy had a statutory licence to perform acts necessary for the extraction of oil, and the works underneath the landowner’s property were performed from adjoining land and did not cause any damage to the land. Nevertheless, the landowner asserted that he was entitled to a “share of the spoils” from any extraction.

The Court held that a landowner owns all substrata which lie beneath his property up to an undefined depth where the notion of ownership becomes absurd. The works involved in this case would not be so deep to render the notion of ownership absurd, and hence a trespass had occurred. However, the Court held that the correct measure of damages was not a “fair share of spoils”, but rather adequate compensation for the act of performing the operation (in this case installing pipes). This compensation was measured at £1,000.

- Government realised that the procedure under the 1966 Act was a long and expensive one and in May 2014 launched a 12 week consultation on the following proposals to reform the procedure for securing underground access to oil or gas deposits and geothermal energy:-
  - An underground right of access below 300m (nearly 1000ft);
  - A voluntary community payment from industry of £20,000 per lateral well; and
  - A voluntary public notification for access, in the form of public announcements to the local community.

Government state that this solution would significantly simplify the existing procedure. The shale and geothermal industries will be able to proceed with developing their potential, and local communities will be appropriately informed and compensated for this right of access.

- The consultation closed on 15 August 2014 and Government responded to the Consultation and published their response in a document which can be accessed on the following link:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/358521/Government\\_Response\\_FINAL.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/358521/Government_Response_FINAL.pdf)

The Government’s response to the consultation concluded with the following points:-



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- We acknowledge the large number of responses against the proposal and the fact that the proposal has provided an opportunity for the public to voice their concerns and raise issues. However, the role of the consultation was to seek arguments and evidence to consider in developing the proposed policy. Whilst a wide range of arguments were raised and points covered, we did not identify any issues that persuaded us to change the basic form of the proposals.
- Having carefully considered the consultation responses, we believe that the proposed policy remains the right approach to underground access and that no issues have been identified that would mean that our overall policy approach is not the best solution.
- We will therefore put before Parliament primary legislation to implement the policy proposals set out in the consultation paper. Parliament's scrutiny of the provisions will provide further opportunities for public engagement on the issues.

Arising from the presentation, Members then raised the following issues:-

- That the voluntary Community payment proposal seemed rather vague. Would it be paid at a community level or to the Local Authority? A payment made at a Community level would need to be paid to a body that was constituted and how would the area of the Community be determined or defined? Response: Nothing has been defined in detail, but it's interesting to note that a Community should benefit when it could be one landowner who has been affected. The proposal is to submit primary legislation to Parliament.
- There are various policies included within Sefton's draft Local Plan, one of which is the Minerals Policy. Until the draft Local Plan is adopted, the Minerals Policy has limited material weight and so in terms of Shale Gas and any other mineral issue, Sefton Council would be guided by the Unitary Development Plan until such time as the Local Plan is adopted. Members welcomed that as a result of the Working Group's first meeting, the following additional provision had been included within the Policy:-  
".....The Council would find it helpful to receive through pre-application discussions and/or in support of an application, information that addresses the following matters:
  - Impacts to health, wellbeing and equality;
  - Community impacts, including any funds and/or works accruing from the proposals for community benefit, predicted new employment for local people and benefits for local businesses."Members agreed that the provision would clearly set out Sefton Council's expectations at pre-application stage. The Working Group was updated by Alan Jemmett on the draft Local Plan policy on minerals. It was confirmed that energy minerals including shale gas were covered within the policy and its explanatory text.

The approach adopted was designed to be compliant with national policy and reflect the local circumstances in the borough.

It was also intended to provide clarity to industry and local communities regarding Mineral Planning Authority controls and expectations of prospective developers. It was agreed that the draft policy might provide a useful source of information for the Working Group.

It was also agreed that Alan Jemmett would make contact with the Environment Agency as Members also wished to receive expert evidence from them.

- What is the position if a company goes off shore and drills? Response: There is a licensing round for off shore drilling and a company could have a land based site and drill out. A marine based structure would be expensive.

## 4.2 HEALTH IMPACTS IN RELATION TO SHALE GAS

The Working Group received a verbal presentation, with supporting documents from Dr. Emer Coffey, Associate Director of Public Health – Health Protection, Liverpool City Council and Consultant in Public Health, Sefton Council.

Dr Coffey referred to the following documents:-

Potential Health Impacts of the Proposed Shale Gas Exploration Sites in Lancashire – Link to the document below:-

<http://modgov.sefton.gov.uk/moderngov/ecCatDisplay.aspx?sch=doc&cat=13602&path=0>

Public Health England – Review of the Potential Public Health Impacts of Exposures to Chemical and Radioactive Pollutants as a Result of the Shale Gas Extraction Process – Link to the document below:-

<http://sb1msmgov1/ecSDDisplay.aspx?NAME=SD1866&ID=1866&RPID=10070777&sch=doc&cat=13602&path=13602>

Dr. Coffey presented the following facts in relation to the Public Health England – Review of the Potential Public Health Impacts of Exposures to Chemical and Radioactive Pollutants as a Result of the Shale Gas Extraction Process document:-

- That there was a lot of current evidence based on the USA and that the UK should not compare itself with the USA as they are both different in the way they are regulated, the geography and communities and so to compare with the American experience wouldn't be a fair comparison.
- That Public Health England had reviewed the literature on the potential public health impacts of exposures to chemical and radioactive pollutants as a result of shale gas extraction. It concluded that the currently available evidence



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indicated that the potential risks to public health in the vicinity of shale gas extraction sites would be low if shale gas extraction was properly run and regulated.

Where potential risks had been identified in the literature, the reported problems were typically a result of operational failure and a poor regulatory environment. Therefore good on-site management and appropriate regulation of all aspects from exploratory drilling, gas capture, use and storage of fracking liquid, and post operations decommissioning were essential to minimise the risk to the environment and public health.

- Public Health England (PHE) also stated that “In order to provide assurance of low risk to the public’s health from the shale gas extraction process, PHE’s view is that robust environmental regulation is essential. This includes the need to consider local factors, particularly in relation to aspects of the process that involve new technologies such as hydraulic fracturing. PHE is in regular dialogue with the Environment Agency to ensure that the protection of the public’s health is appropriately reflected in all aspects of the regulatory process. We will work with regulators to ensure that effective environmental monitoring is undertaken, including base-line monitoring, before any drilling or extraction is commenced”.
- PHE’s report focuses on potential risks to people in the vicinity of shale gas extraction sites as a result of releases of chemical and radioactive pollutants during extraction. It does not consider wider public health and socioeconomic impacts such as increased traffic, impacts on local infrastructure and worker migration. The report refers to the importance of considering such broader issues in local planning applications to determine overall impact on the health and wellbeing of local communities. Such considerations will, for example, weigh the beneficial effects of employment and local economic development, against potential harms from increased traffic density and air pollution, and impact on the natural environment.
- PHE have undertaken to provide specialist scientific support to local authorities when considering the evidence provided by applicants. They are in discussion with the Local Government Association and Directors of Public Health about an appropriate framework for providing that support.

Dr. Coffey highlighted the various recommendations contained within the Potential Health Impacts of the proposed Shale Gas Exploration Sites in Lancashire document. Recommendations had been made by Lancashire County Council in relation to the following headlines:-

Recommendations:-

- To address community understanding of risks associated with shale gas exploration.
- To address air quality.
- To minimise greenhouse gas emissions.
- For emergency preparedness.



- To address health impacts of noise.
- To address issues related to induced seismicity.
- To address issues related to waste.
- To address issues related to light.
- To address issues related to transport.
- To address occupational health risks.
- To establish baseline and monitoring of environmental conditions.
- For local policy and practice.
- For national policy and guidance development.
- For research.

Arising from the verbal presentation, Members raised the following issues:-

- Members agreed that the document was a useful case study and that the Working Group could use the document as a basis in formulating its findings in preparation for producing its final report.
- Were Health Impact Assessments (HIA) a statutory requirement of the developer? Response: Government has set thresholds, for example a HIA would not be required for a test drill; however, if the developer receives consent to move onto full extraction then a H.I.A. could be triggered.
- As a Minerals Authority, at the planning stage of the application, could the Council recommend that a developer be requested to undertake a H.I.A.? Response: It is difficult to stipulate that the developer must undertake a H.I.A. Any request should be fair and appropriate for the level and size of the development site. As stated at previous meetings a Council document could be developed setting out the expectations of the Council in relation to Shale Gas extraction.
- A test drill could have a huge impact on the health and wellbeing of some individuals within our communities. The site at Banks caused many residents to suffer anxiety and had an impact on their mental health and it can be very difficult for some individuals to understand the implications. Response: A test drill would usually be referred to as low risk in terms of health. Meaningful engagement with the local communities is essential, ensuring the community has an opportunity to learn and understand the procedure and process. In that respect the Council could act as facilitator of community information evenings that the developer hosts in a transparent and meaningful manner. Representatives from key regulatory agencies could be invited to give an objective balance to the debate, thereby ensuring genuine challenge occurs. Community engagement could be included within the “Shale Gas Extraction – The Councils Expectations” document, if drafted and agreed.

### 4.3 REGULATORY POWERS AND APPLYING THEM IN PRACTICE

The following headlines were presented:-

- The Environment Agency and their role.

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- The possible risks to the environment from Hydraulic Fracturing, Air, land and water.
- The current regulation and if permits are required.
- The importance of the location, geological setting and well construction in protecting groundwater.

The presentation also outlined the schematic geology of natural gas resources, the process involved in exploratory shale gas operations and the environmental risks from shale gas extraction.

It was highlighted that open and transparent regulation was essential and this would be managed by the following conditions:-

- The requirement of Environmental permits before drilling.
- Risk based and site specific – one size does not fit all.
- Permits are consulted upon – public interest.
- Pre-operational and post decommissioning monitoring required.
- Inspection and check monitoring in line with national standards and open to scrutiny.

Mr. Whitaker explained the ways in which the regulation would be applied as follows:-

- Approval of components of fracturing fluids.
- Permit requirements where a groundwater resource was at risk.
- Management of drilling waste, flow back water and flared gases require an agreed waste management plan.
- Management plans required where dissolved naturally occurring radioactive material in flow back.
- Flaring standards and methods set out under the Industrial Emissions Directive.
- Site conditioning and permit surrender.
- Use of water: abstraction licence required, if take in excess of 20m square per day.
- Planning advice and flood risk assessment.

Permit compliance and inspection was reported as being very important and would be carried out by:-

- On-site inspection throughout operations focusing on:-
  - site set up
  - drilling and well construction
  - mini frack
  - fracking
  - flow back





- Joint inspection carried out with the Health and Safety Executive.
- Compliance records open to the public.
- Powers to prosecute and enforce suspension of operations.

Mr. Whitaker concluded by setting out the position of the Environment Agency as follows:-

- Shale gas in the UK is at the early stage of development.
- The environmental risks are taken seriously and they can be managed effectively.
- All Shale gas operations will require environmental permits.
- The Environment Agency has all the necessary regulatory controls in place at exploration stage with a robust inspection regime.
- The Environment Agency continues to work closely with the Government, other regulators and the new Office of Unconventional Gas and Oil (OUGO).
- Examining best practice in environmental regulation in Europe (via EU technical working group).

Arising from the verbal presentation, Members raised the following issues and observations:-

- There are various ongoing issues being debated at the House of Commons in relation to Shale Gas. The production of Shale Gas is in its infancy and so the industry is evolving; with this in mind will all the amendments be reflected in the Working Group's Final Report? Response: The Final Report should be set in the context of a rapidly emerging industry and as such should be highlighted in the Final Report.
- Could a Company use sea water in the fracturing process? Response: A Company would need to demonstrate it was safe to do so.
- Is there a charge to use sea water? Response: There is a charge and that payment would go to the Environment Agency to offset against the Environmental risk assessments that they would be required to undertake.
- Does the Environment Agency have the capacity to monitor the environmental risks associated with Shale Gas and is the monitoring mechanism in place adequate? Response: The Environment Agency does have the capacity and the monitoring mechanism is more than adequate.
- In relation to hazardous waste, when vibration is introduced into sand the sand becomes a fluid: this could have an effect on buildings? Response: A Company would be required to carry out a test drill before fracturing can proceed and then the Company would be required to ensure that there was a mechanism in place to alert Officers of any leakage. They would also be required to illustrate to the Health and Safety Executive in relation to how the well integrity would be maintained.

The evidence so far indicates that in terms of the geology, there is no real risk that fracturing from a measured distance shouldn't propagate through to cause a risk. The Environment Agency would know the underground geology and adopt a risk based approach. Integrity of the well from design through



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installation and into operation is the key to minimisation of any potential emissions and is the responsibility of the operator and closely inspected and regulated by the authorities.

- Can you give an undertaking that the inspectors are qualified in the area of Shale Gas? Response: The Environment Agency would ensure that the right inspectors were in place to ensure a Company was complying within the terms of the permit.
- If a Company was not complying within the terms of the permit can the Environment Agency close the site? Response: Both the Environment Agency and the Health and Safety Executive can issue a “Suspension Notice”. Both Organisations work closely together and the one with greater powers would instigate and take the issue forward.

## 4.4 TRANSPORT IMPACT ASSESSMENT

Mr. Birch reported that from a Highways perspective, the approach in terms of a Shale Gas development would be the same approach for other developments in that a transport assessment would be undertaken.

The transport assessment would be site specific and would consider the number and nature of trips to the site and the routes being used. He explained that should a journey travel into another Local Authority, then consultation with that Authority would be required.

Members raised the following questions regarding Highways issues in relation to a Shale Gas development:-

- With reference to a Shale Gas Exploration site in Banks, West Lancashire, the traffic was directed through Southport. If that site had been developed into a full Shale Gas Extraction operation and the transport assessment had identified Southport as the preferred route, would Sefton Council have a bigger say? Response: Sefton Council could comment on the application through the consultation process. If those comments were not taken into account, then Sefton could object through the planning application process.
- When Shale Gas Exploration took place in Banks was Sefton Council consulted? Response: From recollection I think Sefton were consulted. However, I can't be sure and so that could be a question when Working Group Members interview a representative from Sefton's Planning Services.

## 4.5 MANAGING THE ENVIRONMENTAL RISKS

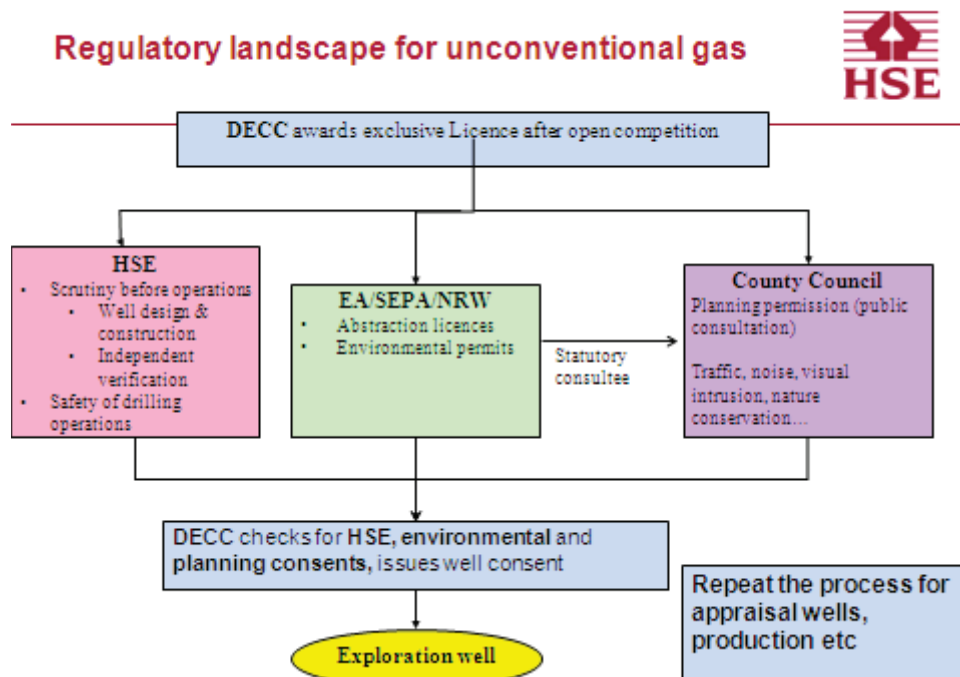
Mr. Almond stated that the Health and Safety Executive is an independent regulator who do not promote or speak in opposition of Shale Gas.

Mr. Almond presented the following headlines:-

- The Health and Safety Regime.
- How the Health and Safety Executive Regulates.
- How the Health and Safety Executive and other regulators work together.
- Independent Well Examiner.

The presentation highlighted the following key issues:-

- The Regulatory landscape for unconventional gas as follows

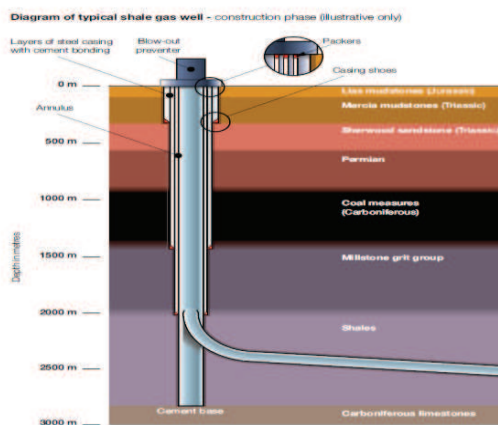


- The main hazard in relation to Shale Gas Exploration being:-
  - Unplanned release of fluids which can result in a “blow out” and could lead to ignition causing fire/explosion. This is the reason why well integrity is very important.
- The Health and Safety Regulatory Regime and the following set of requirements for onshore Regulations:-
  - Well integrity to ensure no fluids escape.
  - Notification sent to HSE before the well can be drilled.

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- The operator must complete a health and safety document setting out that the risks will be managed on site.
- Operators to report into the Health and Safety Executive weekly while drilling is taking place.
- Operator to appoint an independent Quality Control Officer.
- Designing the well – notification
  - 21 days prior to drilling commencing, the operator is required to provide information in relation to the design of the well, the equipment to be used, the assessment of risk and the geology below the surface.

## Designing the well - notification



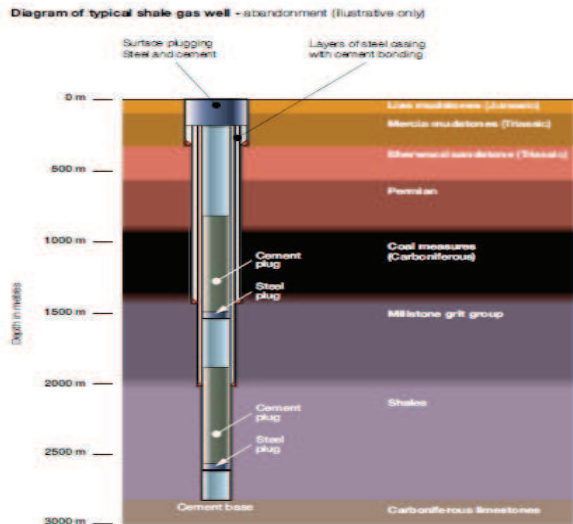
- Constructing the well – weekly report to the Health and Safety Executive includes details of:-
  - activity since the work started or since the last report;
  - the diameter and depth of the borehole;
  - the diameter and depth of the casing; and
  - drill fluid density.

The purpose of the weekly report is to check against the information in the notification and that the pressure in the well and the well's stability is as expected.

