

THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON FRIDAY 24 MARCH 2017. MINUTE NOS 94 AND 97 ARE NOT SUBJECT TO "CALL – IN."

CABINET

MEETING HELD AT THE COMMITTEE ROOM, TOWN HALL, BOOTLE ON THURSDAY 9TH MARCH, 2017

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

ALSO PRESENT: Councillor Hands

91. APOLOGIES FOR ABSENCE

No apologies for absence were received.

92. DECLARATIONS OF INTEREST

No declarations of any disclosable pecuniary interest were received.

93. MINUTES OF PREVIOUS MEETING

Decision Made:

That the minutes of the Cabinet meetings held on 16 February 2017 be confirmed as a correct record.

94. REVENUE AND CAPITAL BUDGET UPDATE 2016/17

The Cabinet considered the report of the Head of Corporate Resources which provided details of the current forecast outturn position for the Council for 2016/17 as at the end of January 2017 which was informed by the latest analysis of expenditure and income due to the Council, in addition to the progress in delivering approved savings; the current forecast on Council Tax and Business Rates collection for 2016/17; and the current position of the Capital Programme.

Decision Made: That

- (1) the forecast deficit outturn position of £0.682m, as at the end of January 2017, and the potential impact on the Council's General Fund Reserves be noted;

- (2) the progress to date on the achievement of approved savings for 2016/17 and residual savings carried forward from previous years be noted;
- (3) the forecast position on the collection of Council Tax and Business Rates for 2016/17 be noted;
- (4) the current position of the 2016/17 Capital Programme be noted; and
- (5) the Council be recommended to give approval to the inclusion of the additional capital allocations, outlined in paragraph 6.7 to the Capital Programme.

Reasons for Decision:

To ensure the Cabinet are informed of the forecast outturn position for the revenue budget and delivery of savings as at end of January 2017; the updated forecast of the outturn position with regard to the collection of Council Tax and Business Rates and to seek approval for additional schemes financed from Section 106 monies to be included within the Capital Programme.

Alternative Options Considered and Rejected:

None.

95. ENERGY PROCUREMENT PLAN

The Cabinet considered the report of the Head of Corporate Resources which sought approval to the proposed Energy Procurement Plan including proposals for the supply of electricity through the Energy Supply Partnership with Scottish Power and the proposed extension of the arrangement for gas supply through the Crown Commercial Services (CCS) best value framework.

Decision Made: That

- (1) the proposed Energy Procurement Plan be approved;
- (2) approval be given to the proposals for purchase of gas supplies through the Crown Commercial Services (CCS) framework through to 31 March 2018; and
- (3) the Head of Corporate Resources and Head of Commissioning Support and Business Intelligence be authorised, in conjunction with the Cabinet Member for Regulatory, Compliance and Corporate Services to accept the CCS framework price for gas supply through to 31 March 2018.

Reasons for Decision:

To confirm the proposals for the procurement of electric and gas supply in order to secure supplies on the most advantageous terms. The specific recommendations were made in order to secure best value supplies in the short term while options for provision in the longer term are continuously reviewed.

Alternative Options Considered and Rejected:

The options available were set out within the body of the report. Failure to renew electricity and gas supply arrangements in advance of the relevant expiration dates would incur expensive non-contract penalty tariff rates.

96. SUBSTANCE MISUSE RESIDENTIAL REHABILITATION PROGRAMMES DYNAMIC PURCHASING SYSTEM

The Cabinet considered the report of the Director of Public Health which provided details of the key findings of a review of current commissioning arrangements for Substance Misuse Residential Rehabilitation Programmes for the residents of Sefton and sought authorisation to commence a procurement process to establish a Dynamic Purchasing System for future placements.

Decision Made: That

- (1) the Director of Public Health be authorised to conduct an OJEU Light-Touch Regime tender exercise to establish a Dynamic Purchasing System for substance misuse Residential Rehabilitation to run for a period of two-and-half years from 1 October 2017 with the option of two further one-year extensions with a ceiling price of £300,000 per annum; and
- (2) the Director of Public Health be granted delegated authority in consultation with the Cabinet Member – Health and Wellbeing to award the contracts to the highest scoring bidders, within the context of the approved budget and Medium Term Financial Plan.

