

MEETING: CABINET  
DATE: Thursday 26th May, 2016  
TIME: 10.00 am  
VENUE: Committee Room, Town Hall, Bootle

**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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# AGENDA

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 7 April 2016		(Pages 5 - 14)
* 4.	<b>Pre-Paid Cards Solution</b> Report of the Head of Commissioning Support and Business Intelligence	All Wards	(Pages 15 - 30)
* 5.	<b>Appointments to Outside Bodies 2016/17</b> Report of the Head of Regulation and Compliance	All Wards	(Pages 31 - 42)
6.	<b>The Future Provision of Finance and Information Services</b> Report of the Chief Finance Officer	All Wards	(Pages 43 - 50)
* 7.	<b>Publication of proposed Modifications to the Sefton Local Plan</b> Report of the Chief Executive	All Wards	(Pages 51 - 60)

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THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON WEDNESDAY 20 APRIL 2016.

## CABINET

### MEETING HELD AT THE COMMITTEE ROOM, TOWN HALL, BOOTLE ON THURSDAY 7TH APRIL, 2016

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

#### 123. APOLOGIES FOR ABSENCE

No apologies for absence were received.

#### 124. DECLARATIONS OF INTEREST

No declarations of any disclosable pecuniary interest were received.

#### 125. MINUTES OF PREVIOUS MEETING

##### Decision Made:

That the minutes of the Cabinet meeting held on 10 March 2016 be confirmed as a correct record.

#### 126. CARE SERVICES (DOMICILIARY) WORKING GROUP - FINAL REPORT

The Cabinet considered the report of the Head of Regulation and Compliance which incorporated the report of the Working Group, which had been appointed by the Overview and Scrutiny Committee (Adult Social Care) to undertake a review of customer satisfaction and quality with regard to the provision of domiciliary care within the Borough.

Mr. Roger Hutchings, Advisory Member from Healthwatch Sefton, and a Member to the Working Group attended the meeting to report on the work undertaken by the Working Group and the recommendations.

The Cabinet Member – Adult Social Care welcomed the content of the report and indicated that the recommendations would be taken into account prior to the commissioning of any future domiciliary contracts.

##### Decision Made: That

- (1) That the Commissioners of the Domiciliary Service in Sefton be requested to:-

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- (a) liaise with Care Providers to consider how increased continuity of care by care workers can be achieved.
  - (b) encourage Care Providers to consider providing care workers with a concise data log book of service users' basic care needs and daily routine, to facilitate increased continuity of care where different care workers are used.
  - (c) consider how increased partnership working with Care Providers can be achieved, in order to share common concerns, good practice, etc.
  - (d) consider producing an Information Pack, containing general information on options available, such as direct payments, and a simple chart illustrating which organisations individuals can approach to raise issues, make complaints, etc.; the Information Pack to be provided to individuals entering the domiciliary care system, and to be made available at the Sefton Carers' Centre and Sefton Pensioners' Advocacy Centre.
  - (e) submit the annual questionnaire and survey results produced by Care Providers, together with any Annual Report produced by Commissioners, to the Overview and Scrutiny Committee (Adult Social Care), on an annual basis.
  - (f) encourage Care Providers to provide service users and relatives who are in direct contact with the Provider on a regular basis, with a named contact from the Provider.
  - (g) encourage Care Providers to provide more consistent training and induction for care workers.
  - (h) consider how communication can be increased between Care Providers, service users and their families, and Sefton Carers' Centre, particularly in the event of service users raising any concerns or issues.
- (2) That the following recommendations as set out in the report be noted:
- 1. That the Head of Adult Social Care be requested to submit a report / presentation to a future meeting of the Overview and Scrutiny Committee (Adult Social Care), explaining:-
    - (a) the costs associated with provision of the different aspects of the Domiciliary Service;
    - (b) the impact of the Care Act 2014 on the provision of domiciliary care; and

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- (c) the proposal to move towards outcome based commissioning with regard to the Service.
2. That NHS South Sefton Clinical Commissioning Group and NHS Southport and Formby Clinical Commissioning Group, be requested to support and assist with investigating concerns raised during the course of this review, regarding errors in medicine management by pharmacies, and how these can be addressed and report back to a future meeting of the Overview and Scrutiny Committee (Adult Social Care), explaining the outcome of those investigations.
3. That the recent decision made by the Cabinet to implement Stage One of the Ethical Care Charter and to consider Stages Two and Three of the Charter, be welcomed.
4. That the Overview and Scrutiny (Adult Social Care) should receive a six-monthly monitoring report, setting out progress made against each of the recommendations outlined above.

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

The Working Group had made a number of recommendations that require approval by both the Overview and Scrutiny Committee (Adult Social Care) and the Cabinet.

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

None.

#### **127. CHILDREN AND YOUNG PEOPLE PLAN**

The Cabinet considered the report of the Director of Social Care and Health which provided details of the draft Children and Young Peoples Plan which was centred on improving outcomes for children and young people and families across the Borough.

The Cabinet Member – Children, Schools and Safeguarding commended the work undertaken by the Sefton Youth Advisers as part of the production of the draft Children and Young Peoples Plan.

#### **Decision Made:**

That the Children and Young Peoples Plan for Sefton be approved.

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

There was a need to prepare and review a Children and Young People Plan under the Children Act 2004 to underpin the legislation.

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

None.

## **128. SEFTON MENTAL HEALTH : A STRATEGIC PLAN FOR SEFTON 2015-2020**

The Cabinet considered the report of the Head of Adult Social Care which provided details of Sefton Mental Health Strategic Plan for 2015-2020 which provided a framework to develop an overarching action plan for the delivery of the strategy in the context of the Strategic Objectives in the Sefton Health and Wellbeing Strategy and the priorities within the Sefton Carers Strategy 2014 – 2019, Clinical Commissioning Groups Plan for Mental Health in Sefton, Sefton Strategy for Older Citizens 2014 – 2019 and the Children and Young People Joint Mental Health and Wellbeing Strategy 2014-17.

The Cabinet Member – Adult Social Care welcomed the content of the report and indicated that the issue of ‘mindfulness’ would be integrated in to the action plan for the Strategy

## **Decision Made: That**

- (1) the content of the Strategic Plan be agreed, as described in the report and
- (2) due to the importance of Mental Health within the Borough, the Cabinet commends the Plan to the Council for noting.

## **Reasons for Decision:**

The communities of Sefton face increasing health inequalities and poor health and wellbeing outcomes. In order to ensure that these outcomes are improved, particularly for the most vulnerable people, the Council needs to ensure that the priorities of the Health and Wellbeing Board, which includes Mental Health are fit for purpose / financially sustainable. The strategic plan plays an important role in helping to deliver the required improvements.

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

None.

## **129. SENSORY SERVICE**

The Cabinet considered the report of the Head of Adult Social Care which provided details of the proposals for the joint commissioning of a single sensory service in partnership with neighbouring local authorities.



## **Decision Made: That**

- 1) approval be given to the joint commissioning of a new service covering both visual and hearing impairments within the reduced funding available;
- (2) the Head of Adult Social Care in consultation with the Cabinet Member – Adult Social Care be granted delegated authority to award the new contract to the highest scoring bidder following the outcome of the joint procurement exercise.

## **Reasons for Decision:**

The Council currently delivers, and/or commissions, a number of services from a variety of providers to support people with hearing and visual impairments. These services had been commissioned on a piecemeal basis and consequently they do not provide an integrated pathway and do not connect well together. The Council provided element of this service is a small isolated part of the overall provision and as a consequence it is disconnected from the other providers. In addition it had been difficult to guarantee a consistently reliable service as there is no cover for holidays and sickness absence. As a result of the lack of continuity and connectedness the Council had attracted criticism from the visually impaired community.

In order to address the concerns raised by the visually impaired community the Council had carried out a review of sensory services. Linked to this the Cabinet meeting held on the 3 July 2015 considered recommendations regarding savings following from the Voluntary, Community and Faith (VCF) sector review. Members considered and agreed a budget reduction of £152,769 relating to small grants paid by Adult Social Care to the VCF sector. This budget reduction had an impact upon several of the organisations that provide services that support people with a sensory impairment. Thus it was recommended that current services be decommissioned and a single Hearing Impairment/Visual Impairment service be commissioned so that the required savings are realised and the service provided a clearer and more consistent Pathway. In addition it was proposed to commission the service on a Merseyside City Region basis to ensure that by aggregating Council budgets with other neighbouring local authorities, and jointly contracting a single contract to cover all sensory services, and secure a better, more flexible and cost effective service.

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

Two other options had been considered:

- Continuing to grant aid existing services at a reduced level of grant – this was not recommended as it would continue the current disconnection in service delivery and the reduced funding would either

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make services unsustainable or would at least increase the gaps in service delivery.

- Commission a new single service on a Sefton only footprint – this was not recommended because although this option would address the issue of better joining up services, it was questionable whether a cost-effective, comprehensive and sustainable service would be provided within the reduced Sefton-only funding available.

## **130. WEBSITE AND INTRANET ADVERTISING**

The Cabinet considered the report of the Head of Strategic Support which provided details of a proposal to introduce advertising to the Council's website via the Council Advertising Network for a one year pilot.

### **Decision Made: That**

- (1) approval be given to the principle of allowing external advertising on the Council's website and intranet;
- (2) approval be given to officers working with the Council Advertising Network for 1 year to pilot income-generating advertising on the Council's website; and
- (3) it be noted that the pilot will be monitored by the Cabinet Member – Regulatory, Compliance and Corporate Services on a quarterly basis with a report produced after one year with findings and proposals for the future.

### **Reasons for Decision:**

The Council is constantly seeking ways to make efficiencies, identify savings and create additional income. Analysis shows that an increasing number of local authorities are currently pursuing revenue generation through their websites and this is growing year on year.

Officers have spoken to other local authorities who have implemented advertising on their websites who confirm that there have been no complaints from local residents, that the content has been suitable and that projected revenue targets have been met. Councils currently using the service include:

Wokingham, Hackney, Bolsover, West Dorset, Northamptonshire, Weymouth & Portland, COSLA (association of Scottish Authorities), North Dorset, Christchurch, North East Derbyshire, East Dorset, Purbeck, Birmingham, Derby, Norfolk, Blaenau Gwent, Stratford, Carlisle, Mid Suffolk, Monmouthshire, North East Lincolnshire, Buckinghamshire.

The Communications Team had recommended a 12 month pilot of the use of advertising on the website and intranet as a way to generate additional income for the Council. Website advertising is a recognised way of

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generating income but can be resource-heavy. The Communications team has advertised the opportunity on the CHEST and received one response from CAN Digital Solutions. CAN is offering Sefton Council a 50% share of all revenues generated from advertising in year one. This offers value for money as:

- It requires minimal resources to effectively manage the activity, by providing simple tools to veto any adverts before they appear.
- the Communications team recognise they do not have the access and same national level contacts that CAN will have which will make the sales job much more efficient through accessing the large national corporates.
- there is no contractual commitment to display adverts, so the Council could stop advertisements appearing at any time.