- Decommissioning / Abandonment – in the event of a well being decommissioned/abandoned, there is a stringent process in place. The operator is required to cement the well and also place at least two plugs with cement over each at the appropriate levels within the well.



## Decommissioning/ Abandonment



- The Independent Well Examiner's Role
  - Important quality control for the industry;
  - Independent competent person;
  - Assesses well design, construction and maintenance;
  - Reviews the proposed and actual well operations to confirm they meet the operator's policies and procedures, comply with HSE's Regulations and follow good industry practice.
  - HSE checks that the operator has these arrangements in place for the complete lifecycle of the well from design through to final plugging and decommissioning.

Arising from the presentation, Members raised the following issues and observations:-

- Shale Gas (Fracking) is a new process so how can we be sure that it is safe?  
Response: Shale Gas (Fracking) is not a new process: the Health and Safety Executive has been involved in the process since the 1990's. Whereas fracturing is not a new process, high volume fracturing is. There are potential hazards to a Shale Gas operation, but the regulatory regime in terms of well integrity is robust and the well operator must manage the risks in such a way that they are as low as reasonably practicable.
- If the potential hazards occur, who is responsible?  
Response: The well operator is responsible and they should ensure well integrity. A good health and safety operation is required. Before any oil or gas well can be drilled, a safety document must be produced by the operator.

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The document sets out how the risks will be managed, the expected behaviours of contractors on site and the fact that an emergency plan needs to be in place highlighting how the site will be evacuated.

- If an emergency happened on site how would the community be protected?  
Response: The emergency plan would set out the evacuation procedures. The operator should work to keep hazards within the site in order that the hazards cannot have an effect beyond the site boundary. The operators should work with Emergency Services and they will need to ensure that there is provision for fast and effective firefighting.
- What would happen if there was an unplanned release of fluids (blow out)?  
Response: In the event of a “blow out” then the operator could seal the well off and is required to notify the Health and Safety Executive if there is an unplanned release of fluids or blow out prevention equipment is used. This could lead to the decommissioning of the well. Operators must design the well with decommissioning in mind.
- Who does the Independent Well Examiner report to?  
Response: The Independent Well Examiner keeps an audit of records and makes recommendations to the operator. The Health and Safety Executive must be informed of the location of those records.
- Would you say that wells are safe?  
Response: The risks of drilling are managed and regulated well. Of the 350 wells onshore the industry has a good safety record, well regulated and is a mature industry. For example, Wytch Farm in Dorset has a number of wells in operation, including deep wells and wells drilled horizontally. The longest lateral (horizontal) well in the world at over 11km is at Wytch Farm.
- Lancashire has formed a Cross-Regulator Group - do you think that adds value?  
Response: Lancashire has formed a “Shale Gas Forum”. The Forum has representatives from the Environment Agency, Public Health England, the Health and Safety Executive, Police and the County Council. The Forum is building knowledge and intelligence in relation to sites. The Forum has been in operation for 2 years and meets quarterly.
- The Environment Agency produces disclosure in relation to what constitutes fracking fluid. Is disclosure helpful?  
Response: The Environment Agency disclose information very well - a lot of information goes on its web site. This type of disclosure is a way of mitigating risk perception and helps to support and assure the public by sharing information.

## 4.6 PLANNING PROCESS/PLANNING APPLICATIONS

Mr. McKenzie explained that he had focused his presentation on the elements of the Terms of Reference, in relation to Planning as set out in the Scoping Document:

- *“Clarify the extent of control that Sefton Council has over shale gas extraction within its boundaries; and*



- *Identify the issues that should be addressed through the Planning process”.*

The following headlines were presented:-

- The Regulatory Framework
- Sefton’s role as Minerals Planning Authority
- Sefton’s role as Competent Authority
- Summary of Seismic Survey activity in Sefton.

The Regulatory Framework:

The presentation highlighted the following details in relation to the “National Planning Policy Framework” (NPPF):-

- Paragraph 147 “Hydrocarbon development”
- Distinguish between three phases of development:
  - Exploration
  - Appraisal (testing)
  - Production
- Address constraints on production and processing within licensed area.
- Encourage underground gas and carbon storage and associated infrastructure if feasible.

The presentation also highlighted the following details in relation to the Planning Practice Guidance (PPG):-

- Provides detail in relation to conventional and non-conventional hydrocarbon extraction.
- Explains phases of hydrocarbon extraction.
- Clarifies the regulatory procedure.

The presentation featured details in relation to the General Permitted Development Order (GPDO):-

- Some exploratory phases do not require planning permission (permitted development).
- Includes seismic survey work to investigate geologic conditions.
- Must notify the Minerals Planning Authority setting out how they comply with the applicable conditions.

The following examples of permitted development were presented:-

- Drilling bore holes (not for petroleum).
- Seismic surveys (not more than 1kg of explosive charges)
- Other excavations (not larger than 12sqm or deeper than 10m)
- Includes multiples with buffers.
- Any structure required for the above purposes (not more than 12m in height).

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The following details in relation to the conditions to permitted development were presented:-

- Not within 50m of an occupied residential building, hospital or school.
- Not within a National Park, Area of Outstanding National Beauty, Site of Specific Scientific Interest or site of Archaeological Interest.
- Not outside the hours of 7am to 6pm.
- Reinstatement and making good the land.

The following regulatory process was highlighted:-

## The Regulatory Process

<b>Department for Energy &amp; Climate Change</b> Issues licenses *Gives consent to drill Monitors seismic activity Grant consent for flaring/venting	<b>Minerals Planning Authority SEFTON COUNCIL</b> Grant permission for wells/well-pads Impose conditions Ensure impact is acceptable
<b>Environment Agency</b> Protect water resources Treatment/disposal of waste Control emissions to air	<b>Health &amp; Safety Executive</b> Regulate all safety aspects of extraction Design & construction of wells

The presentation highlighted Sefton Council's Role as a Minerals Planning Authority as:-

- Provide an appropriate Policy Framework.
- Determine any development proposal.

The presentation referred to the existing Unitary Development Plan:

- Adopted in 2006;
- Policy EMW5 (Chapter 9, Energy, Minerals and Waste): Onshore Oil and Gas;
- "Conventional" hydrocarbons;
- Not equipped to deal with shale gas fracking.

The presentation also referred to the publication of the draft Local Plan in relation to Shale Gas and Sefton Council's Role as Minerals Planning Authority:

- Natural and Heritage Assets Chapter;
- Policy NH8 (Sections 3 and 4)
  - Section 3: provides broad overriding context.





- Section 4: lists the planning and environmental criteria that will be taken into account when determining an application.
- Supporting Text refers to possible need for Environmental Impact Assessment.

Sefton Council's Role as Minerals Planning Authority in Assessing Issues was presented as:-

Planning and environmental criteria:

- Amenity;
- Air quality;
- Lighting;
- Visual intrusion;
- Landscape character;
- Traffic impact;
- Contamination;
- Impact on land;
- Flood risk and drainage;
- Land stability;
- Ecology;
- Heritage.

Sefton Council's Role as "Competent Authority" was presented as:-

- Permitted development or development proposal must comply with European Habitats Directive.
- The Minerals Planning Authority has a duty to ensure compliance with the Directive and meets relevant tests – Appropriate Assessment.
- Regulations 60-63 of the Conservation (Natural Habitats) Regulations 1994 (1999/2716) (General Development Orders) and regulations 73-75 of the EU Conservation of Habitats and Species Regulations 2010 (2010/490)

The following application to conduct a seismic survey in Sefton has been received:

- Aurora Energy Resources.
- Mixed source 3D seismic survey notification.
- Submitted in February 2014 and April 2014.
- Within DECC licensed area PEDL164.
- Part 22, Class B of General Permitted Development Order 1995 (as amended).
- LPA Ref: DC/2014/00368

The proposal:

- The submission had an accompanying methodology:
  - Limits on timescale due to ecological matters (Overwintering birds)



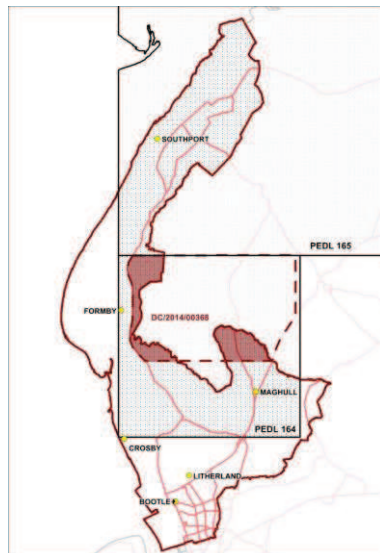
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- Limits on extent of survey area due to archaeological sites (44 sites and 1 Listed Building)
- Process of burying “shots” and “nodes” into the ground on spikes.
- Shots detonated and nodes record impact.

The outcome:

- After careful assessment, the development works were deemed to be permitted.
- The applicant was duly notified in writing.
- The Minerals Planning Authority released a statement to confirm that the works were permitted development but the survey was never carried out in Sefton.

## License and Application Area



Arising from the presentation, Members raised the following issues and observations:-

- What is the position in terms of National Parks? Response: National Parks fall under a different raft of Regulation. Amendments to the “Infrastructure Bill” allow Shale Gas Companies to drill horizontally under National Parks and other protected areas provided the well is located outside the boundary.
- Who is responsible for any adverse effects? Response: The Department for Energy and Climate Change are responsible for monitoring seismic activity, which includes if a Company drills horizontally and enters into another boundary.
- Does Sefton M.B.C. work on behalf of the developer/applicant or the community? Response: Sefton M.B.C. work collaboratively to come to an acceptable solution. As a Planning Authority we are required to take a



balanced approach based on a careful assessment of all the facts and evidence presented by all parties. If the developer/applicant cannot demonstrate that all the serious risks cannot be satisfactorily mitigated, then as a “Competent Authority” Sefton would be within its rights to reject the application.

- If a Shale Gas operator was to submit an application to Sefton, the Council should be in a confident position and convey the expectations, by way of a “Shale Gas Extraction – The Council’s Expectations” document. Response: Any requirements have to be reasonable and proportionate to the size of the development and the requirements have to be clear and precise. If we, as the Planning Authority, cannot demonstrate how it quantified and assessed the impacts then the Authority could face legal challenge, so all the requirements have to be accurate. As Planning Authority, we should be impartial in the process to avoid the possibility of exposing the Authority to risks.

## 4.7 ECONOMIC BENEFITS

Mr. Mark Long, Head of Inward Investment and Employment, Sefton M.B.C. provided the following evidence:-

### Introduction

Most data on fracking is from the United States, but the situation in the UK is very different:

- US shale beds are much larger and therefore attract more supply chain providers
- US shale beds are located in rural areas, so more basic infrastructure has to be installed to access them
- European gas markets are highly commodified and gas is sold between countries leading to a large internal market. The relatively small amount of shale gas available from the UK in the next 5-10 years will therefore have less impact on European prices, compared to the US where it is generated in volume and has substituted for imports
- Fracking is a more highly regulated activity in the UK.

Most of the information in this presentation is taken from recently published reports by Ernst & Young (“Getting Ready for UK Shale Gas”, 2014), Amion (“Potential Economic Impacts of Shale Gas in the Ocean Gateway”, 2014), and the LCR Local Enterprise Partnership (“Shale Gas and Liverpool City Region”, 2015), all of which address the UK situation.

### Evidence on the economic impact of shale gas extraction

There are several stages of development: site preparation, exploratory drilling, exploratory fracking, preparing for production, operation and maintenance, and decommissioning. Of these stages, the most significant in terms of new jobs are the test and production stages.

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Ernst & Young have completed a national forecast of employment requirements for the fracking industry in the UK:

- 102 direct jobs per pad per year
- Of which: 62 jobs per year in direct drilling/operations on-site
- Of which: most posts are specialised and employed in mobile gangs by the operator/contractors, and local recruitment only of apprentices and labourers.

Looking at the UK supply chain, Ernst & Young forecast:

- In the drilling stage, 28% of spend on steel casings, 27% of rig hire, 14% of drill rigs and 8% of directional drilling equipment will be sourced from the UK, the rest from overseas suppliers
- In the hydraulic fracturing stage, 83% of pipes, pumps and valves will be imported.

Ernst & Young predict that there will be high leakage of UK spend abroad in the early stages of the industry, but that this presents opportunities for import substitution as the UK industry develops to serve local markets.

Amion have provided job assumptions for the impact of fracking on the Ocean Gateway area (Liverpool/Manchester corridor). They forecast 3,500 jobs in the first 10 years, of which 1,482 will be direct jobs, the rest in the supply chain.

Regeneris have analysed three test wells in Lancashire operated by Cuadrilla. They estimate

- 250 jobs per year created in the UK
- Of which: 43 jobs per year in Lancashire
- Of which: 17 jobs per year in Cuadrilla/1<sup>st</sup> tier contractors, the rest in the wider supply chain
- Therefore 7% of employment impact is retained in the locality.

Cuadrilla themselves estimate 30-40 total Full Time Equivalent jobs per pad in Lancashire.

In addition to the job and supply chain impacts, the LCR could also receive benefits from downstream use of shale gas as a feedstock in the chemicals industry. The LEP report by Sir John Bibby points out that local firms Ineos and Growhow are eager to access a more plentiful and cheaper alternative gas supply. Shale gas could therefore safeguard UK capacity against US competition in the chemicals industry which is starting to benefit the US chemicals industry. Bibby argues the LCR has about 4,000 jobs at risk because of competitive pressures from the US.

The Peel Group is proposing that the Port of Liverpool (operated by Peel Ports) is a natural choice for an LCR “shale gas hub” as the first port of call for North Atlantic shipping, with spare capacity at Stanlow, existing connections to the UK national gas grid, and capacity to import field supplies including drilling rigs for modification in the UK. Peel has its own Land & Property Company to secure sites and promote port-related development; and it recently established Peel Oil & Gas, with this remit:

*Peel Gas & Oil is a strategic development partner working alongside current and prospective onshore shale gas licence holders. As part of the privately owned Peel Group, Peel Gas & Oil works to fund and deliver early stage well pad development drawing on the Group's skills and assets in land, infrastructure, utilities, transport and planning.*

*This service allows shale gas operators to focus on their core skills in exploration, with the aim of speeding up delivery and de-risking site development for both licence operators and their investors. This pace is vital to enable the industry to move quickly through the licensing and consenting process.*

## Evaluation

It seems clear that the employment claims for fracking will only be delivered if a successful UK shale gas supply chain is created and can substitute for imports.

The Bibby report admits that development of UK skills and services is “the most important factor” when quantifying economic benefit (p46), because the UK fracking industry “will require imported workers initially” for drilling and completions (p56).

Merseyside Environmental Advisory Service argued in an independent report revised in 2014 that direct local benefits from fracking are negligible because

- Employment is in semi-skilled occupations
- The job yield is transient
- Jobs are concentrated in 6-8 years of exploration and preparing for production, and very few people are needed once the pad is producing.

The immediate employment creation of an individual pad is modest and equivalent to a new Aldi store, for example. Local recruitment will be for short-term, roustabout jobs. More valuable positions will be created higher up the supply chain, but for that reason will be employed centrally and deployed across a large number of sites. Again, LCR has no specific advantage for training and developing higher-level occupations in this new industry.

There is no particular LCR dimension to this supply chain because LCR does not have a significant engineering sector. In fact, the Port of Liverpool may have a direct interest in promoting US-led shale gas extraction because it will benefit from US imports into the proposed “shale gas hub”.

The benefits of a secure energy supply are real, but the question is whether opening up shale gas best achieves energy security, or whether we continue government policy to develop the renewable sector and/or nuclear.

Members will have to weigh the positive gain from a new UK fracking industry against other factors, such as alternative uses of the same public money, or the benefits of leaving fossil fuels in the ground.



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In the event of an operator securing all necessary consents for test drilling, and then fracking, in locations within Sefton, members could ask for the operator to

- Prepare an Economic Impact Assessment in advance of drilling (in addition to standard Environmental Impact Assessments), where costs, opportunity costs, benefits and incentives could be set out transparently, and
- sign a voluntary Employment, Skills & Supply Agreement that would maximise the local benefits of any investment for apprenticeships, young people, the unemployed, local suppliers and the wider community.

A fully consented shale gas field in the LCR would probably have the support and sponsorship of the Local Enterprise Partnership, which would take lead responsibility for promoting investment and supplier development, with the Local Authorities in a supporting role.

## 5.0 EVALUATION OF FINDINGS

5.0.1 After receiving all the evidence, Members of the Working Group made the following evaluation of findings:-

- (i) Sefton's geology is underlain with shale rock that is potentially gas and liquid hydrocarbon (oil) bearing – mineral resources can only be extracted where they occur;
- (ii) Two companies currently hold Petroleum Exploration and Development licences (Aurora Exploration (UK) Ltd. PEDL 164 and Cuadrilla Bowland Ltd. PEDL 164), that cover a large part of the northern half of the Borough;
- (iii) Shale development drilling and high volume, high pressure fracturing could take place beneath Sefton but from adjacent administration areas;
- (iv) Sefton Council is one of the key regulators for the industry; and
- (v) Development may have impacts, both positive and negative, on the Borough and the communities that live in Sefton.

Members were also motivated by the desire to be better informed about the issue, particularly as it is attracting a lot of public and media interest.

## 5.1 CONTEXT

The Working Group identified early on that the principal mechanism for regulatory control for proposed shale gas and oil development for Sefton Council is through the land use planning system. As a unitary authority, Sefton Council is Local Planning Authority, Minerals Planning Authority, Waste Planning Authority and Competent Authority (under Habitats Regulations). The primary local policy for Sefton is the emerging Local Plan and implementation of those policies through its development control function. The Local Plan is due to be submitted to the Secretary of State for examination during 2015.



Sefton's Local Plan addresses a range of regulatory, statutory duties and legal responsibilities of the Council through an integrated approach – the Plan needs to be read as a whole. It is therefore crucial that the suite of policies within the Local Plan are used in an integrated way to ensure that environmental health and protection, public health and wellbeing, Habitats Regulations, economic and transport environment matters amongst others are adequately addressed when considering proposals for shale gas development.

Planning consent is required at each of the principal stages of shale gas and oil development: exploration, testing and well appraisal and production. Consent may also be required for decommissioning of the well, although there is normally a restoration and aftercare plan agreed at earlier planning stages.

The position in Sefton is similar to many other areas locally, regionally and nationally. National planning policy sets the framework for regulating the shale gas industry. Local planning policy and decisions on planning applications need to conform to national guidance such as the National Planning Policy Framework and the more detailed on-line guidance. Quite a number of the activities associated with shale gas and oil may fall under permitted development, and/or be in conformity with the Town and Country Planning (General Permitted Development) (England) Order 2015 (Statutory Instrument No.596).

In addition, Sefton's regulatory processes need to work effectively in tandem with, but not duplicate, the responsibilities of other regulatory regimes and organisations including DECC, HSE, PHE and Environment Agency. Sefton has to proceed from a starting point of presuming that these organisations regulate the shale gas and oil activities effectively. The Working Group identified that there is a need to ensure that the existing regulatory processes do indeed work in tandem to deliver effective regulation of what is perceived as a "new" activity in Sefton.

However, from a planning perspective, shale gas development is very similar to many other types of mineral and energy mineral extraction activities that have taken place on shore, including parts of Sefton, for many years. Many of the regulatory considerations and industrial processes are therefore not unique to shale gas.

