



COUNCIL SUMMONS

To Members of the Metropolitan Borough Council

Dear Councillor

You are requested to attend a Meeting of the Sefton Metropolitan Borough Council to

be held on **Thursday 19th July, 2018 at 6.30 pm at the Town Hall, Southport** to

transact the business set out on the agenda overleaf.

Yours sincerely,

A handwritten signature in black ink that reads "M. Carney".

Chief Executive

Town Hall,
Southport

Wednesday 11 July 2018

Please contact Ruth Harrison, Democratic Services Manager
on 0151 934 2046 or e-mail ruth.harrison@sefton.gov.uk

We endeavour to provide a reasonable number of full agendas, including reports at the meeting. If you wish to ensure that you have a copy to refer to at the meeting, please can you print off your own copy of the agenda pack prior to the meeting.

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A G E N D A

1. Apologies for Absence

2. Declarations of Interest

Members are requested at a meeting where a disclosable pecuniary interest or personal interest arises, which is not already included in their Register of Members' Interests, to declare any interests that relate to an item on the agenda.

Where a Member discloses a Disclosable Pecuniary Interest, he/she must withdraw from the meeting room, including from the public gallery, during the whole consideration of any item of business in which he/she has an interest, except where he/she is permitted to remain as a result of a grant of a dispensation.

Where a Member discloses a personal interest he/she must seek advice from the Monitoring Officer or staff member representing the Monitoring Officer to determine whether the Member should withdraw from the meeting room, including from the public gallery, during the whole consideration of any item of business in which he/she has an interest or whether the Member can remain in the meeting or remain in the meeting and vote on the relevant decision.

3. Minutes of Previous Meeting

(Pages 7 - 20)

Minutes of the meeting held on 17 May 2018

4. Presentation of Navajo Merseyside and Cheshire LGBTIQ Chartermark Certificate

Mr Mayor to present the award to the Cabinet Member for Communities and Housing, Councillor Hardy.

5. Mayor's Communications

Public Session

6. Matters Raised by the Public

To deal with matters raised by members of the public resident within the Borough, of which notice has been given in accordance with the procedures relating to public questions, motions or petitions set out in Paragraph 36 to 46 of the Council and Committee Procedure Rules in Chapter 4 of the Council Constitution.

Council Business Session

- 7. Questions Raised by Members of the Council**
To receive and consider questions to Cabinet Members, Chairs of Committees or Spokespersons for any of the Joint Authorities upon any matter within their portfolio/area of responsibility, of which notice has been given by Members of the Council in accordance with Paragraph 48 to 50 of the Council and Committee Procedure Rules, set out in Chapter 4 of the Council Constitution.
- 8. Revenue and Capital Budget Update - Treasury Management Outturn 2017/18** (Pages 21 - 30)
Report of the Head of Corporate Resources
- 9. Revenue and Capital Budget Plan 2017/18 – 2019/20 - Locally Administered Business Rates Relief Scheme** (Pages 31 - 42)
Report of the Head of Corporate Resources
- 10. Revenue and Capital Budget Plan 2017/18 – 2019/20 - June 2018** (Pages 43 - 50)
Report of the Head of Corporate Resources
- 11. Financial Procedure Rules & Contract Procedure Rules** (Pages 51 - 160)
Joint Report of the Head of Corporate Resources and the Head of Commissioning Support and Business Intelligence
- 12. Final draft revised Statement of Gambling Licensing Policy – Gambling Act 2005** (Pages 161 - 192)
Report of the Head of Regulation and Compliance.
- 13. Final draft revised Statement of Licensing Policy – Licensing Act 2003** (Pages 193 - 224)
Report of the Head of Regulation and Compliance.
- 14. Overview and Scrutiny Annual Report 2017/18** (Pages 225 - 282)
Report of the Head of Regulation and Compliance
- 15. Changing of Parish Council's name** (Pages 283 - 286)
Report of the Head of Regulation and Compliance
- 16. Public Health Annual Report 2017** (Pages 287 - 290)
Report of the Director of Public Health
- 17. Membership of Committees 2018/19**
To consider any changes to the Membership of any

committees etc.

- | | | |
|------------|--|-------------------|
| 18. | Motion from Councillor Roscoe - Reducing Single Use Plastic in Sefton | (Pages 291 - 292) |
| 19. | Motion from Councillor Watson - Annual Delivery of Council Tax Demand | (Pages 293 - 294) |
| 20. | Motion from Councillor Brodie-Browne - NHS | (Pages 295 - 296) |
| 21. | Motion from Councillor Pugh - LGA Peer Review | (Pages 297 - 298) |

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THIS SET OF MINUTES IS NOT SUBJECT TO "CALL-IN"

ANNUAL MEETING OF THE COUNCIL

**MEETING HELD AT THE TOWN HALL, BOOTLE
ON THURSDAY 17TH MAY, 2018**

PRESENT: The Mayor (Councillor Robinson) in the Chair

Councillors Ashton, Atkinson, Blackburne, Bliss, Booth, Brough, Brennan, Brodie - Browne, Burns, Byrom, Carr, Carragher, Linda Cluskey, Cummins, Dawson, Dodd, Dowd, Doyle, Dutton, Fairclough, Friel, Grace, Hands, Jamieson, Jones, Keith, John Kelly, John Joseph Kelly, Killen, Lappin, Daniel Lewis, Dan T. Lewis, Maher, Marshall, McCann, McGinnity, McKinley, Moncur, Morris, Murphy, Brenda O'Brien, Michael O'Brien, O'Hanlon, Page, Pitt, Pugh, David Pullin, Roche, Roscoe, John Sayers, Yvonne Sayers, Shaw, Spencer, Thomas, Lynne Thompson, Tweed, Veidman, Sir Ron Watson, Bill Welsh and Marianne Welsh

1. ELECTION OF MAYOR FOR 2018/19

It was moved by Councillor Maher, seconded by Councillor Michael O'Brien and unanimously

RESOLVED:

That Dave Robinson, a Councillor of the Borough, be elected Mayor of the Borough for the ensuing Municipal Year and until the acceptance of office by his successor.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Bradshaw, Gannon, Hardy, Anne Thompson and Webster.

3. DECLARATIONS OF INTEREST

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

4. ELECTION OF DEPUTY CHAIR FOR 2018/19

It was moved by Councillor Maher, seconded by Councillor Fairclough and unanimously

RESOLVED:

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That Robert Brennan, a Councillor of the Borough, be elected Deputy Chair of the Borough for the ensuing Municipal Year and until the acceptance of office by his successor.

5. MINUTES OF PREVIOUS MEETING

RESOLVED:

That the minutes of the Council Meeting held on 19 April 2018 be approved as a correct record.

6. MAYOR'S COMMUNICATIONS

Election of New Councillors

The Mayor congratulated all of the Councillors who were re-elected to office following the Local Government Elections held on 3 May 2018, and extended a warm welcome to the following 9 new Councillors elected to office, who stood up in the Council Chamber to introduce themselves to the other Members of the Council:

Janis Blackburn, Tony Brough, Liz Dowd, Mhairi Doyle, Nina Killen, Sam Marshall, Mike Morris, Yvonne Sayers and Sir Ron Watson.

Councillor Not Re-Elected

The Mayor indicated that he wished to place on record the gratitude of the Council to Jo Barton, Maria Bennett and Fred Weavers, the former Councillors who were not re-elected to office, for their dedicated service to the Borough of Sefton for a period of four years for both Jo Barton and Maria Bennett and a period of 14 years for Fred Weavers.

7. ELECTION RESULTS - 3 MAY 2018

The Council considered the report of the Chief Executive and Returning Officer on the results of the Council Elections held on 3 May 2018.

It was moved by Councillor Grace, seconded by Councillor Fairclough and

RESOLVED:

That the report be noted.

8. LEADER OF THE COUNCIL

It was moved by Councillor Grace, seconded by Councillor Fairclough and

RESOLVED:

COUNCIL- THURSDAY 17TH MAY, 2018

That it be noted that Councillor Maher was appointed as the Leader of the Council by the Council on 21 May 2015 for a four year term of office or until such time as his term of office expires.

9. CABINET AND DEPUTY LEADER OF THE COUNCIL

The Council considered the report of the Leader of the Council on the membership of the Cabinet.

It was moved by Councillor Maher, seconded by Councillor Grace and

RESOLVED:

That it be noted that the Cabinet comprising the Members indicated below had been appointed by the Council on 21 May 2015 for a four year term of office or until such time as their term of office expires, they are removed by the Leader or for any of the reasons set out in Paragraph 4 (a) to (c) of Chapter 5 in the Constitution:

Cabinet (9)

Portfolio	Member
Leader of the Council	Councillor Maher
Cabinet Member – Adult Social Care	Councillor Cummins
Cabinet Member – Children, Schools and Safeguarding	Councillor John Joseph Kelly
Cabinet Member – Communities and Housing	Councillor Hardy
Cabinet Member – Health and Wellbeing	Councillor Moncur
Cabinet Member – Locality Services and Deputy Leader of the Council	Councillor Fairclough
Cabinet Member – Planning and Building Control	Councillor Veidman
Cabinet Member – Regeneration and Skills	Councillor Atkinson
Cabinet Member – Regulatory, Compliance and Corporate Services	Councillor Lappin

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COUNCIL- THURSDAY 17TH MAY, 2018

10. APPOINTMENT AND TERMS OF REFERENCE OF COMMITTEES AND WORKING GROUPS 2018/19

The Council considered the report of the Head of Regulation and Compliance which provided details of the allocation of Committee Places in accordance with the Political Balance Rules and the proposed Membership of the Committees and Working Groups for 2018/19. The report also provided a link to chapters 6 and 7 of the Council's Constitution "Terms of Reference of Committees and Working Groups".

It was moved by Councillor Grace, seconded by Councillor Fairclough and

RESOLVED: That

- (1) the allocation of Committee places in accordance with the Political Balance Rules, as set out below, be noted;
- (2) the Members, Chairs and Vice-Chairs for the Committees and Working Groups set out below be appointed for a period of twelve months until the Adjourned Annual Council Meeting to be held in May 2019; and
- (3) the Terms of Reference of Committees and Working Groups as set out in Chapter 6 and 7 of the Councils Constitution be approved.

(A) OVERVIEW AND SCRUTINY COMMITTEES

OVERVIEW AND SCRUTINY COMMITTEE (ADULT SOCIAL CARE) (10)

(Plus 2 Associate Members)

(Lab 7 /Lib Dem 2 /Con 1)

	<u>Member</u>	<u>Substitute</u>
1.	Chair: Cllr. Page	Cllr. Michael O'Brien
2.	Vice-Chair: Cllr. M. Welsh	Cllr. Killen
3.	Cllr. Bliss	Cllr. Brough
4.	Cllr. Carr	Cllr. Dan T Lewis
5.	Cllr. Cluskey	Cllr. Carragher
6.	Cllr. Dawson	Cllr. Brodie-Browne
7.	Cllr. Doyle	Cllr. Friel
8.	Cllr. Pugh	Cllr. Lynne Thompson
9.	Cllr. Roscoe	Cllr. Roche
10.	Cllr. B. Welsh	Cllr. Webster

Associate Members:-

(Non-voting Co-opted Members) – Mr. Brian Clark and Mr. Roger Hutchings (Nominated by Healthwatch, Sefton)

COUNCIL- THURSDAY 17TH MAY, 2018

OVERVIEW AND SCRUTINY COMMITTEE (CHILDREN'S SERVICES AND SAFEGUARDING) (10)

(Plus 4 Education Added Members and 2 Associate Members)

(Lab 7 /Lib Dem 2 /Con 1)

	<u>Member</u>	<u>Substitute</u>
1.	Chair: Cllr. Murphy	Cllr. Michael O'Brien
2.	Vice-Chair: Cllr. Carragher	Cllr. Thomas
3.	Cllr. Hands	Cllr. Brodie-Browne
4.	Cllr. Keith	Cllr. Booth
5.	Cllr. Dan T Lewis	Cllr. Page
6.	Cllr. Brenda O'Brien	Cllr. Carr
7.	Cllr. Pitt	Cllr. Jones
8.	Cllr. Yvonne Sayers	Cllr. Liz Dowd
9.	Cllr. Spencer	Cllr. John Kelly
10.	Cllr. Webster	Cllr. Brennan

**Education Added Members:-
(Voting Co-opted Members)**

Church Diocesan Representatives:
Mr. Stuart Harrison and Father D. Seddon.
Parent Governor Representatives: 2 Vacancies

**Associate Members:-
(Non-voting Co-opted Members)**

Ms. Libby Kitt (Nominated by Healthwatch, Sefton) and Mrs. S. Cain

OVERVIEW AND SCRUTINY COMMITTEE (REGENERATION AND SKILLS) (10)

(Lab 7 /Lib Dem 2 /Con 1)

	<u>Member</u>	<u>Substitute</u>
1.	Chair: Cllr. John Sayers	Cllr. Brenda O'Brien
2.	Vice-Chair: Cllr. Michael O'Brien	Cllr. Murphy
3.	Cllr. Booth	Cllr. Dawson
4.	Cllr. Brough	Cllr. Bliss
5.	Cllr. Carragher	Cllr. Anne Thompson
6.	Cllr. Dowd	Cllr. Dan T Lewis
7.	Cllr. Killen	Cllr. Doyle
8.	Cllr. Pullin	Cllr. Keith
9.	Cllr. Roche	Cllr. Carr
10.	Cllr. B. Welsh	Cllr. McGinnity

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OVERVIEW AND SCRUTINY COMMITTEE (REGULATORY, COMPLIANCE AND CORPORATE SERVICES) (10)

(Lab 7 /Lib Dem 2 /Con 1)

	<u>Member</u>	<u>Substitute</u>
1.	Chair: Cllr. Bradshaw	Cllr. Thomas
2.	Vice-Chair: Cllr. Byrom	Cllr. Murphy
3.	Cllr. Brodie-Browne	Cllr. Pugh
4.	Cllr. Doyle	Cllr. McGinnity
5.	Cllr. Grace	Cllr. Roche
6.	Cllr. Jamieson	Cllr. Dutton
7.	Cllr. Killen	Cllr. John Sayers
8.	Cllr. Daniel Lewis	Cllr. Shaw
9.	Cllr. McKinley	Cllr. Roscoe
10.	Cllr. Marshall	Cllr. Blackburne

(B) REGULATORY AND OTHER COMMITTEES

APPEALS COMMITTEE

Members of the Council (other than Cabinet Members) to form a Panel from which 3 Members are selected to form a politically balanced Committee. (Lab 2 / Lib Dem 1 / Con 0)

AUDIT AND GOVERNANCE COMMITTEE (10)

(Lab 7 / Lib Dem 2 / Con 1)

	<u>Member</u>	<u>Substitute</u>
1.	Chair: Cllr. Brennan	Cllr. McKinley
2.	Vice-Chair: Cllr. Roche	Cllr. Roscoe
3.	Cllr. Blackburne	Cllr. Bradshaw
4.	Cllr. Cluskey	Cllr. Brenda O'Brien
5.	Cllr. McGinnity	Cllr. Marshall
6.	Cllr. Pugh	Cllr. Ashton
7.	Cllr. John Sayers	Cllr. Killen
8.	Cllr. Shaw	Cllr. Daniel Lewis
9.	Cllr. Anne Thompson	Cllr. Yvonne Sayers
10.	Cllr. Ron Watson	Cllr. Bliss

HEARINGS SUB-COMMITTEE OF AUDIT & GOVERNANCE COMMITTEE

All Members of the Audit and Governance Committee will form a Panel from which 3 Members will be selected to form a Sub-Committee.

INITIAL ASSESSMENT SUB-COMMITTEE OF AUDIT & GOVERNANCE COMMITTEE

All Members of the Audit and Governance Committee will form a Panel from which 3 Members will be selected to form a Sub-Committee.

REVIEW SUB-COMMITTEE OF AUDIT & GOVERNANCE COMMITTEE

All Members of the Audit and Governance Committee to form a Panel from which 3 Members will be selected to form a Sub-Committee.

Co-opted Voting Members of Audit and Governance Standards Sub-Committees

Parish Councillors J. Colbert (Aintree Village Parish Council), G. Lee (Melling Parish Council) and D. Warren (Hightown Parish Council) have been nominated by the Sefton Area Partnership of Local Councils –If any complaints are submitted in respect of the conduct of any Parish Councillor in the Borough, one of the Parish Councillors will be selected to form part of the 3 Member Panel on the Sub-Committees set out above.

INDEPENDENT PERSONS (STANDARDS ISSUES)

Mr. E. Davies
Mr. J. Fraser

EMPLOYMENT PROCEDURE COMMITTEE

Members of the Council to form a panel from which a minimum of 3 Members are selected to form a politically balanced Committee (Lab 2 /Lib Dem 1 /Con 0). At least one member of the Cabinet to be included on the Committee.

HEALTH AND WELLBEING BOARD

Members appointed by the Leader of the Council	Councillor Moncur – Cabinet Member – Health and Wellbeing (Chair)
	Councillor Cummins – Cabinet Member – Adult Social Care
	Councillor John Joseph Kelly – Cabinet Member – Children, Schools and Safeguarding
Director of Social Care and Health	Dwayne Johnson
Head of Health and Wellbeing	Matthew Ashton
Representative of NHS South Sefton Clinical Commissioning Group	Dr Andrew Mimmagh
Representative of NHS Southport and	Dr Rob Caudwell

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Formby Clinical Commissioning Group	
Chief Officer of NHS South Sefton and NHS Southport and Formby Clinical Commissioning Groups	Fiona Taylor
Representative of NHS England	Phil Wadeson
Representative of Healthwatch, Sefton	Maureen Kelly
Representative of the NHS Acute Provider Sector	Steve Warburton
Representative from the Every Child Matters Forum	Lorraine Webb
Representative from the Health and Social Care Forum	Andrew Booth
Representative from the Voluntary Community Faith Sector (representative to be agreed through Sefton CVS as the umbrella organisation for the voluntary community and faith sector)	Angela White

The Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013 made under the Health and Social Care Act 2012 provide that the Board shall be a committee of the Council. The requirement for political balance does not apply to the Board and the Act requires that the Councillor Membership is nominated by the Executive Leader (Leader of the Council).

LICENSING AND REGULATORY COMMITTEE (15)

(Lab 8 /Lib Dem 2 /Con 3/ Ind 2)

	Member
1.	Chair: Cllr. John Kelly
2.	Vice-Chair: Cllr. Bradshaw
3.	Cllr. Bliss
4.	Cllr. Burns
5.	Cllr. Dodd
6.	Cllr. Dutton
7.	Cllr. Friel
8.	Cllr. Gannon
9.	Cllr. Keith
10.	Cllr. McCann
11.	Cllr. McGinnity
12.	Cllr. Morris
13.	Cllr. . Page
14.	Cllr Tweed
15.	Cllr. Marianne Welsh

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LICENSING AND REGULATORY (URGENT REFERRALS) COMMITTEE (3)

(Lab 2 /Lib Dem 1 /Con 0)

	Member	Substitute
1.	Chair: Cllr. John Kelly	Cllr. Friel
2.	Cllr. Bradshaw	Cllr. Burns
3.	Cllr. Dodd	Cllr. Keith

LICENSING SUB-COMMITTEE

Members of the Licensing and Regulatory Committee to form a Panel from which 3 Members are selected to form a politically balanced Sub-Committee.

(Lab 2/ Lib Dem 1/Con 0)

LICENSING (SEXUAL ENTERTAINMENT VENUES) SUB-COMMITTEE

Members of the Licensing and Regulatory Committee to form a Panel from which 3 Members are selected to form a politically balanced Sub-Committee.

(Lab 2/ Lib Dem 1/Con 0)

PAY AND GRADING COMMITTEE (7)

(Lab 5 /Lib Dem 1 /Con 1) – Including Cabinet Member – Regulatory, Compliance and Corporate Services

	Member
1.	Chair: Cllr. Lappin
2.	Vice-Chair: Cllr. Murphy
3.	Cllr. Burns
4.	Cllr. Dutton
5.	Cllr. John Sayers
6.	Cllr. Yvonne Sayers
7.	Cllr. Shaw

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PLANNING COMMITTEE (15)

(Lab 9 /Lib Dem 2 /Con 2/Ind 2)

	<u>Member</u>	<u>Substitute</u>
1.	Chair: Cllr. Veidman	Cllr. Burns
2.	Vice-Chair: Cllr. Michael O'Brien	Cllr. Byrom
3.	Cllr. Ashton	Cllr. Dodd
4.	Cllr. Blackburne	Cllr. John Sayers
5.	Cllr. Dutton	Cllr. Jamieson
6.	Cllr. Hands	Cllr. Lynne Thompson
7.	Cllr. Jones	Cllr. Brough
8.	Cllr. John Kelly	Cllr. Cluskey
9.	Cllr. McCann	Cllr. Gannon
10.	Cllr. Brenda O'Brien	Cllr. Grace
11.	Cllr. O'Hanlon	Cllr. Gannon
12.	Cllr. Roscoe	Cllr. Anne Thompson
13.	Cllr. Spencer	Cllr. McGinnity
14.	Cllr. Thomas	Cllr. Friel
15.	Cllr. Tweed	Cllr. Page

(On account of the Independents being a 3 Member Group Councillor Gannon is substitute member for both Councillors)

PLANNING (URGENT REFERRALS) COMMITTEE (3)

(Lab 2 /Lib Dem 1/Con 0)

	<u>Member</u>	<u>Substitute</u>
1.	Chair: Cllr. Veidman	Cllr. Burns
2.	Cllr. Hands	Cllr. Ashton
3.	Cllr. Michael O'Brien	Cllr. Byrom

PLANNING VISITING PANEL (15)

The Panel comprises of the Members of the Planning Committee.

(C) CONSULTATIVE BODIES

INDEPENDENT REMUNERATION PANEL (5 members)

Mr. E. Davies }
Mr. J. Fraser }
Mrs. S. Lowe } 4 year term until May 2020

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(To advise and make recommendations to the Authority about the allowances to be paid to Elected Members).

JOINT CONSULTATIVE COMMITTEE FOR TEACHING STAFFS

(9 Council Members plus 9 Teacher representatives)

(Lab 6 /Lib Dem 2 /Con 1)

	<u>Member</u>	<u>Substitute</u>
1.	Cllr. Bradshaw	Cllr. Tweed
2.	Cllr. Booth	Cllr. Hands
3.	Cllr. Brennan	Cllr. John Sayers
4.	Cllr. Friel	Cllr. Brenda O'Brien
5.	Cllr. Keith	Cllr. Lyne Thompson
6.	Cllr. John Joseph Kelly	Cllr. Burns
7.	Cllr. Morris	Cllr. Dutton
8.	Cllr. Page	Cllr. Michael O'Brien
9	Cllr. Bill Welsh	Cllr. Yvonne Sayers

LOCAL JOINT CONSULTATIVE COMMITTEE

(12 Council Members plus 12 Trade Union Representatives)

(Lab 8 /Lib Dem 2/Con 1/Ind 1)

	<u>Member</u>	<u>Substitute</u>
1.	Cllr. Bliss	Cllr. Morris
2.	Cllr. Bradshaw	Cllr. Spencer
3.	Cllr. Brennan	Cllr. Grace
4.	Cllr. Brodie-Browne	Cllr. Shaw
5.	Cllr. Lappin	Cllr. Burns
6.	Cllr. Daniel Lewis	Cllr. Dawson
7.	Cllr. McCann	Cllr. Gannon
8.	Cllr. Murphy	Cllr. McKinley
9.	Cllr. Michael O'Brien	Cllr. Carragher
10.	Cllr. John Sayers	Cllr. Tweed
11.	Cllr. Webster	Cllr. Carr
12.	Cllr. Marianne Welsh	Cllr. Samantha Marshall

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PUBLIC ENGAGEMENT AND CONSULTATION PANEL (4)

(Lab 3 /Lib Dem 1 /Con 0)

	<u>Member</u>	<u>Substitute</u>
1.	Cabinet Member – Regulatory, Compliance and Corporate Services – Cllr. Lappin	Cllr. John Kelly
2.	Cllr. Byrom	Cllr. Roscoe
3.	Cllr. Doyle	Cllr. Blackburne
4.	Cllr. Lynne Thompson	Cllr. Dawson

(D) MAJOR SERVICE GOVERNANCE BODY

FINANCE AND INFORMATION SERVICES OPERATIONAL BOARD (1)

Cabinet Member – Regulatory, Compliance and Corporate Services
(Councillor Lappin).

11. APPOINTMENT OF REPRESENTATIVES ON MERSEYSIDE JOINT AUTHORITIES 2018/19

The Council considered a schedule of the proposed representation on the Merseyside Joint Authority Bodies for 2017/18.

It was moved by Councillor Maher, seconded by Councillor Grace and

RESOLVED:

That the following Members be appointed to serve on the following Joint Authority Bodies in 2018/19:

Joint Authority

Liverpool City Region
(LCR) Combined Authority

Transport Committee
(LCR Combined Authority
Transport Committee)

Liverpool City Region Combined

Representatives

Leader of the Council (Councillor Maher)
Substitute Member – Deputy Leader of the
Council (Councillor Fairclough)

Councillors Carr (Lab), Dodd (LD), Friel
(Lab) and McKinley (Lab)

Councillors Murphy (Lab) (Scrutiny Link)

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Authority Scrutiny Committee
(20 Member Committee; 4 opposition seats are allocated. 2 seats are filled from the Knowsley and Wirral Council allocation and 2 opposition councillors are appointed regionally from x2 largest opposition group)

Marshall (Lab) and Thomas (Lab)

Merseyside Fire and Rescue Authority

Councillors Byrom (Lab), Grace (Lab), Tweed (Lab) and Lynne Thompson (LD)

Merseyside Waste Disposal Authority

Councillors Yvonne Sayers (Lab) and Roscoe (Lab)

Merseyside Police and Crime Panel
(Nominations only – The appointments are agreed on a Pan-Merseyside basis)

Councillors Shaw (LD) and Thomas (Lab)

12. DATES OF COUNCIL MEETINGS 2018/19

It was moved by Councillor Maher, seconded by Councillor Fairclough and

RESOLVED:

That it be noted that the Council meetings scheduled to be held during the Municipal Year 2018/19 are as follows:

- 19 July 2018
- 20 September 2018
- 15 November 2018
- 24 January 2019
- 28 February 2019 (Budget Meeting)
- 25 April 2019

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Agenda Item 8

Report to:	Cabinet Council	Date of Meeting:	21 June 2018 19 July 2018
Subject:	Revenue and Capital Budget Update - Treasury Management Outturn 2017/18		
Report of:	Head of Corporate Resources	Wards Affected:	All Wards
Portfolio:	Cabinet Member - Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt Confidential Report:	No		

Summary:

This outturn report provides Members with details of the treasury management activities undertaken to 31st March 2018. Cabinet receives this outturn report to allow review against the Treasury Management Policy & Strategy and Prudential Indicators. This report is also provided to Audit & Governance Committee, whose role it is to carry out scrutiny of treasury management policies and practices.

Recommendation(s):

Cabinet and Council are requested to note the treasury management Outturn to 31st March 2018.

Reasons for the Recommendation(s):

To ensure that Members are fully apprised of the treasury activity undertaken to 31st March 2018 and to meet the reporting requirements set out in Sefton's Treasury Management Practices and those recommended by the CIPFA code.

Alternative Options Considered and Rejected: (including any Risk Implications)

N/A

What will it cost and how will it be financed?

(A) **Revenue Costs**
None

(B) **Capital Costs**
None

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Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets): None
Legal Implications: The Council has a statutory duty under the Local Government Act 2003 to review its Prudential Indicators and treasury management activities.
Equality Implications: There are no equality implications.

Contribution to the Council's Core Purpose:

Protect the most vulnerable: n/a
Facilitate confident and resilient communities: n/a
Commission, broker and provide core services: n/a
Place – leadership and influencer: Support strategic planning and promote innovative, affordable and sustainable capital investment projects through application of the CIPFA Prudential Code.
Drivers of change and reform: The Treasury Management function ensures that cash flow is adequately planned and cash is available when needed by the Council for improvements to the Borough through its service provision and the Capital Programme.
Facilitate sustainable economic prosperity: Pursuit of optimum performance on investments activities and minimising the cost of borrowing and the effective management of the associated risk continues to contribute to a balanced budget for the Council.
Greater income for social investment: n/a
Cleaner Greener: n/a

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD 5175/18) and Head of Regulation and Compliance (LD 4399/18) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

The Council's external treasury management advisor's: Link Asset Services have provided advice with regards to treasury management activities undertaken during the financial year.

Implementation Date for the Decision

Immediately following the Committee / Council meeting.

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Appendices:

There are no appendices to this report

Background Papers:

There are no background papers available for inspection.

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BACKGROUND:

1. Introduction

- 1.1. The CIPFA Prudential Code for Capital Finance in Local Authorities (The Prudential Code) was introduced following the Local Government Act 2003. The Prudential Code details a number of measures / limits / parameters (Prudential Indicators) that, to comply with legislation, must be set in respect of each financial year to ensure that the Council is acting prudently and that its capital expenditure proposals are affordable.
- 1.2. A requirement of the Prudential Code is the reporting to Cabinet and Full Council of the outturn position of Indicators following the end of the financial year. In accordance with this requirement, this report outlines the 2017/18 outturn for the following Prudential Indicators:-
 - i. Capital Expenditure (Section 2);
 - ii. Capital Financing Requirement (Section 3.1);
 - iii. Gross Borrowing and the CFR (Section 3.2);
 - iv. Borrowing Limits (Section 3.3);
 - v. Financing Costs as a proportion of Net Revenue Stream (Section 3.4);
 - vi. Treasury Management Indicators (Section 6).
- 1.3. The Treasury Management Policy and Strategy Statements are agreed annually by the Council as part of the budget process. A requirement of the Policy Statement is the reporting to Cabinet and Full Council of the results of the Council's treasury management activities in the previous year. Treasury management in this context is defined as:

'The management of the authority's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.'
- 1.4. In accordance with the above, this report outlines the results of treasury management activities undertaken in 2017/18 covering the following issues:
 - borrowing strategy and practice
 - compliance with treasury limits
 - compliance with Prudential Indicators
 - investment strategy and practice.
- 1.5. The results of treasury management activities in 2017/18 are reflected in the net expenditure on Capital Financing Costs included within the Council's Revenue Budget.
- 1.6. The Capital Programme is also agreed annually as part of the budget process. It sets out the anticipated capital expenditure to be incurred within the year. This outturn report is also provided to Audit & Governance Committee.

2. Capital Expenditure

- 2.1. The original estimate for 2017/18 expenditure together with the actual capital expenditure calculated on an accruals basis for the financial year is as follows:

2017/18	Budget £m	Actual £m
Capital Expenditure	62.935	54.014

- 2.2. The Capital Programme for 2017/18 shows a decrease in expenditure of £8.921m when compared to the original estimate. This movement has been caused by underspending on the following schemes, Local Transport Plan / Integrated Transport Block, Schools Funding, Better Care Funding, and Vehicle Replacement, which will be rolled into the 2018/19 financial year.