The Council will review this arrangement in 3 and then 6 months from pilot commencement. The duration of the contract will be 12 months with a 1 month notice period.

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

The Council had sought alternative providers via the CHEST, CAN was the only provider to respond. Other councils that are using the service had also been consulted. These local authorities had conducted their own research and had also been unable to identify an alternative solution that provided the same level of service or match the level of income.

The Council could consider delivering this opportunity in house, however, councils that have undertaken an in-house approach report that the income generated did not exceed the salary costs of specialist advertising officers.

### **131. COMMUNITY INFRASTRUCTURE LEVY - DRAFT CHARGING SCHEDULE**

The Cabinet considered the report of the Chief Executive which provided details of the process and evidence involved in preparing a Community Infrastructure Levy (CIL) and sought approval of the draft CIL rates in a Preliminary Draft Charging Schedule, the draft 'regulation 123' list and supporting evidence for consultation purposes.

The Cabinet Member – Planning and Building indicated that the proposals set out in paragraph 4.1 of the report included a zero charge in the CIL rates for apartments and he requested that this issue be considered in more detail by Keppie Massie, the Council's planning consultants.

### **Decision Made:**

That approval be given to the Community Infrastructure Levy Preliminary Draft Charging Schedule set out in Appendix 1, the draft 'regulation 123' list, set out in Appendix 3 and the supporting evidence for consultation

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purposes, subject to the Cabinet Member – Planning and Building being given delegated authority to determine the CIL rate for apartments which will be included in the consultation.

## **Reasons for Decision:**

To allow the CIL Preliminary Draft Charging Schedule, the draft 'regulation 123' list and supporting evidence to be published for consultation purposes.

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

Not to have a Community Infrastructure Levy. - It is not a statutory requirement to introduce a levy however Sefton would potentially miss out on a significant receipt for contributing towards its infrastructure requirements. The report indicates the potential for 11,000 new homes in Sefton by 2030 raising an estimated £20 million over the period, given the proposed charging schedule. Both the Council and its associated Town and Parish Councils would benefit from this resource and the increase in the Council Tax Base.

## **132. REVENUE BUDGET 2015/16 - UPDATE**

The Cabinet considered the report of the Chief Finance Officer which provided details of 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 Government's invitation to the Liverpool City Region to be included in a pilot for the implementation of the 100% Business Rates Retention Scheme; the forecast on Council Tax and Business Rates collection; and the process for determining Adult Social Care fees 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) it be noted that the Council, together with the other authorities in the Liverpool City Region had agreed to work with the Department for Communities and Local Government (DCLG) to participate in and to develop the details of the approaches to be piloted as part of the review of the 100% Business Rates Retention Scheme;
- (4) the forecast position on the collection of Council Tax and Business Rates be noted; and

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- (5) With regard to Adult Social Care fees for 2016/17:
- (a) Officers be authorised to conduct consultation with providers' regarding fees for 2016/17;
  - (b) the Cabinet Member – Adult Social Care be granted delegated authority to make any post-consultation decisions regarding future fees in conjunction with the Head of Adult Social Care and the Head of Corporate Resources, within the resources available in the 2016/17 Budget; and
  - (c) Officers report back to Cabinet if it is found that any potential decisions regarding fees are beyond the resources available.

**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 inform Cabinet of the offer from the Department for Communities and Local Government (DCLG) to the Liverpool City Region to participate and develop approaches to be piloted as part of the review of the 100% Business Rate Retention Scheme. To provide an update on the forecast outturn position on the collection of Council Tax and Business Rates, and to agree the process for determining Adult Social Care fees for 2016/17.

**Alternative Options Considered and Rejected:**

None.

**133. PLANNING DEPARTMENT OFFICERS**

The Chair welcomed Stuart Barnes, the Chief Planning Officer to his first Cabinet meeting and expressed thanks to Derek McKenzie, the Interim Head of Planning Services for the work he had undertaken for the Council and in particular on the Local Plan.

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**Report to:** Cabinet **Date of Meeting:** 26<sup>th</sup> May 2016  
**Subject:** Pre-Paid Cards **Wards Affected:** All Wards  
Service

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

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

**Exempt/Confidential** No

## **Purpose/Summary**

The purpose of this report is to seek approval to commence a procurement exercise for the provision of a Pre-Paid Card service.

The report also includes details on the outcome of the Pre-Paid Card pilot and recommendations regarding the subsequent implementation of a Pre-Paid Card service should approval be given to procure.

## **Recommendation(s)**

Cabinet to;

1. Approve the commencement of a procurement exercise for a Pre-Paid Card service for a period of three years, plus two one-year extension options, utilising an existing framework operated by Surrey County Council as the mechanism to procure the service.
2. Approve the criteria for the evaluation of tenders received in the procurement exercise.
3. Delegate the decision to award a contract, following the procurement exercise, to the Cabinet Member – Adult Social Care.
4. Authorise officers to include other Liverpool City Region (LCR) Local Authorities in the procurement exercise, subject to them having secured the necessary agreement to participate.
5. Authorise officers to provide the commissioning and procurement support, set out in paragraph 5.2 of the report, to other Liverpool City Region (LCR) Local Authorities who may wish to implement a Pre-Paid Card Service in the future.
6. Approve the following recommendations regarding the implementation of a Pre-Paid Card service for Direct Payments recipients;
  - a. Service Users are not charged for the use of a Pre-Paid Card, aside from them being charged for the costs associated with replacing any lost or stolen cards;

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- b. The use of a Pre-Paid Card becomes the 'default' mechanism used by Sefton Council to make and administer Direct Payments;
  - c. That all existing Direct Payment Service Users be engaged with regarding transferring their Direct Payment onto a Pre-Paid Card within an agreed timeframe;
  - d. A project team be established to manage the change detailed in point C above; and
7. Authorises Officers to investigate and if appropriate implement Pre-Paid Cards for use in other Council service areas.

## 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	X		
2	Jobs and Prosperity		X	
3	Environmental Sustainability	X		
4	Health and Well-Being	X		
5	Children and Young People	X		
6	Creating Safe Communities	X		
7	Creating Inclusive Communities	X		
8	Improving the Quality of Council Services and Strengthening Local Democracy	X		

### Reasons for the Recommendation:

The Council has undertaken a successful pilot of a Pre-Paid Card service, in relation to Social Care Direct Payments, which has highlighted significant benefits both to Sefton Council and to Service Users, together with ensuring that the actions detailed within the *Direct Payments Strategic Plan* (approved by Cabinet on 4<sup>th</sup> February 2016) are met. Following this Pilot it is recommended that a procurement exercise is undertaken, utilising an existing framework in place (operated by Surrey County Council), for the commissioning of a permanent Pre-Paid Card service in Sefton.

It is recommended that the existing framework is used as it contains providers/suppliers who operate in the market and who would tender for services as part of an alternative procurement exercise. Sefton would also be able to utilise existing tendered costs within the framework. In addition, should other LCR Local Authorities be in a position to also procure a Pre-Paid Card service at the same time as Sefton, then they can be included in the procurement exercise and also realise the benefits of the framework.



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The framework also offers benefits with respect to Sefton being able to utilise existing agreements and processes for the evaluation of tenders. The framework also allows scope for Sefton to amend the service specification and tender evaluation criteria in order to ensure that any Pre-Paid Card service procured meets Sefton's requirements.

In addition, the pilot has identified that Pre-Paid cards could be implemented in other service areas, aside from Adults and Children's Direct Payments, which in turn may deliver greater efficiencies and improved ways of working. Such areas could include;

- Respite
- Carers payments
- Care Leavers payments
- Foster Care payments
- Emergency and discretionary payments
- Expenses and Petty Cash
- Council Tax
- Housing Benefit

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

The following options were considered and rejected;

1. **Maintaining the status quo** – this was not considered a viable option due to issues identified with existing systems and working practices. The Pre-Paid Card pilot has highlighted significant benefits and outcomes for both Sefton Council and Service Users.
2. **Commissioning via a Sefton only formal tender exercise (above EU spend threshold)** – this option was rejected as it has been identified that any procurement exercise would attract the same suppliers currently on the Surrey County Council framework and therefore would not offer any significant benefits, including cost savings as tendered supplier rates are unlikely to be lower than those detailed within the framework.
3. **Commissioning via the establishment of a Framework with other Liverpool City Region (LCR) Local Authorities** – at this present time this is not considered a viable option as not all LCR authorities have received approval via their own decision making processes to implement a Pre-Paid Card service. As with option 2 above, this exercise would be unlikely to attract any suppliers who are not currently part of the Surrey CC Framework.

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

### **(A) Revenue Costs**

Market analysis has identified that annual costs associated with a Pre-Paid Card service, for approximately 1500 users, is likely to be in the region of £35,000-£50,000. Definitive costs will be identified as part of any procurement exercise. Should other LCR Local

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Authorities be included in the procurement exercise then further financial benefits may also be realised through economies of scale.

It is proposed that the ongoing costs associated with procuring and operating the system will be met via efficiencies/economies realised within the existing Direct Payment budgets under an *Invest to Save* ethos. In previous financial years on average £600,000 was reclaimed from Service User Direct Payment accounts through surplus recovery exercises. It is envisaged that the introduction of Pre-Paid Cards will enhance the identification of surpluses and the potential volume of recovery and that these monetary increases will be greater than the annual costs of the Pre-Paid Card Service. Improved processes and monitoring data will help to more accurately assess the amount needed to meet care needs and reduce the need for post-payment recovery.

## (B) Capital Costs

### 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>  The Children and Families Act 2014 and the Care Act Statutory Guidance 2014 and subordinate legislation and statutory guidance.	
<b>Human Resources</b>	
<b>Equality</b>	
1. No Equality Implication	<input type="checkbox"/>
2. Equality Implications identified and mitigated	<input checked="" type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

### Impact of the Proposals on Service Delivery:

The implementation of a Pre-Paid card service is an identified action within the *Direct Payments Strategic Plan*, which aims to assist with ensuring that service delivery is more person centred and monitored. Personalisation is a key concept underpinning the Care Act Statutory Guidance 2014 and the Children's and Family Act 2014.

The pilot period has identified benefits for Sefton Council, the Direct Payments Team commissioned through Sefton Carers Centre and Service Users, with respect to more

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efficient, robust and timely monitoring of Direct Payment accounts as well as a less administratively burdensome system for Service Users, thus assisting with the delivery of the Personalisation Strategy. Improved monitoring will also assist with Service User reassessments, the identification of any safeguarding issues and also wider strategic work relating to the use of Direct Payments and anticipated future demand.

The pilot for Pre-Paid cards has identified the potential for efficiencies in the processing of Direct Payments as well as more timely identification and recovery of surpluses from Direct Payments accounts. Any efficiencies associated with this will be determined within a review to be undertaken of Direct Payments and the development of the Council's Personalisation Strategy and Personal Budgets Strategic Plan, which was approved, by Cabinet, on 4<sup>th</sup> February 2016.