It should be noted that:

- The activity is a permanent activity, not temporary, because 50-75% of produced water is locked permanently within geological structures and can be considered a permanent waste disposal operation.
- Following restoration and aftercare of the well there is the potential for an area of land to remain permanently changed, though this does depend on the detail of the decommissioning and restoration plan.

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- Technological advances in horizontal directional drilling activity means that theoretically, a surface based installation can extend underground for many Kilometres to access shale bearing rock – so potentially and with technological innovation, a single well pad installation could extend 10 kilometres radius (over 300km<sup>2</sup>). For example, Wytch Farm, Dorset, extends 11km from the well and technical drilling barriers are unlikely to be insurmountable for greater distances. So, potentially above ground development outside of Sefton, for example in West Lancashire, could access gas and oil from deep geology under the borough.
- Extraction efficiencies can be low with 5 – 10% exploitation on the potential gas resource in rock being fairly typical in the USA.

In undertaking this work, Sefton has also drawn on experience and emerging practice from the industry, particularly UK Onshore Oil and Gas, the Local Enterprise Partnership and Public Health professionals including Public Health England and Lancashire County Council. An interest has also been maintained on development proposals in Lancashire in the light of the refusal of recent applications.

## 5.2 CURRENT STATE OF MATURITY OF THE SHALE GAS INDUSTRY IN THE UK

A key constraint that the Working Group has had to contend with is the immaturity of shale gas and oil development in the UK. Access to industry, regulatory and community experience of all three principal stages of shale gas development in England has therefore been very limited. Some Members have visited exploration wells in Lancashire to view for themselves the activity and have attended numerous meetings, conferences and events.

Currently there are no examples of shale gas development that have progressed to testing and appraisal stage, let alone progressed to production.

Evidence and experience has therefore been drawn from:

- Very recent experiences in Lancashire and the large body of literature that has been prepared by and for the County Council to inform spatial and land use planning considerations;
- Similar mining, minerals and industrial processes that are being regulated effectively, particularly in the mineral and energy mineral sectors; and
- Examples overseas such as the USA, where there are valid comparisons to be made as follows:

Whilst there is now a considerable body of evidence from practices in the United States, caution has been exercised in drawing too many comparisons with what is likely in Sefton and the Liverpool City Region. There are simply too many





differences in geology, environmental regulation, industry practice and the structure of the energy supply and consumption market to draw valid comparisons. What the US experience does show us however, are some of the risks when some parts of an industry operate and are regulated in a sub-optimal way.

Whilst Sefton has potentially significant reserves of shale gas in deep geology it is still too early to ascertain whether it will be technically feasible or commercially viable to exploit. The first step, therefore, will be to ascertain if the shale underlying Sefton, and other parts of the Liverpool City Region, is gas bearing and can be “stimulated” to produce a commercially viable flow of gas and other commercially useful products.

The Working Group has proceeded on the basis that, whilst the outcome of the recent DECC licensing round is not known, all areas of Sefton and areas adjacent to the borough will have a Petroleum Exploration and Development Licence granted. In other words, the conditions are in place to enable the shale gas and oil industry to embark on the development process should they choose to do so.

### 5.3 A RAPIDLY CHANGING PICTURE

The Working Group has been operating at a time of great public and media interest, evolution of the emerging shale gas industry in England and change in the range of technologies and practices associated with the type of activity. Many notable recent reports have been accessed during the Group’s inquiry including the Environment Audit Committee Inquiry into Fracking, the Government’s response, amendments to the Infrastructure Bill and various health reviews and reports. As already indicated, the large body of information based on the Lancashire experience, including the two well appraisal applications currently being considered, have also been accessed. It is not the role of the Working Group to review what is developing into an immense literature on the subject. This would not be efficient given the lack of practical examples of delivered projects within the English or UK context. Members have therefore targeted their enquiries.

Government has signalled its continued desire for shale gas development to move forward as part of the country’s response to energy strategy and security. The outcome of the 2014 DECC onshore and “watery” area licensing rounds has not yet been published, so it remains uncertain which blocks have been licensed and to whom.

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## 5.4 LANCASHIRE

The most advanced work on shale gas in England has taken place in Lancashire notably in the Fylde area and near Blackpool. The very recent applications to drill, fracture (high volume, high pressure hydraulic fracturing) and flow test up to four wells at both Roseacre Wood and Preston New Road have been refused by Lancashire County Council on amenity, transport, landscape and noise grounds. Monitoring arrays were also applied for.

It remains too early to say what will be the final outcome of the proposals in Lancashire. Although Cuadrilla is currently considering its options, the applicant has appealed the refusal for determination and ultimately the final decision will be made by the Secretary of State.

## 5.5 A WIDER VIEW

Several conferences have reported on the shale gas industry's desire to adopt a far more proactive and open approach to planning their developments. The Government in pre-election pledges and the Chancellor's statement provided clear signals to the industry that the Conservative Government is supportive of shale gas development.

This is largely in response to a well organised "anti" lobby and high levels of public anxiety about possible risks and implications of the proposed activity. The development of a more transparent and two-way approach that welcomes scrutiny and disclosure is to be encouraged from a regulatory perspective, because it helps to weigh the different issues objectively.

What is clear is that the Liverpool City Region is likely to be an area of significant interest for the following reasons:

- Geology and thickness of potentially shale gas and shale oil bearing deposits;
- Proximity to Lancashire;
- Existing commercial interest from a range of organisations including Aurora Resources, Cuadrilla, I-Gas, Ineos Chlor and Peel Energy;
- Potential synergies with existing industry and supply chain; and
- Proximity to potential customers.

## 5.6 TIMESCALE FOR SHALE GAS DEVELOPMENT

It seems unlikely that development proposals involving high volume, high pressure hydraulic fracturing of shale will be received in Sefton in the short term. This is a factor of the lead-in time for applications and also because of the uncertainty created by:



- Lancashire refusals and the outcome of any appeal; and
- Not knowing the outcome of the 2014 PEDL licensing round.

However, it seems more likely that Sefton (and other LCR Districts) will receive applications for seismic survey, monitoring arrays and exploratory drilling within the next 48 months. The rate of development of the shale gas industry thereafter will be determined by multiple factors outside the control or influence of Sefton or the scope of the Working Group.

## 5.7 IS IT COMMERCIALY VIABLE?

It has yet to be proven by the industry that shale gas development is commercially viable within the context of English regulation, the energy market and the costs and benefits of extraction. What is clear however, is the continuing Government support and industry appetite to answer the commercial viability questions. The only objective way to answer this question is for some applications to progress to testing and appraisal.

The Liverpool City Region Local Enterprise Partnership set up a Steering Group under the chairmanship of Sir Michael Bibby to explore the economic implications of shale gas. With a strong focus on supply chain opportunity and the reliance on gas both as a source of energy and raw material to industrial processes, the Working Group is due to present its final report over the coming months.

Ultimately a lot of interest therefore remains focussed on the ultimate fate of the applications in Lancashire.

## 5.8 A PROACTIVE APPROACH IN SEFTON

It is for these reasons that Sefton Council should be well prepared to respond proactively to the shale gas (and oil) industry. This has provided much of the focus for the Working Group.

Any decisions taken by the Council will need to be justified, effective and compliant with national policy unless special circumstances can be proven. The recommendations of this report are intended as a thoughtful and proportionate response to the issues on the basis of the evidence gathered. It provides a clear statement of what is expected of the industry, how this can be required through the planning process, and how the communities and place that is Sefton can be safeguarded for future generations.

## 6.0 CONCLUSIONS

- 6.1 The Working Group concluded that little new could be gained from a root and branch review of all literature, claims and counter claims relating to the issues



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around shale gas development. Much of the uncertainty will only be resolved with shale gas projects advancing to appraisal and testing stages.

- 6.2 The Working Group concluded that its primary focus should be on the regulatory controls that are within the remit of Sefton Council. The role of other regulators is of interest to ensure that regulatory processes operate effectively in tandem.
- 6.3 The Working Group concluded that the integrated suite of policies within Sefton's emerging Local Plan provide an appropriate and adequate means of regulatory control for those issues within the Council's remit. Substantive change to the publication draft policy wording is not justified. However amendments to the explanatory text, local planning application validation checklist and Sefton's Statement of Community Involvement would be most helpful to reflect the recommendations of the Working Group, subject to Cabinet approval.
- 6.4 There is no technical or planning policy justification for Sefton to adopt an approach or policy that differs significantly to the national picture. The Council will consider all applications for shale development as they affect the borough on the basis of the planning merits of the project / scheme.
- 6.5 There is no technical justification why Sefton should pursue a shale gas (and oil) development policy. Nor is there any logical case to single out shale gas (and oil) development as a specific subject for a Supplementary Planning Document.
- 6.6 Members considered and then rejected a spatial approach for shale gas either identifying constrained areas or preferred locations. Instead, an integrated approach of planning, supported by discretionary guidance to the industry on what is expected in Sefton, as set out in the recommendations in the Report, is considered to be a more efficient and proportionate approach. For many of the shale issues, a range of technical solutions are potentially feasible e.g. horizontal drilling distances and uncertainty over transmission infrastructure requirements, which could limit the benefit or value added by a spatial approach.
- 6.7 The economic impact of prospective shale development remains uncertain for Sefton, although there could be future benefit for supply chain, contribution as a hub and to increase security of existing employers in the borough and wider City Region. The Working Group considered that economic benefit should be retained as far as possible within the Borough, including local supply chain and local workforce where these are available.



6.8 At the time of drafting the Final Report announcements regarding award of the 14<sup>th</sup> Licence Round blocks including those blocks that are subject to consultation on the Habitats Regulations Assessment, had been published. 27 licences have been awarded immediately with 132 more to be awarded subject to appropriate assessment about which a consultation has been launched. Among the 132 licence blocks there are 2, 3 or 4 that impinge directly on the Liverpool City Region, together with blocks in Cheshire, Greater Manchester and Lancashire. To access a map of the blocks please follow the link below:-

<http://modgov.sefton.gov.uk/moderngov/ecCatDisplay.aspx?sch=doc&cat=13602&path=0>

6.9 Consultation to seek comments on the oil and gas Authority's Strategic Plan – Level Habitats Regulations Assessment (HRA) of blocks taken forward for consideration of award in the 14<sup>th</sup> onshore oil and gas licensing round closed on 29 September 2015. The Government response to the consultation process has yet to be published,

6.10 Another recent development at the time of drafting the Final Report is in relation to Ministers taking away the power from Local Authorities that do not make decisions on developments within 16 weeks of receiving a Fracking Application.

# Agenda Item 4

## 7. RECOMMENDATIONS AND ACTION

The Working Group identified 6 recommendations which could be reported to Cabinet for approval and brought to the attention of regulators and the shale gas industry and their advisors in the form of a Good Practice and Expectations Document.

In this way Sefton Council can make its expectations clear in an open and transparent way, not just to the shale oil and gas industry and their advisors, but to the communities of Sefton and adjacent areas.

### Recommendation 1 – Joined Up Regulation

It is crucial that the regulatory processes work in tandem and in a joined up way to inform decision taking, regulation and on-going development and monitoring of shale gas. Regulators should share advice, evidence, technical assessments and responses at an operational level to facilitate effective regulation.

The Working Group recommends that for all shale oil and gas development proposals at all stages (exploration, appraisal and testing, production and decommissioning) that a cross-regulator working group be set up to:

- Inform pre-application discussions;
- Avoid duplication;
- Ensure that the evidence base and regulatory assessments to be completed are timely, robust and of sufficient scope;
- Provide a means of open scrutiny and discussion of issues at project design and early development stage.

For Sefton Council, the following technical representatives should be included in any Cross-Regulator Group and co-opted as and when they are needed:

- Elected Member Representation;
- Planning;
- Environmental Health / Protection;
- Public Health;
- Transportation;
- Merseyside Environmental Advisory Service;
- Legal;
- Estates;
- Investment.

Other suggested organisations are as follows:

- Public Health England;
- Environment Agency;
- Health and Safety Executive;
- Local Enterprise Partnership;
- Adjacent Local Authorities for cross-boundary projects.

## Recommendation 2 – Good Practice and Expectations Document

That Sefton Council prepares a Good Practice and Expectations Document ('the Document') targeted at the shale gas (and oil) industry to provide a clear statement of what Sefton Council and the communities and businesses of Sefton expect in terms of the activities of the shale gas and oil industry in the Borough.

The Document will cover such matters as public consultation and engagement, expected level of information to be provided with any planning application including evidence base and technical appraisals; infrastructure statements; transport assessment/statement (depending upon development); cumulative impact assessments; economic impact assessment; health impact assessment; mitigation measures; as well as disclosure of materials to be used. The Document will encourage applicants to enter into early discussions with the Council, other Regulators and the wider community.

The Document will help inform discussions and decision making and will be supported by updates and revisions to the Council's Statement of Community Involvement (setting out the expectation for pre-application consultation and engagement) and the local validation checklist for planning applications (specifying information required to make any planning application valid) thereby, providing weight to the aims and objectives within it.

## Recommendation 3 – Environmental Impact Assessment (EIA)

For development falling within the specified thresholds within Schedule 1 of the Town and Country Planning (Environmental Impact Assessment) Regulations 2011 ('the EIA Regulations'), an Environmental Statement (ES) must be submitted. The Council must be consulted on the scope of the ES.

For development that falls within Schedule 2 of the EIA Regulations, a screening opinion must be submitted to the Council to determine if the proposal constitutes EIA development. For those applications which are not EIA development, a comprehensive suite of documentation, evidence and technical assessments will be agreed as an outcome of pre-application discussion.

# Agenda Item 4

## Recommendation 4 - Environmental Monitoring Plans (EMPs)

EMPs should be agreed for each principal stage of the shale gas (and oil) development cycle. This is particularly important in relation to infrastructure, emissions and public health given the immaturity of the industry.

## Recommendation 5 – Habitats Regulations Assessment (HabsRA)

The applicant must engage in early pre-application discussion to ensure that the scope of baseline information provided enables Sefton Council to complete the assessment of likely significant effects of proposed shale gas (and oil) projects. Given the large number of internationally important nature conservation sites within and adjacent to Sefton and the large areas of functionally linked habitat, particular attention needs to be given to avoiding areas of sensitivity at the site selection stage.

In undertaking the HabsRA, Sefton Council will need to use the baseline data commissioned and provided by the applicant. The duration, method and scope of survey will need to be agreed, but a requirement of at least 12 months survey and/or monitoring is not uncommon.

## Recommendation 6 – Resourcing Regulatory and Monitoring requirements

Experience in Lancashire has shown that applications from the shale industry are very resource intensive. The cost of effectively administering and informing the planning and regulatory process is substantially greater than any fees charged. Planning fees therefore fall a long way short of the cost of joined up Local Authority regulation of this activity and there is a need to explore mechanisms to build capacity.

Whilst Sefton has experienced technical professional staff with minerals and energy mineral experience including shale gas (and oil), significant development of the shale gas (and oil) industry in Sefton (and the other LCR authorities for that matter) will, in all likelihood, place additional strain on the regulatory framework which is already working over capacity.

Whilst planning performance agreements may provide some resource security, it is important that the Council and other Regulators remain and are seen to remain independent and objective. It is therefore recommended that Sefton Council completes a regulatory capacity assessment of low, medium and high development scenarios to:

- Inform resource planning and budget allocation;
- Inform liaison and negotiation with applicants, including planning performance agreements or other such similar mechanisms.



Given that the primary responsibility for regulatory control is the planning process, eight actions are proposed to implement Recommendations 1 – 6. These are listed below:

- (i) That the Head of Regeneration and Housing be requested to establish a Cross-Regulator Working Group, to include Elected Member representation, for all shale gas (and oil) development proposals at all stages;
- (ii) That the Head of Regeneration and Housing be requested to prepare a “Good Practice and Expectations Document” to provide transparency to the industry and the public and that it is appropriately referred to in the explanatory text to Mineral Policy NH8 within Sefton’s Local Plan;
- (iii) That the Head of Regeneration and Housing be requested to ensure that the local validation checklist is updated as appropriate to take account of the issues identified in this Report;
- (iv) That the Head of Regeneration and Housing be requested to ensure that Sefton Council’s Statement of Community Involvement is updated as appropriate to take account of the issues identified in this Report with respect to matters of community engagement in relation to shale gas (and oil) development;
- (v) That the Head of Regeneration and Housing be requested to ensure an Environmental Statement accompanies development that requires it when assessed against the EIA Regulations;
- (vi) That the Head of Regeneration and Housing be requested to ensure that Environmental Monitoring Plans are agreed at each stage of the shale gas (and oil) development cycle;
- (vii) That the Head of Regeneration and Housing be requested to ensure that in respect of the Habitat Regulations any applicant should be advised to engage in early pre-application discussion to ensure that the baseline information provided enables Sefton Council to complete the assessment of likely significant effects of proposed projects; and
- (viii) That the Head of Regeneration and Housing in consultation with the Chief Finance Officer be requested to complete a regulatory capacity assessment of low, medium and high development scenarios in order to inform resource planning and budget allocation and inform liaison and negotiation with applicants include planning performance agreements of other such similar mechanisms.

# Agenda Item 4

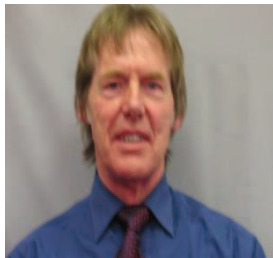


## 10. ACKNOWLEDGEMENTS AND THANKS

In producing this report on Shale Gas, acknowledgements and thanks are attributed to the following individuals for their time and input:-

- All Key Witnesses
- Officers, Partners and former Members of the Working Group

Thanks must also go to the Members of the Working Group who have worked hard and dedicated a great deal of time to this review, namely:-



***Councillor Fred Weavers  
(Lead Member)***



***Councillor Ted Hartill***



***Councillor Sue McGuire***



***Councillor Michael O'Brien***

Overview  
& Scrutiny



# Agenda Item 4

**For further Information please contact:-**

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**Senior Democratic Services Officer**

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**E-Mail: [ruth.harrison@sefton.gov.uk](mailto:ruth.harrison@sefton.gov.uk)**

**Sefton Council** 



# Agenda Item 5

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<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	Thursday 3 December 2015
<b>Subject:</b>	Procurement proposals for Winter Service Bureau and Forecasting Services	<b>Wards Affected:</b>	(All Wards);
<b>Report of:</b>	Head of Locality Services - Commissioned		
<b>Is this a Key Decision?</b>	Yes	<b>Is it included in the Forward Plan?</b>	Yes
<b>Exempt/Confidential</b>	No		

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## Purpose/Summary

To seek approval to complete a tender exercise for Winter Service Bureau and Forecasting Services in association with Liverpool City Region Authorities

## Recommendation(s)

- i. The procurement of the contract for Winter Service Bureau and Forecasting services be agreed using the tender process referred to in paragraph 2.1
- ii. That the tenders are evaluated using the criteria referred to in paragraph 2.2
- iii. That the Head of Service – Locality Services Commissioned be authorised to award the contract to the highest scoring tenderer.

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

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

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## Reasons for the Recommendation:

The recommendation is made in accordance with the Liverpool City Region Authorities constitutions

## Alternative Options Considered and Rejected:

The contract could be tendered as a 'Sefton only' contract which would negate the need to follow OJEU requirements. However, this could increase costs considerably and we would no longer have the resilience of sharing information with the rest of the Liverpool City Region Authorities.