3. The Council's Overall Borrowing Need

- 3.1. Capital Financing Requirement

2017/18	Estimate £m	Actual £m
Capital Financing Requirement	241.000	234.234

- 3.1.1. The Capital Financing Requirement reflects the Authority's underlying need to borrow for capital purposes and is based on historic capital financing decisions and the borrowing requirement arising from the financing of actual capital expenditure incurred in 2017/18.
- 3.1.2. The Council is currently internally borrowed which is a temporary position. This reflects the current national low interest rates for investment of cash balances and the need to find savings for the revenue budget. The decision as to when external borrowing (to finance previous years' capital expenditure) will be undertaken will be kept under review.
- 3.1.3. The actual level of Total Capital Financing Requirement as at 31st March 2018 is lower than the estimate. This is due to Capital Expenditure being lower than the initial estimate as mentioned in paragraph 2.2 (above).

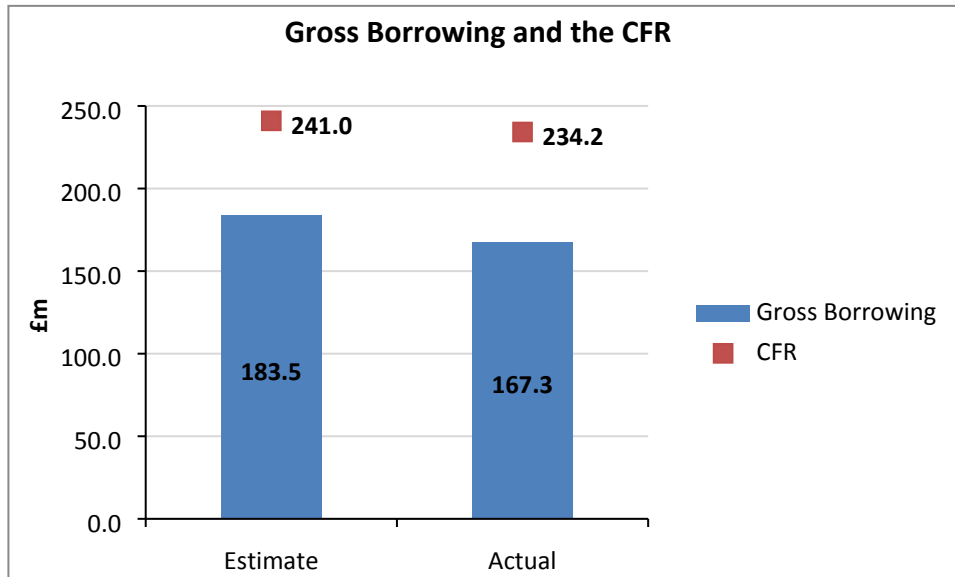
3.2. Gross Borrowing and the CFR

- 3.2.1. CIPFA's Prudential Code for Capital Finance in Local Authorities includes the following statement as a key factor of prudence:

"In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years."

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3.2.2. In the report to Cabinet in March 2017, it was stated that the Authority would comply with this requirement in 2017/18. During the financial year, gross external borrowing did not exceed the total of the Capital Financing Requirement:



3.3. Borrowing Limits

	2017/18 £m
Authorised limit	198.500
Operational boundary	183.500
Maximum Gross Borrowing Position	167.272

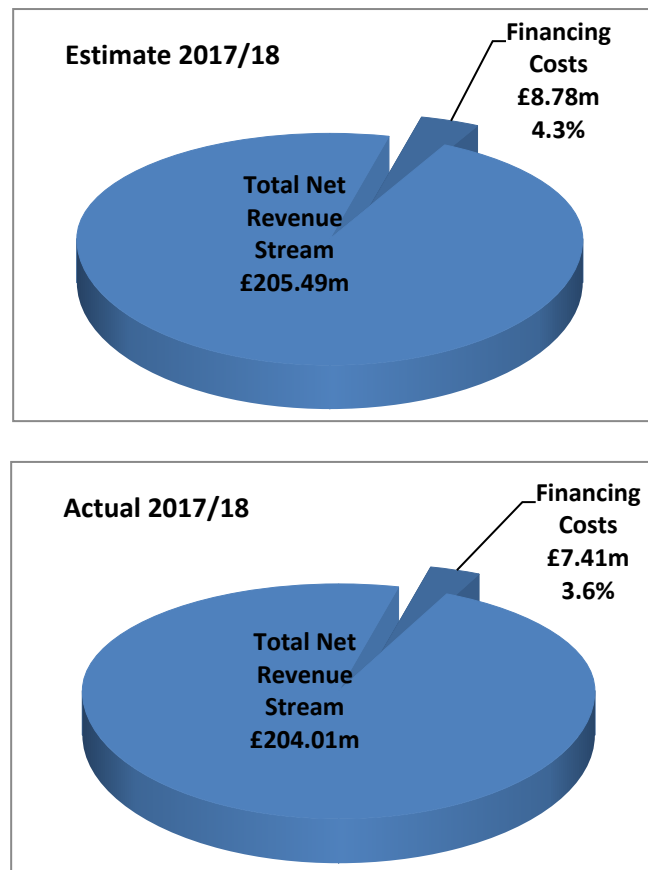
3.3.1. The Operational Boundary sets a limit on the total amount of long term borrowing that the Council can enter into. It reflects the Authority's current commitments, existing capital expenditure plans, and is consistent with its approved Treasury Management Policy Statement and practices.

3.3.2. The Authorised Limit sets a limit on the amount of external borrowing (both short and long term) that the Council enters into. It uses the Operational Boundary as its base but also includes additional headroom to allow for exceptional cash movements.

3.3.3. The Maximum Gross Borrowing Position shows the highest level of actual borrowing during 2017/18 financial year. This level did not exceed the prescribed borrowing limits.

3.4. Financing Costs as a Proportion of Net Revenue Stream

3.4.1. This indicator measures the financing costs of capital expenditure as a proportion of the net resource expenditure of the General Fund.



3.4.2. The actual proportion of financing costs to net revenue stream was lower than the estimate due to actual PWLB rates on new borrowing being lower than in the previous year (reflected in the lower average, table 4.1 below), hence the financing cost for new borrowing undertaken during 2017/18 was lower than anticipated. It should be noted that a proportion of finance costs are met from income due from capital investment or invest to save schemes.

4. Borrowing Strategy and Practice

4.1. The Council's current debt portfolio can be summarised as follows:

Actual Debt Outstanding	31 st March 2017 £m	31 st March 2018 £m
PWLB	100.177	154.687
Finance Leases	12.275	9.083
Merseyside Residuary Body	3.938	3.502
TOTAL	116.930	167.272
Average PWLB Interest Rate in Year	4.75%	3.71%

The level

of the Council's actual external debt has also been monitored throughout the financial year and for information had remained within both of the Prudential Indicators set.

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- 4.2. The Council's external debt activity in during 2017/18 is summarised in the following table:

Movement in Year	Actual £m
PWLB opening debt 1st April 2017	100.177
Less principal repayments	(2.990)
Add new borrowing	57.500
Closing PWLB debt 31st March 2018	154.687

- 4.3. New borrowing was undertaken for Strategic Investment, an advance payment into the Merseyside Pension Fund and new borrowing for the Capital Programme.
- 4.4. It should be noted however, that the policy of internally borrowing, running down the Authority's cash balances rather than taking out new borrowing, continued with regards to the Capital Programme in 2017/18 as not all new expenditure was financed from borrowing.

5. Debt Maturity Profile

- 5.1. This is a profile measuring the amount of borrowing that is fixed rate maturing in each period as a percentage of total borrowing that is fixed rate:

Fixed Rate Debt Maturity	Upper Limit	Lower Limit	Actual 31 st March 2018
Under 12 months	35%	0%	4%
12 months and within 24 months	40%	0%	4%
24 months and within 5 years	40%	0%	12%
5 years and within 10 years	40%	0%	24%
10 years and above	90%	25%	56%

- 5.2. As can be seen, the Council's debt profile highlights that most debt is due to mature in 10 years and above, reflecting the internal borrowing position of the Council.

6. Compliance with Treasury Limits

- 6.1. The following Treasury Limits were approved by Council during the 2017/18 Budget Setting process:

Treasury Limits	Limit £m	31 st March 2018 Actual £m
Authorised Borrowing Limit	198.500	167.272

Short Term Borrowing Limit	15.0	0
Proportion of external borrowing subject to variable interest rates	20%	0%

6.1.1 During the financial year the Council operated within the agreed limits.

6.2. Interest Rate Exposure

Upper Limit	Limit	31 st March 2018 Actual
Fixed Rate	340%	111%
Variable Rate	-5%	-11%

6.2.1. The upper limits for fixed rate and variable rate debt and investments are calculated as a proportion of the Council's total net debt.

6.2.2. The limits have not been breached during the year and the actual proportion of fixed rate debt and investments are significantly below the limit representing a reduction in investments as the Council's overall cash balances available for investment have decreased during 2017/18 when compared to the previous year (see 7.2 below).

6.3. Non Specified Investment Indicator

Upper Limit	Limit	31 st March 2018 Actual
Non-specified Investments	40%	32%

6.3.1. An investment of £5m was made in 2014 with the Church, Charities and Local Authorities (CCLA) Property Fund. This sum remains within the limit for investments greater than 1 year as a proportion of total investments.

7. Investment Strategy and Practice

7.1. The Council invests all available cash balances, which includes school balances and the insurance fund, following a policy of obtaining maximum returns whilst minimising risks.

i. **Externally Managed Investments**

No externally managed funds are held.

ii. **Internally Managed Investments**

The Council's available funds during the year averaged £34.5m and were managed internally with advice from our treasury consultants.

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7.2. The level of the Council's investments during 2017/18 and comparable figures from the previous year are summarised in the following table:

Investments	2016/17	2017/18
Total Investment of Cash Balances at year end	£28.01m	£15.42m
Average Investment Balance during the year	£59.65m	£34.50m
Average Return on Investments	0.94%	1.10%

7.3. In 2017/18, a weighted average return of 1.10% was achieved. This is more than the benchmark 7 day LIBID figure of 0.67% and is considered to be an acceptable return. The majority of the funds are invested with banks and Money Market Funds (MMF's), with the remaining balance of £5m invested with the CCLA Property Fund. The return of 1.10% can be disaggregated into a return of 0.38% on bank and MMF investments, whilst 4.58% was returned by the CCLA investment.

7.4. The year on year reduction in investment balances over the financial year reflects the internal borrowing position of the Council.

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Report to:	Cabinet Council	Date of Meeting:	21 June 2018 19 July 2018
Subject:	Revenue and Capital Budget Plan 2017/18 – 2019/20 - June 2018 - Locally administered Business Rates Relief Scheme		
Report of:	Head of Corporate Resources	Wards Affected:	(All Wards);
Portfolio:	Leader of the Council / Cabinet Member - Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

The purpose of this report is for Cabinet to consider and recommend to Council the basis for the Locally Administered Discretionary Revaluation Relief Scheme for 2018/19 and beyond for businesses in Sefton that have had a significant increase in their Business rate liability as a result of the Government's 2017 revaluation.

Recommendation(s):

Cabinet is asked to:

1. Agree the parameters of the discretionary revaluation relief scheme set out in Annex A for consultation with the Council's major preceptors and the combined authority; and
2. Note the outcome of the review of the 2017/18 discretionary revaluation relief scheme set out in Section 2 of this report.

Cabinet is asked to recommend Council to:

3. Agree the parameters of the discretionary revaluation relief scheme for 2018/19, 2019/20 and 2020/21 as set out in Annex A of this report subject to consideration of any consultation responses received from major preceptors and the combined authority;
4. Delegate authority to the Head of Corporate Resources to determine the detailed application and administration of the local discretionary revaluation relief for 2018/19, 2019/20 and 2020/21 subject to the parameters set out in Annex A; and
5. Agree that a review of the discretionary rate relief scheme for 2018/19, 2019/20 and 2020/21 be reported to Cabinet Member for Regulatory, Compliance and Corporate Services following the end of each year.

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Reasons for the Recommendation(s):

The Council is required to approve a local business rates revaluation relief scheme for 2018/19, 2019/20 and 2020/21 in order to distribute the available government grant to local businesses.

Alternative Options Considered and Rejected: (including any Risk Implications)

The alternative options would be

- Not to make available discretionary support in 2018/19 and beyond to businesses affected by the Business Rates Revaluation of 2017. Such course of action would fail to support our local businesses or utilise the extra funding made available to the Council by the Government for this purpose.
- To replicate the 2017/18 principles and award relief to all eligible businesses with a rateable value of up to £200,000. However, this would not address the reduction in funding in 2018/19 and the fact that many of the large businesses rejected the awards in 2017/18 due to state aid rules. This in turn could lead to a second billing exercise and additional administration costs for the Council.
- To require Council to approve the detailed scheme parameters on an annual basis. This would delay the distribution of the available funding to eligible businesses.

What will it cost and how will it be financed?

(A) Revenue Costs

The implementation of the Business Rates Locally Administered Discretionary Revaluation relief scheme will be cost neutral provided the level of relief given does not exceed the Government's grant allocation. If relief exceeds the funding provided by the Government it will have to be met from Council resources. However, it is not expected that the authority will make awards in excess of the relevant grant.

The Government has confirmed that Sefton's Section 31 grant allocation for this purpose in 2018/19 is £267,987.

The Government has indicated the following future year's maximum funding allocations to Sefton Council as follows:

2019/20	£110,348
2020/21	£15,764

(B) Capital Costs report

None

Implications of the Proposals:

<p>Resource Implications (Financial, IT, Staffing and Assets): There are no human resource implications; all required work will be delivered within existing resources.</p>
<p>Legal Implications: The Council is only obliged to give assistance up to the amount of monies allocated to it for that purpose but is obliged to follow any guidance issued by the Government in respect of the relief scheme and failure to do so would result in some or all of the Council's allocation of funds not being received.</p> <p>Any challenges to the scheme would have to be made through the Council's internal complaints process initially with the ultimate recourse being to judicial review.</p>
<p>Equality Implications: This report relates to business and no equality implications have been identified.</p>

Contribution to the Council's Core Purpose:

Protect the most vulnerable: Not applicable
Facilitate confident and resilient communities: Not applicable
Commission, broker and provide core services: Not applicable
Place – leadership and influencer: Not applicable
Drivers of change and reform: Not applicable
<p>Facilitate sustainable economic prosperity: The local scheme of discretionary support to properties affected by the Business Rates revaluation of 2017 supports the Council's vision for "Open for Business" - working together with businesses to create the economic conditions for economic growth and supporting local businesses.</p> <p>The measures sit in the context of the Council's wider economic growth priorities for the Borough. The scheme is designed to support economic growth ensuring businesses thrive and develop. Growth is key to realising the ambitions of the Vision 2030 where Sefton Council aims to lay the foundations for long-term self-sustaining economic prosperity.</p> <p>The distribution of this additional financial support by Sefton Council will provide real, measurable and practical benefits to those businesses targeted to receive help under the scheme.</p>
Greater income for social investment: Not applicable
Cleaner Greener: Not applicable

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What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD5174/18) notes that the report indicates the Business Rates Locally Administered Discretionary Revaluation relief scheme for 2018/19 and beyond should be cost neutral for the Council. The Council will need to ensure that the total relief awarded to local businesses does not exceed the grant allocations set out by Government. However, based on the experience to date, it is more likely that in-year changes to business eligibility will mean that there is unallocated funding left at the end of each year. The risk that total awards will exceed the grant allocation available is therefore thought to be low. Close financial monitoring will be undertaken to ensure that the financial objectives of the scheme are met within the funding available.

The Head of Regulation and Compliance (LD 4398/18) has been consulted and any comments have been incorporated into this report.

(B) External Consultations

As this is a Government measure, consultation has been undertaken nationally. The Government announced a consultation on the scheme for discretionary support, which closed on 7 April 2017. On 21 April 2017 the Government confirmed that final funding allocations to local authorities would be made according to the draft allocations published as part of the consultation.

Prior to approval on 13 September 2017, the initial scheme design for 2017/18 was shared with the Council's Major Precepting Authorities - Merseyside Fire and Rescue Service and Merseyside Police and Crime Commissioner; and the Combined Authority, as required by the Government grant conditions. Details of the scheme for 2018/19 and beyond will also be shared with the Major Precepting Authorities prior to implementation.

Implementation Date for the Decision

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

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Appendices: Annex A – Business Rates Locally Administered Discretionary Revaluation Relief Scheme Guidance for 2018/19, 2019/20 and 2020/21 (Draft)

Background Papers: There are no background papers available for inspection.

1. Introduction / Background

- 1.1 Under business rates regulations the Valuation Office Agency is required to review and revise the rateable value of all business properties recorded on the local rating lists in England on a regular basis (usually every five years). The latest revaluation was implemented from the 1 April 2017 (7 years after the previous revaluation) based on 2015 rental values. The purpose of the revaluation is not to raise additional business rates income but to ensure that rateable values reflect the most up to date rental information available. However, a number of businesses inevitably see their business rates increase as a result of revaluation.
- 1.2 To protect these businesses from the full impact of the rates increases in the earlier years of the list the Government approved a national transitional relief scheme that tapers the amount of relief available over the life of the list. Businesses receive more protection in the earlier years and this reduces towards the final year of the list (usually year 5). A summary of the maximum percentage increase in rate bills (upward cap) allowed by the national transitional relief scheme is set out in the table below:

Upward Cap	Property Size		
	Small	Medium	Large
2017/18	5.0%	12.5%	42.0%
2018/19	7.5%	17.5%	32.0%
2019/20	10.0%	20.0%	49.0%
2020/21	15.0%	25.0%	16.0%
2021/22	15.0%	25.0%	6.0%

Note: A small business has a rateable value of £20,000 or less, a medium sized business has a rateable value of more than £20,000 and up to £100,000, and a large business has a rateable value of more than £100,000.

- 1.3 Despite the application of transitional relief, the 2017 revaluation resulted in negative publicity for the Government due to the size of the rates increases that a number of businesses faced. In the Chancellor's spring budget speech in March 2017, he stated that he had listened to concerns raised by colleagues and businesses about the effects of the 2017 business rates revaluation and he announced a number of new business rate measures. This included providing local authorities with a £300 million fund to deliver discretionary relief targeted at businesses most affected by the revaluation in their local areas.
- 1.4 Following this announcement the Government undertook a consultation on the distribution of this funding. The consultation paper suggested a distribution based on the total increase in bills on properties with a rateable value of less than

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£200,000 and facing an increase of more than 12.5% in 2017/18 compared to 2016/17.

- 1.5 Sefton's total funding allocation was £945,838 over a four year period as shown in the table below:

2017/2018	2018/2019	2019/2020	2020/2021
£551,739	£267,987	£110,348	£15,764

- 1.6 The funding allocations shown are the maximum amount that will be made available to fund the discretionary revaluation relief. Any unspent resources will have to be repaid to the Government and any additional amount of relief provided would need to be funded by local resources.
- 1.7 This assistance is provided under Section 47 of the Local Government Finance Act 1988; this means that existing legal powers are used instead of introducing new legislation.
- 1.8 The Government stated that local billing authorities are best placed to determine how this funding should be targeted and administered to support those businesses and locations within their area that have been affected by the impact of revaluation. Councils are required to design their own local relief scheme, subject to consultation with their major preceptors and the combined authority.

2. 2017/18 Scheme review

- 2.1 On 1 April 2017, Sefton had 8,051 hereditaments on its rating list. The majority of these (7,907 / 98.2%) had a rateable value of less than £200,000. Approximately 1,800 of those accounts had seen an increase in their net rates bill of more than inflation (2%) between 2016/17 and 2017/18 as a result of revaluation. The increase in net rates charges above inflation on these accounts was around £1.4 million.
- 2.2 At its meeting on 13 September 2017, the Council approved the local discretionary revaluation relief scheme for 2017/18. The key scheme parameters were:
- Assistance will only be provided to ratepayers who face an increase in their bills following revaluation.
 - The assistance will be targeted at those facing significant increases in rates in lower value properties. Normally this would be properties with a rateable value of less than £200,000 with an increase of 12.5% or more.
 - Any remaining funds will be considered for distribution to other businesses in Sefton experiencing an increase in business rates as a result of revaluation

and whose circumstances are such that the authority wishes to provide more assistance.

- The assistance will only be provided in relation to business rates liability net of other business rates reliefs which may apply.
- It is not expected that the authority will make awards in excess of the relevant grant and decisions will take account of available funding.

2.3 An initial calculation was undertaken applying a cap on business rate increases of 12.5% to all properties with a rateable value of less than £200,000. This indicated that only 67% of the Government funding would be distributed in 2017/18 on this basis.

2.4 A second calculation was undertaken that lowered the cap on medium and lower valued properties (those with a rateable value of £100,000 or less) until the majority of the available funding was distributed. This resulted in a cap of 5.5% for those properties. This formed the basis for the first relief award in 2017/18.

2.5 The discretionary relief awards were applied automatically to individual business rates accounts rather than requiring a formal application process. This meant that the administration costs were minimised and the time taken to distribute the relief was reduced. Businesses were required to inform the Council if receipt of the relief would breach State Aid limits.

2.6 A number of larger national businesses rejected the relief as this would breach state aid limits, so a second relief award exercise was undertaken to redistribute the returned relief to smaller and medium sized businesses. This was achieved by lowering the cap on increases for these properties to 3.1%.

2.7 As at 27 April 2018, the Council had awarded discretionary revaluation relief to 1,147 accounts. The total amount of relief awarded was £543,877 in 2017/18, approximately 98.6% of the total available funding. The final amount of relief awarded is expected to change over time as the valuation of business properties changes as a result of appeals and other factors.

3.0 **Scheme Proposals for 2018/19, 2019/20 and 2020/21**

3.1 When the initial proposal for a local scheme was reported to Cabinet on 27 July 2017 it was anticipated that the scheme design would be reviewed and agreed for each financial year. However, the experience of the scheme to date suggests that it would be more efficient to agree a set of parameters to be applied to distribute the relief over the next three years so that the available relief can be distributed to rate payers earlier in the year.

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- 3.2 The funding allocation to Sefton Council for 2018/19 is £267,987 and indicative allocations for the remaining two years are £110,348 in 2019/20 and £15,764 in 2020/21
- 3.3 The proposed scheme parameters for 2018/19 and the following two years are set out in Annex A of this report.
- 3.4 The proposals take account of the following factors:
- The amount of grant funding available has been reduced by £283,752 (51.4%) in 2018/19 and is set to reduce by a further £157,639 in 2019/20 and £94,584 in 2020/21. So there is a need to rationalise the relief in 2018/19 and future years in order to maximise the impact of the relief in assisting businesses most adversely affected by the 2017 revaluation.
 - A higher level of support is already provided to small businesses (with a rateable value of £20,000 or less) by the national transitional relief scheme, so it is proposed to exclude these businesses from the local discretionary revaluation relief scheme in 2018/19, 2019/20 and 2020/21. This will reduce the cost of administering the scheme and concentrate the relief on those businesses that are not as generously supported by the national transitional relief scheme.
 - The businesses that have previously rejected the discretionary relief in 2017/18 as a result of state aid rules have been excluded from receipt of the local discretionary revaluation relief scheme in 2018/19, 2019/20 and 2020/21 in order to reduce the potential requirement for multiple relief awards and so reduce the administrative cost of operating the local scheme.
 - Empty properties and those account holders that were not in occupation on 31 March 2017 have been excluded to focus the relief on those bill payers that have suffered an unavoidable increase in business rates as a result of revaluation and who are contributing to the local economy.
 - Discretionary relief cannot be given on properties occupied by the Council, maintained schools or its major preceptors under current regulations.
 - The distribution of relief in a way that maximises the available Government funding is difficult to calculate in advance of the initial billing run and is influenced by changes in occupation and rateable value during the year and over the life of the rating list. It is therefore proposed that the decisions on the detailed methodology used to distribute the relief in and between categories of business property (medium and large) be delegated to the Director of Corporate Resources.

- Initial relief allocations will be awarded automatically without the need for an application process. This will reduce administration costs for both the Council and business rate payers. However, business rate payers will still be able to apply for the relief if they believe they should be eligible.
- Under business rate regulations only relief awards made within six months after the year-end can be funded from Government support. For this reason no further relief will be awarded after 30 September in the following financial year (i.e. six months after the relevant year-end).
- Awards under the scheme are limited by rules on State Aid, which allow an undertaking to receive no more than 200,000 Euros over the last three year years. Procedures for awarding relief include safeguards in this regard.

3.5 The decision to authorise or refuse awards of additional discretionary support will be made under delegated powers by the Head of Corporate Resources.

3.6 Should a ratepayer wish to appeal against the refusal of rate relief, an appeals process will be put in place.

3.7 There is a possibility of an underspend of grant due to business relocating during the year. With this in mind it is proposed that any underspend of grant is used to provide additional support to businesses struggling to meet their increased rates liability. This additional support would be considered under delegated powers given to the Cabinet Member – Regulation, Compliance and Corporate Services and the Head of Corporate Resources.

4. Grant award and financial monitoring

4.1 It is important that the Local Authority makes full use of the available funds from Government to support businesses in need of this targeted support. However it is not expected that the authority will make awards in excess of the relevant grant. Appropriate financial monitoring systems will need to be implemented in relation to expenditure.

4.2 An annual review of the local discretionary revaluation relief scheme and the outcome of this review will be reported to the Cabinet Member for Regulation, Compliance and Corporate Services.

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ANNEX A

BUSINESS RATES LOCALLY ADMINISTERED DISCRETIONARY REVALUATION RELIEF SCHEME GUIDANCE FOR 2018/19, 2019/20 AND 2020/21 (DRAFT)

1. Scope

- 1.1 This guidance sets out the parameters of the locally administered discretionary rate relief scheme for Sefton Council in the years 2018/19, 2019/20 and 2020/21.
- 1.2 This assistance will be provided under Section 47 of the Local Government Finance Act 1988; this means that it will use existing legal powers.
- 1.3 The scheme will be funded under Section 31 of the Local Government Finance Act 2003; this means that it will be wholly funded by the Government. Funding will only be available to the extent that the local authority has spent its allocation.

2. Eligibility

- 2.1 Assistance will only be provided to ratepayers who face an increase in their bills as a result of the 2017 revaluation.
- 2.2 The assistance will be targeted at those facing significant increases in rates in the following valuation bands:

	Rateable Value on the 2017 Rating List
Medium	between £20,001 and £100,000
Larger	between £100,001 and £199,999

- 2.3 Business properties with a rateable value of £200,000 or more will not be eligible for this relief.
- 2.4 Business properties with a rateable value of £20,000 or less will not be eligible for this relief.
- 2.5 All national, statutory reliefs and exemptions will be applied before any calculation for Locally Administered Revaluation Relief.
- 2.6 It is not expected that the authority will make awards in excess of the relevant grant and decisions will take account of available funding.
- 2.7 The businesses that have previously rejected the discretionary relief in 2017/18 and subsequent years as a result of state aid rules will not be eligible for this relief.

- 2.8 Empty properties will not be eligible for this relief.
- 2.9 Accounts starting on or after 1 April 2017 will not be eligible for this relief.
- 2.10 Properties occupied by the Sefton Council, Sefton maintained schools or its major preceptors will not be eligible for this relief.
- 2.11 Initial relief allocations will be awarded automatically without the need for an application process.
- 2.12 Awards under the scheme are limited by rules on State Aid, which allow an undertaking to receive no more than 200,000 Euros over the last three year years. Businesses receiving an automatic award of discretionary revaluation relief will be required to inform the Council of any breach of these rules. Businesses applying for an award will be required to confirm that receipt of this relief will not breach state aid rules.
- 2.13 Business rate payers will be able to apply for the relief if they believe they should be eligible.
- 2.14 Relief awards of less than £10 will not be made in order to reduce administration costs.
- 2.15 Relief awards in each year are made for a single year only. Subsequent awards will be dependent on the criteria applied in that year.
- 2.16 No relief will be awarded more than six months after the end of the financial year to which the relief applies.
- 2.17 Decisions on the detailed methodology used to distribute the relief in and between categories of business property (medium and large) will be delegated to the Head of Corporate Resources.

3. How an Application Should be Made

- 3.1 Initial relief allocations will be awarded automatically without the need for an application process.
- 3.2 However, business rate payers will still be able to apply for the relief if they believe they should be eligible. The Council will make available a form for this purpose via the authority's website.

4. Decision Making and Review

- 4.1 Decisions on the award or refusal of additional discretionary support will in the first instance be made by the Head of Corporate Resources under delegated powers.
- 4.2 Under business rate regulations only relief awards made within six months after the year-end can be funded from Government support. For this reason no further relief will be awarded after 30 September in the following financial year (i.e. six months after the relevant year-end).
- 4.2 Where an award is made the applicant will be notified of:

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- I. The amount of relief granted and the date from which it has been granted.
 - II. If relief has been granted for a specified period, the date on which it will end.
 - III. The new chargeable amount.
 - IV. A requirement that the applicant should notify the authority of any change in circumstances that may affect entitlement to relief.
- 4.3 Awards under the scheme are limited by rules on State Aid, which allow an undertaking to receive no more than 200,000 Euros over the last three year years. Procedures for awarding relief include safeguards in this regard.
- 4.4 Applicants will be notified of the decision on the application. Where refusal applies details of the reason for refusal will be provided. Applicants will also be advised of the process of review, should they wish to appeal against the decision.
- 4.5 In the event that a decision has been made to refuse additional support any request for a review of that decision must set out the grounds for a review including why the applicant believes the decision should be reconsidered.
- 4.6 Should a ratepayer wish to appeal against the refusal of rate relief, an appeals process will be put in place after which, there will be no further right of review.

Report to:	Cabinet	Date of Meeting:	21 June 2018
	Council		19 July 2018
Subject:	Revenue & Capital Budget Plan 2018/19 to 2019/20 – Capital Outturn 2017/18	Wards Affected:	(All Wards);
Report of:	Head of Corporate Resources		
Is this a Key Decision?	No	Is it included in the Forward Plan?	Yes
Exempt/Confidential	No		

Purpose/Summary

To inform Cabinet of the capital outturn position in relation to the 2017/18 financial year and of further additions to the 2018/19 capital programme.

Recommendation(s)

Cabinet is recommended to: -

1. Note the capital outturn position for 2017/18; and
2. Approve further additions to the 2018/19 Capital Programme.

Council is recommended to: -

1. Approve the inclusion of additional schemes into the 2018/19 Capital Programme, as set out in the report.

How does the decision contribute to the Council's Core Purpose?

	<u>Core Purpose</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Protect the most vulnerable		√	
2	Facilitate confident and resilient communities		√	
3	Commission, broker and provide core services		√	
4	Place-leadership and influencer		√	
5	Drivers of change and reform		√	
6	Facilitate sustainable economic prosperity		√	

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7	Generate income for social reinvestment		√	
8	Cleaner, Greener		√	

Reasons for the Recommendation:

The production of a capital outturn report is a key feature of effective financial management and will allow Members to make informed decisions that will support service delivery and medium term financial sustainability. Member approval is required for addition of new schemes in the Capital Programme.