The implementation of a Pre-Paid Card service will impact on service delivery and will need to be supported by appropriate learning and development, training, processes and procedures for all staff. The implementation will also require engagement with Service Users regarding 'transferring' them onto a Pre-Paid Card from their existing arrangements.

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

The Chief Finance Officer (FD.4142/16) and the Head of Regulatory & Compliance (LD.3425/16) have been consulted and any comments have been incorporated into this report.

Engagement exercises have been held with those Service Users and their families/advocates who volunteered for the Pre-Paid card pilot. Their feedback is included in Appendix 1.

## **Implementation Date for the Decision**

Following the expiry of the "call-in" period for the Minutes of the Cabinet Meeting.

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**Background Papers:** Customer Experience and Evaluation Report (Appendix 1)

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## 1. Introduction / Background

- 1.1 Personalisation is a key concept underpinning the Care Act Statutory Guidance 2014 which focuses on Local Authorities providing and arranging the provision of services, facilities or resources that help an individual avoid developing care and support needs by maintaining independence, good health and by promoting wellbeing.
- 1.2 Sefton's Personalisation Strategy (which was approved in August 2015) included actions around the review of Direct Payments processes together with the development of an overall Personal Budgets approach for the Local Authority. As a result the *Personal Budget Strategic Plan* was developed and approved by Cabinet on 4<sup>th</sup> February 2016. This plan includes actions around the review of Direct Payments processes and identifies that providing enhancements and expanded choice for Service Users is a key priority and references one way forward that this can be achieved via the use of Pre-Paid Cards. The report also identifies that a key aim of the plan is to seek to ensure that the monitoring and auditing of Personal Budgets is delivered to a high standard.
- 1.3 The Care Act Statutory Guidance 2014 states that Direct Payments, along with Personal Budgets and personalised care planning provide a platform with which to deliver a modern care and support system. In order for Direct Payments to have the maximum impact, the processes involved in administering and monitoring the payment should incorporate the minimal elements to allow Local Authorities to fulfil their statutory responsibilities.
- 1.4 The Care Act Statutory Guidance 2014 highlights that Local Authorities should not design systems that place a disproportionate burden on Service Users as this would 'clash' with the intention of Direct Payments being used to encourage greater autonomy, flexibility and innovation and monitoring requirements should be 'lowered' for those Service Users who have been managing Direct Payments for a long period of time without any issues arising.
- 1.5 The Care Act Statutory Guidance 2014 identifies that Pre-Paid Cards can be a mechanism that is used to allow Direct Payments without the need for a separate bank account and to also ease the financial management of payments.
- 1.6 Pre-Paid cards operate in a similar way to normal 'credit' and 'debit' cards except that funds are preloaded onto the cards by the Local Authority and then spent by the card holder as recorded in their Social Work assessment. As they do not incorporate a credit facility the cards cannot become overdrawn and are not linked to a bank account. Funds can be loaded onto the cards by the Local Authority or by their Service Users at any time. As all transactions are recorded automatically it is possible to track when uploads and subsequent spend take place and monitor how the funds are spent.
- 1.7 Pre-Paid Cards have been identified as offering the following benefits;
  - 1.7.1 **Lower Cost of Operation** – Pre-Paid Cards can lower the costs associated with carrying out business processes.
  - 1.7.2 **Better Monitoring & Auditing** – Pre-Paid Cards provides more effective monitoring of what money is being spent on as all transactions are

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recorded electronically and details are immediately available for analysis. This in turn allows for more effective and timely auditing of accounts thereby allowing for surpluses to be recovered from accounts more immediately. In addition, by accessing spend data through portals or by downloading transaction details the time and costs associated with more traditional methods such as asking Service users to submit bank statements and complete paperwork are minimised.

- 1.7.3 **More Effective Use of Staff Time** – as staff are able to spend less time on paper-based administrative exercises which typically include staff requesting hard copies of information and then conducting manual checks of the information submitted. This time can then be utilised to obtain surplus recoveries from Direct Payment accounts and to ensure Service Users are making their required financial contributions.
- 1.7.4 **Supports the Personalisation Agenda** – Pre-Paid Cards provide Service Users with greater control with respect to whom and what their money is spent on. The use of the cards can also assist some Service Users with developing their life skills, promoting independence and self-sufficiency or for those who do not have bank accounts. In addition, the cards can be used to check that client contributions have been made onto the card by the Service User.
- 1.7.5 **Assists with the identification of Safeguarding issues** – via more robust and regular monitoring, issues such as the misappropriation of funding can be identified more quickly
- 1.7.6 **More Responsive Service** – Pre-Paid Cards allow funds to be loaded immediately and can therefore be used to respond to emergencies (either initiated by the Service User or the Local Authority). As soon as funds are transferred onto the Pre-Paid Card they are available to the Service User.
- 1.7.7 **Wider Use** – there is scope for Pre-paid Cards to be utilised for other service areas across the Council aside from Personal Budgets / Direct Payments.
- 1.8 Currently there are in the region of over 40 Local Authorities utilising Pre-Paid cards with many more exploring their implementation.
- 1.9 In Sefton there are currently in the region of 1100 Service Users in receipt of Direct Payments for a variety of services such as Homecare, Day Care, Respite and Carers Support at Home. For the majority of these Service Users (in the region of 800 – as the remaining Service Users utilise a Holding Account or receive Carers Support payments) they are required to submit on a quarterly basis information to evidence appropriate use of their Personal Budgets. This includes submitting hard copies of timesheets, invoices and income/expenditure sheets. This information is then audited by staff.
- 1.10 Following a review of the administration of Direct Payments, under the remit of the *Adult Social Care Change Programme*, it was identified that the current arrangements were inefficient and overly complex. As a result the Council's Transformation Team commenced work on exploring the viability of implementing Pre-Paid Cards. Following a presentation by a current supplier of Pre-Paid Cards (Pre-Paid Financial Services – PFS) offered Sefton the opportunity to commence a free pilot of Pre-Paid Cards for up to 300 Service Users.

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- 1.11 The Council's Strategic Leadership Team approved the recommendation to utilise the free pilot offered by PFS in September 2014 and an agreement with PFS was devised.
- 1.12 This agreement was established to commence the pilot on 1st October 2015 for an initial period up to 31<sup>st</sup> March 2016, with the option to extend the arrangement for an additional maximum period of six months, with a charge being levied to the Council by PFS of £2 per Pre-Paid Card per calendar month for those cards still in operation beyond the initial term of the agreement.
- 1.13 The agreement with PFS also included the following statement to confirm that the pilot period was separate to any formal procurement process;

*The Provider acknowledges that if the Council undertakes any further schemes of a similar type to the pre-paid card scheme which is the subject of this Agreement (whether similar in scope, size, service, type or otherwise) the Council will disclose the identity of the Provider and such details of this pilot as the Council considers relevant (in its sole discretion) in order to conduct the procurement of such schemes in a fair, open and transparent manner.*

- 1.14 In addition the implementation of Pre-Paid Cards was identified as a project to be included within the Liverpool City Region (LCR) group which was established following the receipt of *Transformation Challenge Award* funding from the *Department of Communities and Local Government (DCLG)*. The LCR group was established to create a culture and practice of collaborative commissioning and Pre-Paid Cards was included as a project as it was identified that the LCR Local Authorities could conduct a joint tendering exercise and establish a framework contract in order to achieve economies of scale. A LCR project group was established to explore commissioning options and for Sefton to share the outcomes of the pilot.

## **2 The Pre-Paid Card Pilot – Background**

- 2.1 The pilot commenced in October 2015 and was run in conjunction with existing processes and Sefton was allocated a maximum of 300 cards. It was agreed that during the pilot, no charges would be levied on Service Users aside from a charge of £3.50 for replacement (lost/stolen) cards.
- 2.2 A project team was also established for the pilot period which included members of the following;
  - Transformation
  - Commissioning
  - Adult's & Children's Social Care
  - Legal
  - Audit
  - Finance
  - Communications
  - Direct Payments Team

- 2.3 Prior to the commencement of the pilot expressions of interest were sent out to all current Direct Payment Service Users asking them if they would be interested in utilising a Pre-Paid Card and be part of the pilot. 46 Service Users commenced the pilot from 1<sup>st</sup> October 2015 (39 Adults and 7 Children’s cases) and during the pilot an additional 29 Service Users (26 Adults and 3 Children’s cases) joined the pilot during the six month period. In total 84 Service Users (46 volunteers, 29 new cases and 9 transfers from the existing process) utilised a Pre-Paid Card, 73 of which are Adult’s and 11 are Children’s cases.
- 2.4 As part of a Direct Payment Advisors role and responsibility they conduct a home visit for any new referrals to the service. At this point the advisor would share information about Direct Payments, with the intention to actively promote a Pre-Paid Card. As part of the introduction of a Pre-Paid Card the project team developed a ‘starter pack’ which included key documents and information for the client/representative to consider the best option for them moving forward. This pack included an amended Direct Payment agreement plus supporting documents to support and guide the cardholder through the new process.
- 2.5 During the pilot period regular engagement with Service Users took place (please see Appendix 1 for full details) which included;
- 2.5.1 Holding engagement events throughout the borough;
  - 2.5.2 Establishing dedicated customer support arrangements for Service Users;
  - 2.5.3 Issuing guidance on how to use the Pre-Paid Card;
  - 2.5.4 Updating both the Sefton Council internal and external websites with details of the pilot;
  - 2.5.5 Holding drop-in sessions for Service Users to attend in order to provide one-to-one support and guidance;
  - 2.5.6 Ensuring that Service Users and their families/advocates could approach the Council at any time to receive support and advice; and
  - 2.5.7 Holding a Customer Experience Event in March 2016 in order to ascertain the views of Service Users and their families/advocates who were involved in the pilot – full details of the findings of this event are detailed in Appendix 1.

### 3 The Pre-Paid Card Pilot – Key Outcomes and Findings

- 3.1 The pilot has identified that the potential benefits outlined in section 1.7 of this report have been realised.
- 3.2 When compared to the ‘traditional’ methods for administering Direct Payments, the pilot has shown that there are significant benefits to Service Users summarised as follows;

Traditional Method	New Method
Open a separate account with your bank, or a representative can help you	An online account will be opened with a prepaid card provider, and Sefton will have direct access through a portal

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Pay for care services with a cheque book.	Pay for care services online, by telephone or by setting up a standing order / direct debit
Complete Income and Expenditure sheets for all bank transactions	Scan/Upload or send invoices/ receipts directly to the website or send them to the Direct Payments Team, to reconcile against their account
Send in bank statements, Income / Expenditure sheets, timesheets and invoices every 12 weeks	The Direct Payments Team have access to online viewing of their account to enable 'light touch' monitoring so sending paperwork is no longer required Information in relation to their support is timely and more accurate

- 3.3 In addition feedback from Service Users during the pilot has highlighted that use of the card has helped them to better manage their Direct Payment. Key benefits identified, and feedback on the pilot by Service Users included;
- 3.3.1 The reduction in paperwork has been beneficial;
  - 3.3.2 Making payments was easy; and
  - 3.3.3 They would be disappointed if Pre-Paid Cards were no longer available

Please see Appendix 1 for the full report.