## What will it cost and how will it be financed?

### (A) Revenue Costs

The service will be funded from the existing Highway Management Revenue budget

### (B) Capital Costs

None

## Implications:

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

<b>Legal</b> The authority has a statutory duty to provide a winter service and can only adhere to this duty by procurement of this service.	
<b>Human Resources</b> None	
<b>Equality</b>	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

## Impact of the Proposals on Service Delivery:

The proposed contract is due to commence immediately following the expiry of the current contract to maintain Service Delivery.

## What consultations have taken place on the proposals and when?

The Chief Finance Officer (FD.3908/15) and the Head of Regulation and Compliance (LD.3191/15) have been consulted and any comments have been incorporated into the report.

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## **Implementation Date for the Decision**

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

**Contact Officer:** Gary Jordan

**Tel:** 0151 934 4731

**Email:** gary.jordan@sefton.gov.uk

## **Background Papers:**

There are no background papers available for inspection

# Agenda Item 5

## 1. Introduction/Background

- 1.1 Liverpool City Region Authorities (being Sefton, Knowsley, Liverpool, St Helens and Wirral Councils) provide a winter service which is aided by the provision of weather forecasting and bureau services. The bureau services include the weather stations and computer software on which to view and interpret both the forecast and actual real time weather conditions data. Both are supported by 24 hour consultancy service.
- 1.2 The bureau and forecasting service has traditionally been procured collectively across the Liverpool City region to ensure value for money and minimise costs to each individual authority. There is also the added benefit of being able to share access to each other's forecast and site data which can be valuable in considering prevailing conditions.
- 1.3 The existing contract expires on 14<sup>th</sup> July 2016 and there are no further opportunities for this to be extended.
- 1.4 Sefton Council has been requested by TAG (Transport Advisory Group) to undertake the procurement exercise for the new contract on behalf of all five authorities.

## 2.0 Proposed Tender Process

- 2.1 Due to the overall value of the proposed contract, the process will be the subject of OJEU requirements. The tender exercise will follow the OJEU Open Procedure. Approval is requested for Chief Officer delegated authority to award the contract at the end of the tender process.
- 2.2 The tender will be assessed on a price/quality basis. The split will be 85% price and 15% quality.
- 2.3 The current specification will be reviewed and agreed by the 5 Liverpool City Region Authorities prior to the tender being advertised.
- 2.4 The new contract will run for an initial period of three years from 15<sup>th</sup> July 2016 with the option of two further one year extensions.

## 2.4 Indicative time line

15 <sup>th</sup> July 2016	Contract start date
1 <sup>st</sup> June 2016	Award and seal contract
13 <sup>th</sup> May 2016	Commence mandatory standstill period
1 <sup>st</sup> April 2016 - 12 <sup>th</sup> May 2016	Evaluate bids and moderation
1 <sup>st</sup> April 2016	Closing date for tenders
29 <sup>th</sup> February 2016	Publish ITT on the chest and in OJEU
16 <sup>th</sup> December 2015	Call in expires
3 <sup>rd</sup> December 2015	Cabinet meeting
16 <sup>th</sup> October 2015 - 28 <sup>th</sup> February 2016	Cabinet report, Forward plan. Review specification, T's and C's, Questions, pricing schedule and ITT document



## **3.0 Financial Implications**

- 3.1 The total costs of the forecasting services element of the contract will be shared equally across the 5 Liverpool City Region Authorities. The majority of the bureau services costs will also be shared equally, however, there will be slight differences to this depending on the type and number of weather stations each authority owns.
- 3.2 Sefton's costs will be funded from the existing Highway Management revenue budget.

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# Agenda Item 6

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**Report to:** Cabinet **Date of Meeting:** 3 December 2015

**Subject:** Provision of Liquid Fuels **Wards Affected:** (All Wards);

**Report of:** Head of Commissioning Support and Business Intelligence

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

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## Purpose/Summary

To agree the approach for the procurement of Liquid Fuels for the period from 1st January 2016 to 30th September 2017

## Recommendation(s)

That Cabinet agree to continue to procure Liquid Fuels through the Crown Commercial Services (CCS) Liquid Fuels Supply Framework for the period 1st January 2016 to 30th September 2017.

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

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

# Agenda Item 6

## Reasons for the Recommendation:

Sefton Council needs to procure substantial quantities of liquid fuels in order to operate its daily business and the level of expenditure (approximately £0.76m- £1.12m per annum) requires Cabinet approval. It is considered that the Council can best be assured of value for money in terms of price and security of supply by continued procurement through the CCS Framework.

## Alternative Options Considered and Rejected:

The Council could decide not to continue procuring Liquid Fuels through the CCS Liquid Fuels Framework and instead undertake its own procurement process. This process would need to be an EU compliant procurement process and would take approximately 6 months to complete. The main risk and the reason this option has not been recommended is it is considered that the separate procurement of lower volumes of fuel (i.e. Sefton procuring fuel alone) is likely to result in a higher price, potentially greater fluctuation in price and potentially less reliable supply. If the Council was to undertake its own procurement process, it is still recommended that procurement continues through the CCS Framework whilst that procurement is undertaken, for the reasons stated above.

## What will it cost and how will it be financed?

### (A) Revenue Costs

The total cost of procuring through the CCS Framework is made up of *Commodity Cost* (which changes on a weekly basis and is market driven), *CCS Framework Fee* and *Supplier Margin* (both of which will remain fixed until 30<sup>th</sup> September 2017). Therefore the cost comparison shown in the report can only be regarded as indicative given the potential weekly fluctuation in the commodity cost. Based on current market conditions and current levels of fuel usage the anticipated Liquid Fuel costs are approximately £759k per annum. This compares with approximate costs of £755k in 2014/15 and £1,122,237 in 2013/14. This will be funded through existing supplies and services budgets with the relevant service areas.

### (B) Capital Costs

None

## Implications:

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

<b>Financial</b>	
<b>Legal</b>	
<b>Human Resources</b>	
<b>Equality</b>	
1. No Equality Implication	<input checked="" type="checkbox"/>

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2.	Equality Implications identified and mitigated	<input type="checkbox"/>
3.	Equality Implication identified and risk remains	<input type="checkbox"/>

## **Impact of the Proposals on Service Delivery:**

Agreeing to the recommendation is considered the best way of securing value for money in terms of price and security of supply for liquid fuels essential for service delivery.

## **What consultations have taken place on the proposals and when?**

The Chief Finance Officer has been consulted and comments have been incorporated into the report (FD 3909/15)

Head of Regulation and Compliance has been consulted and has no comments on the report. (LD 3192/15)

## **Implementation Date for the Decision**

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

**Contact Officer:** Peter Moore

**Tel:** 0151 934 3730

**Email:** peter.moore@sefton.gov.uk

## **Background Papers:**

There are no background papers available for inspection

# Agenda Item 6

## Introduction/Background

1. Sefton Council has historically sourced its Heating and Automotive Liquid Fuel requirements via a supply framework managed by Crown Commercial Service (CCS). This organisation provides centralised commercial and procurement services for Government and the UK Public Sector. CCS formed an EU compliant supply framework for the provision of Liquid Fuels. The framework was developed in partnership with the Ministry of Defence and Procurement Scotland in order to capture significant volumes of fuel usage but was also divided into Lots in such a manner that SME's would be able to bid for the business on offer across a range of geographical areas. To illustrate the size of the framework, it covers an annual spend in the region of £240m, serves over 400 customers, with a combined total of over 6,000 sites taking liquid fuel deliveries nationally. In comparison to this, Sefton Council's business alone is valued at circa £759k per annum, servicing just 13 delivery sites consisting of the Council's main vehicle depot's in Bootle and Formby, and a small number of schools and ancillary sites that still run liquid fuel fired heating systems.
2. The current CCS Framework, adopted in 2014, included provision for CCS to carry out a further EU procurement exercise, during 2015, in order to renew the pricing on the framework for the period 1<sup>st</sup> October 2015 to 30<sup>th</sup> September 2017. CCS has now carried out this further work and announced the renewed prices. Having considered the new prices and alternative courses the Council might take (e.g. undertake its own tender process) it is recommended that the Council continues to procure Liquid Fuel through the framework for the period to 30<sup>th</sup> September 2017. A Chief Officer approval is in place for the period until 31<sup>st</sup> December 2015 but in order to continue with this arrangement until September 2017, due to level of likely expenditure this entails, Cabinet approval is required. Should the Council decide to change its method of Liquid Fuel procurement, prior to September 2017, it can do so by giving each supplier under the contract, 30 days written notice of termination.

## Financial Implications

3. The Framework price, per delivered litre, is made up of 3 components :
  - a) *Commodity Cost* - i.e. the market cost of the product
  - b) *CCS Framework Fee* - the commission paid to CCS for using the framework
  - c) *Supplier Margin* - this covers supply cost, distribution cost, cost of credit, suppliers overheads and suppliers profit

The Commodity Cost changes on a weekly basis and is market driven, whereas the CCS Framework Fee and Supplier Margin will remain fixed until 30<sup>th</sup> September 2017. Therefore the cost comparison shown below can only be regarded as indicative given the potential weekly fluctuation in the commodity cost.

4. The result of the CCS EU procurement exercise has:
  - Reduced the supplier margin that we pay on Biodiesel by some 10.45%, Biodiesel being the product that the Council uses most significantly.
  - Reduced the supplier margin on Kerosene by some 15.43%

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- Increased the supplier margin on Gas Oil by a considerable 60.91%. The key reasons behind this is very likely falling demand, fewer locations using Gas Oil and consequently a relative increase in costs of distribution. Sefton's use of Gas Oil has reduced over a number of years and we now have just 13 sites that use this product. The product is used in aged heating systems and was prevalent in schools, for instance, but as Sefton's schools have gradually upgraded their heating systems they have moved over to mains fed gas and our consumption Gas Oil has dropped.

5. The results of the procurement exercise, based solely on current market conditions and current levels of fuel usage, are as follows :-

<u>Product</u>	<u>Current Annual Cost</u>	<u>Anticipated Annual Cost</u>
Heating Fuels	£146,281.17	£151,242.86
Automotive Fuels	£608,903.24	£607,904.11
<b>TOTAL</b>	<b>£755,184.41</b>	<b>£759,147.07</b>

6. The net effect of the procurement and adopting the Framework for the next period is that future expenditure under this framework will rise by approximately 0.52%. However, given the changes that have taken place in the oil market over the last 18 months, and the resulting effect on the commodity cost of Liquid Fuels, the Council's annual expenditure has reduced over that period by approximately 32%, from £1,122,237 per annum at April 2014 to £755,184 per annum at the present time.
7. The main risks of not continuing to procure through the Framework are that the separate procurement of lower volumes of fuel (i.e. Sefton procuring fuel alone) is likely to result in a higher price, potentially greater fluctuation in price and potentially more unreliable supply. An EU compliant procurement process would take approximately 6 months to complete, if that were considered to be the best approach, in order to ensure value for money in terms of price and security of supply, it is still recommended that procurement continues through the CCS Framework whilst that procurement process is undertaken.

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<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	3 December 2015
<b>Subject:</b>	Revenue Budget 2015/16 Update	<b>Wards Affected:</b>	(All Wards);
<b>Report of:</b>	Head of Corporate Support		
<b>Is this a Key Decision?</b>	Yes	<b>Is it included in the Forward Plan?</b>	Yes
<b>Exempt/Confidential</b>	No		

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## Purpose/Summary

To inform Cabinet of, and seek approval for: -

- i) Note that the Comprehensive Spending Review, to be announced on 25th November 2015, and the subsequent financial settlement for 2016/17, will affect the two-year financial plan,
- ii) Progress in the achievement of the approved savings for 2015/16 (and any residual savings carried forward from previous years);
- iii) To highlight other financial risks elsewhere in the budget;
- iv) The forecast on Council Tax and Business Rates collection;
- v) To consider the purchase of two Ultra Low Emission vehicles for inclusion in the Capital Programme;
- vi) New car parking charges at specific locations as set out in the report; and the progression of a Traffic Regulation Order to set the charges on the specified car parks; and
- vii) The acceptance of grant funding from the Department of Energy and Climate Change for vulnerable occupiers (across the Liverpool City Region) of properties that do not currently have gas central heating. Also, to approve the inclusion of the scheme in the Capital Programme and the Council's role of Accountable Body for the scheme.

## Recommendation(s)

Cabinet is recommended to:-

- i) Note that the Comprehensive Spending Review, to be announced on 25<sup>th</sup> November 2015, and the subsequent financial settlement for 2016/17, will affect the two-year financial plan,
- ii) Note the progress to date on the achievement of approved savings for 2015/16 and residual savings carried forward from previous years;
- iii) Note the wider financial pressures being experienced in the remainder of the Budget;
- iv) Note the forecast position on the collection of Council Tax and Business Rates;
- v) Approve the provision of two Ultra Low Emission pool vehicles, as outlined in paragraph 7, and include £10,712 in the Capital Programme;
- vi) Approve the Cabinet Member recommendations for car parking charges at Crosby Lakeside Adventure Centre and Blucher Street, Waterloo; Burbo Bank,

# Agenda Item 7

Blundellsands and Sumner Road, Formby as set out in the report; and the progression of a Traffic Regulation Order to set the charges on the above car parks; and

- vii) Accept the offer of grant funding from the Department of Energy and Climate Change for vulnerable occupiers (across the Liverpool City Region) for properties that do not currently have gas central heating. Also, to approve the inclusion of the scheme in the Capital Programme and the Council's role of Accountable Body for the scheme.

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

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

### Reasons for the Recommendation:

To ensure Cabinet are informed of the latest position on the achievement of savings for the current financial year and to identify wider budget pressures being experienced elsewhere in the budget. To provide an update on the forecast outturn position on the collection of Council Tax and Business Rates. To enable the leasing of two low emission vehicles to be used as pool cars and to approve new car park charges at specific locations as set out in the report. Also, to approve the inclusion of a gas central heating project for vulnerable residents of the LCR in the Capital Programme and the Council's role of Accountable Body for the scheme.

### What will it cost and how will it be financed?

#### (A) Revenue Costs

##### i) 2015/16 Revenue Budget

Any under-achievement of the agreed revenue budget savings for 2015/16 (and residual savings from previous years) will need to be financed from within any surpluses identified within other areas of the 2015/16 budget, or from the Council's general balances. Any usage of balances will reduce the amount available to support the phased introduction of savings in future years.

The current financial position on approved savings indicates that about £2.893m (marginally up from £2.884m reported previously) are at significant risk of not being achieved (the "Red" marked items in Annex A). Should other budget savings not be

identified at the year end, then an equivalent level of general balances would be required to support the budget.

As at the end of October, a number of other budget pressures in the remainder of the Council's Budget are identified in the report. In previous years, surpluses have tended to materialise toward the end of the financial year as departments restrain spending in order to remain within budget. The budget forecast will be closely monitored throughout the remainder of the year.

There is anticipated to be a £7,000 a year net saving for two years for the revenue budget as a result leasing two low emission vehicles to be used as pool cars (see section 7). Of this, £2,036 will be used to part fund the leasing and running costs of the vehicle.

The approval of new car parking charges at specific locations as set out in the report will contribute to the required budget savings agreed by Council on 5 March 2015.

## **(B) Capital Costs**

The cost to lease the two low emission vehicles is £5,356 per year. This will be funded by 75% grant and 25% from reduced car allowance payments.

The central heating installation across the Liverpool City Region scheme will need to be included in the Capital Programme at a total cost of approximately £672k. The vast majority of the total cost (£657k) will be met by Government and other external grant support. There is a residual cost to the Council (£15k) which will be met from an existing external fuel poverty fund for 2015/16 and 2016/17.

### **Implications:**

#### **Legal:**

**Human Resources** None

#### **Equality**

No Equality Implication

Equality Implications identified and mitigated

Equality Implication identified and risk remains

### **Impact on Service Delivery:**

None.

### **What consultations have taken place on the proposals and when?**

The Chief Finance Officer is the author of the report (FD 3911/15)

The Head of Regulation and Compliance has been consulted and any comments have been incorporated into the report. (LD 3194/15)

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## Are there any other options available for consideration?

None.

## Implementation Date for the Decision

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

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**Background Papers:** None

## 1. Introduction

1.1 The Council approved a two year financial plan for 2015/16 to 2016/17 which requires a large change programme of £55m to be implemented over these two years. This follows on from significant savings target in the previous three years. It should be noted that only £50m of the £55m target has so far been identified. Council on 5 March agreed that the remaining £5m would be matched against balances, pending identification of further saving options.

1.2 In the last month, the Government has announced reductions in grant funding which will affect the financial position of the Council in 2015/16 and 2016/17. These specific grant reductions are: -

	2015/16	2016/17
	£m	£m
Public Health	-1.372	TBA
Youth Offending	-0.044	-0.044

TBA – To Be Announced

The Cabinet Member (Health & Wellbeing) submitted a response to the Government's consultation on the reduction in Public Health Funding in line with the report presented to Cabinet in November 2015. It should be noted that the Comprehensive Spending Review (CSR) is to be announced on 25 November and that the Provisional Local Government Financial settlement for 2016/17 will not be known before 19 December. A report will be presented to the January Cabinet giving an assessment of the CSR impact on the current two-year financial plan.

1.3 This report presents the latest position on the achievement of agreed savings for 2015/16 (£20.162m), plus the ongoing savings requirements carried forward from previous years. It is important that the Council continues to remain within budget and also has a sound financial base for the future financial challenges that are expected beyond 2016/17.

1.4 The current financial position on the remainder of the Council's budget is also highlighted in the report.

- 1.5 The report also outlines the current position regarding other key income streams for the Authority, Council Tax and Business Rates, as variations against expected receipts will affect the Council's financial position.
- 1.6 The Strategic Capital Investment Group has referred the purchase of two low emission vehicles to this Cabinet for approval and inclusion in the Capital Programme.
- 1.7 Following the approval by Council of car parking charges at specific locations within the Borough, the Cabinet Member (Regulatory, Compliance and Corporate Services) has recommended specific charges as set out in the report.
- 1.8 The Liverpool City Region has been offered grant funding from the Department of Energy and Climate Change for vulnerable occupiers (across the Liverpool City Region) of properties that do not currently have gas central heating. The Council has been the lead authority in preparing the bid. A grant offer from DECC has now been received, which this report seeks approval to accept.

## **2. Approved savings for 2015/16 (and previous years carry forward savings)**

- 2.1 The table at **Annex A** identifies the current position of the agreed savings for 2015/16. They are analysed into four categories: -

- § Savings achieved to date (Blue);
- § Progress is satisfactory (Green);
- § Outcome is unknown and is at risk of not being fully achieved (Amber); and
- § Known shortfalls, or significant risk of not being achieved (Red).

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

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

- 2.2 The position as at the end of October 2015 for the achievement of savings is that £24.172m of the total required savings in 2015/16 £29.159m (for the current year and carry-forward items) have been delivered or are on plan; with £2.094m are at some risk of not being fully achieved. This leave a further £2.893m of savings that are unlikely to be achieved in 2015/16 (identified as "Red"). At the present time, it is still anticipated that the savings will be achieved in 2016/17.
- 2.3 All budget savings will continue to be closely monitored, with regular reports being presented to Cabinet and Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services). Officers will continue to be mindful of the ongoing financial position and take appropriate action where further efficiencies can be found which do not require a change of policy.