What will it cost and how will it be financed?

(A) Revenue Costs

All revenue implications are detailed within the report

(B) Capital Costs

All capital implications are detailed within the report

Implications:

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

Legal None	
Human Resources	None
Equality	
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 on Service Delivery:

None.

What consultations have taken place on the proposals and when?

The Head of Corporate Resources is the author of the report (FD5180/18)

Head of Regulation and Compliance has been consulted and any comments have been incorporated into the report. (LD 4404/18)

Are there any other options available for consideration?

There are no other options available.

Implementation Date for the Decision

Immediately following call-in.

Contact Officer: Stephan Van Arendsen
Tel: 0151 934 4081
Email: Stephan.VanArendsen @sefton.gov.uk

Background Papers:
None

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1. Introduction

- 1.1 The report details the capital outturn position for 2017/18 and includes a request to include additional schemes into the 2018/19 Capital Programme.

2. Capital Outturn

- 2.1 The following section of the report provides details of the Council's capital spending in 2017/18 and key schemes and outputs that have been delivered.
- 2.2 The approved capital budget for 2017/18 was £28.708m against which total capital expenditure of £17.528m has been incurred at the year end. This has resulted in an under spend of £11.18m against the full year budget with an overall delivery rate of 61.1%. This resource will be carried forward into 2018/19 to complete the identified schemes. A service by service breakdown is shown in the following table:-

Service	Full Year Budget 2017/18	Actual Expenditure 2017/18	Actual Expenditure as a % of Budget 2017/18	Full Year Actual Variance 2017/18
	£m	£m	%	£m
Health & Wellbeing	1.271	0.759	59.7%	0.512
Communities	2.434	0.658	27.0%	1.776
Schools and Families	5.410	3.175	58.7%	2.235
Regulation and Compliance	0.015	0.006	40.0%	0.009
Regeneration and Housing	1.287	0.970	75.4%	0.317
Older People	2.866	1.388	48.4%	1.478
Locality Services - Provision	2.471	0.558	22.6%	1.913
Locality Services – Commissioned	8.309	6.487	78.1%	1.822
Inward Investment & Employment	1.947	1.462	75.1%	0.485
Corporate Resources	0.498	0.402	80.7%	0.096
Disabled Facilities Grant	2.200	1.663	75.6%	0.537
Total Capital Programme	28.708	17.528	61.1%	11.180

In addition to this core programme additional capital expenditure totalling £36.486m was incurred by the Council in supporting the Framework for Change programme (including expenditure to support the delivery of savings and the Council's strategic investment) and additional capitalisation of Highways and ICT expenditure. Total capital expenditure in 2017/18, including the above projects was therefore £54.014m.

Financing of 2017/18 Capital Expenditure:

2.3 Capital expenditure in 2017/18 was funded as follows:

	Expenditure
	£m
Government Grant	12.959
Borrowing	37.187
Section 106	0.622
Contributions	0.145
Revenue Contribution	0.532
Capital Receipt	2.569
TOTAL	54.014

Key Schemes in 2017/18

2.4 As a result of the 2017/18 capital programme the following key schemes have been advanced and / or delivered.

Project	Impact	Expenditure 2017/18 £'m
Transport – Carriageway Maintenance 2017/18	Ongoing preservation / maintenance of the Highway network.	2.571
Disabled Facilities Grants 2017/18	267 disabled facilities in peoples' homes were completed and 283 new grants were approved	1.663
Liverpool City Region Projects – M58 & A565	Ongoing projects - M58 junction 1 improvements and A565 North Liverpool Key Corridor improvements (i.e. dualling single carriageway and improve walking / cycling facilities).	1.635
Norwood Primary School Remodelling	Ongoing remodelling of school in order to increase pupil capacity.	1.604
Southport Pier Refurbishment	Ongoing grant funded refurbishment and upgrade of Southport Pier.	1.462
Transport – Integrated Transport 2017/18	Improvements to the transport network e.g. travel awareness, cycling and health, local safety schemes, traffic management schemes.	1.375
Housing HMRI Investment	Ongoing HMRI investment – 2017/18 expenditure mainly Klondyke schemes.	0.926
Dunningsbridge Road Training Centre	Capital investment as part of the reorganisation of Adult Day Care Facilities. Scheme now in retention period.	0.598

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Adult Social Care -Purchase of James Dixon Court	Capital investment from the Better Care Fund to bring this facility into Council control.	0.351
Bootle / Dunes Leisure Centres Changing Rooms	Grant funded scheme to upgrade the changing facilities at these leisure centres. Will be complete early 2018/19.	0.331
Dunes Leisure Centre – All Weather Pitches	Invest to Save Scheme – New pitches in order to generate additional income. Will be complete early 2018/19.	0.276
Thornton Crematorium	Capital investment in order to upgrade facilities. Scheme in retention period.	0.272
Total		13.064

Further additions to the Capital Programme 2018/19

2.5 At Budget Council in March 2018, Members approved the Capital Programme for 2018/19. Since that point, a number of additions to this programme have been identified and are detailed below for inclusion.

Scheme	Value (£'m)	Funding Source	Description	Approval Sought by
Atkinson Studio Stage	£0.030	To be funded from 2017/18 c/f – see below	Remedial work to stage.	Council
Additional pothole funding 2017/18 and 2018/19	£0.468	Department for Transport	Additional funding to help repair winter damage to road surfaces	Council
Buckley Hill playing fields car park	£0.081	To be funded from 2017/18 c/f – see below	To extend the car park at Buckley Hill playing fields	Council
Reallocation of Corporate Maintenance	£0.135	Reallocation of funding from schemes deferred / no longer required	Reallocate funds to Southport Town Hall Boiler replacement, Atkinson Transformer room improvements, Southport Theatre netting, and Bootle Town Hall cold water system alterations	Council

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Crosby Coastal Defences	£1.000	To be sourced from the Sea Wall Reserve. Total scheme cost estimated at £15m-£20m over the period to 2022. Future Council scheme contribution to be in the region of £4m which will need to be built into the Council's future Capital Investment Strategy.	To replace coastal defences at the north end of Crosby Coastal Park	Council
Strand Capital requirements	£3.115	Prudential borrowing funded by income from the Strand	General works to improve the customer experience	Council
Key Route Network	£0.782	Balance of unallocated resources in capital pot	To provide 10% contribution to Liverpool City Region transport schemes	Council
Additional Disabled Facilities Grant 2017/18	£0.339	Ministry of Housing, Communities and Local Government	To fund relevant capital schemes	Council
Revision of budgeted BCF 2018/19 allocation to actual	£0.539	Ministry of Housing, Communities and Local Government	To fund relevant capital schemes	Council
Special Educational Needs and Disabilities (SEND) additional allocation	£0.039	DfE	To support extra places or improve existing facilities	Council

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As part of the review of the 2017/18 Capital Programme, £0.578m of funds has been released from schemes no longer required. Of this, £0.111m will be used to fund the Atkinson Studio Stage and Buckley Hill Car Park extension noted above.

The table below shows the total value of the 2018/19 Capital Programme and how it is to be financed. The balance includes the Capital Programme approvals by Council in March 2018, the roll forward of balances in paragraph 2.2, and the inclusion of new capital schemes in paragraph 2.5.

Source	Value £m
Grant	31.795
S106	1.752
Contribution	1.000
Borrowing	5.578
TOTAL	40.125

3 Conclusion

- 3.1 With regard to Capital Programme expenditure, £17.528m has been incurred in the 2017/18 financial year; which represents an overall delivery rate of 61.1%. Additional capital expenditure of £36.486m was approved and incurred as part of the Framework for Change programme. Total capital expenditure at year end was £54.014m.
- 3.2 Cabinet is requested to approve the further additions to the 2018/19 Capital Programme as detailed in section 2.5.

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Report to:	Audit and Governance Committee Council	Date of Meeting:	27 June 2018 19 July 2018
Subject:	Financial Procedure Rules and Contract Procedure Rules Update		
Report of:	Head of Corporate Resources and Head of Commissioning Support and Business Intelligence	Wards Affected:	All Wards
Cabinet Portfolio:	Regulatory, Compliance & Corporate Services		
Is this a Key Decision:	No	Included in Forward Plan:	No
Exempt / Confidential Report:	No		

Summary:

This report seeks approval for revisions to the Financial Procedure Rules and Contract Procedure Rules.

Recommendation(s):

1. That the Audit and Governance Committee:
 - (1) Consider and approve the revision to the Financial Procedure Rules set out in Appendix 1 to this report.
 - (2) Consider and approve the revision to the Contract Procedure Rules set out in Appendix 3 to this report.
 - (3) Refer the duly amended Financial Procedure Rules and Contract Procedure Rules to Council for approval.
2. That Council approve the amended Financial Procedure Rules and Contract Procedure rules as set out in Appendices 1 and 3 to the report

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Reasons for the Recommendation(s):

To enable the Council to adopt the recommended revisions to Financial Procedure Rules and Contract Procedure Rules.

Alternative Options Considered and Rejected: (including any Risk Implications)

As part of the annual review of the Councils constitution, the Council's Financial Procedure Rules (FPR) and Contract Procedure Rules (CPR) have been the subject of review. This has resulted in a number of proposed revisions, which are now presented for consideration by Audit & Governance Committee and referral to Council for their consideration and approval. No alternative options have been considered.

What will it cost and how will it be financed?

(A) Revenue Costs

There are no additional costs arising directly from this report.

(B) Capital Costs

N/A

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):

There are no additional resource implications associated with this report. Existing staffing resources will be involved in procurement, contract management and financial management and will be required to comply with the FPR and CPR.

Legal Implications:

The revised contract procedure rules fully reflect the Public Contract Regulations 2015//102. Production of this report has also been considered in line with Sections 5 and 5A of the Local Government and Housing Act 1989 and Sections 114, 114A 115 and 115B of the Local Government Finance Act 1988.

Equality Implications:

There are no equality implications.

Contribution to the Council's Core Purpose:

Protect the most vulnerable: The proposed amendment to the Contract Procedure Rules relating to Adult's or Children's Social Care support packages and placements enables the Council to protect the most vulnerable by timely approval of care support and treatment packages and placements whilst ensuring appropriate oversight.

Facilitate confident and resilient communities: Not applicable

Commission, broker and provide core services: Effective, efficient and legally compliant financial management, procurement and contract management processes are key components of the effective commissioning, procurement and provision of services.
Place – leadership and influencer: Not applicable
Drivers of change and reform: Improved financial management and procurement processes, rules, and guidance are key enabling components of delivering change and reform.
Facilitate sustainable economic prosperity: Effective procurement of goods, works and services from the external market supports economic prosperity. Increased local supply chain development and social value from procurement will improve the contribution to local sustainable economic prosperity.
Greater income for social investment: Enabling efficient, effective and timely decision making in relation to identified Commercial Activities will support the operation of such activity and maximise financial performance.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The review of the Financial Procedure Rules has been led by a multi-disciplinary team including officers from financial management, internal audit and senior officers within the Council. The final document as included within this report has also been the subject of review and initial approval by the Council’s Monitoring Officer, prior to presentation to members.

The current CPR were similarly developed by a multi-disciplinary team that included officers from Procurement, Commissioning Support, Legal, Finance, Strategic Support and Learning & Development. Consultation was also undertaken across the Council, through the Strategic Leadership Board and nominated representatives of Heads of Service.

The majority of proposed amendments to CPR are relatively minor and intended to improve their effectiveness, in light of practical application in the past 12 months and revision of EU Spend Threshold values. The most significant changes relate to the raising of the threshold below which procurement can be undertaken on the basis of a minimum of two written quotations and there is no explicit requirement to involve the Corporate Procurement Team, and the implementation of specific provisions relating to defined “commercial activities”.

The Head of Corporate Resources (FD 5196/18) and Head of Regulation and Compliance (LD 4420/18) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Not applicable.

Implementation Date for the Decision

Immediately following the Committee meeting

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Contact Officer:	Peter Moore
Telephone Number:	0151 934 3730
Email Address:	peter.moore@sefton.gov.uk

Appendices:

The following appendices are attached to this report:

Appendix 1 – Revised Financial Procedure Rules

Appendix 2 - Summary of Proposed Revision to Contract Procedure Rules

Appendix 3 – Revised Contract Procedure Rules

Background Papers:

There are no background papers available for inspection.

Financial Procedure Rules

1. As part of the annual review of the Councils constitution, the Council's Financial Procedure Rules have been the subject of review.
2. This review has been led by a multi-disciplinary team including officers from financial management, internal audit and senior officers within the Council. The final document as included within this report has also been the subject of review and initial approval by the Council's Monitoring Officer, prior to presentation to members.
3. As would be expected, large elements of the previous version of the Financial Procedure Rules remain as previously approved, however certain changes are proposed and are discussed below. These changes align with the Councils structure, Framework for Change programme and the aims of the Financial Procedure Rules that:-
 - They provide the framework for managing the financial affairs of the Council;
 - They define the roles and responsibilities of members and officers;
 - They facilitate the effective operation of council activity; and
 - They provide a framework for the delivery of an effective internal control environment.
4. Having reviewed the Financial Procedure Rules there are four areas that are reflected in the updated schedule

Changes as a result of Organisational redesign

5. The Financial Procedure Rules have been updated to take account of changes to roles and responsibilities and job titles within the Council

Roles and Responsibilities (paragraphs 19-40)

6. The roles and responsibilities of statutory officers, the Senior Leadership Board and Heads of Service have been updated to provide clear guidance on their respective roles, further define accountability and also reflect best practice.

Management of Income and Expenditure (paragraphs 49-55)

7. The request for, or commitment of additional Council resources to either the revenue budget or capital programme are at present and will remain the responsibility of Council.
8. There are occasions however when the Council receives external income or other financial contributions to support specific council activity that do not commit the council's own resources. Revised delegations to support these 'supplementary revenue and capital estimates' are included at paragraphs 49-55 and are shown below. It should be noted that those externally funded proposals that are more significant in financial value will still require Cabinet and Council approval. This will support the control and risk in this area.

Supplementary Revenue Estimate

Supplementary Revenue Estimate Amount	Approval Level
Up to and including £100,000	The relevant Head of Service
In excess of £100,000 up to and including £250,000	The relevant Head of Service in consultation with the Cabinet Member and the Section 151 Officer
In excess of £250,000 up to and including £500,000	The relevant Cabinet Member in consultation with Cabinet Member for Regulatory, Compliance and Corporate Service (or the Leader of the Council if the matter concerns the Cabinet Member Regulatory, Compliance and Corporate Services) and the Section 151 Officer
In excess of £500,000 up to and including £1,000,000	Cabinet
Over £1,000,000	Council with recommendation from Cabinet

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Supplementary Capital Estimate

Supplementary Capital Estimate Amount	Approval Level
Up to and including £100,000	Section 151 Officer in consultation with the Chief Executive
In excess of £100,000 up to and including £250,000	Section 151 Officer in consultation with Cabinet Member for Regulatory Compliance and Corporate Services
In excess of £250,000 up to and £1,000,000	Cabinet
Over £1,000,000	Council with recommendation from Cabinet

Commercial Activity (paragraphs 100-102)

9. Within the Council's Framework for Change programme the Council has a stated objective to develop its commercial activity. As part of this programme there will be specific business plans that are developed and approved by Members that provide the strategic direction and financial parameters within which these activities will operate.
10. As would be expected with such activities, there is a need for decisions to be made in an efficient, effective and timely manner in order to support the operation of the activity and maximise financial performance.
11. For such activities, Cabinet have approved the implementation of an Investment Board to provide operational management and guidance to these activities. This Board includes the Chief Executive, Executive Director, Head of Commercial Development and Head of Corporate Resources (s151 Officer).
12. This Board provides Business Plans to Cabinet on Commercial Activity that set out income and expenditure assumptions and impact on the Councils overall financial performance. Reporting against business plan is included within the council's outturn process alongside all traditional service expenditure and income.
13. As a result of this, a section has been included within the Financial Procedure Rules to reflect this, to clearly define the role of Members in developing and approving the strategic direction and financial assumptions for such activity and receiving appropriate information on which to evaluate financial performance and also the role of the Investment Board and Officers in delivering the objectives of such business plans.

Contract Procedure Rules

14. On 28th June 2017, Audit and Governance Committee considered and approved updated Contract Procedure Rules (CPR), developed as part of a corporate review of procurement processes, rules and guidance, and referred them for Council approval. The report to the Committee also noted that the CPR would be subject to regular review with any subsequent amendments being brought back to Audit and Governance Committee for consideration in due course. The CPR were subsequently approved by Council on 13th July 2017 and duly implemented.

15. The recommended amendments to CPR, together with an explanation for those amendments are presented at Appendix 1.
16. The majority of proposed amendments to CPR are relatively minor and intended to improve their effectiveness, in light of practical application in the past 12 months and revision of EU Spend Threshold values.
17. The most significant changes relate to:
 - Raising the threshold below which procurement can be undertaken on the basis of a minimum of two written quotations, without explicit requirement to involve the Corporate Procurement Team, from £5,000 to £20,000; and
 - Introduction of specific provisions relating to defined “commercial activities”.

Both changes are intended to ensure that procurement processes are as streamlined as possible, whilst ensuring an appropriate level of control and oversight. These changes do not prevent the involvement of the Procurement Team or the deployment of a more substantial procurement process where that is appropriate and is felt most likely to secure best value. In line with national transparency requirements, the requirement to include resultant contracts above £5,000 on the Council’s Contract Register and the requirement to advertise all openly published procurement opportunities values at £25000, or more, on the national Contracts Finder portal will continue to apply.

18. The raising of the threshold in relation to general Council procurement delivers on an intention previously expressed and follows the successful implementation of improved processes and compulsory staff training over the past 18 months, both verified by internal and external audit activity.
19. The introduction of specific provisions relating to “commercial activities” is in support of the Council’s stated objective to develop its commercial activity and recognises the particular need for decisions to be made in an efficient, effective and timely manner in order to support the operation of such activity and maximise financial performance. It relates solely to “commercial activities” as defined in the Financial Procedure Rules, i.e. specific business plans that are developed and approved by Cabinet and then overseen by the Council’s Investment Board, which includes the Chief Executive, Executive Director, Head of Commercial Development and Head of Corporate Resources (s151 Officer).
20. The Council’s Constitution delegates to Audit and Governance Committee the responsibility to “*maintain an overview of the Council’s constitution of contract procedure rules, financial regulations and codes of conduct and behaviour*” (Chapter 7, paragraph 84). The Constitution further requires that “*Contract Procedure Rules shall be reviewed and updated as appropriate in line with review of the Constitution and shall be presented to Council, at least annually, for approval*” (Chapter 11, paragraph 131). It is therefore timely for the amended CPR to be presented to Council for formal approval and the Committee is requested to agree this.

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Chapter 11

Finance Procedure Rules

A INTRODUCTION

- 1 Finance and Contract Procedure Rules provide the framework for managing the Council's financial affairs. They apply to every Member and Officer of the Council and anyone acting on its behalf, including School Governors operating under local delegation arrangements. All decision makers need to ensure that they are not only empowered under the Constitution to make every decision that they propose to make, but that they are also authorised under these Rules to incur the financial consequences of every decision that they make.
- 2 The Rules identify the financial responsibilities of the full Council, Cabinet, Overview and Scrutiny Members, statutory officers and the Heads of Service. A written record shall be kept of all decisions taken under these Rules which are taken using delegated powers
- 3 All Members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is warranted, properly authorised, provides value for money and achieves best value and is in the interest of the Council's citizens.
- 4 The Section 151 Officer is responsible for maintaining a regular review of the Finance Procedure Rules and submitting any additions or changes necessary to the full Council for approval. The Head of Commissioning Support and Business Intelligence is responsible for maintaining a regular review of the Contract Procedure Rules and submitting any additions or changes necessary to the full Council for approval. The Section 151 Officer is also responsible for reporting, where appropriate, breaches of the Finance and Contract Procedure Rules to Audit and Governance Committee.
- 5 Heads of Service are responsible for ensuring that all staff in their Services are aware of the existence and content of the Council's Finance and Contract Procedure Rules and other internal regulatory documents and that they comply with them, as required by the Council's Code of Conduct for Employees and this Constitution. Failure to comply with the Code of Conduct will be dealt with in accordance with the Council's Disciplinary Policy and Procedure. These documents will be located on the Sefton intranet for reference. Where staff do not have access to the intranet, Heads of Service must ensure that an adequate number of copies of the relevant policies are available for reference within their Services.
- 6 The Section 151 Officer, is responsible for issuing advice and guidance to underpin the Finance and Contract Procedure Rules that Members, officers and others acting on behalf of the Council are required to follow.

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- 7 The Rules are not intended to cover every eventuality, but the spirit of the Rules must always be followed. Where there is any uncertainty in matters of interpretation, advice should be sought from the Section 151 Officer before decisions or actions are taken.

B. FINANCIAL MANAGEMENT

WHY IS THIS IMPORTANT?

- 8 Financial Management covers all financial accountabilities in relation to the running of the Council, including the policy framework and budget.

WHAT'S COVERED IN THIS SECTION?

- 9 The roles and responsibilities of:
- The full Council
 - The Cabinet
 - The committees delegated by Cabinet
 - Statutory officers; and
 - Heads of Service
- 10 Other financial accountabilities:
- Virement
 - Supplementary estimates
 - Treatment of year end balances
 - Accounting policies
 - Accounting records and returns
 - The Annual Statement of Accounts

THE FULL COUNCIL

- 11 The responsibilities of the full Council are set out in Chapter 4 of the Constitution. In respect of financial matters, this includes approving the Budget within which the Cabinet operates.
- 12 The Budget comprises the allocation of financial resources to different services and projects, proposed contingency funds, the Council Tax base and Council Tax rate, and decisions relating to the control of the Council's borrowing requirement, and the allocation and control of capital expenditure.

THE CABINET

- 13 The Cabinet's responsibilities, in respect of financial matters include:
- a. developing and reviewing the Council's plans and policies
 - b. advising on budget setting
 - c. ensuring proper arrangements exist for the effective and efficient management of the Council's executive affairs
 - d. monitoring and auditing the lawful, proper and efficient conduct of the Council's financial affairs, including the extent to which budgets and financial policies are being met and any appropriate remedial action; and
 - e. ensuring officers exerPage 60gated powers on behalf of the Cabinet discharge their responsibilities efficiently and effectively.

CABINET MEMBERS

- 14 Individual Cabinet Members have specific decision making powers which are set out in Chapter 5 of the Council's Constitution. Cabinet Members responsibilities in respect of financial matters include:
 - a. the proper administration of the Council's services
 - b. ensuring adequate staffing, premises and other resources are in place to secure agreed standard and target outcomes within the scope of their portfolio
 - c. ensuring budget control and financial monitoring within the scope of their portfolio
 - d. making recommendations to the Cabinet in respect of strategic policy concerning matters within their portfolio.
- 15 Cabinet Members must consult with relevant officers before exercising their delegated decision making powers. In doing so, the individual Member must take account of legal and financial liabilities and risk management issues that may arise from the decision and that they have authority to incur the financial consequences of that decision.

COMMITTEES

OVERVIEW AND SCRUTINY COMMITTEES

- 16 Overview and Scrutiny Committees are responsible for discharging the Council's functions under Section 9F to 9FU of the Local Government Act 2000, including:
 - a. scrutinising Cabinet decisions before or after they have been implemented; and
 - b. establishing task and finish reviews as they see fit.

AUDIT AND GOVERNANCE COMMITTEE

- 17 The Audit and Governance Committee has right of access to all of the information necessary to effectively discharge its responsibilities and can consult directly with internal and external auditors.
- 18 The committee responsibilities are detailed in Chapter 7 of the Constitution.

STATUTORY OFFICERS

CHIEF OFFICERS

- 19 Chief Officers are the Chief Executive, Executive Directors or any Head of Service to whom there has been specific delegation in writing by the Council or the Chief Executive.
- 20 In accordance with the management structure of the Council, Chief Officers will be referred to as follows:
 - a. Chief Executive (Head of Paid Service)
 - b. Executive Directors, Director of Social Care and Health and Heads of Service report to the Chief Executive
 - c. Heads of Service
- 21 The Chief Executive is the Head of the Council's Paid Service. The responsibilities of the Chief Executive are set out in full in Chapter 10 of the Council's Constitution :**Page 61**ude:
 - a. leading and directing the strategic management of the Council

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- b. ensuring the effective pursuit and achievement of the Council's objectives
 - c. ensuring the Council's activities are carried out with maximum effectiveness and efficiency.
- 22 The Chief Executive must report to and provide information for full Council, the Cabinet, the Overview and Scrutiny Committees and other committees.

MONITORING OFFICER

- 23 The Council's Monitoring Officer pursuant to Section 5 and 5A of the Local Government and Housing Act 1989 (as amended) is responsible for exercising the functions of that role. This includes reporting, in consultation with the Chief Executive and Section 151 Officer to the full Council (or to the Executive in relation to an Executive function), if he or she considers that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission has given rise to a finding of maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered by Cabinet.
- 24 The Monitoring Officer must ensure that Cabinet decisions and the reasons for them are made public. He or she must also ensure that Council Members are aware of decisions made by the Cabinet and of those made by officers who have delegated responsibility.
- 25 The Monitoring Officer is responsible for advising all Members and officers about who has authority to take a particular decision.
- 26 The Monitoring Officer is responsible for advising the Cabinet or full Council about whether a decision is likely to be considered contrary or not wholly in accordance with the Policy Framework.
- 27 The Monitoring Officer (together with the Section 151 Officer) is responsible for advising the Cabinet or full Council about whether a decision is likely to be considered contrary to or not wholly in accordance with the budget. Actions that may be 'contrary to the budget' include:
- a. initiating a new policy which may have financial implications that cannot be contained within existing budgets
 - b. committing expenditure in future years that exceeds Medium Term Financial Plan assumptions
 - c. agreeing budget transfers that exceed approved virement limits
 - d. causing the total expenditure financed from Council tax, grants and corporately held reserves to increase, or to increase by more than a significant amount ("Significant" to be defined by the Section 151 Officer or their representative).
- 28 The Monitoring Officer is responsible for maintaining an up-to-date Constitution.

RESPONSIBLE FINANCIAL OFFICER (SECTION 151 OFFICER)

- 29 The Section 151 Officer is the financial adviser to the Council, the Cabinet and officers and is the Council's 'responsible financial officer' under the Accounts and Audits Regulations. He or she is responsible for the proper administration of the Council's affairs as specified in, and undertaking the duties required by, Section 151 of the Local

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Government Act 1972, Section 114 of the Local Government Finance Act 1988, the Local Government and Housing Act 1989, the Local Government Act 2003 and all other relevant legislation.

- 30 The Section 151 Officer is responsible generally, for discharging, on behalf of the Council, the responsibilities set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Statement on the Role of the Chief Financial Officer in Local Government, including:
- a. in conjunction with the other Heads of Service, the proper administration of the Council's financial affairs
 - b. setting and monitoring compliance with financial management standards
 - c. advising on the corporate financial position and on the key financial controls necessary to secure sound financial management
 - d. providing financial information
 - e. preparing the revenue budget and capital programme
 - f. treasury management.
- 31 Section 114 of the Local Government Finance Act 1988 includes a requirement for the Section 151 Officer to report to the full Council, Cabinet and external auditor if the Council or one of its officers:
- a. has made, or is about to make, a decision which involves incurring unlawful expenditure
 - b. has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the Council
 - c. is about to make an unlawful entry in the Council's accounts
- 32 Section 114 of the 1988 Act also requires:
- a. the Section 151 Officer to nominate a properly qualified Member of staff to deputise should he or she be unable to perform the duties under section 114 personally. The designated deputy for this purpose is the Strategic Manager, Finance (Corporate).
 - b. the Authority to provide the Section 151 Officer with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under section 114 of the Local Government Finance Act 1988.

MONEY LAUNDERING REPORTING OFFICER

- 33 The Section 151 Officer is appointed as the Council's Money Laundering Reporting Officer and will maintain and advise on Anti-Money Laundering procedures.
- 34 They will be responsible for notifying the National Crime Agency (NCA) of any suspected cases of money laundering committed within the accounts of the Council as soon as possible and fulfil other duties as defined by legislation or regulation related to the post. Simultaneously, the Cabinet Member for Regulatory Compliance and Corporate Services will be kept informed of any notifications to NCA and of any issues arising from them.

EXECUTIVE LEADERSHIP TEAM AND STRATEGIC LEADERSHIP BOARD

- 35 The officer management arrangements for the Council are overseen by an Executive Leadership Team comprising the Chief Executive, Executive Directors, Director of Social Care and Health and the

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Section 151 Officer. Each member of the Executive Leadership Team is accountable to the Chief Executive for ensuring that Council Services are managed in accordance with the objectives, plans, policies, programmes, budgets and processes of the Council.

- 36 The Strategic Leadership Board includes the Executive Leadership Team and all of the Heads of Service. The Strategic Leadership Board is responsible for ensuring that the Council's Services are managed in accordance with the Council's strategic objectives and within the agreed policy and budget framework.

HEADS OF SERVICE

- 37 Powers are delegated to Heads of Service, who will establish, operate and keep under review Local Schemes of Delegation, to cascade powers and responsibilities to Service Managers and other subordinate officers. Every such sub-delegation will be recorded in writing within a Local Scheme of Delegation. The sub-delegation of functions shall not in any way diminish the overall responsibility and accountability of the delegator. Heads of Service and their managers should provide leadership, act with integrity, be open and transparent as possible, regarding financial performance and risks.
- 38 Heads of Service are responsible for and accountable for the financial management arrangements within their service area. They shall manage the development of budget policy options with a detailed assessment of financial implications within the budget process and resource framework agreed by the Council.
- 39 Heads of Service will establish, operate and annually review Local Schemes of Delegation, in consultation with the Section 151 Officer, to ensure that:
- a. the day to day financial management of services within their directorate is carried out in a secure, efficient and effective manner, and in accordance with the Finance Procedure Rules and associated relevant guidance.
 - b. expenditure is contained within the service's overall approved budget and that individual budget heads are not overspent, by monitoring the budget and taking appropriate and timely corrective action where significant variances are forecast and if necessary, seeking specific in year approval for the transfer of resources between budgets.
 - c. regular reports in an approved format are made to Cabinet on projected expenditure against budget and performance against service outcome targets.
 - d. prior approval is sought at the appropriate level for new proposals that create financial commitments in future years, change existing policies, initiate new policies or materially extend or reduce the Council's services.
 - e. resources are only used for the purposes for which they were intended.
 - f. compliance with the scheme of virement set out at paragraphs 41 - 48 below.
 - g. risks are appropriately assessed, reviewed and managed.
 - h. all members of staff are fully trained, aware of and comply with the requirements of Finance Procedure Rules, including the Contract Procedure Rules.