- 3.4 The pilot has identified further benefits with respect to Service Users gaining more independence and self-sufficiency. During the pilot six Adults with Learning Difficulties transferred their Direct Payment onto a Pre-Paid Card which was created in their own name as opposed to being managed by a representative / family member. These Service Users have successfully managed their Pre-Paid Card account by making payments online and uploading their supporting documents on to the system.
- 3.5 The pilot has also reiterated the benefits with respect to the identification of safeguarding issues. During the pilot four 'traditional' Direct Payment cases were found to have been the subject of misappropriation of funds. This would typically result in the Direct Payment ceasing and the Service User's care being transferred to an Adults or Children's Social Care contracted service. In the four cases the Direct Payment was transferred onto a Pre-Paid Card thus allowing for continuity of care with more effective and timely monitoring of expenditure. An invoice was raised to the Service User for a refund to the Council. Pre-Paid Cards are now the preferred alternative option for the Safeguarding Team.
- 3.6 With respect to benefits to the Council it has been found that Pre-Paid Cards provide a mechanism for more timely and efficient reconciliation of Direct Payment accounts. At present there are three main elements to the monitoring process of a Direct Payment bank account;





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- 3.6.1 Reconciliation of the account;
- 3.6.2 Surplus recovery; and
- 3.6.3 Final audit / closure of account.

Every Quarter the Direct Payment Team are responsible for sending paperwork to over 800 Direct Payment Service Users. The Service User then has to complete the paperwork (timesheets for employees, income & expenditure sheets, bank statements and invoices & receipts) and return it to the Direct Payment Team in order to enable reconciliation work to then take place. In previous financial years on average £600,000 was reclaimed from Service User Direct Payment accounts through surplus recovery exercises. It is envisaged that the introduction of Pre-Paid Cards will enhance the identification of surpluses and the potential volume of recovery.

3.7 In summary the timeline for this process is as follows;

Timescale	'As is' – Traditional Direct Payment Process
<b>Week 1</b>  <b>Week 13</b>	Monitoring paperwork posted out for coming quarter
	Client completes income & expenditure sheets to reflect transactions in their account
	Bank Statement/Invoices/Income & Expenditure sheets/Timesheets due to be reviewed
	Documentation booked into the system so the team have a record of who they have received paperwork from and last time their account was reconciled.
<b>Week 15</b>	Follow up letter sent out to client to chase outstanding paperwork
<b>Week 16</b>  <b>Week 26</b>	Reconciliation takes place on each account
	Ongoing missing paperwork
	Surplus recovery/Final Audit
	Next quarter due to be reviewed

- 3.8 The above process is inefficient, overly complex (such as the duplication of paperwork) and time consuming. In addition, there are significant backlogs accruing for reconciliation work which in turn then has implications for Adult Social Care Management Teams who do not have access to reconciled and up-to-date information that they require when conducting Service User reviews and reassessments.
- 3.9 Each reconciliation has been calculated as taking on average 45 minutes to conduct and for 800 Direct Payment accounts (IE: those Direct Payment accounts where a Holding Account is not used) this equates to 16.65 weeks work each quarter during a financial year (i.e. 66.6 weeks per year).
- 3.10 The Pre-Paid Card system has identified that the current processes can be streamlined to the following;

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<b>'To be' – Pre-Paid Card Service (Actions and Highlights)</b>
Accounts light touch audit approach
Balances checked on a monthly basis against what is expected to be in the account (approx. 8 weeks monies)
Rolling 12 monthly reconciliation programme for regular accounts
'unusual' occurrences investigated further - Real time back office functionality
No request required for outstanding bank statements due to instant access to transactions and transaction history

- 3.11 As a result, the volume of reconciliation work is reduced to 11.1 weeks per quarter (44.4 weeks per year) thus realising an 'efficiency saving' of 22.2 weeks per financial year. This 'saving' can then be utilised for staff to conduct work such as obtaining surplus recoveries from Direct Payment accounts and reviewing Direct Payment cases to ensure that Service Users are making their required financial contributions.
- 3.12 In addition to the above the use of Pre-Paid Cards offers environmental benefits via the implementation of a largely 'paperless' system which does not require both Sefton Council and Service Users to print and post documents to each other in order to monitor and reconcile Direct Payment accounts.

## **4 Procurement of a Pre-Paid Card Service**

- 4.1 In light of the above, it is recommended that approval is given for the procurement of a Pre-Paid Card System in order to continue to realise the benefits identified during the pilot.
- 4.2 During the pilot period potential commissioning options have been reviewed and these options were identified as being;
- 4.2.1 Sefton to procure a Pre-Paid Card service on its own via an OJEU Open Tender process
- 4.2.2 Procure a service via the establishment of a LCR framework (with Sefton acting as the lead and other Local Authorities detailed in the framework as either committed to being a part of the framework or to potentially be included in the future)
- 4.2.3 Sefton to procure via the use of an existing framework, either alone or together with other LCR authorities who are ready to proceed.
- 4.3 In line with the ending of the pilot period and the agreement with PFS that existing Service Users on the pilot can still utilise the Pre-Paid Card for an additional period up to six months (as detailed in section 1.12 of this report) any potential procurement would need to be conducted by October 2016.
- 4.4 During the pilot period market analysis has been conducted and it has been identified that there is an existing framework in operation established by Surrey County Council which was created following an open tender process and an evaluation of tenders by officers from Surrey County Council.

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- 4.5 The Surrey County Council framework has been reviewed by Sefton Commissioning, Procurement and Legal staff and it is recommended that this framework is utilised as it offers the following benefits;
- 4.5.1 **Reduced Costs to the Council** – the framework costs £350 (one-off cost) to join and therefore provides an efficient mechanism to procure a service as work on formulating contracts, tender documents and a service specification has already been conducted thus reducing Council Officer resources required to procure. A typical OJEU procurement exercise costs the Council between £3,000 and £5,000 to conduct.
  - 4.5.2 **Framework includes Established Providers** – the framework contains existing and established market providers of Pre-Paid Card services. It would be expected that should Sefton conduct its own individual procurement exercise then the same market Providers would tender for the service.
  - 4.5.3 **Competitive Tender Exercise** – the use of the framework requires each Local Authority joining to run a “mini-competition” which further details and defines their requirements for the contract.
  - 4.5.4 **Scope for Amending Service Requirements** – as above, the framework allows for Local Authorities to amend details of the services to be provided via amending the service specification. Should Sefton Council join the framework the outcomes of the pilot will be used to amend the service specification so that any commissioned service meets operational requirements.
  - 4.5.5 **Monitoring the Service** – as the framework allows Local Authorities to “call-off” direct from the Provider, Surrey County Council will not be involved in the day-to-day management of the Provider and the service they provide. This work will be the duty of Sefton to conduct, which will provide Sefton with the ability to effectively monitor and review delivery of the service.
- 4.6 Should approval be given to utilise the framework then the following procurement timeline will be followed;

<b>ACTION</b>	<b>DATES</b>
CABINET APPROVAL (MEETING)	26 <sup>th</sup> May 2016
CALL IN EXPIRES	3 <sup>rd</sup> June 2016
FINALISE SPECIFICATION AND I.T.T. DOC/ T'S & C'S	20 <sup>th</sup> June 2016
I.T.T. ISSUED/ ADVERTISED ON CHEST - <b>Mini Competition Using Framework</b>	21 <sup>st</sup> June 2016
TENDER (I.T.T.) RETURN DATE	12 <sup>th</sup> July 2016
TENDER EVALUATION COMPLETE / PREFERRED BIDDER SELECTED	July 2016
IMPLEMENTATION	August 2016 –

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	September 2016
<b>CONTRACT START DATE</b>	September / October 2016

- 4.7 It is also proposed that should other LCR Local Authorities have their own approval to proceed with the procurement of a Pre-Paid Card service, that they be included in the Sefton exercise and be named as separate ‘lots’ within the tender exercise. This is however dependent on the other Local Authorities being able to adhere to the timeframes detailed in section 4.3 and 4.6 above and be in a position to agree to the terms and conditions detailed by Sefton in the procurement exercise. LCR authorities been engaged with the development and operation of the Pilot through the LCR Group referred to in 1.14 above.
- 4.8 The framework commenced on 13<sup>th</sup> February 2015 and is in place for four years. It is recommended that any contract be awarded by Sefton for a period of three years with two one-year extension options.
- 4.9 In line with the stipulated requirements of the framework, Sefton will evaluate tenders based on the following criterion ;
- Quality – 70%
  - Price – 30%
- 4.10 The assessment of quality will consider information provided by the Tenderer in relation to specific requirements to be set out within the tender documents. It is further recommended that the Quality criteria will be further weighted based on the following assessment;

Quality Criteria	Quality %	Overall Weighting	Sub-Weighting
Functionality	<b>70%</b>	<b>100%</b>	35%
Customer Support			20%
Online Programme Management Tool			10%
Implementation / Transition			10%
Relationship Management			10%
Innovation			5%
Social Value			10%

- 4.11 In order to evaluate tender submissions it is recommended that an evaluation panel be established which contains Sefton Council staff from the following departments / service areas;

- Adult Social Care

- Children's Social Care
- Direct Payments Team
- Transformation Team
- Finance
- Audit
- Commissioning Support

4.12 It is recommended that Cabinet delegate the decision on the awarding of the contract, following the tender evaluation to the *Cabinet Member – Adult Social Care*

## **5 Additional Commissioning & Procurement Actions – Liverpool City Region**

5.1 In order to continue to work with other LCR Local Authorities on the implementation of a Pre-Paid Card service, it is further recommended that should other Local Authorities not be in a position to be included in the Sefton procurement exercise (as detailed in section 4.7 of this report), Sefton will continue to provide support and guidance to other LCR Local Authorities who may wish to procure a Pre-Paid Card service in the future.

5.2 This support will involve Sefton officers;

5.2.1 Sharing all Sefton reports and documents relating to Pre-Paid Cards and the procurement exercise – so other LCR Local Authorities can use and adapt these documents for their own use;

5.2.2 Offering to act as the conduit with Surrey County Council for any other LCR Local Authority seeking to join the framework individually at a later date; and

5.2.3 Providing procurement support during any tender processes conducted by other LCR Local Authorities through the Surrey County Council Framework.