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## 3. Other Potential Budget Variations

3.1 In addition to the potential budget shortfall on the above specific saving areas, there are a number of other financial risks / potential areas of surplus that have been identified elsewhere in the Budget. The main areas of variation to the general budget are noted below: -

3.1.1 The major change since the last report is that the Adult Social Care (ASC) budget is now forecasting a net deficit position of £1.9m. As part of the Medium Term Financial Plan (MTFP), there is an expectation for 2015/16 that a £3m contribution from the Better Care Fund (BCF) Programme would support ASC commitments this financial year, (and a further £3m in 16/17, totalling some £6m). To date, this contribution is a high risk. With regard to the current financial year, there is therefore a potential shortfall of £3m in the ASC budget. Negotiations are continuing with the CCG to find a 2016, and future years, sustainable position.

However, with regard to the current financial year, the Council has identified surpluses on the ASC employee budget resulting from vacant posts (£0.5m) and on the Housing Related Support budget (£0.6m), both in anticipation of 2016/17 savings, which could offset £1.1m of the £3m shortfall in this financial year. However, this saving would **not** be available to help support the potential £6m shortfall in future years.

3.1.2 The service pressures experienced by Specialist Transport (STU) in 2014/15 are continuing; the latest forecast is that the additional expenditure above budget will total £2.3m. Members will be asked to consider a revised MTFP at the January meeting which will address the identified budget shortfall.

3.1.3 The Children Social Care budget is showing a forecast demand exceeding approved budget of £2.5m. This is mostly due to increasing numbers of children in care and the cost of care packages and special guardianships orders. It is anticipated that the work in creating the new Community Adolescents Service using £1.1m DfE Innovation Grant may help alleviate some cost pressures concerning the care of young people aged 13 upwards.

3.1.4 The Schools and Families related services are continuing to report a surplus and at this point it is estimated at £1.0m. This mainly relates to staff vacancies across the service, much of which will be reduced through approved savings in 2016/17.

3.1.5 The Admin Buildings and Other Properties budgets are forecasting a deficit arising from rent reviews at Merton House and Magdalen House, for which the Council has an unavoidable contractual commitment under the terms of the respective lease agreements, means that budgetary pressures will continue. In addition, reduced rental income from Council properties where tenants have vacated premises makes the achievement of income targets difficult. Accommodation issues, particularly the review of future requirements, is a high priority for the Council and a strategy to consolidate staff and functions in a core holding of retained freehold sites across the Borough is designed to reduce costs in the medium term.

3.1.6 In previous years, service department surpluses have tended to materialise toward the end of the financial year as departments restrain spending in order to remain within budget. The budget will be closely monitored, and managed, over the remainder of the financial year and further action will be taken if the financial position does not improve.

## 4. Council Tax Income – Update

4.1 Council Tax income is shared between the billing authority (Sefton Council) and the two major precepting authorities (the Fire and Rescue Authority, and the Police and Crime Commissioner) pro-rata to their demand on the Collection Fund. The Council's Budget included a Council Tax Requirement of £104.087m for 2015/16 (including Parish Precepts), which represents 85.2% of the net Council Tax income of £122.191m.

4.2 The forecast outturn at the end of October 2015 is a surplus of -£5.057m on Council Tax income. This is an increase of -£0.086m compared to the surplus previously reported (-£4.971m) for the end of September 2015. The increase in surplus is due banding list changes (-£0.011m), exemptions and discounts (+£0.019m), and the council tax reduction scheme (-£0.094m).

4.3 The surplus will be distributed between the Council and major preceptors as follows:

Council Tax Surplus (-) to be distributed	%	£'000
Sefton Council	85.2	-4,308
Police & Crime Commissioner	10.2	-517
Fire & Rescue Authority	4.6	-232
<b>Total</b>	<b>100</b>	<b>-5,057</b>

4.4 Due to Collection Fund regulations, the Council Tax surplus will not be transferred to the General Fund in 2015/16 but will be carried forward to be distributed in future years. The MTFP assumed a surplus of £511k would be transferred to the General Fund in 2016/17. The following table shows the forecast budget position based on the information provided above:

Impact on Budget / MTFP	2016/17 £'000
Council Tax Surplus - Forecast	-4,308
Less Council Tax Surplus - MTFP	511
Variation	-3,797

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## 5. Council Tax Reduction Scheme – Update

- 5.1 Local Council Tax Reduction Scheme (CTRS) discounts replaced Council Tax Benefit in April 2013. The CTRS placed a significant new burden on local authorities meaning that the monitoring of Council Tax income is even more important than before. The following paragraphs provide an update of the position for Sefton as at the end of October 2015.
- 5.2 Overall the net CTRS is forecasting a favourable outturn position of -£2.380m. This forms part of the Council Tax surplus forecast in paragraph 4.2. This is an increase of -£0.094m compared to the surplus previously reported (-£2.286m) for the end of September 2015. The increase in surplus is due a reduction in the number of claims for council tax support from 28,585 on 1 October 2015 to 28,400 on 1 November 2015.
- 5.3 CTRS Claimant numbers have reduced since April 2013 and income collection in CTRS cases has been better than initially forecast. Details of CTRS claimant numbers and council tax collection against CTRS cases are shown below: -

Number of CTRS Claimants	03/04/14	01/04/15	01/11/15
Working Age - Employed	2,900	2,748	2,581
Working Age - Other	13,125	12,601	12,303
Working Age - Total	16,025	15,349	14,884
Pensioners	14,655	13,925	13,516
Total	30,680	29,274	28,400

Council Tax Collection CTRS Claimants 2015/16 to date (Data at 02/11/15)	Liability Raised £000	Income Received	
		£000	%
Working Age - Employed	1,396	589	45.5
Working Age - Other	2,500	1,189	47.5
Working Age - Total	3,896	1,778	45.6
Pensioners	1,865	1,341	71.9
Total	5,761	3,119	54.1

Council Tax Collection CTRS Claimants 2014/15 (Data at 02/11/15)	Liability Raised £000	Income Received	
		£000	%
Working Age - Employed	1,413	1,149	81.3
Working Age - Other	2,664	2,066	77.6
Working Age - Total	4,077	3,215	78.9
Pensioners	2,002	2,000	99.9
Total	6,079	5,215	85.8



## 6. Business Rates Income – Update

6.1 Since 1 April 2013, Business Rates income has been shared between the Government (50%), the Council (49%) and the Fire and Rescue Authority (1%). The Council's Budget included retained Business Rates income of £32.134m for 2015/16, which represents 49% of the net Business Rates income of £65.580m. Business Rates income has historically been very volatile making it difficult to forecast accurately.

6.2 The forecast outturn at the end of October 2015 is a surplus of -£2.922m on Business Rates income. This is a decrease of £0.011m compared to the surplus previously reported (-£2.933m) for the end of September 2015. The variation is due an increase in gross charges (+£0.052m), small business rate relief (+£0.028m) mandatory rate reliefs (+£0.123m), discretionary rate reliefs (-£0.002m) and other rate reliefs supported by Section 31 grants (-£0.191m).

6.3 The forecast surplus will be distributed between the Government, the Council and the Fire and Rescue Authority as follows:

Business Rates Surplus (-) to be distributed	%	£'000
Central Government	50	-1,461
Sefton Council	49	-1,432
Fire & Rescue Authority	1	-29
<b>Total</b>	<b>100</b>	<b>-2,922</b>

6.4 Due to Collection Fund regulations, the Business Rates surplus will not be transferred to the General Fund in 2015/16 but will be carried forward to be distributed in future years. The MTFP assumed a deficit of £324k would be transferred to the General Fund in both 2016/17 and 2017/18. The following table shows the forecast budget position including the Section 31 grants due in respect of small business rates doubling, retail relief, new empty property relief, and reoccupation relief:

Impact on Budget / MTFP	2015/16 £'000	2016/17 £'000
Forecast Business Rates Surplus (-) / Deficit		-1,432
Less Deficit Forecast in MTFP		-324
Section 31 Grant - Business Rate Reliefs	-229	
<b>Total</b>	<b>-229</b>	<b>-1,756</b>

6.5 Members should be aware that changes to the rating list as a result of appeals and the number and value of appeals at the year-end could have a significant influence on the final outturn position.

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## 7. Ultra Low Emission Pool Vehicles

- 7.1 The scheme to acquire two low emission pool vehicles was considered and approved by the Strategic Capital Investment Group on Monday 2<sup>nd</sup> November and is now being put forward for consideration by Cabinet to add this scheme to the Capital Programme.
- 7.2 The scheme which forms part of a Liverpool City Region initiative, includes the provision of two Ultra Low Emission pool vehicles for use by Sefton Council Staff for business purposes.
- 7.3 The two vehicles will be leased over a period of two years at a cost of £5,356 per year. The leasing costs of the vehicles will attract 75% grant funding from the Office of Low Emission Vehicles for the period of 2 years (£4,016). The balance of funding will be provided by reduced payments of car allowances for the two year period (see below).
- 7.4 A fleet review was undertaken by the Energy Savings Trust which identified that the provision of two ultra-low emission vehicles, for use for Sefton Council business miles, would achieve savings in the region of £14,000 over 2 years (based on 10,000 miles per year for each vehicle). The financial savings will be achieved through the replacement of vehicle mileage claims by members of staff with the use of the ultra-low emission pool vehicles. For instance the Ultra Low Emission Vehicle, taking into account the grant funding, costs 10p per mile and the mileage claim rate is 45p per mile therefore a saving of 35p per mile will be achieved.
- 7.5 Cabinet is recommended to add £10,712 to the Capital Programme.

## 8. Car Parking Charges

- 8.1 As part of the budget savings to be made for 2015/16 and which were accepted by Council at its meeting of the 5th March it is proposed to introduce parking charges on the car parks identified below. The Cabinet Member (Regulatory, Compliance and Corporate Services) has recommended the following charges for the car parks:

Crosby Lakeside Adventure Centre, Waterloo  
Blucher Street, Waterloo  
Burbo Bank, Blundellsands  
Sumner Road, Formby (max 2 hour stay)

It is proposed that the charges on the car parks will be:

Up to 30 mins	20p
Up to 2 hours	90p
Up to 4 hours	£1.70
Over 4 hours	£3.40

An annual pass will be made available for use on the seafront car parks at a cost of £35 per annum.

## **9. Grant offer for central heating installation across the Liverpool City Region**

- 9.1 Over recent months, officers have been preparing a bid (with the Liverpool City Region) to the Department of Energy and Climate Change (DECC) for grant funding for vulnerable occupiers of properties that do not currently have gas central heating.
- 9.2 The Council has now received an offer from DECC of grant funding for vulnerable households. If accepted, the Council will receive £417,900 from the DECC and further national funding, received directly by other partners, of £239,500. The Council will be required to contribute £15,000, which will be met from an existing external fuel poverty fund for 2015/16 and 2016/17. In total, an investment of £672,400 can be achieved.
- 9.3 As a result, 150 households across LCR who are fuel poor, and who do not have gas, will benefit from free installation of central heating systems. Southport is a key target area (across the LCR) due to the low number of properties who have access to gas for central heating. The installation work has to be completed by 31 August 2016 (although it may be able to be extended by written agreement from DECC).
- 9.4 In accepting the bid, Sefton will be the official “Accountable Body”, and as a result will be responsible for completing grant claims and ensuring that the grant received is spent as the scheme intended. The scheme is not yet in the Capital Programme, hence, if Cabinet is minded to approve the scheme, approval will need to be given to include it in the Programme.

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## 2013-16 LISTED BUDGET SAVINGS PERFORMANCE AT OCTOBER 2015

<b>Savings achieved to date</b>	16,732,850
<b>Progress is Satisfactory</b>	7,438,896
<b>Risk of savings not being fully achieved</b>	2,093,450
<b>Known shortfalls or significant risk that savings will not be achieved</b>	2,893,450
<b>Total of Savings</b>	<b>29,158,646</b>

		SAVING REQUIREMENT	Red	Amber	Green	Blue	Comment
2012/13 E2.8	Area Finance / Finance Visiting Officers - Review	25,000			25,000		The proposed restructure of the Welfare Rights, ELAS , Financial Assessment, Payment and Billing Teams associated with approved savings RTC55 and E2.8 was originally presented to Trade Unions on 15 July. During the subsequent consultation period revised job descriptions were presented for evaluation. These have been subject to consultation and moderation and a revised restructure has been presented to Trade Unions and staff. It is anticipated, subject to completion of consultation, that the changes will be implemented from 1 December 2015. It is anticipated that the full savings will be realised by March 2016.
2013/14 E2.8	Area Finance / Finance Visiting Officers - Review	75,000	33,800		41,200		The proposed restructure of the Welfare Rights, ELAS , Financial Assessment, Payment and Billing Teams associated with approved savings RTC55 and E2.8 was originally presented to Trade Unions on 15 July. During the subsequent consultation period revised job descriptions were presented for evaluation. These have been subject to consultation and moderation and a revised restructure has been presented to Trade Unions and staff. It is anticipated, subject to completion of consultation, that the changes will be implemented from 1 December 2015. It is anticipated that the full savings will be realised by March 2016.
2014/15 I1.3	Financial Assessments	250,000	250,000				Work ongoing to identify and allocate savings.
2015/17 No Ref	MTFP adjustment 14/15 growth £3.9m to £3m	900,000				900,000	The Community Care budget has been reduced by this amount in 15/16. This budget will be closely monitored during the year to ensure deliverability of this saving
2015/17 Ref 2	Community Equip't - Improved efficiency	72,000				72,000	Actions have been taken to ensure this saving is achieved. However there is an increased demand pressure on the community equipment budget in 2015/16 with more clients requiring support due to the increased developments in Community Services. The demand pressures are being funded from within the Better Care Fund.
2015/17 Ref 28ii	Day Care - Day Care Review	250,000	160,000		90,000		Negotiations are underway with the provider, however contractual notice periods may impact on the amount saved in 2015/16

		SAVING REQUIREMENT	Red	Amber	Green	Blue	Comment
2015/17 Ref 29	Adult Social Care - Social care services will be required to contain net demographic growth within existing budgets for the duration of the plan. The figure has been adjusted to reflect Cabinet's previous decision relating to the underachievement of the services 2014/15 budget savings requirement. This assumption will need to be kept under close scrutiny to ensure deliverability	1,000,000				1,000,000	The Community Care budget has not been increased in 15/16 for potential demographic growth. This budget will be closely monitored during the year to ensure deliverability of this saving
2015/17 Ref 55	Client Contribution - Restructuring and integrating the above service with the specialist Substance Misuse Housing and Welfare Rights Team	54,000			54,000		The proposed restructure of the Welfare Rights, ELAS , Financial Assessment, Payment and Billing Teams associated with approved savings RTC55 and E2.8 was originally presented to Trade Unions on 15 July. During the subsequent consultation period revised job descriptions were presented for evaluation. These have been subject to consultation and moderation and a revised restructure has been presented to Trade Unions and staff. It is anticipated, subject to completion of consultation, that the changes will be implemented from 1 December 2015. This saving will be achieved in full in 2015/16 due to current vacancies/agreed VRs.
2014/15	Disabled Facilities Grant - Capitalisation	1,000,000			1,000,000		Depends on sufficient alternative resources being identified.
2014/15 C12.5	Cash limit general non-pay budgets in 2013/14 and 2014/15 (retains £0.5m excessive inflation provision in each year and retains inflation for specific contracts)	3,250,000				3,250,000	Budget reduced. Only risk is if departments cannot remain within cash limited budgets due to excessive inflationary increases, e.g. utilities costs.
014/15 F3.1, F3.3, F4.2 & D1.28	Review of Commissioning - reducing funding support to community groups - Commissioning & Neighbourhood Coordination	261,000		261,000			This is a Council wide saving which impacts on all VCF budgets, and cannot therefore be achieved in full from Commissioning and Neighbourhood Coordination. The saving will impact on the Council wide VCF review which is forecast to take effect in 2016/17.
2015/17 Ref 25	General inflation provision - Remove general inflation provision set in MTFP at 2%. This will require all services to deliver general efficiency in the delivery of all services	2,180,000				2,180,000	Budget Provision reduced.
2015/17 Ref 27	Levies - Merseyside Waste and Recycling Authority and the Integrated Mersey Transport Authority have been requested to support the Council by finding 10% efficiency savings in setting their budgets for 2015/16/17	1,700,000	509,150			1,190,850	MRWA Levy did not reduce (although Transport Levy reduced by more than anticipated to partially offset this). Full saving (additional £2m reduction in 2016/2017) will need to be discussed with levying bodies.

		SAVING REQUIREMENT	Red	Amber	Green	Blue	Comment
2015/17 Ref 28i	Review of previous budget assumptions and implications of previous budget decision - The estimates of the financial implications of all budget decisions have been reviewed in the light of implementation of options and subsequent changes in service demand. The original Medium Term Financial Plan can be revised to take account of this updated information.	765,000				765,000	Budget provisions reduced for Corporate Items. £136,000 relates to Building Maintenance recharges to Capital.
2015/17 Ref 95	New Options - Funding of highways, ICT and other developments from capital resources	1,000,000			1,000,000		Will be achieved subject to identification of suitable relevant expenditure through the year.
2015/17 Ref 97a	New Options - Remove the discretionary support to Parish Councils for Council Tax Reduction Scheme	25,000				25,000	Parishes notified and payments reduced.
2015/17 Ref 98	Budget Planning Assumptions - Management Arrangements	300,000				300,000	First stage of Senior Management Restructure completed from which saving will be achieved.
012/13 C5.1	Children in Care - Reduce Care Package Costs	396,000	396,000				This saving (£396k) is part of a £1.188m saving proposal phased over 3 years commencing 2012/13. It was very much in line with the Department's strategy to reduce our reliance on children placed in high cost Residential Care/Independent Foster placements and move them towards less expensive In-House Fostering with better outcomes for the child. The Department has made, and is continuing to make progress in this respect. However, Government policy and Family Court practice has been to increase the speed and number of children achieving permanence through Adoption; Special Guardianship and Residential Orders. There is an ongoing financial support associated with this practice, which has led to a significant financial burden on the Authority. Special Guardianship Orders overspent by £634k and Adoption Allowances by £148k in 2014/15, the latter of which was partially offset by one-off Adoption Reform Grant. These areas are forecast to overspend in 2015/16. <b>*The number of Looked After Children currently stands at 453. These savings assume LAC numbers remaining at 400.</b>
2014/15	Review pathway of support for children with additional needs to increase effectiveness and efficiency	400,000				400,000	Achieved - This is based on a Health Contribution of 25% of the total cost of the new Respite Service
2014/15 D1.7	Social Care Commissioned Services - travel efficiencies	100,000				100,000	Achieved - Saving comes from work done via the restructured social care sections from 3 budget areas - reduced family support / Residency Orders / Care Matters

		SAVING REQUIREMENT	Red	Amber	Green	Blue	Comment
2014/15 E2.1	Review of the Commissioning of all residential care beds	600,000	395,000			205,000	This was part of a £1m saving phased over two years. Year 1 (2013/14) was set at £400k and was fully achieved through a restructure of In House Residential care. The balance (£600k) was for achievement in 2014/15 and was to be partially met from ongoing savings arising out of the In House Residential review (£305k), with the remainder (£295k) to be met from savings around Social Care Residential Agency Placements. In respect of the In House Residential saving, this was achieved except for £100k which was due to unexpected additional pay costs at Springbrook paid in October and in respect of overtime/relief staff for all homes. In respect of the Social Care Residential Agency placement saving, none of this was achieved as there was an overspend against the budget of £573k in 2014/15. There is currently a £1.00m projected overspend on Social Care Residential Agency placements in 2015/16. <b>*The number of Looked After Children currently stands at 453. These savings assume LAC numbers remaining at 400.</b>
2014/15 I1.4	Customer Access Point	250,000	250,000				Work ongoing to identify and allocate savings.
2015/17 Ref 59	Outreach Respite Recovery - Restructure the delivery team	96,000		96,000			This team is now part of the Community Adolescent Service and the budget reduction is currently being considered. Likely saving will not be achieved until March 2016
2015/17 Ref 60	Locality Assessment - Redesign of Common Assessment Framework team Implement a stronger Lead Practitioner model Implementation of electronic –common assessment framework (E-CAF)	72,000				72,000	Achieved
2015/17 Ref 64	Children's administrative support - Service redesign	43,000			43,000		The 2015/16 of £43k saving is currently 'not yet achieved but in progress'. A review of the administrative support structure has been completed and proposals for a restructure are currently being prepared, which if approved (and subject to consultation) will result in achieving the total saving of £63k (£20k in 2016/17). It is anticipated that the proposed restructure will be presented in late November 2015.
2015/17 Ref 97b	Budget Planning Assumptions - Review of services for vulnerable children	350,000	350,000				Likely to be unachievable - residential agency budget forecast to be significantly overspent.
2014/15 E2.6	Central Support	202,000			202,000		Through a reorganisation of Support and Development Services the saving is on target to be achieved, although this will need to be reprofiled against the original proposal, following consultation and review with Service Directors' and Heads of Service
2015/17 Ref 11	Procurement - Reduction in non-staffing expenditure	16,000			16,000		This can be removed from the budget and is achieved.
2015/17 Ref 7	Commissioning - Decrease in non-staffing expenditure	36,000				36,000	Actions have been taken to ensure this saving is achieved
2014/15 C5.4	Parks incl Nursery and net of frontline - Further changes to Parks Management and standards in parks (saving requirement £50,000)	19,000				19,000	The original saving was predicated on the negotiation of a discount on the inflationary element of the grounds maintenance contract. The inflationary increase was to be 1% less than indicated by the relevant index, provided that the index increased by at least 2%. In the event the relevant index registered a nil increase, which meant that although the negotiated reduction was redundant, the saving has actually been overachieved.
2014/15 F1.5	Parks and Green spaces - Increase Fees - allotments (saving requirement £40,000)	15,000			15,000		Of the £40k savings requirement in 2014/15 – only £25k was achieved because of the notice period required for fee increases for allotment holders. The full £15k saving is therefore expected to be achieved this year.