- i. all allegations of suspected fraud, corruption and financial irregularity are promptly reported to the Section 151 Officer and Chief Internal Auditor and that any local investigations are undertaken thoroughly, consistently and impartially.
- 40 Schemes of Financial Delegation will set out all financial responsibilities and approval limits as delegated by the Heads of Service to Service Managers, and any sub-delegations within services. Authorised Officers are those officers given specific delegated authority by their Head of Service as documented in that service's Scheme of Financial Delegation. The financial limits specified in the Scheme of Financial Delegation will be used to control access to financial systems and on- line transaction approvals. The Section 151 Officer will provide advice and prescribed format to Heads of Services to facilitate the completion of the Schemes of Financial Delegation. The Section 151 Officer to review and approve all Schemes of Financial Delegation on an annual basis.

MANAGING EXPENDITURE

SCHEME OF VIREMENT

- 41 A virement constitutes the movement of existing approved budgets from one area to another and is not an increase in overall budgets through the addition of new monies.
- 42 The Scheme of Virement is intended to enable the Cabinet, Executive Leadership Team and Strategic Leadership Board and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the full Council, and therefore to optimise the use of resources.
- 43 The full Council is responsible for agreeing limits for virement of expenditure between budget headings.
- 44 Heads of Service are responsible for agreeing in-year virements within delegated limits; in consultation with the Section 151 Officer where required and ensuring that written records of any changes are maintained
- 45 Key controls for the scheme of virement are:
- a. it is administered by the Section 151 Officer within guidelines set by the full Council. Any departure from this scheme requires the approval of the full Council.
 - b. the overall budget is agreed by the Cabinet and approved by the full Council. Heads of Service and budget managers are therefore authorised to incur expenditure in accordance with the estimates that make up the budget. Income received cannot be used to defray expenditure.
 - c. for the purposes of this scheme, a budget head is considered to be a division of service as identified in the approved Budget Report, or, as a minimum, at an equivalent level to the standard service subdivision as defined by CIPFA's Service Expenditure Analysis
 - d. virement does not create additional overall budget liability
 - e. no virements are permitted from ring fenced budgets
- 46 Some revenue virements are Page 65ly of an administrative nature, for example, implementation of restructuring and reorganisation proposals that have already received the appropriate level of officer

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and Member approval; routine changes to the structure of the chart of accounts or changes to notional accounting budgets which are required for reporting purposes but which do not impact on the Councils cash expenditure. Where the virement is of an administrative nature, Member approval is not required and approval limits will be based on the Scheme of Delegation. Administrative virements that exceed these limits will be approved by the Section 151 Officer.

- 47 Heads of Service are expected to exercise their discretion in managing their budgets responsibly and prudently. For example, they should aim to avoid supporting recurring expenditure from one-off sources of savings or additional income, or creating future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. Heads of Service must plan to fund such commitments from within their own budgets.
- 48 Where transfers are a single transaction they must be affected as such and must not be undertaken as two or more smaller transactions. Approval limits for virements are as follows:

REVENUE AND CAPITAL VIREMENTS

Virement Amount (within portfolio)	Approval Level
Up to and including £100,000	The relevant Head of Service
In excess of £100,000 up to and £250,000	The relevant Head of Service in consultation with the Cabinet Member and the Section 151 Officer
In excess of £250,000 up to and including £1,000,000	The relevant Cabinet Member in consultation with Cabinet Member for Regulatory, Compliance and Corporate Service (or the Leader of the Council if the matter concerns the Cabinet Member Regulatory, Compliance and Corporate Services)
Over £1,000,000 (where virement is within budget framework)	Cabinet
Over £1,000,000 (where virement is outside budget framework)	Council

Virement Amount (between portfolios)	Approval Level
Up to and including £250,000	The relevant Heads of Service in consultation with the Cabinet Members and the Section 151 Officer
In excess of £250,000 up to and including £1,000,000	The relevant Cabinet Members in consultation with Cabinet Member for Regulatory, Compliance and Corporate Service (or the Leader of the Council if the matter concerns the Cabinet Member Regulatory, Compliance and Corporate Services Portfolio).
Over £1,000,000 (where virement is within budget framework)	Cabinet

SUPPLEMENTARY REVENUE ESTIMATES

- 49 Where services wish to undertake an activity not originally identified in the budget or incur additional revenue expenditure on an existing activity where this is fully funded (for example through additional specific grant allocations), approval must be sought for a supplementary revenue estimate in accordance with the table (paragraph 50) below. The Section 151 Officer must be consulted to establish that any additional grant funding identified can be legitimately linked to the expenditure in question and the net impact of the proposal must be neutral on the Councils overall budget.
- 50 Approval limits for fully funded supplementary revenue estimates are as follows:

Supplementary Estimate Amount	Approval Level
Up to and including £100,000	The relevant Head of Service
In excess of £100,000 up to and including £250,000	The relevant Head of Service in consultation with the Cabinet Member and the Section 151 Officer
In excess of £250,000 up to and including £500,000	The relevant Cabinet Member in consultation with Cabinet Member for Regulatory, Compliance and Corporate Service (or the Leader of the Council if the matter concerns the Cabinet Member Regulatory, Compliance and Corporate Services) and the Section 151 Officer
In excess of £500,000 up to and including £1,000,000	Cabinet
Over £1,000,000	Council

- 51 Approval limits for supplementary revenue estimates which are to be funded from earmarked reserves or contingencies are as follows:

Supplementary Estimate Amount	Approval Level	
	From Earmarked Reserves	From Contingencies
Up to and including £250,000	Section 151 Officer	Section 151 Officer
In excess of £250,000 up to and including £500,000	Section 151 Officer in consultation with the Chief Executive	Section 151 Officer in consultation with the Chief Executive
In excess of £500,000 up to and including £1,000,000	Cabinet	Section 151 Officer in consultation with the Cabinet Member for Regulatory Compliance and Corporate Services
Over £1,000,000	Council with recommendation from Cabinet	Cabinet

- 52 Supplementary revenue estimates which are to be funded wholly or in part from general reserves or purpose funding (i.e. Council Tax or non-ring fenced grant) must be approved by Council regardless of value.

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SUPPLEMENTARY CAPITAL ESTIMATES

- 53 Supplementary capital estimates which are fully funded from external resources (e.g. specific grant; developer's contributions, section 106 cumulative balances) must be approved in accordance with paragraph 55 below.
- 54 Capital budget increases funded wholly or in part from additional Council resources such as capital reserves, borrowing and capital receipts, **regardless of value**, must be approved by Council. Council approval is also required where there are significant revenue implications for future year's budgets.
- 55 Approval limits for supplementary capital estimates are as follows:

Supplementary Estimate Amount	Approval Level
Up to and including £100,000	Section 151 Officer in consultation with the Chief Executive
In excess of £100,000 up to and including £250,000	Section 151 Officer in consultation with Cabinet Member for Regulatory Compliance and Corporate Services
In excess of £250,000 up to and £1,000,000	Cabinet
Over £1,000,000	Council with recommendation from Cabinet

TREATMENT OF YEAR END BALANCES

- 56 The full Council is responsible for agreeing procedures for carrying forward under-and overspendings on budget headings.
- 57 A budget heading is considered to be a division of service as identified in the approved Budget Report, or, at an equivalent level to the standard service subdivision as defined by CIPFA's Service Expenditure Analysis.
- 58 Any revenue underspending at the year-end may be carried forward, subject to the agreement of the Cabinet. The Section 151 Officer will identify and make recommendations about the carry forward of underspends to Cabinet as part of the budget monitoring reporting process. All carry forward proposals must be supported by an appropriate business case demonstrating that the underspend was planned and that the resources carried forward will be earmarked for a specific and appropriate purpose. Heads of Service should include provisional indications of likely carry forward requests as part of their in year budget and performance monitoring. Before approval is sought for a carry forward, Heads of Service should ensure that there are no unfunded overspends within their service. It is extremely unlikely that proposed carry forwards will be approved if there are unfunded overspends elsewhere within the service.
- 59 Capital block provisions are allocations within which the full cost value of approved schemes must be contained. Any uncommitted sum at the year-end may be carried forward subject to consideration by Cabinet. Any uncommitted sum with Page 68 justified on this basis will be returned to Council balances. Equally, any overspending will be carried forward as the first call on the following year's provision.

ACCOUNTING POLICIES

- 60 The Section 151 Officer is responsible for selecting appropriate accounting policies; exercising oversight of financial and accounting records and systems; and preparing and publishing reports containing statements on the overall finances of the Council including the annual statement of accounts.
- 61 The key controls for accounting policies are:
- a. systems of internal control are in place to ensure that financial transactions are lawful
 - b. suitable accounting policies are selected and applied consistently
 - c. accurate and complete accounting records are maintained
 - d. financial statements are prepared which present fairly the financial position of the Council and its expenditure and income
- 62 The Section 151 Officer is responsible for:
- a. selecting suitable accounting policies and ensuring that they are applied consistently
 - b. exercising supervision over financial and accounting records and systems
 - c. preparing and publishing reports containing the statements on the overall finances of the Council including the Council's Annual Report and Accounts
- 63 Heads of Service are responsible for ensuring that all staff within their directorates receive any relevant financial training which has been approved by the Section 151 Officer, and that they are aware of and adhere to the accounting policies, procedures and guidelines set by down by the Section 151 Officer.

ACCOUNTING RECORDS AND RETURNS

- 64 The Section 151 Officer is responsible for determining and approving the accounting procedures and records for the Council.
- 65 All accounts and accounting records will be compiled by the Section 151 Officer or under his/her direction. The form and content of records maintained in other directorates will be approved by the Section 151 Officer.
- 66 The key controls for accounting policies are:
- a. calculation, checking and recording of sums due to or from the Council will be separated as completely as possible from their collection or payment
 - b. officers responsible for examining and checking cash transaction accounts will not process any of these transactions themselves
 - c. reconciliation procedures are carried out to ensure transactions are correctly recorded
 - d. procedures are in place to enable accounting records to be reconstituted in the event of systems failure
 - e. prime documents are retained in accordance with legislative and other requirements.

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THE ANNUAL STATEMENT OF ACCOUNTS

- 67 The Section 151 Officer is responsible for ensuring that the annual statement of accounts is prepared in accordance with the *Code of Practice on Local Council Accounting in the United Kingdom* (CIPFA/LASAAC) and signing them in accordance with the Accounts and Audit Regulation 2015. Approval of the statutory accounts has been delegated by Council to the Audit and Governance Committee.

FINANCIAL PLANNING

WHY IS THIS IMPORTANT?

- 68 The full Council is responsible for agreeing the Council's Budget, which will be proposed by the Cabinet. In terms of financial planning, the key elements are:
- a. the **Medium Term Financial Plan** – sets out:
 - what the Council wants to achieve in the short and medium term
 - how services will change in the light of priorities, performance, resources, workforce planning needs and consideration of risks
 - investment required to deliver change
 - how much services will cost in overall terms and to service users
 - b. the **Budget** – this is the financial expression of the Council's Business Plan. It sets out the allocation of resources to services and projects, the level of contingency funding, the Council Tax base and Council Tax rate, borrowing limits and capital financing requirements.
 - c. the **Capital Programme** – Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the Council, such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and create financial commitments for the future in the form of financing costs and revenue running costs.
 - d. the Capital Strategy and **Treasury Management Strategy** – which sets out the arrangements for the management of the Council's borrowing, lending, cash flows and investments
 - e. **Specific Strategies** which have a financial implication

Policy Framework

- 69 The full Council is required by law, to agree a Policy Framework.
- 70 The full Council is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the Policy Framework.
- 71 The full Council is responsible for setting the level at which the Cabinet may reallocate budget funds from one service to another. The Cabinet is responsible for taking in-year decisions on resources and priorities in order to deliver the Policy Framework within the financial limits set by the Council.

BUDGET PLAN

- 72 Each year the Section 151 Officer is responsible for preparing a budget plan for the Council including an approved revenue budget, capital programme, treasury management strategy (new capital strategy) and reserves strategy detailing the financial and service scenario and the policy and expenditure changes required to respond to this scenario.
- 73 Heads of Service will support this process by assessing and advising on the service scenario and policy and expenditure options for revenue and capital, in their area of responsibility, in a form determined by the Section 151 Officer.
- 74 The Cabinet, advised by the Section 151 Officer and Heads of Service, will develop a budget package including financing options, policy and expenditure options and capital programme. This will be subject to scrutiny by the Overview and Scrutiny Committee before the Cabinet finalises its recommendations to Council. The final Budget policy and Council Tax will be determined by Council.

REVENUE BUDGET MONITORING AND CONTROL REVENUE EXPENDITURE

- 75 Revenue expenditure is broadly defined as any expenditure incurred on the day to day running of the Council. Examples of revenue expenditure include salaries, energy costs, and consumable supplies and materials.

MONITORING AND CONTROL

- 76 The Section 151 Officer is responsible for providing appropriate financial information to enable budgets to be monitored effectively. He or she must monitor and control expenditure against budget allocations at a corporate level and report to the Cabinet on the overall position on a regular basis.
- 77 It is the responsibility of Heads of Service to control income and expenditure within their area and to monitor performance, taking account of financial information and guidance provided by the Section 151 Officer. They must report on variances within their own areas. They must also take any action necessary to avoid exceeding their budget allocation and alert the Section 151 Officer to any potential overspending or under-achievement of income budgets in a timely manner.
- 78 The Section 151 Officer is responsible for the following:
- a. Establishing an appropriate framework of budgetary management and control which ensures that:
 - budget management is exercised within annual budget allocations unless the full Council agrees otherwise
 - timely information on receipts and payments is made available, which is sufficiently detailed to enable officers to fulfil their budgetary responsibilities
 - expenditure is committed only against an approved budget head
 - all officers responsible for incurring expenditure comply with relevant guidance, and Finance and Contract Procedure Rules

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- each cost centre has a single named manager, determined by the relevant Head of Service. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making processes that commits expenditure
 - significant variances from approved budgets are investigated and reported by budget managers regularly
- b. Administering the Council's scheme of virement
 - c. Submitting reports to the Cabinet and to the full Council, in consultation with the relevant Executive Director or Head of Service, where they are unable to balance expenditure and resources within existing approved budgets under their control
 - d. Preparing and submitting reports on the Council's projected income and expenditure compared with the budget on a regular basis.

79 Heads of Service are responsible for the following:

- a. Maintaining budgetary control within their Services, in adherence to the principles of paragraph 88, and ensuring that all income and expenditure is properly recorded and accounted for
- b. Ensuring that an accountable budget manager is identified for each item of income and expenditure under their control. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making that commits expenditure.
- c. Ensuring that spending remains within the service's overall approved budget, and that individual budget heads are not overspent, by monitoring the budget and taking appropriate and timely corrective action where significant variations from the approved budget are forecast.
- d. Ensuring that a monitoring process is in place to review performance levels/levels of service in conjunction with the budget and is operating effectively
- e. Preparing and submitting to the Cabinet regular reports on the service's projected expenditure compared with its budget, in consultation with the Section 151 Officer
- f. Ensuring prior approval by the full Council or Cabinet (as appropriate) for new proposals, of whatever amount, that:
 - create financial commitments in future years
 - change existing policies, initiate new policies or cease existing policies or materially extend or reduce the Council's services.
- g. Ensuring compliance with the scheme of virement
- h. Agreeing with the appropriate Director or Head of Service any budget proposal, (including a virement proposal) which impacts their respective service areas, after having consulted with the Section 151 Officer and the Cabinet Member Regulatory and Compliance and Corporate Resources
- i. Ensuring Schemes of Financial Delegation are maintained for all within their area of responsibility
- j. Ensuring best value is obtained.

CONTINGENT LIABILITIES

80 The S151 Officer is responsible for:

- a. reviewing at least annually in consultation with Heads of Service the existing contingent liabilities and ensuring that a balance sheet provision is made where necessary, in accordance with CIPFA guidance.
- b. taking steps wherever **Page 72** in consultation with the Chief Executive and Heads of Service, to minimise the risk of contingent liabilities.

- 81 The Chief Executive, and Heads of Service are responsible for:
- a. setting up procedures and processes to minimise the risk of creating contingent liabilities
 - b. reviewing at least annually their service areas for contingent liabilities
 - c. informing the Section 151 Officer of any new contingent liabilities and of any changes in the circumstances of existing contingent liabilities.
- 82 These regulations may be modified by any Delegation Scheme which the Council may approve from time to time.

DETERMINATION, MONITORING AND CONTROL OF AFFORDABLE BORROWING

- 83 Under the Local Government Act 2003 the Council is required by regulation to comply with the CIPFA Prudential Code for Capital Finance in Local Authorities. The key objectives of the Prudential Code are to ensure that within a clear framework, the capital investment plans of local authorities are affordable, prudent and sustainable. A further objective is to ensure that treasury management supports prudence, affordability and sustainability.
- 84 The Council is responsible for approving prior to the commencement of the financial year the prudential indicators for the forthcoming financial year and subsequent financial years as required by the Code. The indicators required as a minimum are:
- a. Estimates of the ratio of financing costs to net revenue stream
 - b. Estimates of capital expenditure
 - c. Estimate of capital financing requirement (underlying need to borrow for a capital purpose)
 - d. Authorised limit for external debt
 - e. Operational boundary for external debt
- After the year end actual values are to be calculated for:*
- f. Ratio of financing costs to net revenue stream
 - g. Capital expenditure
 - h. Capital financing requirement
 - i. External debt
- 85 The Section 151 Officer is responsible for:
- a. establishing procedures to both monitor performance against all forward looking prudential indicators and for ensuring that net external borrowing does not exceed the capital financing requirement.
 - b. reporting to Council any significant deviations from expectations.
 - c. ensuring that regular monitoring is undertaken in year against the key measures of affordability and sustainability, by reviewing estimates of financing costs to revenue and the capital financing requirement.
 - d. reporting to Council, setting out management action, where there is significant variation in the estimates used to calculate these prudential indicators, for example caused by major overruns of expenditure on projects or ... in-year capital receipts.

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RESOURCE ALLOCATION

- 86 The Section 151 Officer is responsible for developing and maintaining a resource allocation process that ensures due consideration of the Council's Policy Framework.
- 87 The Section 151 Officer is responsible for:
- a. advising on methods available for the funding of resources, such as grants from central government and borrowing requirements
 - b. assisting in the allocation of resources to budget managers
- 88 Heads of Service are responsible for:
- a. working within budget limits and to utilise resources allocated, and further allocate resources, in the most efficient, effective and economic way
 - b. identifying opportunities to minimise or eliminate resource requirements or consumption without having a detrimental effect on service delivery

CAPITAL EXPENDITURE

- 89 Capital expenditure is broadly defined as expenditure on the acquisition of a tangible asset, or expenditure which enhances (rather than merely maintains), the value of an existing asset and/or extends the useful life of an asset and increasing usability, provided that the asset yields benefits to the Council and the services it provides is for a period of more than one year. Sefton's de minimus level is currently £10,000.

CAPITAL MONITORING, APPROVALS AND AMENDMENTS TO THE CAPITAL PROGRAMME

- 90 The Section 151 Officer is responsible for preparing and submitting reports to Cabinet on the Council's projected capital expenditure and resources compared with the budget on a regular basis, as well as an annual outturn report after the close of the financial year.
- 91 The Section 151 Officer is responsible for establishing procedures to monitor and report on performance compared to the prudential indicators set by the Council.
- 92 The Section 151 Officer in conjunction with the Chief Executive and the Strategic Capital Investment Group (SCIG) is responsible for:
- a. Setting up procedures under which capital expenditure proposals are evaluated and appraised to ensure that value for money is being achieved, are consistent with service and are achievable
 - b. Compiling a capital programme for approval by Council
 - c. Setting up procedures for corporate monitoring of external sources of capital funding
 - d. Ensuring that expenditure treated as capital expenditure by the Council is in accordance with the best accounting practice
- 93 Heads of Service are responsible for:
- a. liaising with the Section 151 Officer ensuring that estimated final costs of schemes in the approved capital programme are included

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within the reports to Cabinet of the overall capital programme position

- b. reporting to the Section 151 Officer circumstances when it is considered that additional Council capital resources will be required to implement a project that has previously been given approval to spend, where such additional resources cannot be identified from within the portfolio programme concerned
 - c. reporting to the Section 15 Officer on any proposed variations to the capital programme during a financial year
 - d. seeking authority for a capital scheme which is not in the capital programme agreed by Council or changes to capital programme
- 94 Any 'in year' approval sought for capital schemes, must be supported by a completed, detailed Business Case template, in the format prescribed by the Section 151 Officer, prior to submission through the appropriate decision making route.
- 95 Cabinet will approve the re-profiling of spend on approved capital schemes across financial years. Cabinet will approve the carry forward of slippage/accelerated spend into future financial years.

CAPITAL RECEIPTS

- 96 The Section 151 Officer must be informed of all proposed sales of land and buildings so that the effect on financial and property management can be assessed.
- 97 On the advice of the Section 151 Officer, the Council will determine how capital receipts will be applied when setting the annual revenue and capital budget.

LEASING AND RENTAL AGREEMENTS-

- 98 Leasing or renting agreements must not be entered into unless the service has established that they do not constitute a charge against the Council's prudential borrowing limits. The Section 151 Officer is responsible for issuing any financial procedures /guidance in relation to Leases and Lease agreements including, but not limited to, those leases and lease arrangements relating to schools, commercial and general leasing activity. In addition, advice must be obtained from the Section 151 Officer on whether the lease is a finance or operating lease. Leases, including land or property, of less than 20 years can be agreed by the Section 151 Officer via a Chief Officers Report. Leases, including land and property, of 20 years or more will require Cabinet Member approval in addition to the Section 151 Officer.
- 99 Leases relating to land or property following the approval process can only be signed by the Monitoring Officer or his/her authorised deputies, or persons specifically authorised by the Service Scheme of Financial Delegation, may sign such agreements. The Chief Executive and Heads of Service are responsible for ensuring all procedures / guidance issued by the Head of Corporate Resources in regard to Leases and Lease arrangements are complied with.

COMMERCIAL INVESTMENT ACTIVITY

- 100 The Council holds a selection **Page 75** that support the council's core purpose and generate a financial return. For such defined assets, detailed business plans outlining forecast income and expenditure over

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a determined period are produced for approval by Cabinet. In order to support the management of these assets, Cabinet have approved the establishment of an Investment Board (led by the Chief Executive and including the Section 151 Officer) that will provide the strategic management function to these assets. The approval of these business cases will include provision that all financial (capital, revenue and income) and operational decisions will be delegated to the Investment Board where the implications can be contained within the approved business plans.

- 101 The Investment Board also has the delegated authority to develop, approve and implement projects that comply with the approved business case providing they improve the financial performance of commercial assets. Where such capital investment is required (up to a maximum of £1.5m) a clear positive financial return will need to be demonstrated over the life of the asset and any investment must be made in accordance with the Council's approved Treasury Management Strategy and Prudential Indicators.
- 102 Cabinet will continue to have executive leadership of commercial assets and will monitor performance through the approval and monitoring of business plans, ensuring that capital expenditure is in accordance with the Councils Treasury Management Strategy and Prudential Indicators. Performance will be reported on a quarterly basis.

MAINTENANCE OF RESERVES

- 103 It is the responsibility of the Section 151 Officer to advise the Cabinet and/or the full Council on prudent levels of reserves for the Council.
- 104 The key controls are:
 - a. Professional standards as set out in the Code of Practice on Local Authority Accounting in the United Kingdom: and agreed accounting policies
 - b. Clear agreement of the purpose for which reserves are held and the type of expenditure which they may be used to fund
 - c. Clear processes for the authorisation of Appropriations to and from reserves
- 105 The Section 151 Officer is responsible for advising the Cabinet and/or the full Council on prudent levels of reserves for the Council, having due regard to any advice that may be offered by the Council's external auditor in this matter.
- 106 Heads of Service are responsible for ensuring that resources are used only for the purposes for which they were intended.

REPORTING

- 107 Heads of Service are responsible for preparing reports on overall financial and non-financial performance for their Services and for submitting these to the Cabinet, and the Overview and Scrutiny Committee after consulting the Section 151 Officer in accordance with procedures agreed from time to time. These reports must include specific reference to the **Page 76**tion of policy changes and new developments agreed as part of the budget setting process and other specific requirements as notified in the reporting guidance. Heads of

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Service will also be required to support the Section 151 Officer in reporting on the progress and forecast of all capital expenditure and income against the approved programme.

- 108 Any reports are to include specific reference to Service performance against the expected non-financial outcomes in the form of key performance targets. Heads of Service are expected to achieve value for money in the delivery of services and the reports should demonstrate how this has been achieved together with an analysis of how key policy and expenditure proposals have been implemented.
- 109 The key reporting stages are:
- a. Approval of the Business Case, which will be in a form prescribed by the Section 151 Officer before it can be included in the Capital Programme
 - b. Monthly reviews of revenue and capital expenditure produced by the Section 151 Officer in consultation with Heads of Service
 - c. Final outturn reports for both revenue and capital expenditure, including full post-implementation review, on all major capital schemes completed during the year.
- 110 In addition, the reports will be specifically required to give details in respect of the following:
- a. Potential overspends and proposed remedial action, including any impact on balances and future year's budgets which may need to be factored in to future financial scenario planning
 - b. Amendments to approved budgets (virements, supplementary capital estimates etc.) where Member approval is required.

Risk Management and Control of Resources

Why is this important?

- 111 It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant operational risks to the Council. This should include the proactive participation of all those associated with planning and delivering services.

Risk Management and Insurance

- 112 The Cabinet is responsible for advising Council on an appropriate risk management policy statement and strategy, and for reviewing the effectiveness of risk management. The Audit and Governance Committee is responsible for monitoring the effectiveness of the risk management policy. The Cabinet is also responsible for ensuring that proper insurance exists where appropriate.
- 113 The Section 151 Officer is responsible for preparing the Council's risk management policy statement and for promoting it throughout the Council.

INSURANCE

- 114 The Section 151 Officer will maintain and administer the Council's insurances. The Section 151 Officer is responsible for authorising the settlement or repudiation of insurance claims and associated costs

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acting on advice from the Council's Legal Services, insurers, and claim handlers.

- 115 Heads of Service are responsible for informing the Section 151 Officer immediately of:
- a. any events which may result in an insurance claim against the Council
 - b. the terms of any indemnity which the Council is required to give prior to entering into any contracts etc.
 - c. any new risks which might require to be insured, together with any changed circumstances affecting existing risks. Consideration should be given to new projects, new ways of working, and changes in legislation requiring new ways of delivery etc., where the insurance impact is often overlooked
- 116 No new insurances may be taken out without prior consultation with the Section 151 Officer.
- 117 Heads of Service must ensure that there is co-operation with the Insurance Team in providing the correct documentation and that the correct retention of documents is observed.

RISK MANAGEMENT

- 118 The Council's approach to Risk Management is that it should be embedded throughout the organisation at both a strategic and an operational level, through integration into existing systems and processes.
- 119 The Section 151 Officer develops the strategy and supporting framework on behalf of Heads of Service. The Audit and Governance Committee scrutinise the risk management process ensuring the Council's risks are managed effectively. .
- 120 Heads of Service are responsible for ensuring the Risk Management Strategy is implemented and that the full risk management cycle operates within their Service.
- 121 The principles within the Corporate Risk Management Handbook consist of:
- a. identification of risks, both negative and positive, in relation to the objectives of the Council.
 - b. evaluation of risks scored for likelihood and impact, both gross (before any controls) and net (with existing controls)
 - c. treatment of the risk either by: treat, tolerate, transfer or terminate the activity.
 - d. actions and risks monitored and reviewed on a regular basis.
 - e. the Council's Corporate Risk Register will be developed and maintained by the Chief Internal Auditor in consultation with Heads of Service.
- 122 There are three levels to the Risk Register. There should be a movement of risks both upwards and downwards throughout the levels and treatment addressed at the most appropriate level of the organisation.
- a. **Corporate** – those risks which have a significant impact on the organisation's overall objectives either because of their frequency of occurrence or the significance of the impact.

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- b. **Service** – those risks that impact on the service objectives.
- c. **Operational** - minor risks that are managed within the service area that impact on the operational performance of the team. Where the risks increase they should move upwards into the service and potentially corporate risk register.

OPERATIONAL

- 123 Heads of Service are responsible for ensuring risk management is carried out at both an operational and strategic level in accordance with the agreed guidance and procedures.
- 124 Heads of Service will take account of, and address, corporate risks and inform the Chief Internal Auditor of any service risks that should be considered significant enough to rise to the corporate risk register level.
- 125 Service risk registers, and associated actions, should be reviewed on a regular basis (at least quarterly) as part of the performance management process.
- 126 The Corporate Risk Register will be reported to Heads of Service / Strategic Leadership Board and to the Audit and Governance Committee on a quarterly basis. .

BUSINESS CONTINUITY

- 127 The Civil Contingencies Act 2004 places a statutory requirement for Local Authorities to maintain plans for the continuation of services in the event of an emergency, so far as is reasonably practicable. Services are expected to have arrangements in place to ensure the effective identification, evaluation and management of business critical services.

INTERNAL CONTROLS

- 128 Internal Control refers to the systems devised by management to help ensure the Council's objectives are achieved in a manner that promotes economic, efficient and effective use of resources and that the Council's assets are safeguarded.
- 129 The Section 151 Officer is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice.
- 130 It is the responsibility of Heads of Service to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness. .

AUDIT REQUIREMENTS

INTERNAL AUDIT

- 131 The requirement for an internal audit function for local authorities is implied by section 151 of the Local Government Act 1972, which requires that authorities "make arrangements for the proper administration of their financial affairs". The Accounts and Audit Regulations 2015 more specifically require that a "relevant authority must ensure that it has a sound system of internal control which

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facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective; and includes effective arrangements for the management of risk.”

- 132 The Public Sector Internal Audit Standards define internal auditing as “an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”
- 133 The Council’s Internal Audit Team delivers this function within the Council and provides assurance to the Section 151 Officer and the Audit and Governance Committee, with regard to the effectiveness of the Council’s internal control environment.
- 134 The Council must, on an annual basis, produce an Annual Governance statement. This statement must provide a description of the system of internal control within the Council, a description of any work undertaken to assess the effectiveness of the internal control framework, and any significant governance issues.
- 135 To contribute to the production of the Annual Governance Statement, the Chief Internal Auditor is responsible for planning and delivering a programme of independent review of the Council’s activities, the scope of the programme being based on the Council’s objectives and an assessment of the risk which may affect the achievement of these objectives.
- 136 The Chief Internal Auditor is also responsible for reporting to those charged with governance and currently satisfies this requirement by presenting an annual report to the Audit and Governance Committee, in which the activity of the internal audit service during the preceding financial year is summarised as to arrive at an opinion on the effectiveness of the Council’s internal control. The annual internal audit plan is presented to Audit and Governance Committee for approval and a report summarising performance and key findings is presented to every Audit and Governance meeting.
- 137 The Internal Audit Charter sets out that Audit staff will have, in accordance with the Accounts and Audit Regulations, and with strict accountability for confidentiality, and safeguarding records and information, full, free and unrestricted access to any and all of the Council’s premises, personnel, assets and records. Rights of access to relevant external bodies will be set out in the contracts/ agreements.