## **6 Implementation**

6.1 If approval is given to procure a Pre-Paid Card service then it is also recommended that;

6.1.1 Service Users are not charged for the use of a Pre-Paid Card, aside from them being charged for the costs associated with replacing any lost or stolen cards. Typically such charges range between £2 and £4.95 per replacement card. During the pilot period there have been no incidences where replacement cards have had to be issued. Market analysis has identified that such an approach corresponds to that of other Local Authorities who have implemented Pre-Paid Cards;

6.1.2 The use of a Pre-Paid Card becomes the 'default' mechanism used by Sefton Council to make and administer Direct Payments for all new Service Users. However, it is recognised that Pre-paid Cards may not be suitable for all Service Users and therefore alternative mechanisms for administering Direct Payments will also remain in place;

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- 6.1.3 That all existing Direct Payment Service Users be engaged with regarding transferring their Direct Payment onto a Pre-Paid Card;
- 6.1.4 A project team be established to manage the change detailed in section 6.1.3 – as it is anticipated that implementing such change will need to take place over a period of time in order to be effectively managed. Consideration will also be needed regarding resources and capacity within the current Direct Payment Team to undertake the work required to implement Pre-Paid Cards across the current cohort of Direct Payment Service Users; and
- 6.1.5 Council Officers continue to explore the potential for Pre-Paid Cards to be utilised within other service areas.

# Agenda Item 5

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<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	Thursday 26 May 2016
<b>Subject:</b>	Appointments to Outside Bodies 2016/17	<b>Wards Affected:</b>	(All Wards);
<b>Report of:</b>	Head of Regulation and Compliance		
<b>Is this a Key Decision?</b>	No	<b>Is it included in the Forward Plan?</b>	Yes
<b>Exempt/Confidential</b>	No		

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## Purpose/Summary

To consider the appointment of the Council's representatives to serve on the Outside Bodies as set out in the attached appendices for 2016/17 or for periods longer than one year.

The appendices show the proposed appointments for 2016/17 following nominations submitted by the Political Groups on the Council.

## Recommendation(s)

The Cabinet is requested to:

1. approve the proposed representation on the various Outside Bodies set out in Appendix 1 for a twelve month period expiring in May 2017; and
2. approve the proposed representation on the Outside Bodies set out in Appendix 2 for the term of office indicated

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

	<b><u>Corporate Objective</u></b>	<b><u>Positive Impact</u></b>	<b><u>Neutral Impact</u></b>	<b><u>Negative Impact</u></b>
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		√	

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7	Creating Inclusive Communities	√		
8	Improving the Quality of Council Services and Strengthening Local Democracy	√		

**Reasons for the Recommendation:**

The Cabinet has delegated powers set out in Chapter 5, Paragraph 41 of the Constitution to appoint the Council’s representatives to serve on Outside Bodies.

**Alternative Options Considered and Rejected:**

None

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

**(A) Revenue Costs**

None arising from this report. The Council pays annual membership subscriptions to a number of the bodies from existing budgetary provision and the annual levy to the North Western Inshore Fisheries and Conservation Authority.

**(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> Paragraph 41 of Chapter 5 in the Constitution gives the Cabinet delegated powers to make appointments to Outside Bodies, appropriate.	
<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:**

The appointment of Council representatives on to the Outside Bodies will ensure that the interests of residents of Sefton are taken into account by each Body.

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

The Chief Finance Officer (FD4136/16) has been consulted and notes the report indicates no new direct financial implications for the Council.

The Head of Regulation and Compliance (LD3419/16) has been consulted and comments have been incorporated into the report

## **Implementation Date for the Decision**

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

**Contact Officer:** Steve Pearce

**Tel:** 0151 934 2046

**Email:** [steve.pearce@sefton.gov.uk](mailto:steve.pearce@sefton.gov.uk)

## **Background Papers:**

There are no background papers available for inspection

# Agenda Item 5

## 1. Introduction

- 1.1 The Cabinet has delegated authority in the Council Constitution to appoint Council representatives to serve on Outside Bodies. The majority of the appointments are reviewed on an annual basis and the proposed representation for 2016/17 is set out in **Appendix 1** to this report. The Cabinet is requested to appoint representatives to serve on the bodies set out in the Appendix for the next twelve month period expiring in May 2017.
- 1.2 A small number of appointments are for a period of over one year. These are for charitable bodies and governing bodies. The proposed representation on these bodies is set out in **Appendix 2** to this report. The Cabinet is requested to appoint representatives whose term of office expires in 2016.
- 1.3 A high number of the places on Outside Bodies are historically allocated to the most appropriate Cabinet Member and the remainder are allocated dependent on the number of places available, to the most appropriate Local Councillor(s). The details of the links to Cabinet Portfolios are set out in the two appendices.
- 1.4 The annual appointments to the Merseyside Joint Authority Bodies and the Sefton Borough Partnership Thematic and Area Partnerships for 2016/17 will be agreed at the Adjourned Annual Council Meeting to be held on 19 May 2016.

## 2. Local Government Association General Assembly

- 2.1 Councillor Maher has attended meetings of the Local Government Association General Assembly during the last four years and it is proposed in Appendix A to this report that he should continue to be the Council's representative for 2016/17 and be authorised to use the allocated 5 votes on behalf of the Council.

## 3. Joint Health Scrutiny Committees

- 3.1 The Overview and Scrutiny Committee (Health and Social Care) at its meeting on 6 May 2014 and the Council at its meeting on 3 June 2014 approved a protocol which had been developed as a framework for the operation of joint health scrutiny arrangements across the local authorities of Cheshire and Merseyside. The protocol allows for the scrutiny of substantial developments and variations of the health service; and discretionary scrutiny of local health services.
- 3.2 The protocol provides a framework for health scrutiny arrangements which operate on a joint basis only. Each constituent local authority has its own local arrangements in place for carrying out health scrutiny activity individually.
- 3.3 All relevant NHS bodies and providers of NHS-funded services are required to consult local authorities when they have a proposal for a substantial development or substantial variation to the health service. Those authorities that agree that any such proposal does constitute a substantial development or variation are obliged to form a joint health overview and scrutiny committee for the purpose of formal consultation by the proposer of the development or variation.

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- 3.4 Should that occur a joint committee would be composed of Councillors from each of the participating authorities within Cheshire and Merseyside in the following ways:
- where 4 or more local authorities deem the proposed change to be substantial, each authority will nominate 2 elected members; and
  - where 3 or less local authorities deem the proposed change to be substantial, then each participating authority will nominate 3 elected members.
- 3.5 To avoid inordinate delays in the establishment of a relevant joint committee, it is suggested in the protocol that constituent authorities should arrange for delegated decision making arrangements to be put in place to deal with such nominations at the earliest opportunity and in making their nominations, each participating authority is asked to ensure that their representatives have the experience and expertise to contribute effectively to a health scrutiny process.
- 3.6 At the present time, one Joint Health Scrutiny Committee currently exists, comprising of representatives of Knowsley and Sefton Councils, which was established to consider and comment on the proposals and consultations undertaken for changes to Vascular Services in the areas covered by the two Councils by such a date specified by the Cheshire and Merseyside Vascular Review Project Board (NHS Merseyside and NHS Cheshire).
- 3.7 The proposed representation on the Joint Health Scrutiny Committee (Vascular Services) for 2015/16 is set out in Appendix 3 to this report, together with the proposed representation on any other Joint Health Scrutiny Committees which may be established during the forthcoming Council Year as referred to in paragraph 3.4 above.

## **4. Sefton New Directions Board**

- 4.1 The membership of the Sefton New Directions Board is currently under review and the Cabinet will be requested to consider the outcome of that review in due course.

## **5. Officer Representation on Bodies**

- 5.1 The Cabinet is requested to note that the Chief Executive represents the Council on the Southport Business Improvement District Board, One Vision Housing Shareholders Meetings and Sefton New Directions meetings, as set out in Appendix A.

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**APPOINTMENTS TO OUTSIDE BODIES APPROVED BY THE CABINET**

**ANNUAL APPOINTMENTS TO EXPIRE IN MAY 2017**

<u>ORGANISATION</u>	<u>CABINET PORTFOLIO</u>	<u>NUMBER OF REPRESENTATIVES</u>	<u>REPRESENTATIVE(S)</u>
British Destinations	Regeneration and Skills	1	Cabinet Member – Regeneration and Skills (Councillor Atkinson) or nominee
Committee in Common - Healthy Living Programme	Health and Wellbeing	1	Cabinet Member – Health and Wellbeing (Cllr. Moncur)
Formby Pool Trust – Board	Health and Wellbeing	2	Councillor Page and Head of Locality Services – Provision (Andrew Walker)
Frarlorrnby Trust	Communities and Housing	1	Councillor Owens
Joint Health Scrutiny Committee (where 3 or less local authorities request the scrutiny of a substantial variation to a service)	Health and Wellbeing	3	Chair (Councillor Page) and Vice Chair (Councillor Dams) of the O & S Committee (Adult Social Care) and one Lib Dem Member (Councillor Dawson) (Lab 2/Lib Dem 1)
Joint Health Scrutiny Committee (where 4 or more local authorities request the scrutiny of a substantial variation to a service)	Health and Wellbeing	2	Chair (Councillor Page) and Vice Chair (Councillor Dams) of the O & S Committee (Adult Social Care)

<u>ORGANISATION</u>	<u>CABINET PORTFOLIO</u>	<u>NUMBER OF REPRESENTATIVES</u>	<u>REPRESENTATIVE(S)</u>	
Liverpool City Region Child Poverty and Life Chances Commission	Children, Schools and Safeguarding	1	Cabinet Member – Children, Schools and Safeguarding (Councillor John Joseph Kelly)	
Liverpool City Region Employment and Skills Board	Regeneration and Skills	1	Cabinet Member – Regeneration and Skills (Councillor Atkinson)	
Liverpool City Region Housing and Spatial Planning Board	Communities and Housing	1	Cabinet Member – Communities and Housing (Councillor Hardy) (Substitute: Cabinet Member - Planning and Building Control – Councillor Veidman)	
Liverpool City Region Local Enterprise Partnership Board	Leader of the Council	1	Leader of the Council (Councillor Maher)	
Liverpool John Lennon Airport Consultative Committee	Regeneration and Skills	1	Councillor Roche (Substitute: Councillor Dams)	
Local Government Association General Assembly	Regulatory, Compliance and Corporate Services	1	Councillor Maher (5 votes)	
Local Solutions	Communities and Housing	1	Councillor Roche	
Mersey Forest Steering Group	Regeneration and Skills	1	Councillor Kevin Cluskey	
Mersey Port Health Committee	Regulatory, Compliance and Corporate Services	6	<u>Member</u> Councillor Burns Councillor John Kelly Councillor Page Councillor Roche Councillor Weavers Councillor Bill Welsh (Lab 4/Lib Dem 2)	<u>Substitute</u> Councillor Linda Cluskey Councillor Brenda O'Brien Councillor Anne Thompson Councillor Robinson Councillor Jo Barton Councillor Lynne Thompson