		SAVING REQUIREMENT	Red	Amber	Green	Blue	Comment
2015/17 Ref 35	Libraries - Review of operation and management of libraries including book fund and opening times	200,000				200,000	Saving will be achieved in 2015/16
2015/17 Ref 39	Neighbourhoods - Reduction and re-prioritisation of activity	150,000				150,000	Saving will be achieved in full in 2015-16'
2015/17 Ref 44	Parks Maintenance - Botanic Gardens Shop Closure	15,000				15,000	The 2015/16 phased saving has been overachieved due to early implementation of an appropriate solution, part of 2016/17 phased saving will be achieved during 2015/16
2015/17 Ref 46	Parks Maintenance - The recharging of the cost of statutory checks to sports pavilions and repairs and maintenance of sports pavilions and associated hard infrastructure to sports users.	15,000			15,000		Saving likely to be achieved during 2015/16 subject to no decrease in use and full recovery of income from user groups
2015/17 Ref 47	Further Changes in Style and Standards of Parks Management - Further Changes in Style and Standards of Parks Management	80,000	30,000		50,000		This saving cannot be fully achieved until the parks have been redesigned and contractual changes have been implemented, it is envisaged that a part saving of £50k will be achieved in 2015/16 with the remaining £30k in 2016/17.
2015/17 Ref 48	Parks Maintenance - Reduction in GM Contracts	60,000	30,000		30,000		This saving is based upon a contractual arrangement which will result in a £30k saving being achieved over the two year (2015/17) budget period.
2015/17 Ref 58	Youth Offending Team - Merge services and potential to reduce management capacity	120,000				120,000	Achieved
2015/17 Ref 72	Arts - Review management and opening times at the Atkinson	120,000		60,000	60,000		Review completed and implementation started on 5th May 2015. Due to notice periods there will be a reduced saving in 2015/16, but the saving will be achieved in full in future years.
2014/15 C12.1	Learning and Development	50,000			50,000		Saving is likely to be achieved.
2014/15 C12.2	Increased housing benefit grant from reduced error rates	250,000			250,000		Anticipated that saving will be achieved from prescribed area.
2014/15 E4.1	Learning and Development (saving requirement £75,000)	16,000		16,000			Charging regime now in place from April 2015 after Learning and Development Board approval exact figure to be achieved dependent upon take up of places
2014/15 E4.2	Review of Corporate Support Services (saving requirement £114,000)	20,000				20,000	This saving has been achieved
2015/17 Ref 19	Finance - Reduced debt management charges	390,000			390,000		On Target
2015/17 Ref 28b	Reduced accommodation costs - Lease on Houghton Street	76,000	76,000				Saving unachievable as it is a duplication of 2015/16 Saving Ref 67 (£60k).
2015/17 Ref 67	Property Management - Closure and disposal of operational properties	60,000				60,000	Saving expected

		SAVING REQUIREMENT	Red	Amber	Green	Blue	Comment
2015/17 Ref 80	Learning & Development - Reduction in activity associated with learning and development	80,000		80,000			Amalgamation of budgets to take place, Employee VER/VR and Apprenticeship charging subject to Finance assistance
2015/17 Ref 81	Personnel - Reduction in Personnel resource and efficiency savings	100,000				100,000	Achieved
2013/14	Management fee reduction - Formby Pool Contract	50,000		50,000			Independent review has taken place and the results have indicated that discussions should take place with a view to revising the Contract Management fee. These discussions are progressing. It is anticipated this saving will be found from elsewhere within the service.
2014/15 C10.2	Eze Fitness contract - terminate	18,000				18,000	Saving will be achieved in 2015/16
2015/17 Ref 20	Health Protection and Infection Control - Efficiency following re-procurement of service	52,000				52,000	Savings have been identified and can be met in 2015/16
2015/17 Ref 26	Additional public health grant - Utilise increase in the public health grant to support the ongoing delivery of the Council's Health and Well Being strategy priorities	544,000				544,000	SLT Paper approved to use the <b>2014/15</b> public health grant support the co - commissioning of Health Trainers over 3 years on a non recurrent basis. The Public Health grant for 2015/16 has been allocated to the efficiency savings. <b>This target has been met.</b>
2015/17 Ref 52- Revised	New Options - Review of the CHAMPS service - improved commissioning across Merseyside; reduced social marketing activity and reduction in support for health protection.	28,000				28,000	The saving has been identified and agreed within 2015/16.
2015/17 Ref 53	Sports Leisure - Review and Restructure Management/Administration/Operations including deletion of Service Manager post. Retender direct debit collection. Reduce agency payments. Energy efficiency.	470,000		54,450	20,000	395,550	Review and restructure completed and implemented on 5th May. Due to notice periods there will be a reduced saving in 2015/16, but the saving will be achieved in full in future years.
2015/17 Ref 73	Sports Leisure- Active Sports - Increase in income due to increased charges and new programmes	84,000		54,000	20,000	10,000	Charges increased on 1st April. Programmes started at the beginning of the schools holidays in July, with good attendances.
2015/17 Ref 74	Sports Leisure Aquatics - Maximise pool time at Meadows offering more swimming lessons to meet demand	36,000		5,000	26,000	5,000	Some increase in demand already, but needs to be monitored over the year.
2015/17 Ref 75	Public Health-Internal restructure to reflect the need to strengthen the influencing role of the team, and reduced need for commissioning capacity	316,000				316,000	Public Health have restructured the existing 2014/15 team and efficiency savings have been identified and met for 2015/16.

		SAVING REQUIREMENT	Red	Amber	Green	Blue	Comment
2015/17 Ref 83	Integrated Wellness - Integration of Lifestyle services	1,500,000		500,000	1,000,000		Full Target savings have not been achieved as the final IWS specification has to agreed by cabinet. It is unlikely a new commissioned service will be in place before September 2016. Extending existing contracts will result in approx 250K per quarter more than the planned cost of the new service.
2015/17 Ref 84	Substance Misuse - Reduction in Substance Misuse spend	300,000				300,000	Public health will make full saving of £300k for 15/16.
2015/17 Ref 85	Affordable Warmth - Cessation of SEARCH scheme and Easier Breathing Project	54,000				54,000	The funding has been ceased and public health can confirm savings target has been met for 2015/16.
2015/17 Ref 87	Public Health - Reduction in funding for commissioned intelligence work	50,000				50,000	Efficiency savings have been identified and public health can confirm target has been met for 2015/16.
2013/14 D1.25	Re-financing the Mersey Forest subscription to make a saving on the revenue budget; accept voluntary reduction in working hours from two staff; and make further savings in supplies and services	18,650				18,650	The commitment to pay an £18,650 annual subscription for the Mersey Forest ended in March 2015. Until that point the saving was identified as being unachievable. In 2015/16 the subscription has been renegotiated to a lower figure which can be contained within the fully reduced 2015/16 budget. The saving will therefore be made in full.
2014/15 D1.9	Budget re-alignment of salaries to be funded from grants, contracts and reserves	116,000	116,000				This saving cannot be achieved. The Economic Development Service only has a core budget of £197,650, part of which is to fund the Head of Service. Part of this budget is being transferred to Regeneration and Housing as part of the Senior Management Restructure. The capacity of the service to generate surpluses from externally funded projects is limited as most European funded projects only provide 50% - 60% grant support, with the remaining 40% -50% match funding mainly coming from Economic Development reserves. These reserves continue to diminish as none of the staff involved in these projects are core funded.
2015/17 Ref 22	Tourism - Revised estimate following policy decision	27,000		27,000			Currently tendering new concessions that should generate income to meet the 27k requirement. However we may receive a reduced income from the Pier for 15/16 and will make a substantial loss on the ice cream licence agreement for Kings Gardens (worth over 20k). This potential loss of income needs to be factored into any judgement about the ability to achieve the saving. Consequently there remains a risk that the saving will not be fully achieved.
2015/17 Ref 63	14-19 Services - Changes to commissioning arrangements for Information, Advice & Guidance	80,000				80,000	Achieved
2015/17 Ref 91	Tourism - Additional income from events	13,000			13,000		As the target is built around income generation, achievement is dependent on market response. To date, the events are ahead of the previous year so the additional income should be achieved. The fireworks event, held at the beginning of October 2015, benefitted from favourable weather conditions and is likely to have an improved financial performance (compared to the 2014 event) of about £19K. Income levels will, however, remain potentially volatile and achievement of savings this year will not guarantee a similar outcome in future years.
2013/14	Street Lighting - Review of lighting options	15,000	15,000				Pilot Street Lighting switch off scheme A565 and A59. The savings achieved have been negated by the increase in provider electricity unit rate charges in September 2013
2014/15	Street Lighting - Review of lighting options	49,000	49,000				These savings have been negated by the increase in provider electricity unit rate charges in September 2013. The scheme still delivered a reduction in energy need and no action would have resulted in an increase in the funding requirement.

		SAVING REQUIREMENT	Red	Amber	Green	Blue	Comment
2014/15	Investment & Infrastructure - Increase income from Network Management	12,000				12,000	Achieved
2015/17 Ref 33	Highways Infrastructure - To continue for a further 2 years the reduction of £800k which was introduced as an annual saving in previous years	800,000				800,000	Spend will be restricted within the available (reduced) budget.
2015/17 Ref 33	Highways Infrastructure - Reduction in Highways Maintenance programmes to focus on preventative, critical and high risk works'	160,000				160,000	Spend will be restricted within the available (reduced) budget.
2015/17 Ref 49	Coast - Reduction to visitor and site management activities. Extension to the length of the life guard contract on reduced terms. Car-parking income charges	75,000			56,000	19,000	The 2015/16 phased saving will be overachieved, part of 2016/17 phased saving will be achieved during 2015/16 due to early implementation of an appropriate solution.
2015/17 Ref 65	Highway management, development, design and safety - Changes to charges Service reorganisations	170,000			170,000		Changes have been introduced and are being monitored, service changes are on-going. Income to offset expenditure on Permits currently on target. Overall savings currently on target however income can fluctuate but will be monitored closely
2015/17 Ref 68	FCERM (Flood and Coastal Erosion Risk Management) - Reduction in service, Reduced response times. Reduction in works delivery	82,000			44,200	37,800	Allocation of funding to Capital plus reduction in revenue funding achieved. Service revision will deliver the balance of the saving (£44.2K)
2013/14 C6.1	Commercial waste increased income	100,000			100,000		Additional income was difficult to achieve in 2013/14 and 2014/15, in part due to the general economic downturn across the private sector. An Officer post has been dedicated to generating additional business opportunities to maximise potential additional sources of income in 2015/16. In addition, new marketing and promotional systems are in place.
2013/14 C6.4	Catering - Other catering activity (income target)	100,000			100,000		Saving is being achieved
2013/14 C6.5	Vehicle Management and Mtce - MOT Testing (income target)	7,600			7,600		£42,400 of total saving requirement of £50,000 achieved in 2013/14. Second MOT bay now operational therefore full saving expected to be achieved in 2015/16.
2013/14 D1.19	Street Scene - Building Cleaning - change frequency of office cleaning	19,000			19,000		Due to the closure of a number of Council buildings there was a slight under-achievement of this saving target. However, new additional income and a review of the operation of the service should result in the achievement of the savings in 2015/16.
2013/14 D1.32	Public Conveniences increase charges	40,000			40,000		Savings were not achieved in previous years due to one off costs of fitting coin mechanised doors at facilities that were previously provided free of charge. This reduction is being achieved in 2015/16 but continues to be dependant on the level of maintenance and vandalism costs.
2014/15	Cleansing - Charge for Green Waste collections - A 2014/15 / 2015/16 proposal for an opt-in charge	1,000,000				1,000,000	Saving achieved

		SAVING REQUIREMENT	Red	Amber	Green	Blue	Comment
2014/15 C6.2	Public conveniences reviewed for efficiency savings	20,000		20,000			Savings were not achieved due to one off costs of fitting coin mechanised doors at facilities that were previously provided free of charge. Savings may be achieved in 2015/16 but will be dependant on the level of maintenance and vandalism costs. Although charges have been increased / introduced, the financial benefit to the Council has been less than expected due to the relative ease of avoiding payment (particularly at busy periods). This issue is currently being reviewed.
2014/15 C6.2	Public conveniences reviewed for efficiency savings	20,000			20,000		This saving is being achieved in 2015/16 but continues to be dependant on the level of maintenance and vandalism costs.
2014/15 C6.6	Careline Service/Security Force (income target)	75,000		75,000			Some additional income has been achieved so far, leaving £75k still to be found. However, there is a pressing need to introduce a Direct Debit collection system to meet customer expectations and assist with the development of income generating opportunities, however this system is yet to be introduced.
2014/15 D1.19	Street Scene - Building Cleaning - change frequency of office cleaning	50,000		50,000			Due to the closure of a number of Council buildings this saving target may not be achieved. This will be reviewed further over coming months.
2014/15 D1.33	Cleansing Service - Reorganisation of workload and work patterns	25,000			25,000		On track to be achieved.
2014/15 F2.1	Street Cleansing - Bulky Items Collection Service - Restructure Crews and introduce charge for bulky items	60,000		15,000	45,000		It is expected that the service will recover at least £45k of this, and plans are currently being developed to try and address the projected £15k shortfall by year end.
2015/17 Ref 3	Burials and Cremations Service - Increased income as result of increased service activity	390,000			390,000		This saving should be achieved subject to continued demand for funeral services
2015/17 Ref 32	Street Cleansing - Further expand the use of electric vehicles and reduce the number of cleansing operatives delivering a manual service	360,000			360,000		The whole Street Cleansing Service is currently being reviewed in terms of efficiencies and deliverability. At this stage it is expected that the full required saving will be achieved during the year.
2015/17 Ref 4	Catering Services - Increased income as result of increased service activity	66,000			66,000		A planned increase in service activity over the year has enabled the required additional income to be generated.
2015/17 Ref 5	Commercial Waste Skips Services - Increased income as result of increased service activity	45,000			45,000		The Commercial Waste Service continues to develop additional external opportunities and new external contracts. As such, it is expected that the additional income target will be achieved during the coming year.
2015/17 Ref 70	Public Conveniences - Closure of all public conveniences	60,000		60,000			Closure of the public conveniences is to be achieved on a phased basis over a two year period. Plans continue to be developed with a view to deliver the operation of the public conveniences at no cost to the Council.
2015/17 Ref 71	Bulky Items - Increasing collection charge from £7.50 to £10 per collection	48,000			48,000		The new increased charge, coupled with the return of previously leased vehicles and the subsequent reduction in transport costs, should deliver the required saving by year end.

		SAVING REQUIREMENT	Red	Amber	Green	Blue	Comment
2015/17 Ref 8	Sefton Care Line and Sefton Securities - Increased income as result of increased service activity	238,000		238,000			Additional income is being achieved via additional external activity relating to fire and intruder alarms and CCTV installations. However, there is still a need to define the scope of internal work which can be provided via Sefton Arc and also to develop the business model to meet the increasing requirements for the use of Assistive Technology in all relevant areas via social work teams, re-ablement work, etc. This will have a positive impact upon income generating opportunities for the Council but still requires further development. Work is continuing to identify and provide opportunities for SeftonArc to undertake an increasing volume of previously outsourced functions.
2015/17 Ref 88	Catering - To increase the charge for each meal by 10p in September 2015 (start of the school term) and by a further 10p from September 2016	200,000		200,000			The increase in the price of a school meal has been designed to generate the required level of additional income. It was expected that there would be no negative effect on school meal take up. This is currently being evaluated since the introduction of the new price in September. It is expected that by December there should be a clear indication as to longer term income patterns across all schools, and as such, a more accurate ability to predict income achievement against budget assumptions.
2015/17 Ref 89	Building Cleaning - To increase fees and charges to schools	70,000		70,000			Contract fees and charges are being increased across all external contracts operated by the Building Cleaning Service. As clients renew each contract there will be more certainty that the required level of additional income will be generated by year end.
2015/17 Ref 90	Commercial Waste - To increase fees and charges	10,000			10,000		Fees and charges have been increased accordingly and it is expected that the Commercial Waste Service will provide the necessary increase in income by year end.
2015/17 Ref 93	New Options - Increase Cremation and Burial Fees by 5% above inflation	150,000			150,000		Fees have been increased and this saving should be achieved subject to continued demand for funeral services
2015/17 Ref 28i	Building Maintenance - Recharge Salaries to Capital Schemes	136,000			136,000		On Target
2015/17 Ref 37	Housing Standards - Reduction in housing enforcement services including cessation of corporate illegal traveller sites co-ordination	40,000		40,000			One Technical Officer post has been deleted from the establishment and other adjustments will achieve the financial saving required. The saving was linked to an 'approved proposal' to cease corporate illegal traveller site co-ordination services. This has been reviewed by Legal Services, who indicate that the Council has a legal obligation to provide this, or similar, service. <b>EC Panel have approved to increase a member of the team's working week from 28 to 36 hours - the cost of this will be offset by an increase in income from 4 new pitches at the Gypsy site.</b>
2015/17 Ref 40	Planning - Realign and reduce revenue budgets – including consultancy budgets	72,000				72,000	Achieved
2015/17 Ref 41	Planning - Increase in income across parts of the service Development Management, Building Control, and Technical Support [land charges] in light of economic forecast	130,000			130,000		On Target
2015/17 Ref 43	EEMS (Energy and Environment) - Reduction in Carbon reduction service and community energy service	42,000				42,000	Reduction of discretionary spend budget, deletion of post, use of external funds = yr1 & 2 savings target achieved.
2015/17 Ref 9	Home Improvements DFG - Re-profiling the allocation of costs and increasing the level of recharges	10,000			10,000		Saving on target to be achieved.