EXTERNAL AUDIT

- 138 The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, as amended by section 5 of the Audit Commission Act 1998.
- 139 The Local Audit and Accountability Act 2014 established new arrangements for the audit and accountability of relevant authorities. Under these new arrangements the Council has opted for its external auditors to be appointed by the Public Sector Audit Appointments Limited (PSAA), an independent body established by the LGA for this purpose.

- 140 The Council may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs, who have statutory rights of access.

PREVENTING FRAUD AND CORRUPTION

- 141 The Section 151 Officer is responsible for the development and maintenance of an anti-fraud and anti-corruption policy.
- 142 The Council has an approved Anti-Fraud and Corruption Policy which places responsibility for preventing fraudulent activity with all Members, Managers and individual members of staff. Any matters which involve, or are thought to involve, any fraud or other significant irregularity involving Council assets or those of a third party fund, must be notified immediately to the Section151 Officer and Chief Internal Auditor..
- 143 The Monitoring Officer will, in consultation with Section151 Officer and Chief Internal Auditor, decide whether any matter under investigation should be recommended for referral to the Police or the appropriate enforcement agency. The Council's External Auditor also has powers to independently investigate fraud and corruption.

ASSETS

- 144 In the context of these Rules, assets are defined as the resources, other than people, that the Council uses to deliver its service functions. Assets include buildings, land and infrastructure; furniture; equipment; plant; stores and "intellectual property" such as computer software, data and information of all kinds.
- 145 Heads of Service are responsible for the care, control and proper and economical use of all assets used in connection with the operation and delivery of their Services. Proper records should be maintained for these assets, together with appropriate arrangements for their management and security. Information Assets should be recognised in line with the Council's guidance and recorded in the Information Asset Register.
- 146 Heads of Service are responsible for ensuring that assets are used only for official purposes and that all appropriate rights, licenses and insurances are obtained.
- 147 Heads of Service are responsible for ensuring that all computer software used is properly licensed.
- 148 Heads of Service are expected to have policies in place for:
- a. the effective disposal of surplus assets
 - b. asset replacement programme
 - c. compilation of and regular review of Asset inventories.

PROPERTY-

- 149 The Head of Regeneration and Housing is responsible for maintaining a "property terrier" recording all land and buildings owned by the Council. The Monitoring Officer is responsible for the safe keeping and recording of all property deeds.
- 150 The Council's Asset Management Strategy sets out the vision, core values and objectives that form the context for the preparation of the

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Corporate Asset Management Plan and Service Asset Management Plans.

- 151 All property acquisitions, lettings and disposals must be in accordance with the Council's rules and procedures. Separate rules apply to specific processes, such as the use of capital receipts from property sales to pay for new schemes, and guidance should be sought from the Section 151 Officer where this arises.

INVENTORIES

- 152 Heads of Service must ensure that proper arrangements are made to maintain inventories of all valuable and transportable items, including vehicles, furniture, computer and other equipment (including software), visual aids, expensive tools and sports equipment.
- 153 The inventory must be updated for all acquisitions and disposals and checked at least annually. Items acquired under leasing arrangements must be separately identified for disclosure in the published final accounts. The Section 151 Officer will provide guidance on the procedures to be followed.

STOCKS

- 154 Stock is defined as consumable items constantly required and held by a Service in order to fulfil its functions. Heads of Service are responsible for the control of stocks. They must ensure that stocks are appropriately secured and recorded, do not exceed reasonable requirements and that all significant stock is accounted for in the year end accounts. Stocks should be checked at least once a year, more frequently in the case of expensive items.

CASH

- 155 Cash held on any Council premises should be held securely, and should not exceed any sums for which the Council is insured. If retention of cash on site is unavoidable in exceptional circumstances, the Head of Service is responsible for making appropriate security arrangements. All cash should be banked as quickly as possible.

ASSET DISPOSAL/WRITE-OFF

- 156 Heads of Service may authorise the disposals, of obsolete or surplus equipment / groups of items, materials, vehicles or stores up to a disposal value of £10,000 in consultation with the Section 151 Officer. Where the sum exceeds £10,000 per item or group of items then this should be reported jointly by the Section 151 Officer and the relevant Head of Service to the Audit and Governance Committee for write-off action. Any write off which arises as a result of theft or fraud must be notified to the Chief Internal Auditor immediately.

INTELLECTUAL PROPERTY

- 157 The Chief Executive is responsible in conjunction with the Monitoring Officer for developing and disseminating best practice regarding the treatment of intellectual property.

- 158 The Chief Executive and Heads of Service are responsible for:

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- a. Ensuring that controls are in place to ensure that staff do not carry out private work in council time and that staff are aware that anything they create during the course of their employment, whether written or otherwise, belongs to the Council.
- b. Complying with copyright, design and patent legislation and, in particular, to ensure that:
 - Only software legally acquired and installed by the authority is used on its computers,
 - Staff are aware of legislative provisions, and
 - In developing systems, due regard is given to the issue of intellectual property rights.

TREASURY MANAGEMENT

- 159 The Council has adopted CIPFA's Code of Practice for Treasury Management in Local Authorities.
- 160 The full Council is responsible for approving the treasury management policy statement setting out the matters detailed in paragraph 15 of CIPFA's Code of Practice for Treasury Management in Local Authorities. The policy statement is proposed to the full Council by the Cabinet. The Section 151 Officer has delegated responsibility for implementing and monitoring the statement.
- 161 All money in the hands of the Council is controlled by the Section 151 Officer as designated for the purposes of section 151 of the Local Government Act 1972, referred to in the code as the finance director.
- 162 The Section 151 Officer is responsible for proposing to the Cabinet a treasury management strategy for the coming financial year at or before the start of each financial year.
- 163 All Cabinet decisions on borrowing, investment or financing shall be delegated to the Section 151 Officer, who is required to act in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities.
- 164 The Section 151 Officer is responsible for reporting to the Council no less than two times in each financial year on the activities of the treasury management operation and on the exercise of his or her delegated treasury management powers. One such report will comprise a mid-year review and an annual report on treasury management for presentation prior to the 30th June following each financial year end.

BANKING

- 165 It is the responsibility of the Section 151 Officer to operate such bank accounts as are considered necessary. Opening or closing any bank account shall require the approval of the Section 151 Officer.
- 166 Heads of Service are responsible for operating bank accounts opened with the approval of the Section 151 Officer in accordance with issued guidelines.

INVESTMENTS AND BORROWINGS

- 167 It is the responsibility of the sPage 83 Officer to:

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- a. ensure that all investments of money are made in the name of the Council or in the name of approved nominees
- b. ensure that all securities that are the property of the Council or its nominees (***the Monitoring Officer is responsible for ensuring the title deeds of all property in the Council's ownership is held in safe custody***)
- c. effect all borrowings in the name of the Council
- d. act as the Council's registrar of stocks, bonds and mortgages and to maintain records of all borrowing of money by the Council

LOANS TO THIRD PARTIES AND ACQUISITION OF THIRD PARTY INTERESTS

- 168 Interests should not be acquired in companies, joint ventures or other enterprises without obtaining prior approval of the full Council, the Leader, Cabinet or the appropriate Cabinet Member as outlined below.
- a. The Section 151 Officer, Cabinet Member for Regulation and Compliance and relevant Cabinet Member(s) are jointly responsible for approving financial and asset loans made to third parties **up to £50,000**
 - b. The Cabinet is responsible for approving financial and asset loans **between £50,000 and £1m**
 - c. The Council is responsible for approving financial or asset loans **above £1m**
 - d. Loans transacted as part of Treasury Management activities are covered by the Treasury Management Policy and Strategy.

TRUST FUNDS AND FUNDS HELD FOR THIRD PARTIES

- 169 It is the responsibility of the Section 151 Officer to:
- a. arrange for all trust funds to be held, wherever possible, in the name of the Council (e.g. 'Sefton Metropolitan Borough Council on behalf of.....'). All officers acting as trustees by virtue of their official position shall deposit securities, etc. relating to the trust with the Section 151 Officer, unless the deed otherwise provides.
 - b. arrange where funds are held on behalf of third parties, for their secure administration, approved by the Section 151 Officer, and to maintain written records of all transactions
 - c. ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust
 - d. Approval of procedures for the management of Clients financial affairs, where the Council has been granted advocacy
 - e. The Heads of Children's Social Care and Adult Social Care are responsible for ensuring procedures in relation to the management of Clients financial affairs are complied with.

STAFFING

SALARIES AND WAGES

- 170 Heads of Service are responsible, in consultation with the Chief Personnel Officer, for providing accurate and appropriate information and instructions to the **Page 84** Trar**Page 84**R, Payroll & Pensions Services to enable the calculation and prompt payment of salaries, expenses and pensions, including details of appointments, promotions, regradings,

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resignations, dismissals, retirements and absences from duty. Human Resources will advise the Transactional HR, Payroll & Pensions Services of relevant changes in respect of employee's pensions. The Head of Transactional Services will make arrangements for payment to the appropriate bodies, of all statutory, including taxation, and other payroll deductions.

- 171 Time sheets and other pay documents which are used to generate payment of salaries, wages or other employee-related expenses must be on official forms or via authorised electronic inputs. Heads of Service are responsible for ensuring that they are certified by an authorised officer and that they are submitted to the Transactional HR, Payroll & Pensions Services in accordance with the specified timetable. This includes on-line input entered locally. The names and specimen signatures of authorised officers must be secured by Heads of Service and included in the service Scheme of Financial Delegation notified to the Section 151 Officer.
- 172 The Chief Personnel Officer will implement national and local pay agreements as soon as possible after their notification from the appropriate body. Arrangements for funding such awards will be determined each year as part of the budgetary process.

EARLY RETIREMENT/SEVERANCE

- 173 Where Heads of Service wish to bring forward proposals under the Council's policies on severance and early retirement, they must be accompanied by a full cost and affordability assessment, in a form agreed by the Chief Executive, the Section 151 Officer and the Chief Personnel Officer. The Cabinet Member for Regulatory Compliance and Corporate Resources shall be consulted for proposals relating to Hay Grade 6 and above.
- 174 The Chief Executive or Section 151 Officer must approve all requests up to £100,000 including pension strain. All requests in excess of £100,000 including pension strain must be approved by the Pay and Grading Committee.
- 175 Heads of Service will generally be required to meet the costs of severance and early retirement from within their approved budget. Service efficiency applications may be subject to phasing over an agreed period. A corporate budget may also be established for staffing reductions linked to the Council's MTFP saving options and access to this budget will be subject to the agreement of the Chief Executive and the Section 151 Officer.

TRAVELLING AND SUBSISTENCE

- 176 The Section 151 Officer and the Chief Personnel Officer are responsible for issuing guidance on travelling and subsistence. Heads of Service are accountable for ensuring their teams follow the approved guidance on travelling and subsistence claims.
- 177 Heads of Service are responsible for instructing the Chief Personnel Officer and for providing appropriate and accurate information to enable the prompt and accurate payment of travelling, subsistence and other expenses to authorised employees in accordance with the terms of employment agreed by the Council.

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- 178 Heads of Service are responsible for ensuring that Council employees who use their cars for official business are properly insured to indemnify the Council against any loss and for ensuring that payments are only made in respect of journeys which are necessary and actually undertaken. Heads of Service should ensure that the most economical available means of transport is used, including pool cars, hire cars and car sharing.
- 179 All claims for reimbursement must be made using appropriate official claim forms, always using electronic processing where available.
- 180 Further guidance is available via the Intranet - Pay and Expenses.

CODE OF CONDUCT

- 181 The Code of Conduct for Employees applies to, and will be followed by all officers. It covers financial, personal and other interests, gifts hospitality and other favours, sponsorship – giving and receiving, use of financial resources, disclosure of information, relationship with others, and separation of duties during tendering, appointments, political neutrality, additional employment, intellectual property, equality and declarations.
- 182 Where an outside organisation wishes to sponsor or is asked to sponsor a Council activity, whether by invitation, tender, negotiation or voluntarily, the basic conventions concerning acceptance of gifts and hospitality applies, as detailed in the Code of Conduct for Employees.
- 183 Further guidance is available via the Intranet <http://intranet.smbc.loc/personnel/policies-and-procedures.aspx>.

THIRD PARTY FUNDS

- 184 A third party fund is defined as any fund financed other than by the Council, controlled wholly or partly by a member of the Council's staff in connection with the clients, establishments or activities of the Council such as School Funds, Amenity Funds or Criminal Injuries Compensation Payments for children in care. A register of third party funds will be maintained by the Corporate Finance team.
- 185 Money or goods belonging to the Third Party Fund must be kept completely separate from other money or goods belonging to the Council. Similarly, completely separate records must be kept of the money or goods involved.
- 186 An independent auditor must be appointed who has suitable qualities though not necessarily professionally qualified, to audit the Third Party Fund on an annual basis. Annual Statements of Account and Audit Certificates must be formally presented to a Management Committee or other appropriate governing body of the Third Party fund.
- 187 Heads of Service are responsible for ensuring that any Third Party Funds controlled by Council staff are:
- formally declared to Corporate Finance team as part of a register kept by the Service
 - maintained separately and correctly in accordance with these Finance Procedure Rules
 - subject to the same standards of stewardship and probity as Council funds

- 188 The Returning Officer will be responsible for maintaining complete and accurate records and for reconciliation with regard to elections accounts.

RETENTION OF RECORDS

- 189 The Council, in common with other public and private organisations, has certain statutory obligations it has to meet for the retention of its records. It also has to fulfil the requirements of HM Revenue and Customs, other legislative requirements and the external auditors in respect of its financial records.
- 190 All records held should have an appropriate retention period assigned to them, which meet the statutory obligations to retain financial records, but also takes into account legislative requirements such as the Limitation Act and General Data Protection Regulation; Freedom of Information requirements; and the business needs of the Service.
- 191 The majority of financial records must be kept for six years from the end of the tax year to which they relate. Some records however, may need to be kept for longer periods e.g. if required to defend future insurance claims. It is possible others can be destroyed within shorter periods. Guidance on the appropriate retention period is given in the Council's Retention Policy and its Information Asset Register.

FINANCIAL SYSTEMS AND PROCEDURES

WHY IS THIS IMPORTANT?

- 192 Sound systems and procedures are essential to an effective framework of accountability and control.

INCOME AND EXPENDITURE

- 193 The Council will approve the terms under which banking services, including overdraft facilities, are provided.

BANKING ARRANGEMENTS

- 194 All bank accounts must be titled impersonally in the name of Sefton Metropolitan Borough Council.
- 195 Subject to any directions given by the Council, all arrangements with the Council's bankers must be made solely through the Section 151 Officer. No bank accounts may be opened or arrangements made with any other bank except by agreement with the Section 151 Officer.
- 196 Bank transfers from the General Fund and subsidiary accounts must be authorised by the Section 151 Officer, or those officers authorised to sign through the agreed Scheme of Financial Delegation or in accordance with the Treasury Management Policy and Strategy.
- 197 Cheques drawn must bear the mechanically impressed signature of the Section 151 Officer or be signed by the Section 151 Officer or other officer authorised to sign through the agreed Scheme of Financial Delegation.

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GENERATING INCOME

- 198 The Section 151 Officer is responsible for developing and maintaining standards, procedures, systems and reports to facilitate the effective and efficient identification, collection, receipting, banking and recovery of income due to the Council in accordance with current relevant UK legislation.
- 199 Heads of Service are responsible for ensuring that the appropriate legal authority for all income generating activities has been identified.

CHARGING FOR INCOME

- 200 Heads of Service, in consultation with the relevant Cabinet Member, shall determine the level of fees or charges payable in respect of any chargeable goods or services supplied, work undertaken or the loan or use of plant, equipment or machinery.
- 201 Charges must be reviewed annually in the light of all relevant information, to the service area, including consideration of appropriate inflation factors and these will be approved by Council.

COLLECTION OF INCOME

- 202 The Council operates a Sundry Debt Collection policy to secure invoiced sundry debt income for the provision of services. All debt owing to the Council must be collected promptly, effectively, efficiently and economically, while ensuring fair treatment of those that owe money, including consideration of any financial difficulties.
- 203 Council officers must comply with guidelines issued by the Section 151 Officer for the safe and efficient collection and recording of all money due to the Council.
- 204 Heads of Service are responsible for ensuring that accounts for income due to the Council, including grant claims, reimbursements and third party contributions, are raised immediately and accurately in a form approved by the Section 151 Officer. These must include VAT where appropriate.
- 205 The cost of collection should be taken into account when raising accounts. Heads of Service must ensure that the method of collection is the most cost effective relative to the value of the transaction.
- 206 Payment shall be collected before the service or goods are provided unless explicitly agreed or stated otherwise in the fees and charges register.
- 207 Heads of Service are responsible for ensuring that all income received is receipted, where required, recorded correctly against the appropriate budgets, and in the case of cash and cheques, banked with the minimum of delay. The frequency of banking should follow guidelines provided by the Section 151 Officer. Services should avoid incurring disproportionate banking charges on relatively low value transactions, taking into account local security arrangements.
- 208 Heads of Service are responsible for monitoring income collection and ensuring appropriate record keeping is taken. A summary of the position on the level of outstanding debt and collection issues should be included in quarterly financial updates and the final outturn report. Full

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provision for income still outstanding six months after the due date should be made in Service accounts. This should not however preclude pursuit of the debt.

- 209 The Section 151 Officer will monitor compliance with paragraphs 207 and 208 above and may, in circumstances where avoidable adverse cash flow has resulted, determine an appropriate interest charge against Service budgets.
- 210 Credit notes must be authorised by appropriate officers nominated in the local Scheme of Financial Delegation.
- 211 Any receipts, tickets or other documents used as receipts should be in a format agreed by the Section 151 Officer. All controlled stationery issued to a Head of Service must be recorded in a register, which is held by a single officer within each Service.

BAD DEBTS

- 212 The Section 151 Officer is responsible for producing and issuing guidance on bad debt. Heads of Service are responsible for ensuring their teams comply with this guidance. Bad debts may be written off by Authorised Officers as contained in the Scheme of Financial delegation in consultation with the Section 151 Officer and the Monitoring Officer.
- 213 Heads of Service are responsible for ensuring that an adequate provision for bad debt is made in the Council's accounts at year end and that contributions to this provision are included in budgetary projections and outturn reports.

ORDERING AND PAYING FOR WORK, GOODS AND SERVICES

GENERAL PRINCIPLES

- 214 Heads of Service are responsible for providing all appropriate information and instructions to Transactional Services to allow for prompt and accurate payment for goods and services provided and for the analysis of expenditure.
- 215 Except for purchases by purchase /credit /debit card, all purchases must be supported by an official requisition. All purchases must have regard to Contract and Finance Procedure Rules.
- 216 All requisition and purchase orders must be authorised in accordance with the relevant service Scheme of Financial Delegation to ensure that funds are available to pay for the purchase.
- 217 All official purchase orders must include, as a minimum, the order number, the price agreed with the supplier, description of the goods or services to be provided, the delivery address, the address where invoices must be received and a link to the standard terms and conditions for the goods and services to be provided.
- 218 Heads of Service must ensure that there is adequate separation of duties in the raising and authorisation of requisitions, authorising of purchase orders, receipt of goods and authorisation of payments to transactional services.
- 219 Heads of Service must ensure processes to continually maintain computer records and accesses, and Schemes of Financial Delegation

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so that electronic workflows associated with core financial systems are not compromised.

- 220 All procurement, commissioning, contract administration or contract management must be carried out in accordance with the Council's Contract Procedure Rules
- 221 Heads of Service must consult the Section 151 Officer on appropriate arrangements for purchases of goods and services which cannot be accommodated within standard ordering and payment processes.

PAYMENT OF INVOICES

- 222 All invoices must be sent directly by the creditor to the address stated on the official purchase order to enable prompt payment.
- 223 All invoices, as a minimum, must include the official purchase order number, the description of the goods or services provided, the quantity delivered, the delivery address, the date of the invoices and/ or date of delivery of the goods or services, the address and VAT registration number of the supplier and the price and VAT at the prevailing rate.
- 224 Invoices received without a valid purchase order number may be returned to the creditor as unauthorised for payment.
- 225 The Council's standard payment terms are 30 days from receipt of a correct invoice by BACS (Bankers Automated Clearing System). Alternative terms may not be negotiated or agreed with suppliers without the explicit approval of the Section 151 Officer. Heads of Service are responsible for notifying suppliers of these terms and for ensuring that they are observed by all those involved in the purchasing and payment processing.
- 226 Payment will only be made for goods and services which have been formally receipted in accordance with receipting procedures set out by the Section 151 Officer.
- 227 All procurement, commissioning, contract administration or contract management activity must be carried out in accordance with the Council's Contract Procedure Rules and any advice or guidance that may be issued from time to time by the Section 151 Officer regarding the efficient and effective use of the Council's core financial and e-procurement systems and processes. Invoices received for payment must comply with the Council's best practice processes.

NON-INVOICE PAYMENTS

- 228 Where Heads of Service wish to initiate a payment to a third party without a supporting invoice, an official request for payment must be submitted in a form approved by the Section 151 Officer.
- 229 Any such requests must be authorised by an officer designated with an appropriate approval limit in the relevant service Scheme of Financial Delegation. They are responsible for ensuring that all payment details provided are accurate and that supporting records and documentation are available to substantiate the payment, including an official VAT receipt to allow for the reclaim of any VAT element.
- 230 Appropriately authorised rPage 90 payment will be processed and paid by BACS. Cheques will only be used in exceptional cases and by prior agreement.

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- 231 Non-invoice payments should be requested on an exceptional basis only. Where payments of this type need to be made on regular basis Heads of Service must consider, in conjunction with the Section 151 Officer, other alternative options which may be more appropriate.
- 232 Payments or reimbursements in respect of salaries and wages travelling expenses or other employment allowances must be processed through the Payroll system and not treated as a non-invoice payment.

CREDIT CARDS, DEBIT CARDS AND PURCHASE CARDS

- 233 The Section 151 Officer is responsible for
- a. providing credit cards, debit cards and purchase cards to be used for agreed purposes and to be allocated to nominated members of staff
 - b. prescribing procedures for the use of credit cards, debit cards and purchase cards and the accounting arrangements required to record and monitor expenditure incurred with such cards
- 234 Purchase Cards/Credit Cards/Debit Cards are an effective method of payment for goods and services of low value and for one off purchases. Heads of Service are responsible for the appropriate deployment and management of purchase/credit/debit cards within their service in accordance with the financial scheme of delegation.
- 235 Purchase Cards/Credit Cards/Debit Cards should only be used for legitimate Council business.
- 236 Adequate records must be maintained to allow for the verification and reconciliation of all payments made to the Council's general ledger and bank accounts, and to allow for the proper treatment of VAT.

IMPREST ACCOUNTS

- 237 The Section 151 Officer is responsible for providing, in agreed circumstances and where such need is proven to be essential, cash or bank imprest accounts to meet minor or other agreed expenditure. The Section 151 Officer is also responsible for defining procedures for operating these accounts.
- 238 The Chief Executive and Heads of Service are responsible for the operation of approved cash and bank imprest accounts in accordance with procedures issued by the Section 151 Officer.
- 239 Heads of Service are responsible for ensuring that where local arrangements are in place:
- a. Local Schemes of Financial Delegation set out clearly the responsibilities and approval limits of individual officers in respect of these arrangements; and that these are reviewed and updated regularly
 - b. they are operated in accordance with guidance issued and that appropriate management supervision and compliance monitoring is undertaken
 - c. adequate records must be maintained to allow for the verification and reconciliation of all payments made to the Council's general

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ledger and bank accounts, and to allow for the proper treatment of VAT

- d. arrangements are being operated for legitimate Council business only
- 240 Local arrangements may not be used in any circumstances to circumvent either the Council's Contract Procedure Rules or agreed approval and authorisation procedures, nor must they be used for any payments in respect of salaries and wages, travelling or other employment expenses, or payments for work carried out under the Construction Industry Tax Deduction Scheme.

PAYMENT TO MEMBERS

- 241 The Section 151 Officer is responsible for paying all allowances to Members.
- 242 The Section 151 Officer will make payments to any Members entitled to claim allowances on receipt of the proper form, completed and certified in accordance with the approved scheme for allowances.

FINANCIAL ARRANGEMENTS IN AN EMERGENCY

- 243 The Chief Executive, or his / her representative acting as Emergency Duty Co-ordinator must be able to incur expenditure immediately in order to carry out the role effectively and may rely on the provisions of Section 138 of the Local Government as amended by Section 156 of the Local Government and Housing Act 1989 (LGHA 1989). Section 155 of the LGHA 1989 provides for a scheme whereby local authorities may recoup from central government a proportion of agreed expenditure under 'Bellwin Rules'.
- 244 The Section 151 Officer is responsible for:
- a. approving a form of record for all emergency expenditure.
 - b. reporting all expenditure to the Cabinet as soon as reasonably practicable.
 - c. issuing a single expenditure code for the emergency.

- 245 Those who incur expenditure on the occasion of any Emergency or scaled up incident are responsible for:
- a. taking such steps as are reasonable, bearing in mind the local circumstances, to enable proper accounting for any disbursement to be achieved after the event.
 - b. taking such judgments as to what constitutes reasonable controls in light of the scale and the nature of the payments, their urgency and the physical conditions at the time.
 - c. ensuring caution is exercised where large scale cash disbursements to third parties are involved
 - d. attempting to obtain some documented acknowledgement of receipt.
 - e. attempting to utilize cashless methods wherever possible.
- 246 Wherever possible/practicable, the Council's existing procurement framework contracts should be used.

TAXATION

- 247 It is the responsibility of the Section 151 Officer, in conjunction with Transactional HR, Payroll & Pensions Services to:
- a. complete all Inland Revenue returns regarding PAYE
 - b. complete a monthly return of VAT inputs and outputs to HM Revenue and Customs
 - c. provide details to HM Revenue and Customs regarding the construction industry tax deduction scheme
 - d. maintain up-to-date guidance for Council employees on taxation issues
- 248 It is the responsibility of Heads of Service to:
- a. ensure that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HM Revenue and Customs regulations
 - b. ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements
 - c. ensure that all persons employed by the Council are added to the Council's payroll and tax deducted from any payments, except where the individuals are bona fide self-employed or are employed by a recognised staff agency
 - d. follow the guidance on taxation issued by the Section 151 Officer.

TRADING ACCOUNTS AND BUSINESS UNITS

- 249 As a general rule, separate trading accounts are required when services are provided to either internal or external clients, on a basis other than a straightforward recharge of full cost. It is the responsibility of the Section 151 Officer to advise on the establishment and operation of trading accounts and business units.

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- 250 It is the responsibility of Heads of Service to:
- a. consult with the Section 151 Officer and the Monitoring Officer where a business unit wishes to enter into a contract with a third party where the contract expiry date exceeds the remaining life of their main contract with the Council. In general, such contracts should not be entered into unless they can be terminated within the main contract period without penalty.
 - b. observe all statutory requirements in relation to business units, including the maintenance of a separate revenue account to which all relevant income is credited and all relevant expenditure, including overhead costs, is charged, and to produce an annual report in support of the final accounts
 - c. ensure that the same accounting principles are applied in relation to trading accounts as for other services or business units
 - d. ensure that each business unit prepares an annual business plan.

EXTERNAL ARRANGEMENTS

WHY IS THIS IMPORTANT?

- 251 The Council provides a distinctive leadership role for the community and brings together the contributions of the various stakeholders.

PARTNERSHIPS AND JOINTLY FUNDED PROJECTS

- 252 The Council is involved in a wide range of different 'Partnership' arrangements involving joint/external funding. The main reasons for this are:
- a. the ability to provide new and better ways of delivering services.
 - b. the ability to access new resources
 - c. the desire to find new ways to share risk
 - d. the ability to forge new relationships.
- 253 Any partnership arrangement which involves the creation of or participation in, separate legal entities such as joint ventures, trusts or limited companies requires the prior agreement of the Section 151 Officer and the Monitoring Officer with ultimate approval being provided by Cabinet.

DEFINITIONS

- 254 Legally a partnership is an arrangement entered into under the Partnership Act, and is heavily regulated as to the liabilities of partners. However, the majority of the partnerships entered into by the Council are more correctly called partnership arrangements and are, at their simplest, where the Council agrees to work with one or more external agencies to deliver common aims and objectives. These partner agencies could potentially be from a government department, any public, private, community or voluntary sector body or related party.

- 255 The nature and scope of Partnership arrangements can be very different. To define their roles in terms of these Rules the definitions listed below have been used. These definitions apply to all partnerships, whether the Council is contributing financially or not, including the use of fully funded grants or grants that have been earmarked for a specific purpose or are time limited.

CONTRIBUTING PARTNER

- 256 Where the Council is contributing funding or other resources, to a wider partnership involving a partner or group of partners and where the 'Accountable Body' role is undertaken by another partner.

LEAD AUTHORITY OR LEAD PARTNER

- 257 Where the Council leads on behalf of the Partnership or consortium and is responsible for the wider management of the Partnership.

ACCOUNTABLE BODY

- 258 The Council may, in certain circumstances, need to act as the 'Accountable Body'; even when the Council will not directly incur expenditure on behalf of the Partnership. The role assumes the responsibility for 'looking after another parties monies' and will require the putting in place of appropriate and robust financial accounting and monitoring systems with the aim of safeguarding resources and minimising any risks and potential liabilities falling to the Council.

PUBLIC/PRIVATE PARTNERSHIPS

- 259 Defined as involvement with a private sector organisation or commercial enterprise, excluding those where a formal contract has been agreed when the Contract Procedure Rules will apply. Those contracts known as 'Partnering Contracts' and those funded by Private Finance Initiatives (PFIs) are not covered by this rule and fall under the Contract Procedure Rules.

KEY CONTROLS

- 260 The key controls to be considered before the funding of partnerships or other joint projects is agreed consist of:
- a. ensuring that the key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood.
 - b. ensuring that funds are acquired only to meet the priorities, aims and objectives approved by the Council, and to add value to the services provided to the local community.
 - c. ensuring any finance (including any match funding), staffing, legal and audit requirements are given due consideration prior to entering into long term arrangements and that revenue budgets reflect these requirements.
 - d. identification of key risks and mitigating controls that should be in place should be documented in a format prescribed by the Section 151 Officer

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RESPONSIBILITIES OF OFFICERS

Section 151 Officer

- 261 The Section 151 Officer is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Council's accounts and that appropriate standards of probity, stewardship and best value are secured. This will include ensuring that all appropriate claims and returns are promptly and accurately submitted.