<u>ORGANISATION</u>	<u>CABINET PORTFOLIO</u>	<u>NUMBER OF REPRESENTATIVES</u>	<u>REPRESENTATIVE(S)</u>
Merseyside Community Safety Partnership	Communities and Housing	1	Cabinet Member – Communities and Housing (Councillor Hardy) and the Head of Communities (Andrea Watts)
Merseyside Pension Fund Pensions Committee	Regulatory, Compliance and Corporate Services	1	Cabinet Member - Regulatory, Compliance and Corporate Services (Councillor Lappin) or nominee
Merseyside Playing Fields Association	Health and Wellbeing	1	Councillor Cummins (Substitute: Councillor Moncur)
North West Older Peoples Network	Adult Social Care	1	Cabinet Member – Adult Social Care (Councillor Cummins)
North Western Local Authorities' Organisation	Regulatory, Compliance and Corporate Services	1	Cabinet Member – Regulatory, Compliance and Corporate Services (Councillor Lappin) (Substitute: Councillor Moncur)
PATROL (Parking and Traffic Regulations Outside London) Adjudication Joint Committee	Locality Services	1	Cabinet Member - Locality Services (Councillor Fairclough) (Substitute: Councillor Veidman)
			<b>(NB - Nominated Member <u>and</u> substitutes must be Cabinet Members)</b>
Sefton Coast Partnership Board	Locality Services	3	Cabinet Member – Locality Services (Councillor Fairclough) and Councillors Booth and Dutton
Sefton Council for Voluntary Service	Communities and Housing	3	Councillors Grace, Pullin and Robinson
Sefton Cycling Forum	Locality Services	2	Councillors Kevin Cluskey and Weavers
Sefton Education Business Partnership	Children, Schools and Safeguarding	3	Cabinet Member - Children, Schools and Safeguarding (Councillor John Joseph Kelly) and Councillors Keith and Moncur

Comm. (appts to outside bodies 2016-17 appA)

<u>ORGANISATION</u>	<u>CABINET PORTFOLIO</u>	<u>NUMBER OF REPRESENTATIVES</u>	<u>REPRESENTATIVE(S)</u>
Sefton New Directions Limited Board	Adult Social Care	3	Councillors Brennan and John Joseph Kelly and Chief Executive (Margaret Carney)
Sefton Sports Council	Health and Wellbeing	3	Cabinet Member - Health and Wellbeing (Councillor Moncur), and Councillors Cummins and Weavers
Southport Pier Trust	Regeneration and Skills	3	Councillors Ball, Byrom and Hands
Standing Advisory Committee for Religious Education (SACRE)	Children, Schools and Safeguarding	3	Councillors Grace, Keith and Pitt
The John Goore Charity, Lydiate	Communities and Housing	1	Councillor Sayers
Trans Pennine Trail Members Steering Group	Locality Services	2	Cabinet Member - Locality Services (Councillor Fairclough) and Cabinet Member –Planning and Building Control (Councillor Veidman) or their nominees

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OFFICER APPOINTMENTS

One Vision Housing Shareholders Meetings	Communities and Housing	1	Chief Executive (Margaret Carney)
Southport Business Improvement District Board	Regeneration and Skills	1	Chief Executive (Margaret Carney)



**APPOINTMENTS TO OUTSIDE BODIES APPROVED BY THE CABINET**

**APPOINTMENTS FOR A PERIOD OF OVER ONE YEAR**

<u>ORGANISATION</u>	<u>CABINET PORTFOLIO</u>	<u>NUMBER OF REPRESENTATIVES</u>	<u>REPRESENTATIVE(S)</u>	<u>TERM OF OFFICE EXPIRES</u>
Canal and River Trust – North West Waterway Partnership	Regeneration and Skills	1	Councillor Lappin	15.3.2019 (3 year appointment)
Merseyside Strategic Flood and Coastal Risk Management Partnership	Locality Services	1	Councillor McKinley (Deputy representative – Councillor Atkinson)	31.5.2017 (4 year appointment)
North West Reserve Forces and Cadets Association	Communities and Housing	1	Councillor Byrom	31.5.2017 (3 year appointment)
North Western Inshore Fisheries and Conservation Authority	Locality Services	2	Councillor Owens or nominee and Coast and Countryside Services Manager (David McAleavy)	31.5.2019 (4 year appointment)
South Sefton Development Trust (Regenerus)	Regeneration and Skills	1	Councillor Fairclough	30.5.2018 (3 year appointment)
<u>CHARITIES</u>				
Ashton Memorial Fund, Formby	Communities and Housing	1	Councillor Page	31.5.2019 (4 year appointment)
Consolidated Charities of Thomas Brown and Marsh Dole (Formby)	Communities and Housing	2	Councillor Pitt Councillor Webster	26.6.2020 26.6.2018 (4 year appointment)
Halsall Educational Foundation	Children, Schools and Safeguarding	1	Councillor Grace	31.5.2020 (2 year appointment)

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<u>NHS FOUNDATION TRUST GOVERNING BODIES</u>				
Aintree University Hospital NHS Foundation Trust - Council of Governors	Health and Wellbeing	1	Councillor Cummins	31.5.2018 (3 year appointment)
Liverpool Women's NHS Foundation Trust - Council of Governors	Health and Wellbeing	1	Councillor Spencer	31.9.2017 (3 year appointment)
MerseyCare NHS Foundation Trust – Council of Governors	Health and Wellbeing	1	Councillor Webster	1.5.2019 (3 year appointment)
Southport and Ormskirk Hospital NHS Trust - Shadow Council of Governors	Health and Wellbeing	1	Councillor John Joseph Kelly	31.9.2017 (3 year appointment)
<u>SCHOOL GOVERNING BODIES</u>				
St. Anne's High School, Formby	Children, Schools and Safeguarding	1	Councillor Grace	31.5.2019 (3 year appointment)
St. Peter's Church of England Primary School, Southport	Children, Schools and Safeguarding	1	Councillor Hands	31.7.2019 (3 year appointment)

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<b>Report to:</b> Cabinet	<b>Date of Meeting:</b> 26 May 2016
<b>Subject:</b> The Future Commissioning of Transactional Financial, HR and Information Services	
<b>Report of:</b> Chief Finance Officer	<b>Wards Affected:</b> All
<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**

To seek approval of Cabinet to conduct a commissioning process to establish the sourcing strategy for financial and HR transactional services and ICT services which are currently provided through a partnership agreement with arvato.

## **Recommendation(s)**

Cabinet is recommended to :

- 1) note that the contract period ends 30<sup>th</sup> September 2018 and that the Council needs to determine its new requirements from that date.
- 2) approve the procurement of consultancy support to prepare the sourcing strategy in preparation for the provisioning of these services.
- 3) to note that the partnership agreement with arvato will continue until 30 September 2018, and that staff engagements will take place accordingly.
- 4) to authorise the Head of Corporate Resources in consultation with the Cabinet Member (Regulatory, Compliance and Corporate Services) to negotiate any interim arrangements to safeguard the continuity of services in the best interests of the Council as required.
- 5) to note that the sourcing strategy, along with a detailed procurement and implementation plan will be reported to Cabinet for appropriate decision making in the latter part of 2016.

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## 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		X	
2	Jobs and Prosperity		X	
3	Environmental Sustainability		X	
4	Health and Well-Being		X	
5	Children and Young People		X	
6	Creating Safe Communities		X	
7	Creating Inclusive Communities		X	
8	Improving the Quality of Council Services and Strengthening Local Democracy		x	

### Reasons for the Recommendation:

To ensure that the Council reviews the future strategic needs of the organisation, in line with the Council priorities, the future resource plans and the development of new partnership working and service plans. The current contract with arvato runs until September 2018 and discussions between the Council and arvato have taken place, in line with the contract extension Clauses. Both the Council and arvato agreed that the current contract is not appropriate in its current form to meet the future needs of the Council. This strategic review will be timely before formal procurement decisions are made in the Spring of 2017. The target date to have all commissioning in place and implementation underway is September 2017 to allow one year for a smooth implementation phase prior to October 2018.

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

#### (A) Revenue Costs

The current cost of services covered by the Partnership agreement is £15.7m p.a. There are annual variations to this as the requisition of services outside of the main contract are variable over time. These relate to volume changes, ICT development costs and the purchase of ICT materials and technology.

The cost of the consultancy to develop the sourcing strategy will be met from the Council's earmarked transformation reserve and is estimated to be under £100k.

#### (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> – Expiration of the current contract with arvato will need to adhere to the current contractual requirements unless otherwise varied and agreed to between the parties.	
<b>Human Resources</b> – There are no implications as a consequence of this report but this will be kept under review between now and any decisions about the future provision of services under consideration.	
<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:**

The recommendations will ensure that the Council undertakes adequate planning and preparation for the future specification of transactional finance and HR services and the provision of ICT services which ultimately underpin the delivery of the Council’s frontline services to residents, communities and business stakeholders.

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

The Chief Finance Officer is the author of the report (FD 4145/16)

Head of Regulation & Compliance has been consulted and (LD 3428/16) her comments are incorporated into the report.

arvato, the current delivery partner has been consulted and engaged in discussions relating to the provision of services from October 2018 and has been consulted on the way forward.

The arvato staff and the relevant unions, have been informed of this report and further discussions and consultations will take place as the future requirements become clear.

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## **Are there any other options available for consideration?**

The current Partnership Agreement with arvato has provision to extend the existing configuration of services for up to five years. However the needs of the Council have changed very significantly since the specification was prepared in 2007/08 and is no longer appropriate given the Council's financial position or its future priorities. The scale and scope of the changes required in the future are likely to be significant and could be open to legal challenge if the commissioning was not subject to future competition opportunities.

## **Implementation Date for the Decision**

Following the expiry of the "call-in" period for the Minutes of the Cabinet

**Contact Officer:** Margaret Rawding, Chief Finance Officer

**Tel:** 0151 934 4082

**Email:** [margaret.rawding@sefton.gov.uk](mailto:margaret.rawding@sefton.gov.uk)

## **Background Papers:**

None

## 1. Background

- 1.1. The Council entered into a Partnership Agreement in 2008 with arvato to deliver financial and HR transactional services and to provide the Council's ICT service.

The key objectives of the Partnership Agreement were to achieve :

- Significant revenue savings
- Improve performance to top quartile
- Job security
- Work to stay in Sefton and
- Capital investment

- 1.2. The Agreement has six main functions :-

- 1) customer services, including the contact centre and the One Stop Shops
- 2) Revenue Services – Council Tax, Business Rates and general income
- 3) Benefits Services – Housing Benefits and Council Tax Reduction Scheme
- 4) Payroll and transactional HR and pensions
- 5) Accounts payable
- 6) Information and Communications Technology

- 1.3. The original objectives set out in 2008 have been met in many areas. The contract reduced the revenue cost of these services to the Council with immediate effect by 10% and further savings have been made during the recent years of the contract.

- 1.3.1. The collection of Council Tax and Business Rates is performing consistently within the top quartile of all Metropolitan Authorities despite the recent economic downturn and the changes to Council Tax Benefit. The processing of Housing Benefits is of a good standard and the Overview and Scrutiny (Regulatory, Compliance and Corporate Services) have recently reviewed the Bailiff Service and the customer experience of claiming financial assistance and found the services to be performing well, with opportunities to support other services within the Council.