		SAVING REQUIREMENT	Red	Amber	Green	Blue	Comment
2015/17 Ref 92	New Options - Funding revenue consequences of planning projects from Section 106	500,000			500,000		Will be achieved subject to identification of suitable relevant expenditure through the year.
2014/15	Area Committees - Reduce from 7 to 3	5,000			5,000		Anticipated that saving will be achieved from Democratic Services Budget
2014/15	Parking - Strategic Review of Parking	100,000			100,000		Proposals relate to charging, technological improvements and replacement of equipment. Budget Council on 6th March 2014 agreed to reduce this saving from £300k to £100k.
2014/15 D1.30	Built Environment - Pest Control - introduction of a charge (saving requirement £10,000)	1,500	1,500				2014 - 15 £1.5k of £10k income target not achieved . Target is also unlikely to be achieved in 2015/16
2015/17 Ref 1	Registration Service - Increased income as result of increased service activity	54,000			54,000		This saving should be achieved subject to continued demand for wedding services
2015/17 Ref 12	Member's Allowances - Reduce the budget provision for Members Allowances –as agreed by the Council on 5 July 2012	35,000				35,000	This has been removed from the budget and is achieved.
2015/17 Ref 21	Civic Services - Civic Services (Attendants) – Voluntary Redundancy	20,000				20,000	This has been removed from the budget and is achieved.
2015/17 Ref 23	Trading Standards - Deletion of vacant post and reduction in supplies / services	114,000			114,000		On Target
2015/17 Ref 24	Democratic Services - Voluntary reduction in support staff hours	14,000				14,000	This has been removed from the budget and is achieved.
2015/17 Ref 42	Trading Standards - General reduction in enforcement activity. Limit resident service request response	55,000				55,000	Deletion of two posts. Saving achieved.
2015/17 Ref 50	Environmental Health - Reduction in front line environmental health regulatory services. Reduction in pest control services but retain full rat control service	200,000			50,000	150,000	Saving will be achieved by 31/03/2016
2015/17 Ref 6	Coroners - Shared service agreed cost reduction due to completion of mortgage	24,000				24,000	Saving achieved
2015/17 Ref 66	Parking - Review of service and charging regimes	180,000	180,000				The £180K is made up of two elements. £80K is achievable following the introduction of new car park charges. However the time frame for that being achieved has slipped a little and will become fully effective in 2016/17. £100k relates to a proposal to cease the refund of car park charges at both Bootle and Dunes Leisure Centres. Due to a range of factors including the expansion of capacity at these centres and the competitive nature of the leisure industry, officers are now of the view that the removal of the car park refund would impact adversely on the commercial effectiveness of the leisure centres, to the extent that it would bring into question the current business planning assumptions.

		SAVING REQUIREMENT	Red	Amber	Green	Blue	Comment
2015/17 Ref 69	Regulatory Services Support - Reduction in administrative support due to changes in working practices and increase to online services	24,000			24,000		On Target
2015/17 Ref 78	Legal Services - Restructure of the legal management department Removal of the Monitoring Officer's budget.	134,000			134,000		On Target
2015/17 Ref 10	SEN 0-4 Inclusion Funding - Improved efficiency	12,000				12,000	Achieved
2015/17 Ref 13	Learning Support - LAC - Reduction in the LA budget	10,000				10,000	Achieved
2015/17 Ref 14	Complementary Education - Removal of vacant posts from the establishment	51,000				51,000	Achieved
2015/17 Ref 15	Education Psychology - Spend to be directed to DSG High Needs Funding	25,000				25,000	Achieved
2015/17 Ref 16	SEN Assessments & Monitoring - Spend to be directed to DSG High Needs Funding	36,000				36,000	Achieved
2015/17 Ref 17	DCATCH - The scheme has already closed to new pupils, saving reflects cohorts of pupils completing the programme	15,000				15,000	Achieved
2015/17 Ref 18	LEA playing fields maintenance - Improved efficiency in maintenance scheme	52,000				52,000	Achieved
2015/17 Ref 57	Attendance Welfare Service - Improved administration of legal procedures. Reduced eligibility for service interventions. Increase income	50,000				50,000	Achieved
2015/17 Ref 61	School Standards and Effectiveness - Reduction in the Local Authority support provided to schools which are not in receipt of statutory intervention, requiring improvement or are assessed at risk of being less than good	60,000				60,000	Saving achieved.
2015/17 Ref 62	Schools Regulatory Services-An end to end review of activity, policies, procedures and processes.	60,000		18,000	42,000		£18K unlikely to be achieved salary costs
2013/14 C11.2	Improved procurement of Council wide communications activity	10,896			10,896		It is anticipated that this saving will be achieved in the prescribed area



	SAVING REQUIREMENT	Red	Amber	Green	Blue	Comment
2014/15 C11.2 Improved procurement of Council wide communications activity	75,000	52,000		23,000		The 2014-15 saving of £75,000 was not achieved, and it is also unlikely it will be achieved in full in 2015-16. The £52,000 projected overspend reflects the fact that the potential impact of this non-achievement has been moderated by the inclusion of forecast income (£23,000) from the selling of advertising space on roundabouts
2015/17 Ref 76 Corporate Communications Team - Deletion of vacant posts and Team restructure	104,000		104,000			Restructure is now complete and it is anticipated that the full year saving will be achieved by the end of the budget plan period
<b>Use of One-Off Resources to Support the Budget</b>	930,000				930,000	
<b>Total Savings Requirement 2013-2016</b>	<b>29,158,646</b>	<b>2,893,450</b>	<b>2,093,450</b>	<b>7,438,896</b>	<b>16,732,850</b>	

SAVING  
REQUIREMENT

Red

Amber

Green

Blue

Comment

SAVINGS UNABLE TO BE ACHIEVED FROM SPECIFIC SERVICE AREA BUT WILL BE ACHIEVED FROM OTHER AREA WITHIN WHOLE OF SERVICE

**Total Savings Requirement  
2015/16 ie includes 12/13, 13/14  
and 14/15 continuing**

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29,158,646	2,893,450	2,093,450	7,438,896	16,732,850
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<b>Report to:</b>	Leader of the Council	<b>Date of Decision:</b>	13 November 2015
	Cabinet	<b>Date of Meeting:</b>	3 December 2015
<b>Subject:</b>	Sefton Local Plan - Further Post- Submission Changes	<b>Wards Affected:</b>	All
<b>Report of:</b>	Chief Executive		
<b>Is this a Key Decision?</b>	No	<b>Is it included in the Forward Plan?</b>	No
<b>Exempt/Confidential</b>	No		

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## Purpose/Summary

Since submission of the Local Plan for examination in August 2015, it is proposed to make a number of changes to take account of representations where they will help to secure that the Plan is 'sound', updated evidence and to make minor editorial changes etc. This is regarded as good practice. Cabinet has already approved two sets of proposed post-submission changes on 1 October 2015 and 5 November 2015.

## Recommendations

### Leader of the Council:

- (1) That the list of proposed post submission changes to the Local Plan as set out in Annex1 be approved for consideration by the Planning Inspector at the Local Plan examination; and
- (2) it be noted that the Leader of the Council and the Chair of the Overview and Scrutiny Committee (Regeneration and Skills) have given their consent under Rule 46 of the Overview and Scrutiny Procedure Rules for this decision to be treated as urgent and not subject to "call in" on the basis that it cannot be reasonably deferred because:
  - This is contrary to good practice and would delay the efficient progress of the examination hearings, which is likely to result in additional costs for the Council. The Inspector expects the Council to make a decision within a day or two;
  - This is not the final decision – following the completion of the hearings, the Inspector will include a set of proposed 'main modifications' in an interim report that are required to make the Local Plan 'sound. This will be agreed by Cabinet and published for consultation.

# Agenda Item 8

- ‘Additional’ or minor modifications have been delegated to the Cabinet Member: Planning and Building Control but would still be published as an issue and 5 days later as a decision, with the Rule 46 procedure applied to waive the call-in of these decisions.

**Cabinet:**

That the report on the urgent decision taken by the Leader of the Council be noted.

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

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

**Reasons for the Recommendation:**

To have in place a number of proposed changes to the Local Plan prior to the examination hearings which are due to begin in mid-November. This will help show how the Council intends to respond to a number of representations where it accepts the premise of the argument and which would help to make the Plan sound.

**Alternative Options Considered and Rejected:**

None. It is good practice to suggest post submission changes which the Council supports before the hearings stage of the examination of the Local Plan. This will also help to reduce the length of the hearings.

**What will it cost and how will it be financed?**

**(A) Revenue Costs**

Within the Local Plans budget

**(B) Capital Costs**

None

## Implications:

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

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

## Impact of the Proposals on Service Delivery:

None

## What consultations have taken place on the proposals and when?

The Chief Finance Officer has been consulted and notes the report indicates no direct financial implications for the Council. At this stage revenue costs can be met from existing budgets agreed for the Local Plan. (FD 3893/15)

The Head of Regulation and Compliance has been consulted and any comments have been incorporated into the report. (LD 3176/15)

## Implementation Date for the Decision

Immediately on publication of the decision.

**Contact Officer:** Ingrid Berry

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## Background Papers:

The representations to the Local Plan can be accessed via [www.sefton.gov.uk/localplan](http://www.sefton.gov.uk/localplan), the evidence base via [www.sefton.gov.uk/examlibrary](http://www.sefton.gov.uk/examlibrary)

# Agenda Item 8

## 1. Introduction/Background

- 1.1 The Local Plan for Sefton was submitted to the Planning Inspectorate on 3 August 2015. Mr Martin Pike has been appointed as the Planning Inspector to examine the Sefton Local Plan. On 24 September a Pre-hearing meeting was held. Following the Pre-hearing meeting the Inspector confirmed that the hearings will commence on Tuesday 17 November 2015 for a period of 4 – 5 weeks. However, this is subject to change depending on how the examination progresses.
- 1.2 As we progress towards the Examination hearings there is an opportunity for the Council to suggest to the Inspector proposed changes to the draft Local Plan. These are known as 'post submission changes' and a list of these is provided at **Annex A**.
- 1.3 Where changes affect the meaning or direction of a policy, these require Cabinet approval. Previous post submission changes were agreed by Cabinet on 1<sup>st</sup> October and 5<sup>th</sup> November 2015. It is likely that more changes will need to be approved as the examination progresses.
- 1.4 It is also good practice to agree 'statements of common ground' with objectors and to make changes that will help the Council present its case based on the Inspector's Matters, Issues and Questions, as these will form the basis of the discussion at the hearing sessions.

## 2. Further Proposed Post Submission Changes

- 2.1 The Council is proposing a further list of modifications it would like the Inspector to consider as part of the Local Plan examination. These are the third list of modifications that the Council has proposed since the Local Plan was submitted.
- 2.2 The modifications include a revised policy for the Land East of Maghull proposed development site. The amended policy sets out a requirement for the provision of two housing schemes, of 25 homes in each, within the site for older people. The amended policy also introduces a requirement that no applications for residential development will be permitted until a Supplementary Planning Document relating to this site has been adopted by the Council. There is also no longer a requirement for a contribution to the rail station as this will be constructed before the development starts.
- 2.3 The housing capacities on a small number of the proposed development sites have been decreased slightly to take account of new information on the flood risk on the sites.
- 2.4 The monitoring framework has been substantially updated. This is in response to one of the Inspector's questions. In addition to a list of indicators the framework now includes information on the current baseline information, targets or the direction of travel and an indication of what would happen if the target is not met. In general terms the implications of not meeting a target is that a review of the policy approach will be undertaken with the opportunity given to address any deficiencies in the relevant policy. The indicators in the monitoring framework will be reported in the Council's monitoring framework.

# Agenda Item 8

2.5 Additional modifications are proposed to add clarification to other Local Plan policies, including adding links, improving definitions, improving explanations and improving readability.

2.6 In addition, and in response to the Inspector's Matters, Issues and Questions, it is proposed to replace the Monitoring Framework in the Local Plan.

## **3. Next Stages**

3.1 Once the proposed changes are agreed we will submit these to the Inspector. The Inspector will consider the proposed changes and, if he is minded, recommend the Council includes them as Modifications to the Local Plan.

3.2 There are likely to be other modifications to the Local Plan arising from the examination hearings. The Council is required to consult on the main Modifications to the Local Plan before any changes are incorporated into the document prior to its adoption. These will need to be fed through on a daily basis as we have to respond to the Inspector in a very short timescale. For this reason, it is proposed that decisions relating to the Local plan should not be subject to normal 'call in' requirements.

3.3 When we have received the Inspector's preliminary findings on the Main Modifications, these will be submitted to Cabinet for approval before we have to advertise all the modifications to the submitted version of the Plan.

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## Further Proposed Modifications to Local Plan (6-11-15)

Mod type	Main mod reference	Local Plan reference	Proposed change
AMM		Index	Figure 6.1 inserted to reflect new Land East of Maghull diagram
MM	PMM.200	MN2	<p>Site areas and indicative capacities modified as follows:</p> <p>MN2.6 (new capacity: 174)</p> <p>MN2.18 (new site area: 0.4, new capacity: 12)</p> <p>MN2.36 (new capacity: 53)</p> <p>MN2.37 (new capacity: 29)</p> <p>Total site area and capacities amended accordingly</p>
MM	PMM.201	MN3	<p>Land East of Maghull significantly modified to address access and layout requirements.</p> <p><b>MN3 STRATEGIC MIXED USE ALLOCATION - LAND EAST OF MAGHULL</b></p> <ol style="list-style-type: none"> <li>1. Land East of Maghull (shown on the Policy Map) is identified as a Strategic Mixed Use Allocation. The development of this site will create a high quality, well-designed sustainable urban extension containing distinctive, safe and secure residential neighbourhoods, a Business Park and improvements to local infrastructure.</li> <li>2. No applications for residential development will be permitted until a Supplementary Planning Document relating to this site has been adopted by the Council.</li> <li>3. The development of the site must provide: <ol style="list-style-type: none"> <li>a) A minimum of 1400 dwellings, incorporating a range of housing types and tenures. This will include the provision of affordable / special needs housing (policy HC1), and at least 2 dedicated older persons housing schemes (reserved for residents of 55 and over) each comprising at least 25 dwellings</li> <li>b) A 20 hectare (net) serviced Business Park for office and light industrial (class B1), general industrial, (B2), and storage and distribution (B8) uses. The Business Park will be located adjacent to the site's north eastern boundary as set out in the broad location identified in figure 6.1</li> <li>c) Retail and commercial development of an appropriate scale to ensure the convenience shopping needs of new residents are met.</li> <li>d) A new 'main park' through the site located either side of Whinney Brook. This must incorporate an equipped play area, new habitat creation, and provision for outdoor sports</li> <li>e) A landscaping network including tree planting, buffer zones between employment and housing areas and to the M58 motorway and railway, the strategic paths and cycle routes network</li> <li>f) A layout that provides:</li> </ol> </li> </ol>

			<ul style="list-style-type: none"> <li>• a bus route across the site from School Lane / Maghull Lane in the north to Poverty Lane in the south</li> <li>• a distributor road(s) that encourages residential traffic from the southern part of the site to access / egress via School Lane / Maghull Lane. The distributor road(s) will run from the School Lane / Maghull Lane through the site and will cross Whinney Brook.</li> </ul> <p><b>g)</b> Walking and cycling routes within and beyond the site linking new and existing residential areas and business park to the railway stations, bus services, local shops, open space, and schools. This will include improving existing rights of way within the site, including upgrading the existing Maghull no. 11 footpath to a pedestrian / cycle way</p> <p><b>h)</b> Effective management of flood risk within the site, including use of sustainable drainage systems. The development of the site will result in the reduction of flood risk onsite and to the adjacent railway line. No residential development will be located in Flood Zones 2 or 3 following any watercourse realignment, and</p> <p><b>i)</b> The long-term management and maintenance of public open space, landscaping, and sustainable urban drainage systems, to be agreed by the Council.</p> <p>4. The following phasing requirements will be applied to ensure that the required infrastructure is provided alongside new development:</p> <p><b>a)</b> A maximum of 250 dwellings will be served from Poverty Lane and a maximum of 250 dwellings will be served from School Lane / Maghull Lane, prior to the completion of the internal bus route / distributor road</p> <p><b>b)</b> The access into the business park from School Lane / Maghull Lane must be constructed to an appropriate standard, servicing into the business park provided, and the landscaping framework to the business park implemented before completion of the 500<sup>th</sup> dwelling</p> <p><b>c)</b> The local shopping provision must be constructed and made available for occupancy before completion of the 750<sup>th</sup> dwelling, and</p> <p><b>d)</b> The main park and outdoor sports provision will be provided in a phased manner</p> <p>5. The development of this site will secure the following benefits, including through the use of planning conditions, 'Section 106' or other legal agreements:</p> <p><b>a)</b> A financial contribution by 2019 to secure the delivery of the new slip roads required at Junction 1 of the M58 motorway</p> <p><b>b)</b> A financial contribution to subsidise a bus service through the site for at least 5 years</p> <p><b>c)</b> Provision of other necessary highways and public transport improvements</p> <p><b>d)</b> All residential applications within the site must contribute proportionally towards the provision of the main park</p> <p><b>e)</b> The provision of affordable / special needs housing (policy HC1), and</p> <p><b>f)</b> All residential applications within the site must provide a financial contribution to fund the expansion of Summerhill Primary School to become a two form entry school.</p>
<b>AM</b>		<b>6.38</b>	Amend paragraph as follows: 'Land east of Maghull will provide a sustainable urban extension with major local benefits. These will include a contribution to new slip roads at junction 1 of the M58, a new main park (as set out in the Open Space and Recreation Study and other Council documents), sports provision, local shopping provision, and a 20 ha (net) business park.'