Heads of Service

- 262 Before entering into any Partnership agreement involving joint funding (including "support in kind"), Heads of Service must consult the Monitoring Officer and the Section 151 Officer, who will advise on the appropriate form of agreement or contract taking into account the nature and scale of the proposed arrangement and the extent of the legal and financial commitment involved. As a measure of good practice and as a minimum requirement, Heads of Service need to consider and apply all the following points, which are not exhaustive, to the agreement:
- a. the overall purpose and objectives of the arrangement, including appropriate performance standards and output measures
 - b. the constitutional and representational arrangements including procedures for decision making and the extent to which Cabinet powers and financial authority are to be delegated to individual officers
 - c. the period of the agreement, exit strategies, notice and termination arrangements including redundancy costs and other potential liabilities on termination
 - d. roles and responsibilities of the various parties including arrangements for banking, taxation and VAT matters, employment contracts, insurances and ownership of assets
 - e. auditing and reporting requirements and the applicability of these Finance Procedure Rules, other Council Regulations and Codes of Conduct
 - f. financial and non-financial contributions to be made by the respective parties and, where the arrangement is to extend beyond one year, the method for calculating and collecting payments in future years
 - g. the named contact officer or project manager who will be responsible (within specified limits) for the Council's rights and obligations under the terms of the agreement and accountable for overall outcomes
 - h. a clear exit strategy, for example, in terms of any residual ongoing costs
 - i. default procedures to be applied where the terms of the agreement are broken
 - j. arrangements for Internal Audit staff to have sufficient access to partner's premises, assets and records as is necessary for the purposes of the partnership:
 - k. as a measure of best practice, all partnership agreements should be subject to a complete review at least every three years.
 - l. add to partnership section of contracts register which is being developed and held by the Commissioning Team.

APPROVAL ROUTES

- 263 The Council's gross contributions to Partnerships may include capital and revenue expenditure, cash flow costs, support in kind (including staff time) and the cost of preparing and submitting bids. It is particularly important to identify support in kind, both to ensure that all such costs are recovered, where grant conditions allow, and to enable service and corporate managers to plan effectively. Capital funding must also meet the specific capital appraisal requirements as set out in these Rules.
- 264 Following the officer consultation process and prior to entering into any agreement, approval, based on the Council's gross contribution over the life of the partnership, should be sought by the relevant Head of Service
- 265 The approval of partnership proposals will be subject to the same financial limits as other contractual arrangements.

ADDITIONAL FUNDING ALLOCATIONS OR POLICY VARIATIONS

- 266 Partnerships often attract additional funding over and above their original levels of funding. If additional funding is made available which will result in the aggregate value remaining within the original approval limit then no further approval is required. Conversely if the additional funding increases the aggregate value to more than the original approval limit, then further approval is required in line with the routes identified in paragraph 264 above. Where the additional funding constitutes a variation from the policy originally agreed by the Cabinet, then further approval from the Cabinet is required.
- 267 If the contribution is to come from Council sources it will constitute a virement and paragraph 48 applies. Where the additional funding comes from an external source then approval for a fully funded supplementary estimate is required and paragraph 50 applies.

BIDDING FOR GRANT FUNDING

- 268 In some circumstances there may be specific grant funds available, where these are aligned with the Council's priorities, accessed through some form of bidding process. Officers must seek the appropriate approval prior to any bid being submitted. Approval for 'in principle' Supplementary Revenue or Capital Estimates should be sought at the same time through Strategic Leadership Board Any new capital schemes must be approved by Council to be incorporated into the Council's Capital Programme. Officers must ensure that they understand and are aware of the grant conditions attaching to any funding and consider whether the Council's processes and procedures are sufficient to comply with these conditions or whether more detailed processes need to be followed.

REPORTING REQUIREMENTS

- 269 Where the Council participates in any partnership or external funding arrangement either as a contributor or as an Accountable Body, an annual report must be presented to the appropriate Cabinet Member, outlining how sums have been spent and the key outcomes and achievements. The report should also review the affordability and

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continued relevance of the arrangement to Service policies and objectives and seek appropriate Business Plan approval.

- 270 Notwithstanding any statutory reporting requirement, the Head of Service will be required to provide, regular reports (minimum being quarterly) on progress and outcomes, financial and non-financial, for each significant partnership to the relevant Cabinet Member. Partnership projects should comply with the same regular reporting processes as other Council projects.

SUPPORT TO OTHER ORGANISATIONS

- 271 The Cabinet Member for Regulatory Compliance and Corporate Resources will on a periodical basis, agree a policy setting down the approach to be taken to the allocation of grants, donations and other contributions to outside bodies, in consultation with the Section 151 Officer and Head of Regulatory Compliance. The Policy would be presented for approval through Cabinet and Council.
- 272 Grants, donations and contributions will be paid by the Council in accordance with the policies determined under paragraph 271 above, subject to there being adequate provision in service budgets and the appropriate approvals being sought.

Approval level	Amount
Officers	Up to and including £50,000 (where grant is within approved grant policy)
Cabinet Member	Between £50,000 and £100,000 (where grant is within approved grant policy)
Cabinet	All Grants of £100,000 or more. All grants which do not fall within existing approved grant policy require Cabinet approval.

- 273 The Grant Funding Protocol sets out further guidance on grant funding, the process for allocation and any conditions that should apply to any grant funding.
- 274 Heads of Service will report on the outcomes achieved through the provision of support to outside bodies on an annual basis to the appropriate Member Group and Cabinet Member, with interim reporting (quarterly reports being the minimum) where the sums involved are in excess of £100,000.

Annex

Glossary of Terms/Definitions

Appropriation – Amounts transferred between the Revenue account and revenue or capital reserves.

Bad Debt – A debt becomes bad if it has not been collected within six months. Full provision for all bad debts has to be made within the revenue account, but the debt is still pursued until it is either recovered or written off as unrecoverable.

Balances (Revenue Account) – The accumulated surplus of income over expenditure. Members may agree that Balances be used to reduce future Council Tax precepts although a minimum level, consistent with prudence and best practice will be maintained. Amounts in excess of that required for day-to-day cash management and to finance working capital can be invested to generate interest income to the Council.

Block Provisions – Annual capital allocations made to cover minor schemes with starting values of less than £250,000.

Business Case Template – This is a pro forma to be completed for all Capital schemes and all significant Revenue proposals. It will provide details on the expected outcomes falling from the proposed investment and identify how the proposal will meet corporate objectives.

Capital Approval – The capital programme provision as amended by any supplementary estimates or virements.

Capital Expenditure – Expenditure on the purchase, construction or replacement of capital (fixed) assets or expenditure which adds to the life or value of an existing fixed asset.

Capital Programme – The Council's plan of capital projects and spending over future years. Included in this category are the purchase of land and buildings, the erection of new buildings and works, Highway Improvement schemes and design fees, and the acquisition of vehicles and major items of equipment.

Capital Project / Scheme – These terms mean the same thing and are used interchangeably within these Rules. A project/scheme may be separately identified in the capital programme or be an item within a block provision.

Capital Receipts – Income received from the sale of capital assets and available, subject to rules laid down by the Government, to finance new capital expenditure or to repay debt.

Carry-forward – An increase or reduction in a Service's new financial year budget, stemming from either an under or overspend in the previous year. All carry-forwards (except for Schools) need the approval of the Cabinet upon the presentation of a business case. The Sefton Scheme for Financing Schools identifies the level of balances each maintained school can carry forward without prior permission from the Schools Forum.

Chief Officers – Chief Officers are the Chief Executive or any Head of Service of the Council to whom there has been specific delegation in writing

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by the Council or the Chief Executive. Chief Officers must operate efficient systems of financial control.

Contingencies – Sums set aside to meet either:

the potential costs of activities expected to occur during the year over and above those costs included in Service budgets (pay and price contingency); or

items which are difficult to predict in terms of financial impact or timing (contingency for uncertain items).

Contract – An agreement to supply goods, services or works for a price. A contract is normally in writing however a contractual arrangement may, inadvertently be entered into orally.

Contractor – Any person or organisation awarded a Contract. This includes any consultant appointed by the Council to provide advice on any project.

Commissioning Team /Procurement – The central procurement unit is the department responsible for procurement activity within the Council.

Council Fund – The Council's main revenue fund to which all revenue receipts are credited, and from which revenue liabilities are discharged. The movement on the fund in the year represents the excess of income over expenditure within the Consolidated Revenue Account. The level of balances held is based on the Council's assessment of the level of risk and uncertainty and the potential call on such reserves.

Debt Write-Off – Realising the cost of debt which is considered to be "bad" (unrecoverable) by writing it off against the revenue account or bad debt provision.

Earmarked Reserves – These reserves represent monies set aside that can only be used for a specific use or purpose.

Financial Schemes of Delegation – Financial Schemes of Delegation are the documents that set out, for each Service, all specific financial authorisations and approval limits as delegated by the Heads of Service to Authorised Officers within their Service. Heads of Service are responsible for maintaining up to date and accurate Financial Schemes of Delegation.

Financial Year – The Council's accounting period covers the 12 months from April 1 to March 31.

Forward Plan – As defined in the Constitution.

Internal Control – A procedural system designed to manage risk to an acceptable level whereby different staff members perform different parts of a task, so that no one person is entirely responsible for processing a transaction from start to finish.

Key Decision – As defined in the Constitution.

Leases – Agreements covering the hire/rental of equipment or buildings, generally for a specified period of time and at a specified rate. There are two types of leases:

Operating Leases – Where the risks and rewards of ownership remain with the lessor.

Finance Leases – Most of the risks and rewards associated with ownership are transferred to the lessee (responsibility for maintenance, insurance etc. will fall to the Council)

Option Appraisal/Business Case – This is required for all Capital schemes and all significant revenue proposals and takes the form of a Business Case Template. This will be used to assess whether the scheme is affordable and deliverable. Consequences to the Service are considered and evaluated and it will also provide a basis for monitoring and reporting progress. In the case of revenue proposals it will also take into account the risk and impact on users.

Policy and Expenditure Planning – The Council's annual cycle of planning for the medium and short-term future, aimed at achieving optimal allocation of available resources.

Policy and Expenditure Proposals – Proposals, including new policies, which have resource implications and will be subject to appraisal by Members, Executive Leadership Team and consultees before inclusion in annual budget preparation.

Project Board – A group of senior officers, led by the Senior Responsible Owner (SRO) who are accountable for the success of a Project and represent specific business, user and supplier interests. More information on the make-up and operation of a Project Board can be found in the Project Management Handbook which is published and maintained by the Authority's Programme Management Office.

Provision – An amount set aside by the Authority for any liabilities of uncertain amount or timing that have been incurred.

The main category is estimates of liabilities or losses already incurred but whose exact amount will be determined in the future (e.g. bad debts, obsolete stock). See also Capital Provision and Provision for Doubtful Debt.

Provision for Doubtful Debt – An allocation of funds set aside from Service revenue budgets to cover amounts which may not be recoverable from debtors.

Prudential Borrowing Limits – The maximum amount of borrowing that the Council can enter into at any one point in time during the year. This limit is set by Council prior to the start of the year to which it relates and cannot be breached under any circumstances.

Revenue Account – The Account which sets out the Council's income and expenditure for the year for non-capital spending.

Revenue Expenditure – Spending on the day-to-day running expenses of the Council. It includes expenditure on employees, premises, transport and supplies and services.

Ring Fencing – Certain budgets agreed by the Section 151 Officer are "ring-fenced". This means that under-spends on these budgets will return to balances and overspends will be Page 101. This is to reflect the fact that certain items of expenditure are Council demand-led or so significantly influenced by extraneous factors that they are beyond the direct control of

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managers. Ring-fenced budgets include planning levies, external audit fees and election expenses.

Schemes of Delegation – Schemes of Delegation are the documents that set out, for each Service, all authorisations and approval limits as delegated by the Heads of Service to Authorised Officers within their Service. Heads of Service are responsible for maintaining up to date and accurate Schemes of Delegation. (See also: Financial Schemes of Delegation)

Service Plan – A plan which outlines measurable Service aims for the year ahead, encompassing both core purpose and specific key objectives for any given year. The Plan will consider both inputs and outputs.

“Starts value” – Represents the full value of the Council’s contribution to a Capital Scheme irrespective of the timing of the payments.

Supplementary Capital Estimate (SCE) – Additional resources approved by Members with funds either provided by a third-party (e.g. developer contributions, receipts, government grant), by the use of Council reserves or from the Revenue budget.

Supplementary Revenue Estimate (SRE) – An approved increase to a Service revenue budget during the financial year, funded centrally from reserves, contingencies or external funding sources such as grants or partner contributions.

Third Party Fund(s) – Funds provided by outside bodies or individuals in support of Council activities, establishments or clients. Can sometimes be known as trust funds.

Underspend – An underspend results when the net costs of a budget holder are lower than the net budget for the year.

Virement – A Revenue virement is a transfer of amounts from one budget heading to another within, or between, Heads of Service. Capital virements cover any changes to Capital budgets funded from within the existing Capital programme.

Appendix 2 – Summary of Proposed Revision to Contract Procedure Rules

i) Update of EU Spend thresholds

The European Commission has a practice of revising EU Spend thresholds on a 2 year cycle, thresholds were updated on 1/1/2018, and now need to be reflected in the Council's Contract Procedure Rules.

CPR Rule 1.1.7 has been updated to reflect the following updated EU Spend Thresholds:

Supplies / Services	£181,302
Works	£4,551,413
<i>(as detailed within Schedule 2 of the Public Contracts Regulations 2015)</i>	
Social and Other specific Services	£615,278
<i>(as detailed within Schedule 3 of the Public Contracts Regulations 2015)</i>	

Additionally, the revised spend thresholds have also been reflected in:

CPR Rule 1.10 - Pre Procurement Reporting
CPR Part 2 - Contracts exceeding the applicable European Union spend thresholds
CPR Part 3 - Contracts up to but not exceeding the European Union spend thresholds

ii) CPR 1.1.10 Contract Sealing

Point vi has been added to clarify that a record of questions asked and responses given during a procurement process should be provided to Legal as part of the contract sealing pack

iii) CPR 1.4 – E Procurement

CPR 1.4 has been modified to recognise that where external frameworks are utilised then dependent upon the rules of the framework, as set by the framework owner, a mini competition process may not necessarily be run via the Council's electronic opportunity portal, and alternatively may be run by the framework owner externally on the Council's behalf

iv) CPR 1.8 Waiver of Contracts Procedure Rules

CPR 1.8.1(a) has been amended to remove the word 'first', allowing for a retrospective waiver to be considered.

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v) CPR 1.10.1 – Pre Procurement Reporting

CPR1.10.1(a) has been amended to reflect that Pre Procurement Reporting will be required from Head of Service for proposed procurements in the range of £20,000 to £150,000. This has been modified from the original range of £5000 to £150,000, and synchronises with the raising of the threshold at which the Council's Corporate Procurement team must be engaged.

This change has also been reflected in the illustration at page 35 of the Contracts Procedure Rules.

vi) CPR 1.10.2 - Pre-Procurement Approval specifically in respect of Adult's or Children's Social Care support packages and placements

This rule has been retitled to:

“Pre-Procurement Approval specifically in respect of Adult's or Children's Social Care support packages and placements, and Substance Misuse Residential Rehabilitation placements”

The following additional officer posts have also been inserted into the narrative:

- i) Director Social Care and Health
- ii) Director of Public Health

vii) Criteria and Weightings set out in the Procurement Documentation

CPR Rules 2.9.1(b) and 3.2.1(b) have been corrected for terminology to ensure that it is clear that evaluation and award shall be carried out in accordance with criteria and weightings set out in the Procurement Documentation and must not be changed at any time during the process.

viii) CPR 3.1 Competition Requirements for Contracts up to but not exceeding European Union Spend Thresholds

CPR Rules 3.1.1 (a) and (b) have been amended to raise the threshold, below which procurement can be undertaken on the basis of a minimum of two written quotations without explicit requirement to involve the Corporate Procurement Team, from £5,000 to £20,000. This is proposed in order to ensure that procurement processes are as streamlined as possible, whilst ensuring an appropriate level of control and oversight, delivers a previously expressed intention, and follows the successful implementation of improved processes and compulsory staff training over the past 18 months, both verified by internal and external audit activity. A minor change has also been made to the drafting of 3.1.1 (b) to make it read clearer.

A new rule CPR 3.1.1 (c) has been introduced to make specific provision relating to “commercial activities”, in support of the Council's stated objective to develop its commercial activity, and recognises the particular need for decisions to be made in an efficient, effective and timely manner in order to support the operation of such activity and maximise financial performance. It relates solely to “commercial activities” as defined in the Financial Procedure Rules, i.e. specific business plans that are developed and approved by Cabinet and then overseen by the Council's Investment Board, which includes the Chief Executive, Executive

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Director, Head of Commercial Development and Head of Corporate Resources (s151 Officer).
A definition of Commercial Activities has also been added to the Glossary of Terms.

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Appendix 3 – Revised Contract Procedure Rules



CONTRACT PROCEDURE RULES

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GLOSSARY OF TERMS

Advanced Request for Quotation (ARFQ)

Initiating step of a procurement process in which providers are invited to submit quotations for the supply of specific and clearly defined supplies, services, or works during a specified timeframe, the value of which falls below the applicable European Union Spend Threshold. ARFQ's are evaluated on a percentage split across Cost and Quality.

Aggregate

A whole procurement formed by combining several separate elements

Assignment

The transfer of the benefits and obligations of a contract from one Contractor to another.

BAFO (Best and Final Offer)

The step of inviting providers that have submitted compliant proposals within a procurement process to refine their offering, either by an improvement of the Cost, the Quality, Value Added benefits, or a combination of these factors.

Whilst the use of a BAFO step is permitted and encouraged in procurement exercises with a value below the applicable EU spend threshold, it is forbidden in the majority of over EU spend threshold exercises.

Central Purchasing Body

A Central Purchasing Body is a contracting authority that:

- i) acquires supplies or services intended for one or more contracting authorities; or
- ii) awards public contracts for works, supplies or services intended for one or more contracting authorities; or
- iii) concludes framework agreements for works, supplies or services intended for one or more contracting authorities.

Commercial Activities

Relates solely to activities meeting the definition of "commercial activities" within the Council's Financial Procedure Rules

Commissioning

Commissioning is process by which we decide how to use and prioritise the total resources available in order to improve outcomes for citizens in the most efficient, effective and sustainable way. The process covers the entire cycle of assessing the

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needs of people, designing and securing a cost-effective approach in order to deliver better outcomes, and monitoring performance to determine whether the approach commissioned is fit for purpose, or needs to be replaced with a more effective redesigned approach. This may include the procurement of goods, works or services.

Contracting Authority

The State, regional or local authorities, bodies governed by public law or associations formed by one or more such authorities or one or more such bodies governed by public law, and includes central government authorities.

Contract Payment Profile Retention

Amounts are deducted from payments due to the contractor (retention) over the course of the contract, the value of such deductions may be dependent on the achievement of performance milestones; at the end of the contract, any such retentions are released to the contractor on satisfactory completion (including any relevant defects period).

Deposited Cash Bond

A payment made by a contractor 'up-front' (or deducted from a first payment due) that is held by the Council as security until the contract is satisfactorily complete

Dynamic Purchasing System (DPS)

A completely electronic system for commonly used purchases the characteristics of which, as generally available on the market, meet the requirements of the Contracting Authority and is open throughout its duration to any Contractor which satisfies the selection criteria.

E-Procurement

A method of carrying out a procurement exercise using an electronic internet based tool such as the Council electronic opportunities portal.

Economic Operator

Any person or public entity or group of such persons and entities, including any temporary association of undertakings, which offers the execution of works or a work, the supply of products or the provision of services on the market.

Evaluation Matrix

A Microsoft Excel based document which sets out the evaluation criteria and weightings detailed within a procurement document and against which bidders' submissions and scores are recorded.

Framework Agreement

An agreement which establishes the terms under which a Contractor will enter into Contracts with the Contracting Authority throughout the duration of the Framework. A

Contractor may be awarded a Contract which extends beyond the termination of the framework, provided the Contract is entered into before the framework expires and it is proportionate. Contracts awarded at the end of framework that have a disproportionate duration may amount to an abuse of the Public Contracts Regulations.

Invitation to Tender (ITT)

Initiating step of a competitive tendering process in which providers are invited to submit sealed bids for the supply of specific and clearly defined supplies, services, or works during a specified timeframe

Light Touch Regime (LTR)

A specific set of rules for certain service contracts including certain social, health and education services as set out in Schedule 3 of the Public Contracts Regulations 2015.

Liquidated Damages

A pre-determined level of damages (calculated as a genuine pre-estimate of loss) , which the Council shall be entitled to deduct from the Contractor in the event of his failure to complete the contract within a specified time.

OJEU (Official Journal of the European Union)

The Europe-wide publication where Contract Notices are published in relation to procurement processes, the value of which exceed the applicable spend threshold as determined within the applicable Public Contracts Regulations

Open Procedure

A procurement procedure which makes the opportunity available to the marketplace as a whole.

Parent Company Guarantee

A parent company guarantee is a declaration provided by the parent company of the main contractor which commits the parent to stepping in and honouring the terms of the contract if the Contractor must fail to do so and /or paying compensation (up to a stated maximum) in respect of loss incurred by the Council as a result of non- performance.

Performance Bond

A performance bond is a guarantee provided by a surety (usually a bank or insurance co. to pay compensation (up to a stated maximum sum) in respect of loss suffered by the Council should a contractor fail to fulfil its contractual obligations.

Public Contracts Regulations (PCR)

The Public Contract Regulations 2015(as amended), set out the procedures that must be followed when certain public sector contracts are to be offered to the marketplace.

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Procurement

Procurement , in the terms of the Public Contracts Regulations 2015, is defined as the acquisition by means of a public contract of works, supplies or services by one or more contracting authorities from economic operators chosen by those contracting authorities, whether or not the works, supplies or services are intended for a public purpose.

Restricted Procurement

A procurement process that first narrows the marketplace in order that Quotations or tenders are sought from a limited group of providers

Request for Quotation (RFQ)

Initiating step of a procurement process in which providers are invited to submit quotations for the supply of specific and clearly defined supplies, services, or works during a specified timeframe, the value of which falls below the applicable European Union Spend Threshold. RFQ's are generally evaluated on 100% Cost.

Selection Questionnaire (SQ) (formerly Pre-Qualification Questionnaire PQQ)

The first stage in a two stage restricted tendering procedure where interested providers complete a questionnaire compiled by the Council for the purpose of selecting a short list of interested providers to whom Invitations to Tender are to be issued.

NOTE: Use of a Selection Questionnaire is ONLY permissible in EU Procurement Procedures. The 2015 Public Contract Regulations prohibit the use of Pre-Qualification Questionnaires in 'below EU' Procurement procedures

SME

Small and medium-sized enterprises (SMEs) are non-subsidary, independent firms which employ less than a given number of employees. The most frequent upper limit designating an SME is 250 employees, as in the European Union.

Social Value

Seeks to maximise the additional benefits that can be created by providing benefits above and beyond the core services. Award criteria can include social, economic, and environmental matters, although these must be linked to the subject matter of the contract.

Surety

A person or organisation who takes responsibility for another's performance of an undertaking.

Part 1: CONTRACTS PROCEDURE RULES WHICH APPLY TO ALL CONTRACTS

1.1 BASIC PRINCIPLES

1.1.1 Introduction

Officers responsible for, or involved in, procurement, commissioning, contract administration or contract management must comply with these contract procedure rules. They lay down **minimum requirements** and a more detailed procedure may be appropriate for a particular contract.

These Contracts Procedure Rules are Standing Orders made under section 135 of the Local Government Act 1972. These rules apply to all officers of the Council. A Contract for the purposes of these Contracts Procedure Rules shall be any agreement between the Council and one or more parties in respect of:

- The carrying out of works for the Council
- The purchase, leasing, or hiring of supplies or materials by the Council
- The supply of consultancy, agency workers and other services to the Council

For the avoidance of doubt these Contracts Procedure Rules shall not apply to :-

- The sale, leasing or purchase of land, or of any interest in land (Officers are requested to note that land transactions are generally subject to best value considerations under Local Government legislation and some property transactions e.g. long building leases etc. may need to take account of Procurement legislation. Advice in respect of land and property transactions must be sought from the Head of Regulation and Compliance on a case by case basis): or
- Any Contract of Employment

There are certain circumstances where the public can access a service of their choice and the Local authority is obliged by regulation to pay the associated costs. This is mainly in regard to Adult Social Care Nursing and Residential Care homes, and Open Access Sexual Health services. In these circumstances client officers must work with Commissioning Support to ensure that relevant guidance, risk, invoicing and cost is clearly understood, managed and adhered to.

These contract procedure rules are intended to promote good procurement and commissioning practice, transparency, public accountability, and deter corruption. The best defence against allegations that expenditure has been committed incorrectly or fraudulently is by following the Contracts Procedure Rules.

All values specified in these rules shall be exclusive of value added tax.

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These Contracts Procedure Rules must be read in conjunction with the relevant parts of the Council's Constitution (including the Financial Procedure Rules).

[Link to the Constitution](#)

External Funding – external funders (for example, but not limited to, European Regional Development Fund) may impose additional requirements in respect of advertising, tendering, scoring and record keeping. In such cases it may be necessary to modify the approach to procurement in specific circumstances.

If an officer is in any doubt as to if and how the Contracts Procedure Rules are applicable to a prospective procurement then the Corporate Procurement Unit must be contacted for advice and guidance.

These rules will apply to all Sefton Council maintained schools, in accordance with "Fair Funding Guidance: Scheme for Financing Schools

The Public Contracts Regulations, bolstered by the Lord Young Reforms, seek to afford greater opportunity of supply to Small and Medium Enterprises (SME's). Regulation 46 of the 2015 regulations in particular encourages procuring authorities to considering dividing requirements into Lots for which providers can bid, or formally documenting reasons why dividing of Lots has not taken place.

These Contracts Procedure Rules shall be reviewed periodically by the Head of Commissioning Support & Business Intelligence, in consultation with the Head of Corporate Resources and the Head of Regulation and Compliance. The frequency of review shall, as a maximum, be bi-annually in order to incorporate any change in EU spend thresholds as directed by the European Commission.

1.1.2 Legal Compliance

All procurement procedures and contracts shall comply with all legal requirements and no officer or Committee or Board of the Council may seek to avoid them. If in doubt advice must be sought from Head of Regulation & Compliance.

1.1.3 Public Contracts Regulations

All contracts must comply fully with the requirements of Public Contracts Regulations 2015, including Regulation 57, which outlines grounds for mandatory exclusion of bidders from a procurement process.

In particular Regulation 57 (e) (i) addresses the Council's ability to exclude a bidder for non-payment of taxes by way of a bidder being convicted of :

"the common law offence of cheating the Revenue"

1.1.4 EU Principles - Transparency and Non-Discrimination etc.

The award process and structure of all contracts shall comply with the EU Principles of Openness, Fairness, Transparency, Non-Distortion of Competition, Non-Discrimination, Equal Treatment, Proportionality and Mutual Recognition

1.1.5 Procurement Documentation

All contracts and contractual processes shall be consistent with these Contract Procedure Rules and any all relevant Council Procurement Guidance, Commissioning and or Procurement Strategy.

1.1.6 Contracts where the Council acts as Agent

Where the Council acts as the Agent for any other Local Authority or Public Body or company these Contracts Procedure Rules shall apply unless the Principal in question instructs otherwise in writing

1.1.7 Calculating the Financial Value of a contract

In deciding the value of contracts for the purposes of applying the requirements of these Contracts Procedure Rules the commissioner / procurer must take into account:

- The total cost for the lifetime of the contract (including any proposed optional periods)
- That the value of contracts of like nature shall be aggregated and that aggregate value shall be applied.
- In the case of joint procurement arrangements the value shall be the value of all parties' purchases under the contract.
- In the case of long term adults and childrens social care contracts which have no defined end date, the total cost will be valued at 4 years for the purpose of applying the Public Contracts Regulations.

No officer or Committee or Board of the Council may seek to divide potential contracts in order to avoid the requirements of these Contracts Procedure Rules or Public Contracts Regulations 2015.

Officers must not actively seek to disaggregate or fragment prospective spend amounts for the purpose of avoiding specific procurement activity.

The Public Contracts Regulations require particular procurement processes to be utilised where the estimated contract value exceeds predetermined spend thresholds. The current EU Public Procurement Thresholds (for the whole of the contract including any optional years) are:

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Supplies / Services	£181,302
Works	£4,551,413
<i>(as detailed within Schedule 2 of the Public Contracts Regulations 2015)</i>	
Social and Other specific Services	£615,278
<i>(as detailed within Schedule 3 of the Public Contracts Regulations 2015)</i>	

Note: Spend threshold figures correct as at January 2018, but subject to ongoing change, ordinarily on a two year cycle.

Both Schedules 2 and 3 of the Regulations can be viewed here :-

[2015 Public Contracts Regulations](#)

1.1.8 Public Services (Social Value) Act 2012

Contracting Authorities are under a statutory duty to consider economic, social and environmental well-being issues at the pre-procurement stage of a public service contract:-

- How the economic, social and environmental well-being of the Local Authority Area might be improved by the proposed contract;
- How in conducting the procurement process, the Council might act with a view to securing that improvement (NB. Only matters that are relevant to what is to be procured can be taken into account and those matters must be proportionate);
- Whether any consultation must be undertaken in relation to social value matters.

Officers must consider this when formulating the Procurement Project Management Plan detailed herein.

1.1.9 Forfeiture in Case of Bribery of Corruption

There shall be inserted in every contract a clause empowering the Council to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation, if the contractor shall have offered or given or agreed to give to any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or having forborne to do any action in

relation to the obtaining or execution of the contract or any person in relation to the contract or any other contract with the Council, or if the like acts shall have been done by any person employed by the contractor or acting on the contractor's behalf (whether with or without the knowledge of the contractor), or if in relation to any contract with the Council, the contractor, or any person employed by the contractor or acting on the contractor's behalf shall have committed any offence under the

Bribery Act 2010 or shall have given any fee or reward, the receipt of which is an offence under Section 117 of the Local Government Act 1972.

1.1.10 Contract sealing

Every contract which exceeds £100,000 in value with any individual contractor (for the whole of the contract as opposed to the annual value) shall be sealed with the Council's Seal and shall be executed by the Contractor as a Deed. In order that a contract can be sealed the following package of documents must be forwarded to Corporate Legal Services:

- i) One blank copy of the Invitation To Tender (ITT), or Request for Quotation (RFQ) document (as applicable)
- ii) Two copies of the successful bidder's ITT or RFQ
- iii) A copy of the Internal Authorisation to award a contract as per delegated authority (Cabinet / Cabinet member etc.)
- iv) Copies of the award & acceptance correspondence
- v) A copy of the bidder's in-date insurance cover.
- vi) A summary of questions asked by bidders during the procurement process and responses provided by the Council

1.2 OFFICER RESPONSIBILITIES

1.2.1 Roles and Responsibilities

Ahead of any procurement exercise commencing the roles of all Officers to be involved in the exercise must be determined and responsibilities for undertaking all aspects of the procurement process shall be set out and clearly assigned, in order that the process is properly controlled and undertaken and there is a clear understanding of the requirements of each member of the team throughout the process. The assignment of roles and responsibilities shall be kept under review throughout the course of the procurement and, in terms of contract management and contract performance management, throughout the term of the contract.