Reasons for Decision:

A Dynamic Purchasing System (DPS), as provided for within the 2015 Public Contracts Regulations, would enable Sefton Council to ensure that fair and transparent commissioning arrangements are in place while enabling an individually tailored programme appropriate to the individual's needs and requirements. The key advantage of establishing a DPS was that the applicable legislation allows the Council to open up the DPS to new applicants at pre-determined anniversary points during its lifespan. This therefore gives the Council the flexibility to take advantage of beneficial changes within the marketplace which may take place over time.

Alternative Options Considered and Rejected:

(i) To establish a Framework Agreement for commissioning Residential Rehabilitation Programmes.

Whilst a Framework Agreement would comply with revised procurement rules, it does not give Sefton Council the degree of flexibility required to remain responsive to on-going change, as importantly, new providers to the market are prevented from joining a Framework Agreement at any point during its lifespan, which can be a maximum of 4 years.

(ii) To continue to “Spot Purchase” as and when Residential Rehabilitation is required.

Spot Purchasing required considerable time to identify and negotiate suitable placements and provided for less transparency and ability to benchmark costs. Both a Framework and a DPS would enable longer-term contracts to be entered into with a range of Providers providing better service stability and better value in the contract cost.

97. FLOOD AND COASTAL EROSION RISK MANAGEMENT POLICIES

The Cabinet considered the report of the Head of Locality Services - Commissioned which provided details of a number of new policies which had been developed to support the delivery of Flood and Coastal Erosion Risk Management within Sefton. These covered issues which are relevant to the Council as Lead Local Flood Authority and are distinct from Local Plan policies for management of flood risk, surface water and coastal change in relation to the planning application process.

Decision Made:

That the Council be recommended to adopt the policies for Flood and Coastal Erosion Risk Management.

Reasons for Decision:

The Flood and Water Management Act 2010 recommends that the activities of the Lead Local Flood Authority (LLFA), Sefton Council, be scrutinised. These policies clarify and support the activities of the LLFA under this act. These policies will allow the LLFA to effectively prioritise demand on the service area ensuring our communities receive an effective and efficient service.

Alternative Options Considered and Rejected:

Policies not developed leading to less transparency and clarity of the service the Council delivers. This would increase the amount of unnecessary correspondence and complaints due to a lack of clarity on

the position of Council in relation to flood and coastal erosion risk management. The service would be inefficient and poorly delivered as conflicting demands are made.

98. PURCHASING OF RESIDENTIAL AND FOSTERING PLACEMENTS FOR CHILDREN AND YOUNG PEOPLE

The Cabinet considered the report of the Head of Children's Social Care which provided details of the current contractual arrangements and proposals for the future procurement of Residential and Fostering placements for children and young people.

Decision Made: That

- (1) approval be given to the continued use of the Regional Residential Framework Contract for a further 12 month period, from 1st April 2017 until 1st April 2018, as provided for within the original procurement exercise, for the procurement of residential placements;
- (2) approval be given to the Council's participation in the regional Dynamic Purchasing Systems agreement as explained in paragraph 17, to be procured by STAR on behalf of all participating authorities, for future purchasing of residential placements from 1 October 2017;
- (3) approval be given to the continued use of the Regional Fostering Framework Contract for a further 12 month period, from 1 April 2017 until 1 April 2018, as provided for within the original procurement exercise, for the procurement of fostering placements;
- (4) it be noted that the regional work to be undertaken in 2017/18, will determine the best approach for procuring Fostering placements from April 2018; and that a further report will be submitted to Cabinet in due course; and
- (5) it be noted that the proposal was a Key Decision but had not been included in the Council's Forward Plan of Key Decisions. Consequently, the Leader of the Council and the Chair of the Overview and Scrutiny Committee (Children, Schools and Safeguarding) had been consulted under Rule 27 of the Access to Information Procedure Rules of the Constitution, to the decision being made by Cabinet as a matter of urgency on the basis that it was impracticable to defer the decision until the commencement of the next Forward Plan because the Council needs to make the above decisions prior to the next Cabinet meeting and unfortunately, collective agreement across the collaborating authorities, on the approach to be taken in respect of the final year of the existing Frameworks and their replacement / re-procurement

was only secured in the latter part of January 2017, providing a very short window for presenting this report to Cabinet for decision ahead of the start of 2017/18.

Reasons for Decision:

Since April 2014, wherever possible, Fostering and Residential placements for children and young people had been procured through regional Framework Contracts.