- 1.3.2. The HR transactional functions including payroll have regularly met the contractual KPI's. The arvato staffing arrangements have ensured that staff delivering the Sefton work have remained based in Sefton and have also expanded the experience of some staff by using their expertise on wider arvato activities.

- 1.3.3. The ICT service has ensured continuity of provision and the development of the Microsoft environment within the capital investment allowed for within the contract. The ICT component accounts for approximately 50% of the annual contract price.

## 2. The Council's Future Requirement

- 2.1. Since 2008 the Council has gone through a high level of change which could not have been predicted in late 2007 when the specification for services and key performance indicators were being prepared. These changes, to highlight just a

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few, include the reduction in Council resources of 40%, the introduction of Universal Credit and abolition of the Council Tax Benefit Scheme, compulsory pension enrolment and downsizing of the Council's workforce. Since 2007 there has also been significant technological changes in web based and agile working opportunities, that have influenced all sectors in supporting business transformation.

- 2.2. Looking forward the Council will need to consider what services are required to support its Vision for Sefton and that will allow it to respond flexibly to further reductions in Council resources, changing expectations from residents and businesses relating to digital interfaces and responsiveness.
- 2.3. The Council will also be required, as part of the financial pressures, to explore a range of public sector reforms including use of shared services, discontinuation of some services and use of alternative delivery model with other public sector, private and voluntary, faith and community sector partners.
- 2.4. This report is presented in the light of work undertaken and advice sought on the timeframe and the skill requirements to move forward this change programme in an efficient manner. The work going forward falls into three key stages:

Phase 1 - the pulling together of the Council requirements to 2023 alongside the technology and transformational opportunities which will contribute to the determination of the overall sourcing strategy. This stage is expected to be completed by Oct 2016.

Phase 2 - the drafting of the service specifications and the design of a delivery solution will take up to 6 months, including staffing and contract implications.

Phase 3 - the implementation of the new service delivery, including the novation of existing supply chain contracts and staffing changes.

The programme at this stage has up to 4 months contingency to allow for slippage throughout. This is a realistic deliverable timeframe which will require the support of additional technical knowledge and capacity at key stages.

- 2.5. In the light of this changing environment the Cabinet is asked to approve a complete review of the transactional and ICT services to ensure that the future specifications are redrawn fit for 2020 and beyond and that an analysis is undertaken to determine which delivery models best match the strategic plans of the Council.

### 3. Analysis of Delivery Models

- 3.1. In seeking to redefine the Council's business requirements this report is seeking approval to appoint an external specialist to support the Council in determining the optimum delivery models for Sefton and its vision.
- 3.2. This exercise will require the knowledge and skills of experienced commissioners of business support functions. In particular the specialists will be expected to



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deliver a high level of experience in sourcing the optimum strategic fit for ICT services.

- 3.3. The business world currently uses a wide range of delivery models for ICT. These range, at one extreme having all support and systems hosted and service managed through the internet and hosted away from the organisation. This model moves all the control and influence of the digital infrastructure and communications to contract management and contract performance and has inherent risks for organisations who do not have these client management skills. At the other end of the spectrum organisations can in source a wide range of ICT provision, bringing all the capital investment costs and management of the delivery in-house. This model carries risk as the rate of change of capital investment or personnel can be slow and expensive and may not respond efficiently or effectively to deliver the Council's strategies.
- 3.4. The use of consultants in determining the optimum arrangement for services, particularly for ICT, will consider a wide range of risks and opportunities for the Council and recommend the best fit for Sefton. The final determination of the sourcing of services will be considered by Cabinet, as the outputs of Phase One of this programme, and before the procurement processes commence in early 2017. Additional consultancy is likely to be required at the procurement (Phase 2) and implementation (Phase 3) stages which will be considered when the Phase 1 outputs are known.
- 3.5 Half of the current contract, by price includes key delivery components which will affect the relationship with residents and local businesses. The contact centre, one stop shops are the main personal contact points for claiming Housing benefits, paying invoices and linking with Council services. The specialist advice will support the Council on determining the best way of achieving efficient public interface and place a redesigned service with the Council's vision and strategic planning. as part of the review the strategic positioning of these front line services will need to be evaluated and the future changes arising from Government policy changes, e.g. Housing Benefit and Universal Credit will need to be planned for. The delivery of payroll will remain a requirement and its strategic importance will be reviewed to determine to optimum positioning between price and control. The current review undertaken by the Overview and Scrutiny Committee of some of these services will be taken into account by the external specialist.

## 4. Future Implications for Employees and Contracts

- 4.1. The arvato Partnership Agreement contains a requirement for both parties to regularly review the exit plan. This has recently been agreed and noted by the Operational Board which is chaired by the Cabinet Member. The exit plan ensures that actions taken during the final stage of the contract do not undermine the sustainability of services and that both organisations act in a manner which does not lead to greater risk for the other party. It also covers the process to be followed for the transfer of staff to any successor provider and the novation of contracts.
- 4.2. As part of the consultation that has taken place already, the arvato management team have agreed with the Council a communication strategy, and detailed communications with staff and suppliers for use during Phase 1. This message

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will confirm that those services that the Council chooses to re-procure from external suppliers will be open for tenders from arvato and its existing supply chain.

## 5. Summary

- 5.1. The current arvato contract was designed to fit a different era, and an extension would not address significantly the changes the Council is likely to face in the period 2018 – 2023. In order to maximise the opportunities for new technologies and transformation of transactional processes officers are recommending that Cabinet use the opportunity of a major review to determine new strategic sourcing and delivery models.
- 5.2. The capacity and skills to achieve the benefits outlined in the paragraph above are not available within existing staffing resources. Cabinet is requested to approve the use of consultancy, initially for the completion of the first phase, to bridge this gap. Cabinet is also asked to note that further external support will be required to deliver a successful outcome in the future delivery period.

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<b>Report to:</b>	Cabinet Council	<b>Date of Meeting:</b>	26 May 2016 9 June 2016
<b>Subject:</b>	Publication of Proposed Modifications to the Sefton Local Plan	<b>Wards Affected:</b>	(All Wards);
<b>Report of:</b>	Chief Executive		
<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 Members of the key issues arising from the receipt of the Inspector's Initial Findings, and to seek approval to publish the proposed Modifications for 6 weeks consultation, alongside the Sustainability Appraisal and the Habitats Regulations Assessment of the Local Plan (Modifications). Any comments received will be submitted to the Inspector following the conclusion of the consultation period.

## Recommendation(s)

That **Cabinet** recommends to Council that it:

1. notes the key issues arising from the Inspector's Initial Findings;
2. accepts the Inspector's Initial Findings as the basis for preparing Modifications to the Local Plan;
3. authorises the publication of the Modifications (both Main and Additional Modifications) for comment, alongside the Sustainability Appraisal and the Habitats Regulations Assessment of the Local Plan (Modifications);
4. grants delegated powers to the Chief Planning Officer, in consultation with the Cabinet Member: Planning and Building Control, to make minor editorial changes and any changes required by the Planning Inspectorate or as a result of changes to Government guidance to the Modifications before they are published; and
5. following the end of the consultation period, authorises the proposed Modifications to be submitted to the Inspector appointed by the Secretary of State to examine the Sefton Local Plan, together with all comments received.

That **Council**:

1. notes the key issues arising from the Inspector's Initial Findings;
2. accepts the Inspector's Initial Findings as the basis for preparing Modifications to the Local Plan;

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3. authorises the publication of the Modifications for comment, alongside the Sustainability Appraisal and the Habitats Regulations Assessment of the Local Plan (Modifications);
4. grants delegated powers to the Chief Planning Officer, in consultation with the Cabinet Member: Planning and Building Control, to make minor editorial changes and any changes required by the Planning Inspectorate or as a result of changes to Government guidance to the Modifications before they are published; and
5. following the end of the consultation period, authorises the proposed Modifications to be submitted to the Inspector appointed by the Secretary of State to examine the Sefton Local Plan, together with all comments received.

## 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 brief Members on the issues arising from the Local Plan Inspector’s Initial Findings, and to seek approval to publish the proposed Modifications to the Local Plan for consultation, alongside the Sustainability Appraisal and the HRA of the Local Plan (Modifications).

### Alternative Options Considered and Rejected:

None. This is a statutory process that has to be followed as part of the process of securing a ‘sound’ Local Plan which the Council can adopt.

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

#### (A) Revenue Costs

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It is estimated that the total costs associated with the publication of the proposed Modifications will not exceed £5,000. This sum can be met from within the 2016/17 Planning Department's (Planning Policy) Revenue budget.

There will be further costs associated with the announcement of the intention to adopt the Sefton Local Plan and the publication thereof which will arise later this year. Further reports will provide details.

## **(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> Every Local Plan must be informed and accompanied by a Sustainability Appraisal and, where appropriate, a Habitats Regulations Assessment	
<b>Human Resources</b>	
<b>Equality</b>	
1. No Equality Implication	<input type="checkbox"/>
2. Equality Implications identified and mitigated	<input checked="" 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 (FD.4141/16) has been consulted and notes estimated costs, (up to £5,000) can be met from within the 2016/17 Planning Department's (Planning Policy) Revenue budget.

Head of Regulation and Compliance (LD3424/16.) has been consulted and any comments have been incorporated into the report.

## **Implementation Date for the Decision**

Immediately following the Council meeting.

## **Contact Officer:**

**Tel: Tel: 0151 934 3556**

**Email: [ingrid.berry@sefton.gov.uk](mailto:ingrid.berry@sefton.gov.uk)**

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## **Background Papers:**

The following papers are available for inspection on the Council website via this link [www.sefton.gov.uk/localplan](http://www.sefton.gov.uk/localplan) and [www.sefton.gov.uk/examlibrary](http://www.sefton.gov.uk/examlibrary) :

1. Sefton Local Plan submission draft (LP1a and LP1b)
2. Inspector's Initial Findings (EX102);
3. Inspector's Initial Findings (2) Retail matters (EX107)

## 1. Introduction/Background

- 1.1 The purpose of this report is to seek approval of the following documents for consultation purposes:
- Main Modifications to the Local Plan;
  - Additional Modifications to the Local Plan;
  - Changes to the Policies Maps;
  - Sustainability Appraisal of the Modifications to the Local Plan; and
  - Assessment under the Conservation of Habitats and Species Regulations 2010 (HRA).
- 1.2 The Main and Additional Modifications can be found in a single document at [www.sefton.gov.uk/cabinetandcouncil2016](http://www.sefton.gov.uk/cabinetandcouncil2016). The changes to the Policies Maps, an updated tracked changes version of the Local Plan, the Sustainability Appraisal and the HRA can also be found here. Copies are also available in the four Group Offices.
- 1.3 The hearing sessions of the Sefton Local Plan examination took place between November 2015 and January 2016. They are currently adjourned in January 2016 in order to enable the Inspector to produce his Initial Findings. The majority of the Initial Findings were received on 22<sup>nd</sup> February 2016 [EX102 Sefton Local Plan - Inspectors initial Findings](#), with the Initial Findings on Retail Matters received on 6<sup>th</sup> April [EX107 Inspector's Initial Findings - Retail Matters](#). The receipt of the Initial Findings is a key stage in finalising the Local Plan leading up to the Council adopting the Plan.
- 1.4 The Inspector overwhelmingly supports the Local Plan in all key respects, and his main findings are outlined in section 2 of this report.
- 1.5 The main purposes of the Initial Findings are firstly for the Inspector to set out his initial conclusions on the soundness of the Sefton Local Plan and secondly to ensure that this consultation includes all the Main Modifications that the Inspector considers necessary for the Plan to be found sound. The Inspector will take the representations on the Main Modifications into account before the final stage of the examination which is the completion of his report to the Council.
- 1.6 The majority of the Main Modifications have been suggested and agreed to by the Council (and were reported to Cabinet on 30<sup>th</sup> March 2016) before, during and after the hearings as a result of consideration of the evidence and/or in response to points raised by the Inspector. The Inspector commented that the reasons for the modifications would be familiar to most participants who attended the examination. In the Initial Findings he only comments briefly on the main strategic issues that arose. Detailed comments on all the policies and matters arising will not be addressed until his Final Report is received in the autumn.
- 1.7 However, to assist the Council and representors, the Inspector provided more detail on his Initial Findings on the following matters:
- a) The objectively assessed housing needs and land supply;
  - b) The objectively assessed employment needs and land supply;
  - c) The need for an early review; and

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- d) The few instances where he considered that new Main Modifications are required to make the Plan sound, including site allocations; and
- e) Retail findings, as these could not be included in his report dated 22<sup>nd</sup> February 2016.