The assignment of roles and responsibilities, including any changes in the assignment of those roles and responsibilities during the course of the procurement, shall be documented within a suitable Procurement Roles and responsibilities Plan. Corporate template documentation will be produced and regularly reviewed to meet this need.

<http://intranet.smbc.loc/our-council/procurement.aspx>

1.2.2 Adequate Budget Provision

No Officer should seek to enter into a contract, or purport to enter into a contract, for the provision of supplies, works or services unless there is adequate provision in the agreed Capital Programme and/or agreed Revenue Budgets.

If in doubt Head of Corporate Resources must be consulted.

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1.2.3 Disciplines

Ahead of commencing any procurement exercise Officers must give thought to the question of which disciplines need to be considered for either operational involvement in the process or within an advisory support role. For instance whilst the need for the involvement of Operational and Procurement Officers is apparent, in addition consideration must be given to the value of other disciplines, which as examples may include but not be limited to :

- a) Legal
- b) Audit
- c) Contribution from Commissioning Support Officers
- d) Finance
- e) Human Resources
- f) Investment and Employment Service
- g) External Advice/Consultancy – Private or another Local Authority

1.2.4 Information Management

Officers must be mindful that throughout any Procurement exercise the governance, management and security of information is vital to both the integrity of the work to be conducted, and potentially the reputation of the Council. Officers must therefore ensure:

- i) Storage and handling of Procurement or any supporting information or documentation, whether digital, paper or another format is carried out securely.
- ii) Where the information and documentation is in a digital format this may involve using an encrypted fixed or digital device or other suitable and secure mechanism to ensure that access is restricted only to those Officers involved in the procurement project and in accordance with their assigned roles and responsibilities. It may involve Officers using their allocated personal drive within the Council's ICT system, to which access is limited, or creation of a shared folder secured through controlled access rights, password or some other means to prevent unauthorised access.
- iii) All documents forming part of a tender / request for quotation process, (including specifications, tender / RFQ documents, evaluation documents etc.) must be subject to effective document management, including version control, review and sign-off and shall be held in a readily identifiable folder titled: '**Procurement of [INSERT PROJECT TITLE HERE]**'.

As a guiding principle, Officers must be mindful that other people, including fellow Officers, not involved in a procurement exercise must not have access to information that relates to it.

- iv) Diligence is employed when conducting discussions that relate to a Procurement exercise. Officers must be mindful of both topics discussed, and the environment within which they are discussed. Consideration must

be given to holding discussions in a controlled area, such as an individual's personal office, or a meeting room, in order to ensure that only an invited group of officers are privy to information discussed. Officers must also be mindful of the content of telephone conversations held in an uncontrolled environment, if in any doubt that the content of a proposed conversation is sensitive then arrangements must be made to hold that discussion in a controlled area

- v) Control is employed when communicating with bidders or potential bidders within a procurement exercise. Officers must ensure that no direct verbal or email communication is entered into with a bidder, bidders or potential bidders, or their representatives. Officers must ensure that all communication with any bidder or their representative, within any procurement exercise must be carried out in written form, through the Council's electronic opportunities portal, via the Procurement Officer holding responsibility for that.
- vi) Procurement Officers must ensure that the Council's Electronic Opportunities portal is utilised to store documents created throughout the procurement process in order to build a comprehensive audit trail. Such documents will include, but not be limited to:

- Evaluation Panel members' individual scores and scoring notes
- Moderated scores
- Moderation notes
- Finalised Master Evaluation Matrix
- Versions of Invitation to Tender (ITT) documents
- Versions of Advanced Request for Quotation (ARFQ) documents
- Versions of Selection Questionnaires
- Responses to questions raised by bidders
- Copies of correspondence (for example Mandatory Standstill)

1.2.5 Corporate Contracts

A corporate contract exists where the Council has entered into a contract for the provision of supplies, services, or works, and agreed rates for such.

Before procuring supplies, services or works, an Officer shall ascertain whether any corporate contract has been entered into in relation to those supplies, Services or works.

This requirement is mandated on all Council officers. Any requirement to purchase such supplies, services or works from alternative non-contracted suppliers must first be agreed in accordance with the Waiver Procedure set out in these Contract Procedure Rules.

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1.2.6 Surety

Construction Related Contracts

- £250,000 - £1,000,000

Provided that a risk assessment based on financial and technical criteria is satisfactory, construction-related contracts up to £1,000,000 do not require a Performance Bond. However, such contracts over £250,000 and up to £1,000,000 will require a contribution to the Contracts Indemnity Fund. The Contribution is calculated as 0.2% of the Contract Value, and this is administered by the Head of Corporate Resources

- Above £1,000,000

For all construction related contracts over £1,000,000, a Performance Bond will normally be required. A formal risk assessment shall be carried out by the Head of Service prior to commencing the exercise and a recommendation on the requirement for a Performance Bond and its value shall be included in the Pre-Procurement report. The minimum value of the bond should be 10% of the total contract price.

Non Construction Related Contracts

- Below £1,000,000

For contracts in respect of Social Care Packages, Information Technology Products/Services, the Head of Service shall have discretion following consultation with the Head of Regulation and Compliance and the Head of Finance, to apply one of the following options:-

- 1) Require a Performance Bond;
- 2) Require a Parent Company Guarantee;
- 3) Require a Deposited Cash Bond;
- 4) Require a Contract Payment Profile Retention;

Contracts for those supplies and services below the value of £1,000,000, not mentioned above, will not generally be subject to a Performance Bond.

- Above £1,000,000

Non Construction Related Contracts above the value of £1,000,000 will normally require a Performance Bond. A formal risk assessment shall be carried out by the Head of Service prior to commencing the exercise and a recommendation on the requirement for a Performance Bond and its value shall be included in the pre-procurement report. The value of the bond should be:

- a) a minimum of 10% of the total contract price, where an asset is being procured , or
- b) 10% of the whole annual value of a contract for goods or services over a

period of time

Parent Company Guarantee

Where the contractor is a limited company which is part of a larger group the ultimate holding company may be required to provide a parent company guarantee in addition to a performance bond. The Head of Service shall determine following consultation with the Head of Regulation and Compliance whether a parent company guarantee is necessary as an additional form of surety.

Waiver of Surety Requirements

Whilst under normal circumstances the above values will apply, it is recognised that some high value contracts (construction or non-construction related) may be low risk and vice versa. Dependent on the outcome of a risk assessment, a recommendation may be made in the pre-procurement report to waive application of the limits referred to above and/or to approve a more appropriate form of surety.

Inclusion of Surety Requirements in Procurement Documents

The requirement or possible requirement of a bond or other form of surety must be specified in the Procurement documentation. A copy of the Council's Standard Form of Bond must be included in such documentation.

For guidance on calculating the value of a contract then refer to Rule 1.1.7.

1.2.7 Contracts – Delay and liquidated damages

In the case of Works contracts over the total value of £100,000 and, in any other case where a risk assessment, undertaken at pre procurement stage, considers it necessary, a clause shall be inserted in the contract providing for the payment of liquidated damages (calculated as a genuine pre-estimated of loss) in circumstances where the contract is not completed within the time specified.

Where completion of the contract is delayed it shall be the duty of the relevant Officer under the contract to take appropriate action in respect of any claim for liquidated damages as may be provided for within the terms and conditions of the contract.

1.2.8 Breach of Contracts Procedure Rules

Any breach or non-compliance with these Contracts Procedure Rules must, on discovery, be reported immediately to the Head of Commissioning Support & Business Intelligence, Head of Corporate Resources, and the Chief Internal Auditor.

The Head of Commissioning Support & Business Intelligence, Head of Corporate Resources, and the Chief Internal Auditor shall consider whether each reported breach or non-compliance presents a significant risk of harm to the Council's interests and if satisfied that such risk exists shall undertake any necessary

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investigation and report the findings to the relevant Head of Service, and Chief Executive, as appropriate.

Officers must be aware that any non-compliance with Contract Procedure Rules could result in disciplinary action.

1.2.9 Conditions of Contract

In every written contract for the execution of works or the supply of supplies or services, the following clauses shall be inserted (unless Industry Standard Conditions are being used e.g. NEC, JCLI, JCT, Public Health Standard Form etc. in which case they must be checked to see if similar clauses are already included in the standard to avoid any confusion and/or duplication):-

- a) The Contractor must comply with the provisions of the Employment and the Trade Union and Labour Relations (Consolidation) Act, 1992, and in particular shall ensure that all persons employed by him or her in relation to the execution of the contract are afforded the rights and facilities specified in those Acts regarding trade union Membership.
- b) The Contractor must comply with national equality legislation to deliver services fairly and without unlawful discrimination.
- c) The attention of the Contractor must be drawn to the importance of complying in all respects with :
 - (i) The provisions of the Equality Act 2010. The Contractor shall have regard to the nine protected characteristics within the Act and must not discriminate either directly or indirectly on the grounds of:-

Age
Disability
Gender Re-assignment
Marriage and Civil Partnership
Pregnancy and Maternity
Race
Religion
Sex
Sexual Orientation

- (ii) The requirements of the Public Interest Disclosure Act, 1998:
- (iii) The requirements of the Freedom of Information Act 2000 and Regulations made thereunder. The Council's obligations in respect of the said Act are also drawn to the attention of the Contractor.
- (iv) The requirements of the Bribery Act 2010
- (v) The Contractor shall be responsible for the observance of clauses a–c (i)–(iv) above by Sub Contractors employed in the execution of the contract, and shall notify the Council of the names and addresses of all such Sub-Contractors.
- (vi) The requirements of the Social Value Act 2012

Health and Safety Conditions of Contract

The Contractor must comply with the 1974 Health and Safety at Work etc. Act (HASWA), Health and Safety Regulations, and Codes of Practice that are approved by the Health and Safety Executive

The Contractor must comply with the Councils Health and Safety Guidance

Data Protection

The Supplier shall (and shall procure that any of its employees and agents involved in the provision of the Contract shall) comply with any notification requirements under the Data Protection Act 1998 (“DPA”) and shall duly observe all its obligations under the DPA which arise in connection with the Contract.

Where the Supplier is processing Personal Data as a Data Processor for the Council, the Supplier shall ensure that it has in place appropriate technical and contractual measures to ensure the security of the Personal Data (and to guard against unauthorised or unlawful processing of the Personal Data and against accidental loss or destruction of, or damage to, the Personal Data), as required under the DPA: and

- a. provide the Council with such information as the Council may reasonably require to satisfy itself that the Supplier is complying with its obligations under the DPA;
- b. promptly notify the Council of any breach of the security measures required to be put in place pursuant to this clause; and
- c. ensure it does not knowingly or negligently do or omit to do anything which places the Council in breach of the Council’s obligations under the DPA.

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The provisions of this clause shall apply during the continuance of the contract and indefinitely after its expiry or termination.

The Service Provider shall and shall ensure that its Sub-contractors shall notify the Council within five Working Days if it receives:

- a. a request from a Data Subject to have access to that person's Personal Data; or
- b. a complaint or request relating to the Council's obligations under the DPA or any other data protection legislation.

1.2.10 Assignment of Contracts without Consent

There shall be inserted in every written contract a clause empowering the Council to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation, if the contractor shall have transferred or assigned, whether directly or indirectly, the benefit of the contract without the written consent of the Council, or if the contractor shall have sub-let the contract (except so far as the sub-letting relates to the supply of patent or proprietary articles, raw materials or natural products) without the written consent of the Council.

1.2.11 Contract Extensions

Officers must consider a contractor's performance throughout the period of contract when considering a contract extension. Officers must question not only the financial aspects of any potential extension, negotiating with the contractor where possible to achieve a competitive financial offering, but must also give thought to whether the quality of supplies or service being provided to the Council would continue to offer best value to the Council should an extension be offered. Officers must be aware that markets, the providers within those markets, and the level of competition for Council business will change over periods of time. Officers must consider alongside the award of any optional extension period, what other alternatives may be available to the Council and must offer reasoning as to why such alternatives are not proposed. Officers must ensure that prior to seeking approval of any proposed contract extension; consultation is undertaken with Head of Commissioning Support & Business Intelligence in order to secure a Procurement perspective.

An extension requires the approval of a Head of Service, Cabinet Member or Cabinet according to the applicable financial thresholds detailed herein.

The value of any contract extension must be calculated in line with Rule 1.1.7.

In terms of compliant process

Contracts may be extended beyond the stated core contract period, where provision for such extension was included in the original Invitation to Tender (ITT), or Request for Quotation documents (RFQ), and in respect of EU Procurements, in the OJEU Contract Notice

In cases where an extension period was not provided for within original ITT, or RFQ documents and in respect of EU Procurements, in the OJEU Contract Notice

Extension of contracts with a value below the applicable EU Spend Threshold will require the written approval of the appropriate Head of Service, Cabinet Member, or Cabinet, following consideration of a written report setting out a justifying business case. Variations shall only be granted in exceptional circumstances if it can be established that this will be in the best interests of the Council.

Where the value of expenditure is such that an EU Spend Threshold would be exceeded then it is not possible to award a long term contract Extension. Extension on a short term basis will only be authorised in exceptional circumstances. In circumstances where a short term extension is granted, an EU compliant procurement process must be carried out as a matter of urgency in order to secure a replacement contract. Such action must be considered in consultation with the Head of Corporate Resources and the Head of Regulation and Compliance.

Wherever possible officers must endeavour to plan the necessary pre-procurement reporting, and subsequent procurement activity, in ample time to allow a replacement contract to be secured negating the need for an extension. Consideration must be given to the mobilization period and obtaining TUPE related information where relevant.

1.2.12 Monitoring of Contracts

All contracts must be monitored throughout the period of the contract, and the performance of contractors must be reviewed regularly. Appropriate records of contract monitoring and contractor performance shall be maintained.

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1.3 COLLABORATIVE ARRANGEMENTS

1.3.1 Framework Agreements / Dynamic Purchasing System (DPS)

Contract Procedure Rules 2.1 to 2.3, and 3.1 will not apply where the supplies, works or services in question are to be procured by using a framework agreement or DPS which has itself been procured through compliance with these Contract Procedure Rules or from a Central Purchasing Body for the purposes of the Public Contracts Regulations 2015. Where a Central Purchasing Body's framework agreement is used a Procurement Officer shall obtain copies of that Body's Contract and Award notices and shall seek verification from the Head of Commissioning Support & Business Intelligence of the Body's compliance with the Public Contracts Regulations 2015.

1.3.2 Joint or Partnering Arrangements, Procurement of Consultants

1.3.2.1. Partnering Arrangements

A memorandum of understanding must be developed with partners to ensure that resources, support and delivery will be available throughout the development and lifetime of the proposed contract.

A single contract may be delivered by several providers. Partnering involves an integrated team working together to deliver better services to citizens through agreeing mutual objectives, devising a way for resolving any disputes and committing themselves to continuous improvement, measuring progress and sharing the gains. All parties have a shared goal of delivering services in a cost-effective and timely way that is mutually beneficial.

Partnering arrangements are likely to be contractually based and will need to comply with these Contracts Procedure Rules.

Partnering Arrangements will be entered into ONLY after an appropriate competitive procurement process has identified potential partners and they have been evaluated from a competitive and best value perspective.

Partnering Arrangements will need to identify the following:

- (a) responsibility for each function to be performed,
- (b) the element of risk undertaken by each party,
- (c) the mutual benefits derived from the partnership,
- (d) the individual targets and objectives of the partnership,
- (e) the procedure for reviewing the performance of the partnership,
- (f) the procedure for remedying disputes and the settlement of grievances (including arbitration if required),
- (g) the period for maintaining the partnership,
- (h) the exit procedure at termination of the partnership, which must include, the responsibility for staff, premises, service provision, and any other relevant matters.
- (i) Implications for Social Value, in terms of local supply, employment

1.3.2.2. Joint Procurement

Any joint procurement activity with other local authorities or public bodies, including Membership or use of Purchasing Consortia, shall be agreed via Pre-Procurement Reporting requirements as outlined within 1.10.1 herein.

The Council may also enter into existing public sector framework arrangements, where it is evident that such frameworks represent the optimum solution to the Council in terms of service and cost. Approval to enter into such a framework shall be sought from the officer to whom delegated authority has been granted within the related Pre Procurement Report.

Where any expenditure is committed using standard arrangements such as an accessible framework contract with another local authority, government department, statutory undertaker, public service purchasing consortium or government approved catalogue of procurement sourcing, officers must be reasonably satisfied that the appropriate procurement procedures have been followed by the body concerned, and consider appropriate use of the facility i.e. straight forward call-off, or mini competition.

(a) Where the Council is working in a joint or partnering arrangement with another body or bodies and, under that arrangement, is the commissioning body, Sefton Council's Contracts Procedure Rules shall apply to contracts entered into under that arrangement.

(b) Where the Council is working in a joint or partnering arrangement with another body or bodies and, under that arrangement, another body is the commissioning body, the Contracts Procedure Rules, or equivalent, of that other body shall apply to contracts entered into under the arrangement subject to the approval of a waiver by the Cabinet Member (Regulatory, Compliance & Corporate Services). Where the body has no such Contracts Procedure Rules, the procedures applied by the other body shall comply with the principles and safeguards contained in Sefton Council's Contracts Procedure Rules, and this must be documented in the Terms and Conditions of the Contract.

(c) Where the Council is working in a joint or partnering arrangement with another body or bodies, the Terms and Conditions for the arrangement shall include powers for the Council to have access to the records, assets, site, employees and sub-contractors of that other body for the purposes of investigating or auditing compliance with the terms of the arrangement and with the relevant procurement rules.

1.3.2.3 Procurement of Consultancy Services

Establishment Control Panel approval must be sought prior to commencement of

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any procurement activity to secure consultancy.

Client Officers are reminded that the procurement of any consultancy services is ultimately subject to scrutiny by the 'Establishment Control Panel'. Any Officers procuring Consultancy Services must comply with all aspects of these Contract Procedure Rules in first sourcing any consultant through a competitive process to ensure best value.

Advice must be sought from CPU as to an appropriate competitive process in respect of these Contract Procedure Rules

1.4 E-PROCUREMENT

1.4.1 Electronic Procurement

Officers must employ an electronic procurement method and shall use only the Council's electronic opportunities portal approved by the Head of Commissioning Support & Business Intelligence in consultation with the Head of Corporate Services.

The only exception to this rule shall be where an officer is using an external framework, the use of which has been approved by the Head of Commissioning Support & Business Intelligence in accordance with CPR 1.3.1. In such circumstances the procurement work shall be carried out in compliance with the rules of the framework as determined by the framework owner.

1.5 RECORDS

1.5.1 Contracts Register

As part of the Government's Transparency Agenda the Council is required to compile a Contracts Register to capture details of all contracts let by the Council.

All procurement opportunities published on the Council's approved electronic opportunities portal will have the contract award details automatically promoted to

the online contracts register, where the contract is valued at £5,000 or above, in line with the Government's transparency agenda.

1.6 INTENTION & AWARD OF CONTRACT AND DEBRIEFING OF CONTRACTORS

1.6.1 Award Criteria

Contracts will generally be awarded on the basis of either:

a) **MEAT** (*Most Economically Advantageous Tender*) taking into consideration a percentage balance between Cost and Quality, or

b) **Lowest Cost**

(*NOTE: Whilst 100% Lowest Cost evaluation is permitted in below-EU

procurement exercises, Lowest Cost evaluation is only permissible in EU procurement exercises, where the bidders are first required to meet a minimum specification of Supplies, Services or Works)

c) **Highest Quality**

(NOTE: within EU Procurements 100% Quality Evaluation is only permissible where the Council publishes a fixed cost that it will pay to any successful bidder, and so the competition is carried out on Quality only)

The Head of Service, or their representative, must define Award Criteria appropriate to the procurement or commission. Award criteria must be designed to secure an outcome giving best value for money for the Council. If further defined within sub criteria then these must refer only to relevant considerations, and importantly all award and award sub criteria must be openly published within Invitations to Tender (ITT) or Requests for Quotation (RFQ), documentation, as applicable. If award or award sub-criteria, and applicable weightings are not openly published within the Procurement documentation then they **cannot** be employed within the evaluation process.

The Client, Commissioning, and Procuring Officer are advised to consider the desired outcome of a Commissioning / Procurement exercise, in order to determine a suitable method of evaluation.

Options entail:

- (a) Cost / Quality – In this method 100% is divided across cost and quality. The Commissioner/Procurer must determine an appropriate split commensurate with available budget and desired quality levels (quality meaning, product quality, or service quality, or a combination of the two)

Examples could include:

- (i) 50% Cost, 50% Quality
- (ii) 40% Cost, 60% Quality
- (iii) 70% Cost, 30% Quality

Or any other derivative the Commissioner/ Procurer deems appropriate.

- (b) Cost only – In this method, evaluation is carried out on the basis of 100% Cost, where the bidder meets a pre-determined minimum standard of quality. Only the bidder's Cost will be evaluated, i.e. an increased quality offering above the pre-determined minimum is not acknowledged as providing any additional value because the minimum specification is sufficient for the Council's needs.

- (c) Quality only - In this method, evaluation is carried out on the basis of 100% quality, where the Commissioner/ Procurer identifies and publishes a fixed cost that will be committed in full, irrespective of which bidder is

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awarded the contract. Only the bid quality will be evaluated with an award being made to the bidder demonstrating the highest quality submission for the budget that the Council intends to commit. Bids with Costs exceeding the published budget would be regarded as non-compliant, and so not evaluated.

Evaluation criteria and respective weightings shall be predetermined and clearly indicated in the Pre-Procurement Report and Invitation to Tender (ITT) or Request for Quotation (RFQ) documentation. In addition, the criteria shall be strictly observed at all times throughout the procurement exercise by any officer involved in the evaluation process, so as not to expose the Council to risk of challenge through deviation from the published criteria and weightings.

If in an exceptional case, prior to the receipt of bidder's proposals, this is changed, this must be duly approved (i.e. as per the original pre-procurement approval path). In no circumstance must the award / evaluation criteria be changed post receipt of bidder's proposals.

1.6.2 Acceptance of Tenders / Quotations

It shall be clearly stated in all tender / quotation documents that the Council reserves the right:

- (a) to accept a tender / quotation other than the lowest
- (b) to decline to accept any tender / quotation
- (c) not to award a contract
- (d) the Council will not be liable for any costs or expenses incurred by Tenderers during the procurement process

Where a bidder's tender / quotation are not accepted then a formal written record must be made detailing the reason/s why.

1.6.3 Debrief – Intention & Award

Mandatory Standstill Period (historically known as the 'Alcatel' process)

It is a requirement under the Public Contracts Regulations that any procurement exercise carried out under an EU Procurement Procedure must be concluded with a Mandatory Standstill Period. The purpose of the standstill period is to inform all bidders of the outcome of the procurement exercise, and, if they think that the contract award decision is wrong, to provide bidders with an opportunity to challenge the decision before contract has been awarded, signed and sealed.

The applicable legislation allows bidders to question the procurement exercise and evaluation process within the standstill period of 10 calendar days (where electronic communication has been employed) following dispatch of the award decision letter, and commence a formal legal challenge to prevent the contract from being awarded should they have grounds to do so.

Once the contract award decision has been approved by the officer with appropriate delegated authority, as authorised in any pre-procurement report, a letter must be sent to all bidders, providing written feedback to all unsuccessful bidders as to why their bid was unsuccessful and the relevant advantages and characteristics of the successful bid compared to the unsuccessful bidder.

If in any doubt as to the application of the Mandatory Standstill Period then the Corporate Procurement Unit must be contacted for guidance.

IMPORTANTLY:

Officers must be mindful of a challenge to an award decision and the implications that can result must that not be handled appropriately, specifically in relation to areas such as increased cost and workload to the Council and its Officers, alongside potential for reputational damage must the Council mishandle such a situation

Where a challenge to an award decision arises Officers must at the very least ensure that:

- i) Verbal communication with challenging bidder/s or their representative/s is not entered into. This includes avoidance of face to face debrief meetings that can become emotionally driven, and result in 'on the spot' responses being given to questions asked without such a response being correctly researched, quality checked and considered.
- ii) Communication with the challenging bidder/s or their representative/s is only carried out in writing via the Council's electronic opportunities portal
- iii) Written responses are quality checked for accuracy and content
- iv) Opinion is sought from the Council's Legal team
- v) The issue is escalated to an appropriate Senior Officer for opinion

In respect of contracts established via Non-European Union Procurement Procedures, i.e. where expenditure falls below EU Spend Thresholds, mindful of the EU Procurement principles of Openness, Fairness and Transparency, officers must use discretion as to what degree of debrief is provided, but must endeavour to provide meaningful feedback that enables bidders to understand where a submission could have been stronger, in order that future proposals may be improved.

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1.7 CONTRACT PAYMENTS

1.7.1 Contract payments/settlements

Contract payments/settlements shall be made in accordance with procedures referred to in the Financial Procedure Rules.

Financial Procedure Rules (within the Council's Constitution)

The terms upon which the Council will make payments to a contractor must be detailed within the applicable contract.

1.7.2 Prompt Payment within 30 days

The Public Contracts Regulations require a Contracting Authority to include a clause in all public contracts providing that invoices submitted by the contractor shall be verified in a timely manner and payment of undisputed invoices shall be made within 30 days. Where the contractor enters into a sub-contract the prompt payment provisions must be replicated down the supply chain.

Where a contract contains terms requiring payment more quickly than 30 days (for example because of statutory requirements, or because the parties choose a shorter payment period) then these shorter payment periods will apply to that contract

1.7.3 Instalment Payments

Where contracts provide for payment to be made by instalments the appropriate Head of Service shall maintain suitable records to show the state of account on each contract.

1.7.4 Authorisation of Payments

Payment to contractors shall be authorised by an authorised certifying officer in accordance with the Department's Scheme of Delegation

1.7.5 Authorisation of Variations

Officers must consult the Legal Team in respect of any proposed variation, as consideration will need to be given as to whether a proposed variation would constitute a 'material change' to the original contract. , necessitating a new

procurement. If changes are 'material' then this can put the entire agreement at risk of cancellation, if challenged.

Viable variations to a contract shall be made in writing and shall require prior written authorisation by the appropriate Head of Service or on their behalf by an authorised certifying officer.

Where the contract in question has been formally sealed by the Legal team, then in respect of such variation the sealed contract copy will need to be updated to account for the variation. Usually a deed of variation will need to be drafted by Corporate Legal Services and executed by the parties to the contract.

1.7.6 Works Contracts – Final Certificate control

No payment shall be made by the Council to the contractor without formal purchase order/formal agreement in place. This must be facilitated by processing a purchase order onto primarily the Councils financial system, Agresso, or the relevant operational system, against which invoices and payments can be processed and monitored

In the case of Works contracts a final certificate shall not be issued until the Head of Service has, to the extent that it is felt necessary, examined all matters relating to the final account.

1.7.7 Payments before Completion of Formal Contract

No payment shall be made by the Council to the contractor without a formal purchase order / formal agreement in place and will only happen following the provision of supplies, services, or works.

Advance payments are not permitted, except small emergency payments in exceptional circumstances with prior authorisation through the Waiver Process set out in these Contract Procedure Rules.

1.7.8 Signed Contracts

Contracts shall be signed on behalf of the Council by a duly authorised officer in accordance with the Scheme of Delegation for Officers

1.8 WAIVER OF CONTRACTS PROCEDURE RULES

1.8.1 - Waiver – Supplementary

Link to electronic waiver form: <https://forms.sefton.gov.uk/contractswaiver/>

(a) Where any operational officer is seeking a waiver of any of the Council's Contract Procedure Rules, approval for that waiver must be secured from the Head of Service within whose remit the procurement or contract sits

(b) Where a Head of Service is seeking a waiver then this application should be

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submitted to an Executive Director.

- (c) Where an Executive Director is seeking a waiver then this application should be submitted to the Chief Executive Officer
- (d) When seeking a waiver of any of the Council's Contract Procedure Rules, the relevant officer shall complete a formal Waiver Request Report in accordance with the procedure set out below and shall submit that report to the Head of Service within whose remit the procurement or contract sits. This Waiver Request Report shall clearly state:
 - the particular Contracts Procedure Rule/s to be waived
 - the period of time during which the waiver shall be effective and related value of expenditure for this period
 - Budget Approval – include Budget, Funding and Cost Centre Code
 - Business Case in support of the waiver which must include details of how the following would be achieved despite the waiver:
 - i. Value for Money
 - ii Transparency, propriety and accountability
 - iii. Position of the contract under the Public Contracts Regulations
2015
 - iv. How the contractor was selected
 - v. Identification of potential project risks and controls
 - vi. How the project links with departmental and corporate objectives
 - vii. Whole life costs of the project including the revenue costs associated with the project
 - viii Social Value Benefit
- (e) When considering any request for a waiver of any of the Contract Procedure Rules the relevant Head of Service shall seek any necessary advice and guidance from the Procurement service, Legal service, Finance service or any other specialist team before determining the waiver request.
- (f) The Head of Service **MUST** e-mail a copy of the signed waiver form to central.procurement@sefton.gov.uk to be archived.
- (g) Where any Contracts Procedure Rules are waived the relevant Officer shall comply with the remaining Contracts Procedure Rules

1.9 PROCUREMENT RISK ASSESSMENT

Early engagement of the Procurement Team within any procurement process is essential as that enables a member of the team to be allocated to a project a foundation stage.

Procurement Officer/s allocated is able to support the development of the Pre Procurement Report that a Client Officer needs to compile and submit in order to secure approval to commence a procurement exercise

The Procurement Risk Assessment enables the Client Officer to set out the building blocks of the requirement which will enable the Procurement Officer to contribute appropriate documentation. This can be found on the Intranet here, and is an online submission:

[PROCUREMENT RISK ASSESSMENT](#)

Procurement Officers are required to upload a copy of the Procurement Risk Assessment to the Council's opportunities Portal as a supporting document for that specific procurement exercise

1.10 EXPENDITURE APPROVAL PROCESS – PRE PROCUREMENT REPORTING

1.10.1 Pre-Procurement Reporting

All officers requiring to commit expenditure in order to acquire Supplies, Services or Works on behalf of the Council, or a Collaborative group of Councils if in the lead role, must first consider Approval to Commit Expenditure and so to commence the procurement process. In doing this officers must consider Financial Procedure Rules and any relevant budget approval process and must refer to the Head of Corporate Resources where necessary.

It is a requirement of the Chief Executive Officer and the Elected Members that approval to commit expenditure be considered, prior to commencement of any Procurement activity as follows:

(a) Expenditure of £20,000 up to £150,000 - a Pre Procurement report is to be taken to the Officer's Head of Service

(b) Expenditure of £150,001 up to:

i) 3 x the OJEU Spend Threshold for Supplies & Services
(i.e. £543,906.00 as at January 2018), or

ii) The OJEU Spend Threshold for Works
(i.e. £4,551,413.00 as at January 2018)

– a Pre Procurement report is to be taken to the Officer's Cabinet Member to seek approval to commence Procurement activity and so commit expenditure.