When these regional Framework Contracts were originally entered into, they were entered into on the basis of a core contract period of 2 years with further optional extension periods of up to 2 years built in and anticipated at the outset as part of the life of the contract, provided that the quality/price of services/goods provided under the contract are of a satisfactory standard and exercising the extension is considered to represent best value for the Council. The purpose of building contracts around core and extension periods was to ensure that the quality of the contract was maintained throughout the life of the contract and to ensure that the Council, particularly at times of financial uncertainty has flexibility to bring contracts to a conclusion and/or is able to refine services and or goods received under the contract. The value of these contracts requires the extension to be authorised through Cabinet.

The current period of the Framework Contracts expires at the end of March 2017 and the Council needed to determine how it would procure any necessary Fostering and Residential placements for children and young people beyond that date. The current Framework Contracts include options for continued use for a further 12 month period, from 1 April 2017 to 31 March 2018.

It was recommended that Sefton Council extended its use of the existing regional Residential Framework Contract, for a further twelve month period, whilst procurement of a suitable alternative (a regional Dynamic Purchasing System, DPS) is undertaken; and extended its use of the existing regional Fostering Framework Contract, for a further twelve month period, whilst further work is undertaken to determine the most appropriate future approach, including monitoring the impact of procuring the DPS referred to above.

There are opportunities for new and innovative ways of procuring placements, but these have a mixed evidence base for efficacy in fostering and must be balanced against the risk of rising costs through a new tender. A regional task and finish group will be established to review the current arrangements, test alternative models and apply the learning from the residential retender to the fostering market, in order to confirm the best option from April 2018. A further report would be brought to Cabinet in due course. Whilst this work is underway, it is considered that continued use of the existing Frameworks provides the best value for money for Sefton Council, on the basis of securing placements within the current Framework

prices, from known providers who have performed well over the period of the Framework.

These are important and costly services and the alternative options to the recommendations would be likely to incur greater cost and more variable quality, hence the need to determine the manner of purchasing these placements ahead of the next financial year. Unfortunately, collective agreement across the collaborating authorities, on the approach to be taken in respect of the final year of the existing Frameworks and their replacement / re-procurement was only secured in the latter part of January 2017, providing a very short window for presenting this report to Cabinet ahead of the start of 2017/18.

Alternative Options Considered and Rejected:

Instead of continuing to procure placements through the existing regional Framework Contracts and their replacements, the Council could carry out its own full EU compliant Tender exercise, adopt an alternative Framework, or “Spot Purchase” placements from the market as they are needed.

Undertaking a full EU compliant process alone was not recommended because: the time required to complete the process would be the same as procurement of a regional framework; in this market the Council is unlikely to obtain better prices than through collaborative procurement; and the burden and resource required to ensure quality and safety of provision would be increased, requiring additional resource.

An alternative Framework Agreement is not recommended as the strength of the current framework is that 23 authorities sign up to and use it. To procure as a single authority would disrupt the market, it is likely that providers would increase their prices and the burden and resource required to ensure quality and safety of provision would be increased, requiring additional resource. The prices available through the current Frameworks are competitive and/or better than prices within known alternative Frameworks

Spot purchasing is not recommended as it would increase costs and the burden and resource required to ensure quality and safety of provision would be increased, requiring additional resource.

99. ENACTING THE OPTION TO EXTEND THE SECTION 75 PARTNERSHIP AGREEMENT (POOLED BUDGET)

The Cabinet considered the report of the Director of Social Care and Health which sought approval to invoke the option to extend the partnership agreement approved by Cabinet on 26 March 2015 and made under Section 75 of the National Health Act 2006 with each of the two Clinical Commissioning Groups (CCGs) of Southport and Formby and

South Sefton, to enable pooled budgets to be established to support the delivery of the Sefton Better Care Fund Plan for 2017/18.

The Director of Social Care and Health reported that this item was incorrectly included on the Forward Plan for the Cabinet meeting to be held in May 2017 instead of this meeting.

Decision Made: That

- (1) the extension clause of the current Section 75 Agreement be invoked for a maximum period of one year from 1 April 2017 to 31 March 2018; and
- (2) it be noted that was being done to prepare a new replacement Section 75 Agreement which will shortly be reported to Cabinet.

Reasons for Decision:

The Section 75 Agreement governs the pooled budgets between the Council and the Sefton Clinical Commissioning Groups. The current agreement contained an option to run the agreement for a third year i.e. 2017/18. It was recommended that this option be invoked whilst a new agreement is drafted. The new agreement will be available by late spring once the national framework is agreed and local negotiations are finalised.

Alternative Options Considered and Rejected:

None.