- 1.8 The Inspector also commented that, as those who participated in the hearings will be aware, the evidence base which underpins the Plan was not fully complete when the Council submitted the document for examination. This has led the Council to propose more Main Modifications than would often be required, sometimes quite late in the proceedings. The discussion of retail policy did not take place until mid-January 2016 and this led the Council to reconsider its approach to policy ED2 'Development in town, district and local centres, local shopping parades and outside defined centres'. The Inspector's comments on this are covered in his Initial Findings on Retail Matters dated 6<sup>th</sup> April 2016.
- 1.9 As well as the Main Modifications, the Council is also proposing to publish a number of Additional Modifications and changes to the Policies Maps for consultation. These do not go to the heart of the Plan or affect soundness. They generally relate to minor updating of evidence or context, or are changes made to add clarity to the Plan. An updated tracked changes version of the Local Plan has also been produced and is also on the above web page.
- 1.10 In addition to producing the Main Modifications for consultation, it is also a statutory requirement that the Main Modifications should be subject to assessment under the Conservation of Habitats and Species Regulations 2010 as amended (HRA) and undergo a Sustainability Appraisal (see section 3 below). These have both been completed and are proposed to be published for comment alongside the Main Modifications and Additional Modifications.
- 1.11 A summary of the Initial Findings dated 22<sup>nd</sup> February was reported to Panning Committee for noting on 30<sup>th</sup> March (Minute 121).

## **2. Key points raised in the Inspector's Initial Findings**

- 2.1 Having carefully considered all the written evidence and the discussion at the examination hearings, the Inspector's initial conclusion is that, subject to the modifications proposed by the Council and a small number of other changes, he is likely to find the Sefton Local Plan sound.
- 2.2 The Inspector's Initial Findings are a clear endorsement for the approach and strategy of the Local Plan. The Inspector supports the approach to selecting sites for housing, and all but one of its employment sites. He also broadly agrees with the Council's view about how much land is available within the urban area for new housing and shares the Council's conclusion that the remainder has to come from Green Belt sites.
- 2.3 The Inspector has also considered the proposal put forward by the Council that the Local Plan should be the subject of an early review, due to the publication of the 2012-based household projections by the DCLG in February 2016. Whilst he has marginally increased the housing requirement in Sefton during the plan period from 615 to 640 each year, he does 'not believe that other factors warrant a further increase of this figure'. This is despite the work carried out in this area on



the Council's behalf by consultants NLP indicating that the objectively assessed housing need could potentially be as high as 1286 homes a year. As a result, he disagrees that there is a need for an immediate review of the Local Plan unless the conclusions of the sub-regional Strategic Housing and Employment Land Market Assessment (SHELMA) identifies a need for more housing or employment land in Sefton, including any needs associated with the expansion of the Port of Liverpool. If, however, a need is identified, he finds that the immediate and partial review of the Sefton Local Plan should be submitted within 2 years of the adoption of this Local Plan.

- 2.4 The Inspector takes the view that the evidence leads him to conclude that the Council was right to choose the 'meeting identified needs' strategy. He concluded that, 'given the formidable constraints faced by Sefton as a result of the tightly drawn Green Belt, international nature conservation designations, high quality agricultural land and areas susceptible to flooding, a difficult balance has to be struck between meeting growth needs and protecting the environment. In broad terms the middle option, meeting identified needs, gets this balance right'.
- 2.5 The Inspector also finds that the Local Plan's 'aim of meeting the need for homes, jobs and services as close to possible where they arise' as sound, but acknowledges that the 'expansion of settlements in proportion to their size has not always been possible due to the environmental constraints, the limited availability of land within the main urban areas and the borough's restrictive administrative boundaries'. Importantly, he finds 'that the selection of housing allocations and safeguarded land has been rigorous, objective and robust.'
- 2.6 He also endorses all but one of the employment allocations, the exception being the land south of Formby Industrial Estate. He states "The most significant further change is the deletion of one of the two employment sites in Formby". There are a number of reasons which led the Inspector to this conclusion:
- In the Inspector's view the Land north of Formby Industrial estate (MN2.48) is clearly the preferred site for the following reasons:
    - Whilst flooding is the most significant constraint for both Formby employment sites, it is more significant on the southern site, with 42% of the site being in the functional floodplain;
    - The impacts on the Green Belt are broadly similar between the two sites., but in landscape terms the southern site has more open vistas and development would appear as a more prominent extension of Formby into the surrounding large-scale, flat agricultural landscape;
    - On the other hand the ecological value of the northern site is greater, though the impacts are capable of mitigation.
  - The sale and nature of the enabling development is highly significant. A small number of trade counters and hybrid uses may be necessary to cross-subsidise delivery of the 8ha of B1/B2/B8 floorspace on the northern site (MN2.48). In contrast, the mixed-use development proposed on the southern site (MN2.49), which includes a new home for Formby Football Club, would require about 7,400 sq m of retail floorspace and some leisure uses to be viable. Fundamentally, a sizeable new retail development off Formby by-pass is not consistent with the Plan's retail strategy. There is no current capacity for new retail floorspace in north

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Sefton, and as the retail implications of a scheme that would be over 40% of the size of Formby district centre have not been tested, compliance with the sequential and impact tests is far from certain.

- It is not clear whether the phasing of development on this site would meet the requirements of policy MN5 (the site specific policy for the land south of Formby Industrial Estate), as the latest viability study suggest the 7ha of employment floorspace would be built after, rather than in tandem with, the retail and sports uses.

- 2.7 The Inspector appreciated that the football element of the development would be a major benefit to Formby, but this is clearly outweighed by the amount and type of enabling development necessary to deliver this mixed use scheme.
- 2.8 In terms of housing land supply, he is satisfied that the delivery of the identified housing supply is set at an achievable level. He considers that the urban housing supply of 6,200 dwellings 'is likely to be a minimum yield given the cautious assumptions about windfalls'. Importantly he also finds that 'the contention that appreciably more dwellings could be built within the existing settlements is not supported by evidence.' He concludes that 'The remainder [of the requirement] has to come from Green Belt sites'.
- 2.9 The Inspector noted that, following the completion of the retail evidence and the discussion at the hearings, the Council had modified its approach to town centres and retail policy. In particular, he endorses the inclusion within Southport town centre of the main hotel and leisure area and Central 12 retail park, and the more limited extension to Crosby district centre. This has necessitated the retail core to be separately identified, in accordance with the National Planning Policy Framework.
- 2.10 He also agreed that it was appropriate that Sefton's many retail parks should be given preference over new out of centre sites, as occurs in the current Unitary Development Plan.
- 2.11 Although the thresholds for requiring impact assessments are much lower than the default 2,500 sq m set by the NPPF, in the Inspector's view they are justified by the evidence that some of Sefton's town centres are showing signs of decline and many others are vulnerable. Setting the threshold at the size of a typical anchor unit for the relevant centre is a reasonable position to adopt. With addition of the proposed Modifications to policy ED2, the explanatory text and the Policy Maps, the Inspector concluded that the changes proposed to this policy were also necessary for the Local Plan to be found sound.

### **3. Sustainability Appraisal and Habitats Regulations Assessment of the proposed Modifications**

- 3.1 The proposed modifications to the Local Plan have been subject to a Sustainability Appraisal. This was to ensure that any significant sustainability impacts of the proposed modifications were identified and addressed. In fact no significant negative implications from any of the modifications were identified. This reflects the fact that most of the modifications have been proposed as a result of detailed discussions at the Local Plan examination. Most changes have usually

been made on a consensus basis and are intended to improve the outcome of development. The updated Sustainability Appraisal is available online (see above) and is available for comment alongside the proposed modifications.

- 3.2 The proposed modifications to the Local Plan have also been subject to a Habitats Regulations Assessment. The purpose was to identify whether any aspects of the proposed modifications would cause an adverse effect on the integrity of internationally important nature sites; and if so, to advise on an appropriate policy mechanism for mitigating these effects. The recommendations of the Habitats Regulations Assessment report have led to a small number of clarifications and wording changes to the explanation of the policies in Local Plan which are included in the current proposed modifications. The Habitats Regulations Assessment report concludes that, with these changes, the proposed modifications to the Sefton Local are compliant with the Conservation of Habitats and Species Regulations 2010 as amended. The Habitats Regulations Assessment of the proposed modifications is available online at (see above) and is available for comment alongside the proposed modifications.

#### **4. Next Steps**

- 4.1 The proposed Modifications (both Main and Additional), Sustainability Appraisal and Habitats Regulations Assessment will be published for a period of six weeks, running from 15<sup>th</sup> June – 27<sup>th</sup> July. Any comments received will be sent to the Inspector within 3 weeks. These will be taken into account before he produces his Final Report.
- 4.2 During the consultation, comments can only be made in relation to the proposed Modifications. Those making representations cannot raise issues that have previously been discussed or relate to parts of the Local Plan where no changes are proposed.
- 4.3 There is a very slight possibility that the Inspector may decide to re-open the examination hearings in order to hear further evidence if e.g. new Government guidance is issued, or significant new issues are raised which cannot be dealt with in any other way.
- 4.4 If the examination hearings are not re-opened, the Inspector will consider the consultation responses received and in due course will issue a Final Report, currently expected in late September. This will contain full details of the reasons why the Main Modifications are necessary to make the Plan sound. Once the Inspector's Final Report is received, the examination will officially conclude and the Council will then be in a position to adopt the Sefton Local Plan.

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