<b>AM</b>		<b>6.40</b>	Delete following sentence: 'These are required to be in place before the Business Park is occupied.'
<b>MM</b>	<b>PMM.202</b>	<b>6.41</b>	Insert final new sentence at end of paragraph: 'The business park should be located adjacent to the site's north eastern boundary as set out below:' alongside new figure 6.1 (Map to detail general location of business park within Land East of Maghull)
<b>AM</b>		<b>6.42</b>	Amend paragraph as follows: 'It is intended that residential areas will be developed as a series of planned neighbourhoods in a phased manner, so as to ensure that the appropriate infrastructure is provided alongside the development at the right time. The intention is to create accessible, safe and secure neighbourhoods incorporating high quality design.'
<b>AM</b>		<b>6.43</b>	Delete following sentence: 'This may include provision of a health centre, doctor's surgery, and/or dentists.'
<b>AM</b>		<b>6.46</b>	Replace 'local centre' with 'local shops'
<b>MM</b>	<b>PMM.203</b>	<b>6.64A</b>	Insert new paragraph after Moss Lane policy: Land at Moss Lane, Churchtown is a 19.1 ha urban extension with the capacity to accommodate around 450 dwellings. The site will make a significant contribution to housing provision in Southport, including towards meeting Southport's high affordable housing need.
<b>MM</b>	<b>PMM.204</b>	<b>6.64F</b>	Second sentence of proposed stage 2 paragraph amended to: 'Whilst part f a) of the policy requires a 15 metre deep screen of trees...'
<b>AM</b>		<b>7.14</b>	Delete final sentence of paragraph which starts 'However, as yet no specific proposal has been confirm...' and replace with 'Highways England have confirmed, in their newsletter of October 2015, that they are considering two options for improved road access to the port; upgrade Dunnings Bridge Road; or a new road through the Rimrose Valley.'
<b>MM</b>	<b>PMM.205</b>	<b>ED5</b>	Insert point 1 before paragraph and amend as follows: '1. Tourism development will be supported in the following locations, subject to there being no adverse effects on the integrity of sites of international nature conservation importance, other natural and heritage assets, or to other Local Plan policies.' Insert new point 2 as follows: 'Other tourism development 2. Elsewhere sustainable tourism development will be supported in principle where it relates to location-specific tourism assets and is consistent with other Local Plan policies.'
<b>AM</b>		<b>ED7</b>	Point 1 reworded as follows: Within the Southport Central Area development proposals should be consistent with, and make a positive contribution to, the economic function of the area, the quality of the environment and maintain the significance of heritage assets and their settings.
<b>AM</b>		<b>IN2</b>	Insert following national/regional context: <ul style="list-style-type: none"> <li>• Road Investment Strategy</li> <li>• Liverpool City Region Combined Authority Transport Plan for Growth</li> <li>• Liverpool City Region Long Term Rail Strategy</li> </ul>
<b>AM</b>		<b>Glossary</b>	Definition of Nature Improvement Area updated to 'The Focus Area is drawn around the designated sites of the Sefton Coast. This includes the intertidal mud- and sand-flats from the Ribble Estuary to the Mersey Narrows and the sand dune hinterland.'
<b>AM</b>		<b>Appendix 1</b>	Reference to MN2.4 Land at Moss Lane, Churchtown removed from Appendices due to new Policy MN6A Land at Moss Lane, Churchtown

MM	PMM.206	Appendix 3	Local Plan Monitoring Framework updated extensively to address Inspector’s question 8.6 (see addendum)
MM	PMM.207	Policy Map	Harebell Close, Formby Open Space in the urban area boundary corrected
MM	PMM.208	Policy Map	MN2.18 boundaries amended to address new flood risk data (see addendum)

Site MN.218

Proposed changes (right) to Policy Map since submission (left). Site area reduced to address new Flood Risk data.

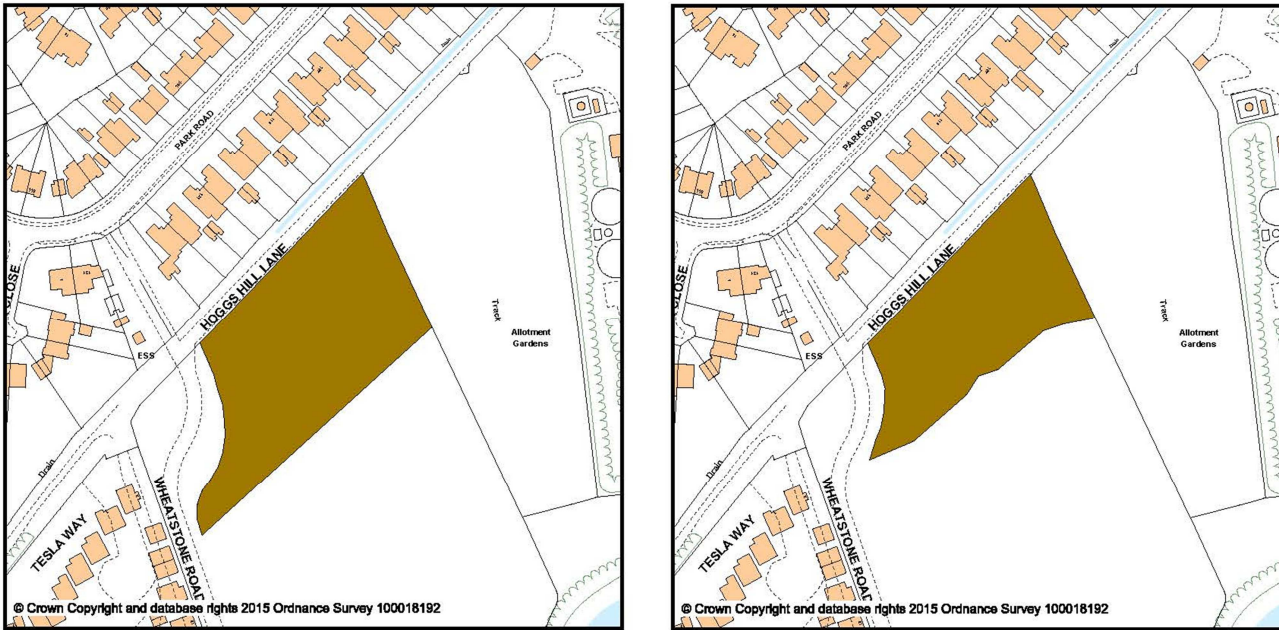
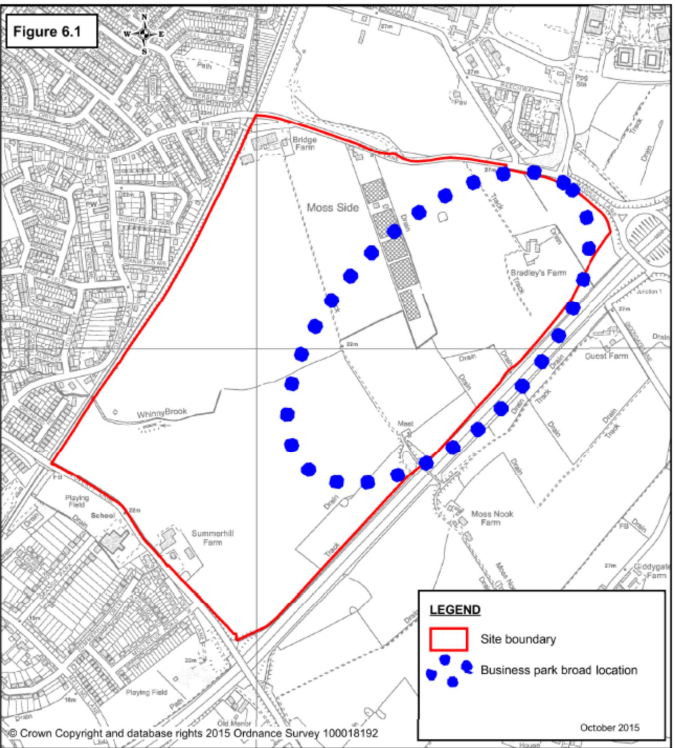


Figure 6.1



**Monitoring Framework**

**Direct Impact Indicators**

Policy	Indicator	Baseline	Target or direction of travel	Impact of not meeting target
<b>MN1</b>	a. Five year housing supply position	2.9 years [2015]	5 years	Review of housing land supply position. This could be through the proposed immediate Local Plan review.
	b. Net additional dwellings [total/on allocated sites]	454 net completions [total] [2014/15]	500 pa [2012-17] 660 pa [2017-30]	
	c. Land available for employment [ha] [type/location]	56ha [2015]	No target	
	d. Floorspace [m <sup>2</sup> ] developed for employment [by type/location]	1,278m <sup>2</sup> 270m <sup>2</sup> [B1A - office] 1008m <sup>2</sup> [B8 – storage/distribution] [2015]	Increase	Work with economic development colleagues to determine potential issues restricting investment in Sefton and on Sefton’s employment sites. Review implementation of policy. Review scope of designated centres within review of Local Plan.
<b>MN7</b>	a. Approvals in the Green Belt and % inappropriate	Tbc for 2014/15	No inappropriate approvals	Review implementation of policy. Consider different policy approach within review of Local Plan.
	b. Approvals in Safeguarded Land and % inappropriate	Not applicable	No inappropriate approvals	
<b>ED1</b>	a. Approvals in Port and Maritime Zone and % inappropriate	Tbc for 2014/15	No inappropriate approvals	
	b. Improved access to the port consulted on/approved/implemented	Not applicable	Consulted on by 2016 Approved by tbd Implemented tbd	Work with LEP and Highways England to determine issues restricting progress.

Policy	Indicator	Baseline	Target or direction of travel	Impact of not meeting target
ED2	a. Amount of approved retail/office/leisure development in Sefton/designated centres	9,469m <sup>2</sup> [528m <sup>2</sup> in town centre, 7,168m <sup>2</sup> in edge of centre, 1,773m <sup>2</sup> out of centre] A1-5 [shops and services]- 4,577m <sup>2</sup> B1a [office] – 270m <sup>2</sup> D2 [Leisure] – 1,858m <sup>2</sup> [2014-15]	Increase in designated centres	Work with economic development colleagues to determine potential issues restricting investment in Sefton's centres. Review implementation of policy. Review scope of designated centres within review of Local Plan.
ED3	a. Approvals in Primary Industrial Areas by type	Tbc for 2014/15	No target	
ED5	a. Approvals in locations listed on Policy ED5 'Tourism' by type	Tbc for 2014/15	Increase of appropriate approvals and no inappropriate approvals	Work with Tourism colleagues to determine potential issues restricting investment in Sefton's tourism areas. Review implementation of policy. Consider different policy approach within review of Local Plan.
ED6	a. Approvals in locations listed in Policy ED6 'Regeneration Areas' by type	Tbc for 2014/15	Increase of appropriate approvals and no inappropriate approvals	Work with economic regeneration colleagues to determine potential issues restricting investment in regeneration areas. Review implementation of policy. Consider different policy approach within review of Local Plan.
ED7	a. Approvals in Southport Central Area by type	Tbc for 2014/15	Increase in uses listed in policy	Work with Economic development and tourism colleagues to determine potential issues restricting

Policy	Indicator	Baseline	Target or direction of travel	Impact of not meeting target
				investment in Southport. Review implementation of policy. Consider different policy approach within review of Local Plan.
<b>ED8</b>	a. Approvals in Southport Seafront Area by type	Tbc for 2014/15	Increase in uses listed in part 1 of policy	Work with Economic development and tourism colleagues to determine potential issues restricting investment in Southport. Review implementation of policy. Consider different policy approach within review of Local Plan.
<b>ED9</b>	a. Approvals in Crosby Centre by type	Tbc for 2014/15	Increase in 'town centre' approvals	Work with economic development and regeneration colleagues to determine potential issues restricting investment in Crosby Centre. Review implementation of policy. Review scope of designated centres within review of Local Plan.
<b>HC1</b>	a. Approvals for Affordable Housing [no. of approvals/no. of dwellings/ no. of affordable dwellings] [with details of affordable dwellings by source [e.g. section 106, HCA funding, other] inc tenure and location]	370 AH secured through section 106 [2014/15] % tbd	No target	
	b. % of bedspaces that are affordable in approvals for new homes in qualifying schemes [15 homes or more] [total and by settlement]	Tbc for 2014/15	15% in Bootle and Netherton 30% elsewhere	Review implementation of policy. Review policy within review of Local Plan. Review Supplementary Planning Document. Review the



Policy	Indicator	Baseline	Target or direction of travel	Impact of not meeting target
				impact of other policy and financial requirements of housing development and review viability assessment to determine if these are preventing affordable housing.
	c. Completions of Affordable and Special Needs Housing by Tenure, Source and Settlement	111 Affordable Homes completed [2014/15]	Increase	Review implementation of policy. Review policy within review of Local Plan. Review the impact of other policy and financial requirements of housing development and review viability assessment to determine if these are preventing affordable housing.
HC2	a. Approvals for older persons housing by type, tenure and settlement [inc extra care, sheltered accommodation, nursing homes etc]	Tbc for 2014/15	Increase	Review implementation of policy. Review policy within review of Local Plan. Consider allocating Council land specifically for older person housing.
	b. In approved schemes of 50 or more dwellings, the % of market homes designed to meet Building Regulation Requirement M4 (2) 'accessible and adaptable dwellings'.	No data	20%	Review implementation of policy. Review policy within review of Local Plan. Review the impact of other policy and financial requirements of housing development and review viability assessment to determine if these are.
	c. Number of approved custom or self-build homes	No data	Increase	Implement a Supplementary Planning Document to

Policy	Indicator	Baseline	Target or direction of travel	Impact of not meeting target
				clearly set out how the Council will encourage custom or self-build housing. Consider allocating Council land specifically for custom or self-build housing.
<b>HC3</b>	a. Approvals in PRA that are not residential	Tbc for 2014/15	No target	
	b. Densities in approvals for residential development	Tbc for 2014/15	No target	
<b>HC4</b>	a. Applications for conversions to HMOs and the proportions refused/approved (with some explanatory text)	Tbc for 2014/15	No target	
<b>HC5</b>	a. Five year traveller pitch supply	0 years	5 years	Review of traveller land supply position. This could be through the proposed immediate Local Plan review. Update traveller needs assessment.
	b. Provision of traveller pitches [permanent/transit]	0 in 2014/15	4 additional permanent pitches by 2017/18 10 additional permanent pitches 2018/19 to 2027/28 4 transit pitches by 2017/18	
<b>HC6</b>	a. No. of applications that affect an Asset of Community Value and the proportions refused/approved (with some explanatory text)	No data	No target	
<b>HC7</b>	a. Approvals in Sites of Education and Care Institutions and % inappropriate	No data	No inappropriate approvals	Review implementation of policy. Consider different policy approach within review of Local Plan.
<b>IN1</b>	a. Amount of Community Infrastructure Levy secured [total/by area]	No data	To be determined if and when CIL is implemented	To be determined.
<b>IN2</b>	a. No. of schemes in part 1 of the policy implemented	Not applicable	All implemented by 2030. Annual review undertaken to determine progress.	Work with transport colleagues to determine potential issues restricting investment in transport

Policy	Indicator	Baseline	Target or direction of travel	Impact of not meeting target
				schemes. Look at funding mechanisms
<b>EQ3</b>	a. % of development within appropriate [SPD] distance to bus stop; rail station; GP; primary school	Tbc for 2014/15	Increase	Review implementation of policy. Consider different policy approach within review of Local Plan.
<b>EQ8</b>	a. Approvals and [%] in Flood Zones 2 and 3 by type	Tbc for 2014/15	Decrease	Review implementation of policy. Consider different policy approach within review of Local Plan.
	b. Number of approvals [and details of] SuDs on major development schemes.	Tbc for 2014/15	No target	
<b>EQ9</b>	a. Area of new Public Open Space approved on: <ul style="list-style-type: none"> <li>schemes of 150 or more dwellings</li> <li>Proposals for 11 to 149 dwellings on sites which are more than 2 kilometres from a 2km from main parks or Countryside Recreation Areas'</li> </ul>	No data	40m <sup>2</sup> per home	Review implementation of policy. Consider different policy approach within review of Local Plan. Review other planning obligations to determine if this limiting implementation of policy.
	b. Financial contributions secured to improve existing public open space	Tbc for 2014/15	No target	
<b>EQ10</b>	a. Approvals of A5 uses in designated centres; Primarily Residential Areas; Shopping Parades; within 400m of secondary school or college	Tbc for 2014/15	No inappropriate approvals	Review implementation of policy. Consider different policy approach within review of Local Plan. Review Supplementary Planning Document.
<b>NH2</b>	a. Approvals in International, National and Local nature sites and % inappropriate	Tbc for 2014/15	No inappropriate approvals	Review implementation of policy. Consider different policy approach within review of Local Plan.
<b>NH3</b>	a. Approvals in Nature Improvements Areas and % inappropriate	Tbc for 2014/15	No inappropriate approvals	
<b>NH4</b>	a. Approvals in Coastal Change Management Area and % inappropriate	Tbc for 2014/15	No inappropriate approvals	
<b>NH5</b>	a. Approvals in Public Open Space and % inappropriate	n/a	No inappropriate approvals	

Policy	Indicator	Baseline	Target or direction of travel	Impact of not meeting target
HN6	a. Approvals in Urban Golf Course and % inappropriate	n/a	No inappropriate approvals	
NH9-14	a. % of Listed Buildings surveyed per year	10-20% of Listed Buildings	Meet Target	Review resources and priorities within Conservation Team
	Conservation Area Appraisals adopted	0 [2015]	Increase	
	Conservation Area Management Plans adopted	0 [2015]	Increase	

**Indirect/contextual indicators**

SA Topic Area	Indicator	Baseline	Target or direction of travel
<b>Economy</b>	Number of jobs in Sefton	103,000 [2013]	Increase
	Unemployment rate	5.3% [June 2015]	Decrease
<b>Local Centres</b>	Retail ranking of Bootle and Southport Vacancy rates [units] in designated centres	Bootle 235 <sup>th</sup> Southport 96 <sup>th</sup> [2014/15] 23% Bootle 13.1% Southport 10.3% Crosby 10.1% Maghull 9.5% Waterloo 2.8% Formby [July 2015]	Higher Ranking Decrease
<b>Communities</b>	% of Sefton's population living in 20% most deprived areas in England	27% [2015 IMD]	Decrease
	Social housing waiting lists	2883 [2015, OneVision Housing – Housing Register]	Decrease
<b>Housing</b>	Population in Sefton	273,500 [2014 ONS estimate]	No target
	Average house prices by area	£86,458 Bootle £166,949 Maghull £168,945 Southport £216,557 Crosby £270,087 Formby [2015 Land Registry]	No target
<b>Accessibility</b>	Travel to work by transport mode	56.7% Car or van	Increase those using public transport

		<p>9.5% On foot  8.3% Work from home  7.3% Train  6.9% Bus  6.0% Passenger in car or van  2.6% Bicycle  1.3% Taxi  0.7% Other  0.5% Motorcycle  0.4% Rapid transit  [2011 Census]</p>	and sustainable modes
<b>Health &amp; Wellbeing</b>	Obesity rates in adults/children	<p>19.6% of children [2012]  23.6% of adults [2012]</p>	Decrease
<b>Climate Change &amp; Resource Use</b>	Carbon emissions by source [tCO <sub>2</sub> per person]	<p>Total 5.0  Industrial and Commercial 1.8  Domestic 2.2  Transport 1.0 [2013]  Source DECC, 25 June 2015</p>	Decrease
<b>Flooding</b>	Total of homes and businesses classed at risk from flooding	tbc	No increase
<b>Environmental Quality</b>	Air quality at monitoring stations	<p>Quoting lowest and highest levels of the five stations  Nitric oxide: Waterloo Primary School 24.5ppb - Princess Way, Seaforth 49.6ppb [2015]  Nitrogen dioxide: Waterloo Primary School 33.7µg/m<sup>3</sup> - Princess Way, Seaforth 44.1 µg/m<sup>3</sup> [2015]  Oxides of Nitrogen: Waterloo Primary School 41.7ppb - Princess Way, Seaforth 72.2ppb [2015]</p>	<p>Decrease  Decrease  Decrease  Decrease</p>
	River quality	tbc	Improvement
	Vacant home rate	Local Term Vacant Rate – 3236 homes	Decrease

		[2.56%]	
<b>Landscape</b>	None		
<b>Biodiversity</b>	Local sites and sites in positive conservation management	58 local sites sites; 22 sites in positive management [38%] 2010/11 Defra	Increase
<b>Culture &amp; Heritage</b>	Number of listed buildings at risk	10 Grade II* Listed Buildings or Conservation Areas [2015]	Decrease
	Number of Conservation Areas 'at risk'	6 [Historic England, 2015]	Decrease
	Number of Scheduled Monuments 'at risk'	1 [Historic England, 2015]	Decrease
	Parks with green flag status	10 Green Flag awarded Parks [2015]	Increase