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(c) Expenditure of:

- i) Over 3 x the OJEU Spend Threshold for Supplies & Services (i.e. £543,906.00 as at January 2018), or
- ii) Over the OJEU Spend Threshold for Works (i.e. £4,551,413.00 as at January 2018)

– A Pre Procurement report is to be taken to Cabinet to seek approval to commence Procurement activity and so commit expenditure.

NOTE : The **ONLY** exception to this rule shall be where a prospective procurement satisfies the requirements of a 'Key Decision'. The following information is reproduced from the Council's Constitution to aid officers in determining whether prospective procurement qualifies as a Key Decision:-

"A KEY DECISION is:

a) 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;

b) 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.

Where a prospective procurement is determined to be a Key Decision then this will need to be entered onto the Forward Plan via liaison with the Democratic Services Team. Officers must be mindful in such circumstances to plan additional time into the procurement process.

A Key Decision relating to a prospective procurement will be considered by Cabinet within a Pre Procurement report.

Pre Procurement reports must set out:-

- i) The brief details of the Procurement exercise and the Procurement method to be employed
- ii) The basis of evaluation, i.e.
 - MEAT (Most Economically Advantageous Tender) taking into consideration a balance between Quality and Cost

or

100% Lowest Cost,

*(*NOTE : Whilst 100% Lowest Cost evaluation is permitted in below-EU procurement exercises, Cost only evaluation is only permissible in EU procurement exercises, where the bidders are first required to meet a minimum specification of Supplies, Services or Works.*

or

100% Quality

(NOTE: within EU Procurements 100% Quality Evaluation is only permissible where the Council publishes a fixed cost that it will pay to any successful bidder, and so the competition is carried out on Quality only)

- iii) A request that authority be delegated to a nominated officer, such as a Head of Service, or one of their officers, to approve the resulting post procurement contract award.

The following illustration summarises the Pre Procurement expenditure approval process that these Contracts Procedure Rules detail.

1.10.2 Pre-Procurement Approval specifically in respect of Adult's or Children's Social Care support packages and placements, and Substance Misuse Residential Rehabilitation placements

It is recognised that some individual adult and child care or support packages and placements, and some substance misuse residential rehabilitation placements cannot be fulfilled using existing Framework Agreements or Dynamic Purchasing systems and on these occasions will need to be procured from the open market, via the Council's e-procurement portal.

It is also recognised that in many cases, due to ongoing care requirements, the end date of such contracts cannot be identified at the point of procurement. In such circumstances, and in accordance with the Public Contract Regulations 2015, a period of 4 years should be used to calculate the contract value.

On occasion the anticipated value of these contracts may exceed the normal delegated authority of Head of Service, and in certain circumstances Cabinet Member too, however due to the restricted amount of time available to procure these often urgent individual care or support service packages, it would not be possible or desirable to always obtain Cabinet Member or Cabinet Pre-Procurement approval.

Consequently, specific provision is made herein and within the Council's Constitution to

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delegate authority in such circumstances to the relevant senior officers, currently :

- i) Director Social Care and Health
- ii) Director of Public Health
- iii) Head of Adult Social Care,
- iv) Head of Children's Social Care,
- v) Head of Schools & Families

to:

- a) approve the commencement of a procurement process for Adult or Children's social care contracts or Substance Misuse Residential Rehabilitation placements which are outside the scope of an existing Framework, Dynamic Purchasing System or other budgetary agreement;

and
- b) to award contracts following a procurement exercise, and so commit expenditure.

To ensure that such procurement is effectively monitored, a report of Adult and /or Children's delegated procurement approvals will be submitted to the relevant Cabinet Member on a monthly basis.

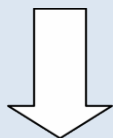
What level of pre-approval is required in respect of Contract Value?

(Officers must ensure that you read and understand The Contract Procedure Rules and do not simply refer to this illustration alone)

FOR EXPENDITURE OVER £50,000 - DECISION PUBLISHED ONLINE

(by Democratic Services via Intranet and Internet)

**£20, 000 up to
£150,000**



**Head of Service
Responsibility &
Accountability**

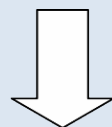
Pre Procurement Report

£150,001 up to:

i) **3 x the OJEU Spend Threshold
for Supplies & Services (i.e.
£543,906.00 as at January 2018),**

or

ii) **The OJEU Spend Threshold for
Works (i.e. £4,551,413.00 as at
January 2018)**



Cabinet Member Responsibility

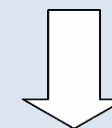
Pre Procurement Report

Expenditure Over:

i) **3 x the OJEU Spend Threshold
for Supplies & Services (i.e.
£543,906.00 as at January 2018),**

or

ii) **The OJEU Spend Threshold for
Works (i.e. £4,551,413.00 as at
January 2018)**



Cabinet Responsibility

Pre Procurement Report

KEY DECISION

Cabinet Responsibility - Pre Procurement Report (as determined by Key Decision definition)

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PART 2: CONTRACTS EXCEEDING THE APPLICABLE EUROPEAN UNION SPEND THRESHOLDS

2.0 Application

Part 2 of these Contracts Procedure Rules shall apply to all contracts exceeding applicable European Union spend thresholds in value, and officers must adhere to the Public Contracts Regulations 2015

European Union spend thresholds (for the whole value of the contract including any optional periods) are as follows:-

- | | |
|--------------------------|----------------------|
| a) Supplies / Services - | £181,302.00 |
| b) Works – | £4,551,413.00 |

Note: Spend threshold figures correct as at January 2018, but subject to ongoing change, ordinarily on a two year cycle.

'Works' means any of the activities specified in schedule 2 of the Public Contracts Regulations 2015

The contents of schedule 2 can be viewed here:-

[2015 Public Contracts Regulations](#)

2.1 Forms of Procurement

2.1.1 There are four main forms of procurement available for contracts exceeding European Union Spend Thresholds:-

- (a) Open Procedure Tendering
- (b) Restricted Procedure Tendering
- (c) Direct Call Off from a Framework
- (d) Mini competition within a Framework or a Dynamic purchasing System

Other procurement procedures include Competitive Procedure with Negotiation, Competitive Dialogue and Innovation Partnership. These other procedures are for use in complex contracts or limited circumstances where a solution is not readily available in the market.

2.1.2 Procurement of services which are classified as falling within Schedule 3 – 'Social and Other Specific Services' of the Public Contracts Regulations 2015, must be considered against a higher European Union spend threshold (for the whole value of the contract including any optional periods) of:

£615,278.00

Note: Spend threshold figure correct as at January 2018, but subject to ongoing change, ordinarily on a two year cycle.

Where this spend threshold is exceeded officers shall follow the applicable, and Schedule 3 specific, 'Light Touch Regime' with the assistance of Officers of the Corporate Procurement Unit

2.1.3 This process shall not remove or modify the responsibility of the relevant Head of Service to take such steps as may be reasonably necessary to safeguard the Council's interest.

2.1.4 In order to determine a suitable procurement approach to a specific market, officers may first choose to carry out non-committal soft market testing in order to appreciate the level of interest, and numbers of providers that exist in a particular market. This must be conducted in a way that competition isn't distorted. If a Procurement process is then required, a level playing field between bidders MUST be maintained.

2.2 Open Procedure Tendering

2.2.1 This Rule shall apply where the Cabinet or Cabinet Member has agreed that procurement activity be commenced, and where the applicable European Union spend thresholds detailed in Contracts Procedure rule 2.0 are exceeded.

Commissioners and/or Procurement Officers shall follow an Open Procedure specifically where the market for the requirement is identified as limited in terms of supplier numbers, and so the number of submitted bids is likely to be low.

Within an Open procedure, the opportunity must be made available to the marketplace for a minimum of 30 calendar days

2.2.2 The Council shall give public Contract Notice of its intention to enter into such arrangements. Such Contract Notice shall be published electronically, within the Official Journal of the European Union (OJEU), via its electronic opportunities portal.

2.2.3 The Contract Notice shall state the nature and purpose of the proposed contract, it shall provide interested providers with an electronic Invitation to Tender (ITT) document setting out particulars of the contract into which the Council wish to enter, together with specification, standard and special terms and conditions, the award criteria and weightings, the closing date for tenders, the Council's requirements as to the procedures for submission of tenders, and invite providers to submit a completed ITT proposal within the specified period stated in the public notice.

2.2.4 The Head of Service's evaluation panel shall evaluate all submissions using the award criteria and weightings in the published tender documents and shall maintain a copy of the marked evaluation matrix

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2.3 Restricted Procedure Tendering

2.3.1 This Rule shall apply where the Cabinet or Cabinet Member has agreed that procurement activity be commenced, and where the applicable European Union spend thresholds detailed in Contracts Procedure Rule 2.0 are exceeded

Commissioners and/or Procurement Officers shall follow a Restricted Procedure specifically where there is likely to be a substantial number of providers in the marketplace and so a high number of responses would be expected, or the supplies, works or services are of a specialist nature.

The procedure is a two stage process. The first stage is a Selection stage and allows the Commissioner / Procurer to restrict the marketplace. Within a Restricted procedure the opportunity must be made available to the marketplace for a minimum of 30 calendar days.

A shortlist of providers is created at selection stage by using a standard Selection Questionnaire (SQ) to evaluate and score minimum requirements that contractors must meet. Importantly such requirements must be relevant and proportional to the contract in question. The minimum period of time that must be afforded to shortlisted bidders, within a restricted procedure, at Invitation to Tender (ITT) stage is 25 calendar days.

2.3.2 The Council shall give public Contract Notice of its intention to enter into such arrangements. Such notice shall be published electronically, in the Official Journal of the European Union (OJEU), via its electronic opportunities portal.

2.3.3 The Contract Notice shall state the nature and purpose of the proposed contract, it shall provide interested providers with an electronic Selection Questionnaire (SQ) document setting out particulars of the contract into which the Council wish to enter, together with the selection criteria and weightings, the closing date for submission of SQ's and the Council's requirements as to the procedures for submission of PQQ's, and invite providers to submit a completed SQ proposal within the specified period stated in the public notice.

2.3.4 In consultation with the Head of Commissioning Support & Business Intelligence or their representative, the relevant Head of Service's evaluation panel, consisting of a minimum of two officers, shall evaluate all submissions using the selection criteria and weightings in the published SQ document and shall maintain a copy of the marked evaluation matrix.

2.3.5 At the second stage of the procedure, the Award stage, Invitations to Tender (ITT) for the contract shall, where possible, be sent to not less than five of the highest scoring providers who expressed an interest in tendering and submitted a SQ within the specified time-scale, and that have met the minimum requirements.

2.3.6 The ITT documents must state the particulars of the contract into which the Council wish to enter, together with specification, standard and special terms and conditions, the award criteria and weightings, the closing date for tenders, the Council's requirements as to the procedures for submission of tenders, and invite providers to submit a completed ITT proposal within a specified period

NOTE : *All tender opportunities that exceed the applicable EU Spend Threshold shall, in addition to being managed on the Council's Electronic Opportunities Portal, also be advertised on the Government's 'Contracts Finder' Facility. Officers of the Procurement Unit will assist with this task.*

2.4 Direct call off from a Framework

2.4.1 This Rule shall apply where the Cabinet or Cabinet Member has agreed that procurement activity be commenced.

Where an officer identifies a pre-tendered compliant framework, whether that be owned by Sefton Council, or owned by an external organisation but available to the Council, then where such a framework allows, and in line with the requirements laid down above, a direct call off may be made and a purchase order placed with an organisation that represents best value against the requirement, negating the need for a procurement exercise.

2.5 Mini competition within a Framework / Dynamic Purchasing System (DPS)

2.5.1 This Rule shall apply where the Cabinet or Cabinet Member has agreed that procurement activity be commenced.

Where an officer identifies a pre-tendered compliant framework or DPS, whether that be owned by Sefton Council, or owned by an external organisation but available to the Council, and such a framework or DPS has a requirement to further compete for an award of business, a mini competition must be carried out. This will require the creation of an Invitation to Tender (ITT) document which is issued to all Framework or DPS providers. setting out particulars of the contract into which the Council wishes to enter, together with the award criteria and weightings, the closing date for tenders, the Council's requirements as to the procedures for submission of tenders, and invite providers to submit a completed ITT proposal within an appropriate period as defined by the client officer

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2.6 Invitations to Tender and Interim Custody of Tenders

2.6.1 All Invitations to Tender shall include the following:

- (i) The Council will only be issuing and receiving Invitations To Tender electronically. Tenders submitted by any other means shall not be considered.
- (ii) A requirement for tenderers to complete fully and sign or otherwise authorise the Form of Tender,
- (iii) All electronic responses will be held within a secure online sealed tender box that is only accessible by the appointed Verifier after the specified fixed time and date.
- (iv) All Invitations to Tender must specify the supplies, works or services that are required in sufficient detail to enable the submission of competitive offers, together with the terms and conditions of the contract that will apply.
- (v) A description of the Award Procedure and a definition of the Award Criteria in objective terms and in descending order of importance with weightings.
- (vi) Notification that Tenders are submitted to the Council on the basis that they are compiled at the tenderer's risk and expense
- (vii) Notification that amendments must not be made to the contract documents by the tenderer

2.6.2 A record of tenders received in pursuance of these Contracts Procedure Rules shall be recorded within the Council's electronic opportunities portal, maintained by the Head of Commissioning Support & Business Intelligence or an Officer designated for that purpose.

2.6.3 An electronic contract register will be maintained by the Head of Commissioning Support & Business Intelligence

2.7 Closing Date for Receipt of Tenders

2.7.1. Tenders received within the Council's electronic opportunities portal, after the predetermined close date and time, will not be considered.

2.8 Method of Opening Tenders

2.8.1 In respect of tender submissions received electronically, ONLY a Verifying officer as designated within the Council's electronic opportunities portal will have permission to open online sealed tender submissions.

2.9 Evaluation of Tenders

2.9.1 Evaluation and Award *(for above EU spend threshold procurements)*

(a) Tenders shall be evaluated and awarded on the basis of the value for money they offer to the Council in line with either :-

i) MEAT (*Most Economically Advantageous Tender*) Principles. Criteria must be relevant to the contract and apportioned between Cost and Quality in a ratio reflecting the risk and value of the contract

or

ii) Lowest Cost. The Council must publish a minimum specification of Supplies, Services or Works which bidders are required to meet

or

iii) Highest Quality . The Council must publish a fixed cost that it will pay to any successful bidder, and so bidders are evaluated on the highest quality that can be provided for that fixed cost

as determined and documented in advance of Tenders being invited.

(b)Tenders shall be evaluated and awarded in accordance with criteria and weightings set out in the Procurement Documentation and must not be changed at any time during the process.

Should the Cost element of a tender evaluation involve a Cost Model, Basket of Goods, or Basket of Works, then consideration must be given, ahead of commencing the procurement exercise, to publishing that detail within the procurement document. Where it is felt inappropriate to publish the detail then officers must consider lodging that detail with the Legal team for the duration of the bidding period and only access the detail once the bidding period has closed.

Where a Cost Model, Basket of Goods or Basket of Works is employed in the Cost Element of an Evaluation, the content **MUST NOT** be changed once bids are received.

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2.9.2 Evaluation Panel

- (a) Evaluation Panels must be established prior to the issue of the Invitation to Tender documents, to ensure that they are engaged with the process and understand the evaluation criteria and weightings.
- (b) Evaluation Panels must include representation from the client department/key Stakeholders, and must consist of a minimum of two operational officers in addition to any procurement officer.
- (c) Where an Interview / Presentation session has been planned into an evaluation, the evaluation panel members must be consistent with the panel members that have undertaken other elements of the evaluation.

Ahead of any Interview / Presentation session, evaluation panel members must ensure that they are familiar with the content of the tender submissions of the bidders invited to that session.

2.9.3 Evaluation Matrix

- (a) The Evaluation Matrix will consist of defined evaluation criteria and weightings. Marks and scores must be brought through from the ITT document to reflect what is material to the award of a particular contract.
- (b) criteria shall have a number of marks allocated to signify to tenderers the relative importance of each criterion.
- (c) Scores – All bids must be scored consistently against a scoring scheme which must be included in the Invitation to Tender. IMPORTANTLY evaluation panel members cannot employ any scoring scheme which differs from the scoring scheme published in the ITT document. For example panel members must not introduce half marks where these do not exist within the published scoring scheme, and for which there is no published narrative.
- (d) All scores and notes made by the evaluation panel must be recorded in writing and used for reference if further moderation is required.
- (e) Section 2.9.4 of these rules advises on the need for moderation, and this is essentially to manage out subjectivity in an evaluation process. Where an evaluation contains an Interview / Presentation stage then quality scores attributed upto that point must be moderated in order to ensure that any decision taken to invite a shortlist of bidders to Interview / Presentation is based on correct and accurate scoring.
- (f) Where an Interview / Presentation stage is employed within an evaluation then officers must seek to manage this stage incorporating the following advice:
 - i) Should a Presentation be required from a shortlist of invited bidders, then all shortlisted bidders must equally be informed, ahead of the Presentation, via the Council's electronic opportunities portal, of:

- the theme that the bidder must base their presentation on (and this must be relevant to the subject of the procurement).
- the time limit applied to the Presentation
- ii) Where Interview questions are to be asked then all shortlisted bidders must equally be informed, ahead of the Interview session, via the Council's electronic opportunities portal:
 - the number of questions that will be asked
 - the marks that will be allocated to each question

However bidders invited to an Interview session must **NOT** be informed, ahead of the session, of the content of the questions to be asked as this will simply result in pre-refined question responses which will make it difficult to distinguish the bidders.
- iii) Comprehensive notes of all Interview / Presentation Sessions must be recorded and fed into the evaluation matrix as these will be required to support the scoring allocated, and enable feedback to be given to unsuccessful bidders.

2.9.4 Moderation

- (a) The Evaluation Panel will discuss their individual scores and must reach agreement on a moderated panel score and justifying comments.
- (b) Any moderated scores and applicable justifying comments must be recorded in the Evaluation Matrix accompanying the procurement.
- (c) All notes may be the subject of information requests or legal challenge against award of a contract. It is crucial that accurate notes justifying awarded scores are maintained throughout and relate solely to the relevant award criteria.

2.9.5 Post Tender Clarification

- (a) Post Tender Clarification is to be requested and returned via the Council's electronic opportunities portal. Importantly, post tender clarification may only be sought in relation to an element of the bidder's submission that has been provided, and which needs further understanding.

Post Tender Clarification however cannot be used to seek from the bidder some element of the submission which has been omitted, and as such seeking provision of such omission would provide the bidder with an unfair advantage.

- (b) Evaluation scores can only be amended where specific clarification has been requested relating to the award criteria.
- (c) All clarification questions and returns must be noted and any amended scores which result from clarification are to be updated in the Evaluation Matrix.

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2.9.6 Best and Final Offer (BAFO)

Officers are informed that in respect of procurements exceeding the applicable EU Spend Threshold, there is NO provision within the Public Contracts Regulations for a BAFO stage to be employed in any procurement procedure other than the much specialised Competitive Dialogue Procedure.

2.10 Method of Acceptance of Tender

2.10.1 Tenders may be accepted by the relevant Officer to who delegated authority to approve a contract award was sought in a related pre-procurement report provided that all of the following apply:-

- (i) In the case of an Open procedure, bids have been sought from the marketplace as a whole. Or, in the case of a restricted procedure, where possible, five or more tenders have been invited following a selection stage, in accordance with contracts procedure rules

- (ii) the tender proposed to be accepted is either:
 - the highest score if Cost and Quality in line with MEAT principles have been stated as the basis for award, or

 - the Lowest Cost if Cost has been stated as the basis for award where a published minimum specification is met

 - The Highest Quality if Quality has been stated as the basis for award where the bid meets the fixed cost that the Council has set.

2.10.2 There may be instances where due to the dynamics of a marketplace, or the specifics of the Council's requirements, only 1 tender bid is received. The Council is able to consider a single bid however Officers will naturally be concerned as to maintaining a competitive position for the Council where there is an apparent lack of competition within a marketplace. In support of this there is provision within the 2015 Public Contracts Regulations that allow an EU Procurement to be switched to a Negotiated Procedure in certain circumstances. Regulation 32 (the link to which is detailed below) sets out the circumstances under which this process variation can be employed, but importantly the regulation includes the ability to switch to a Negotiation where '*Competition is absent for technical reasons*'

The Public Contracts Regulations 2015 - Regulation 32

Where an Officer proposes to utilise the provisions under Regulation 32, and vary the procurement process, then a report will need to be taken to the level to which Pre Procurement Approval was originally secured, in order to gain further approval to the process variation.

Any subsequent Negotiation which takes place must be carried out in writing via the Council's electronic opportunities portal.

2.10.3 Where an officer proposes to reject a tender despite meeting the stated criteria officers must seek Head of Service Approval following advice from CPU

2.11 Errors in Tenders

2.11.1 If before the date of entry into a contract it is discovered that an error has been made in the tender it shall be dealt with as follows:-

(a) Building Contracts – in accordance with the National Building Specification (NBS) Guide, Alternative 1 or Alternative 2.

(b) Other Contracts – the Tenderer must be given the opportunity of confirming the offer or of amending it to correct genuine and obvious arithmetical errors.

Clarification surrounding such errors shall be sought in writing via the Messaging facility within the Council's Electronic Opportunities Portal

Should a bidder, in amending an arithmetical error, reflect a change in the bid that directly relates to the determined award criteria, then the bid must be re-scored as necessary. If a bidder opts to formally withdraw a bid altogether then it shall receive no further consideration

The above action by the relevant Head of Service in consultation with the Head of Commissioning Support & Business Intelligence shall take place before the date of entry into a contract.

2.12 Indemnity and Health & Safety

2.12.1 Every contract shall contain clauses

(i) requiring the contractor to observe and perform in relation to the work to be carried out under the contract the requirements of the Health & Safety at Work etc. Act 1974 or of any Regulations or Codes of Practice made under the authority of that Act and to comply with any lawful requirements of the Health and Safety Executive in relation to such work; and there shall be reserved to any duly authorised Officer of the Council the right of access to the site for the purpose of ensuring compliance with the requirements of this Clause

(ii) that have regard to Sustainability and to the requirements of the Equality Act 2010.

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2.12.2 In every contract the contractor shall be required to indemnify the Council against:

(i) any claim which may be made in respect of Employers' Liability against the Council or the contractor by any workmen employed by the contractor or any sub-contractor in the execution of the works or the provision of supplies and services;

(ii) any claim for Public Liability, i.e. for bodily injury, or damage to, property of third parties;

(iii) any claim which may be made under the Health and Safety at Work etc. Act, 1974 (HASWA) against the Council or the contractor/sub-contractor unless such claim is substantially due to the neglect of the Council or any of its Officers; and the contractor shall when required by the Head of Service and Head of Regulation and Compliance produce satisfactory evidence that it is insured against any such claims.

Levels of indemnity cover, must be considered for topics such as Employers Liability, Public Liability, and Professional Indemnity as appropriate to the topic in question

The responsibility rests with the client officer, to assess the risk surrounding the prospective procurement and settle upon levels of indemnity appropriate and proportional to the requirement. Where required, guidance in respect of Indemnity and assessing risk must be sought from relevant officers of the Council (i.e. Insurance, Health & Safety, Legal).

Where the appropriate levels of indemnity are determined through risk assessment supported by appropriate guidance from specialist officers, bidders through a procurement process must confirm that such indemnity will be in place must a contract be awarded.

2.13 Funding Availability

Officers are advised that Contract conditions must state:

“The price agreed for the contract is subject to the ongoing availability of sufficient funding. In the event that during the contract period the Council does not have sufficient funds to cover the price of the contract the Contractor will develop and agree a contract variation with the Commissioner / Procurer such that the contract price remains within the funding available.

In the event that agreement cannot be reached the dispute resolution procedure set out within the contract will be followed.”

2.14 Transfer of Undertakings (Protection of Employment) TUPE Regulations 2006

2.14.1 The Regulations apply to a business transfer but more regularly within the Authority it applies to service provision changes. This means that Officers commissioning / procuring Services must be aware of the impact of the TUPE Regulations. The Regulations impose a number of obligations on relevant parties and a failure to address the demands of TUPE could result in significant penalties, decisions and awards being made against the Authority which we clearly want to avoid. An outsourcing will likely carry TUPE implications and even if TUPE is deemed not to apply the potential implications must be considered as early as possible.

Another purpose of the Regulations is to ensure that in a situation where contractual delivery of a service is moving from one provider to another, i.e. by way of a procurement exercise, then affected workers' employment rights and entitlements are protected. This can include pension rights. In such circumstances the Authority may be deemed to be the client however the Council must be aware of the potential implications and requirements of the legislation and acknowledge these appropriately within Tender/outsourcing documentation and contracts.

The Council's Procurement and Legal teams and HR must be consulted in order to fully understand any potential impact on a procurement in order to protect the Council's position and address TUPE in writing, where appropriate.

Additionally clauses within any contract where TUPE is likely to apply must be included relating to ensuring that the Council can request staffing information at any point throughout the duration of the contract.

2.14.2 Pensions issues when transferring out staff

This is a high-level summary of the pensions issues that Sefton MBC must consider when looking to outsource a function where that outsource may potentially involve a TUPE transfer of staff and where those staff are / or may be members of the Local Government Pension Scheme ("LGPS").

There is an obligation placed upon employers to ensure that current LGPS members retain the right to continue to pay into the LGPS, and eligible members retain the right to join.

This is very likely to be an issue where a service of function is outsourced for the first time from Sefton MBC to a new service provider (a first generation transfer). However, it can and does regularly arise where there is a subsequent transfer from one service provider to another (a second, third or subsequent generation transfer).

For the avoidance of doubt this issue will only arise where both of the following elements are present:

1. employees are in line to transfer from Sefton MBC or from an existing

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service provider to a new service provider; and

2. some or all of those employees are either current LGPS members or are eligible to join LGPS.

If the above elements are present, advice should be taken from Sefton HR and / or Sefton Legal Services in relation to these issues before the procurement process commences.

This is because these issues will need to be dealt with in either the Advance Request For Quotation or the Invitation To Tender.

There are various obligations and implications that must be considered and these can be addressed in part in the contractual documentation.

New contractors will need to consider, amongst other things, the following:

- They are likely to be required to enter into an admission agreement whereby the new contractor becomes an admitted body (a type of Scheme Employer). The other parties to this agreement must be the Administering Authority (Merseyside Pension Fund) and the Scheme Employer (Sefton MBC).
- They will need to know what obligations and responsibilities are placed upon them when they become an admitted body. They must know this before they submit a proposal as this can have significant costs and implications for them. For example:
- they will need to know the level of employer pension contributions they will be required to pay, and this will depend on the demographic of the transferring members and the number, but certainly anything in the region of 23% plus of payroll can be expected;
- there may be the requirement for a bond to be put in place to cover certain associated risks to the LGPS; and
- there is likely to be a requirement to obtain an actuarial valuation in relation to the affected employees and they will need to budget for this and build this into their timeframes.

It is unwise to assume that the potential new contractors understand the risks and it is worthwhile verifying that this is the case. It is not likely to be in Sefton's MBC's best interests or those of either the new contractor or the affected employees to rely on the ignorance of a potential contractor. It is important that both parties have understood the risks involved so that no unexpected issues arise during, or at the end of, the contract term.

PART 3: CONTRACTS UP TO BUT NOT EXCEEDING THE EUROPEAN UNION SPEND THRESHOLDS

3.1 Competition Requirements

3.1.1 European Union spend thresholds (for the whole value of the contract including any optional periods) are as follows:-

a) Supplies / Services -	£181,302.00
b) Works -	£4,551,413.00
c) Social and Other Specific Services -	£615,278.00

Note: Spend threshold figures correct as at January 2018, but subject to ongoing change, ordinarily on a two year cycle.

'Works' means any of the activities specified in schedule 2 of the Public Contracts Regulations 2015 'Social and Other Specific Services' are as defined in Schedule 3 of the Public Contracts Regulations 2015

The contents of schedules 2 and 3 of the Regulations can be viewed here:-

2015 Public Contracts Regulations

In order to determine a suitable procurement approach to a specific market, officers may first choose to carry out non-committal soft market testing in order to appreciate the level of interest, and numbers of providers that exist in a particular market. This must be conducted in a way that competition isn't distorted. If a Procurement process is then required, a level playing field between bidders MUST be maintained.

Where the estimated cost of any supplies, works or services to be ordered on behalf of the Council is less than the applicable European Union Spend Threshold shown above then proposals shall be invited as outlined below:

(a) Less than £20000: proof of two written quotations is necessary in order to satisfy that best value is achieved. This responsibility rests with the Client Officer, NOT Officers of the Procurement Unit

(b) Between £20000 and the applicable EU Spend Threshold: a procurement risk assessment must be submitted to the Procurement team, which will determine the route to market, subject to a minimum of three electronic invitations via the Council's electronic opportunities portal

(c) In the case of procurement relating to "commercial activities", as defined within the Council's Financial Procedure Rules, for all contract values up to but not exceeding the European Union spend thresholds, appropriate procurement processes shall be undertaken, with guidance and oversight from the Council's Investment Board..

NOTES :

To comply with national transparency requirements, all contracts above £5000 will need to be recorded on the Council's Contract Register. Where the Client Officer / Procurement Officer opts to publish a Request For Quotation opportunity openly, and

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where that opportunity is valued at £25,000 or more, then in addition to being managed on the Council's Electronic Opportunities Portal, this must also be advertised on the Government's 'Contracts Finder' Facility. Officers of the Procurement Unit will assist with this task.

Officers are reminded that the use of a Selection Questionnaire in order to narrow a marketplace in a below EU spend threshold exercise is **forbidden** under the 2015 Public Contracts Regulations

3.2 Evaluation of Quotations

3.2.1 Evaluation and Award (for below EU spend threshold procurements)

(a) Quotations shall be evaluated and awarded on the basis of the value for money they offer to the Council in line with one of the following options:

Cost and Quality - in a ratio reflecting the risk and value of the contract

Lowest Cost. - where a detailed requirement specification is met as determined and documented in advance of Quotations being invited.

Highest Quality – where the budget that the Council is willing to commit is published to bidders and bidders are assessed on the quality that they can offer for that budget

(b) Quotations shall be evaluated and awarded in accordance with the criteria and weightings set out in the Procurement Documentation and must not be changed at any time during the process.

Should the Cost element of a quotation evaluation involve a Cost Model, Basket of Goods, or Basket of Works, then consideration must be given, ahead of commencing the procurement exercise, to publishing that detail within the procurement document. Where it is felt inappropriate to publish the detail then officers must consider lodging that detail with the Legal team for the duration of the bidding period and only access the detail once the bidding period has closed.

Where a Cost Model, Basket of Goods or Basket of Works is employed in the Cost Element of an Evaluation, the content **MUST NOT** be changed once bids are received.

3.2.2 Evaluation Panel

(a) Evaluation Panels must be established prior to the issue of the Quotation documents, to ensure that they are engaged with the process and understand the evaluation criteria and weightings.

(b) Evaluation Panels for procurements based on a mix of Cost and Quality must include representation from the client department/key Stakeholders, and must consist of a minimum of two operational officers. Where the basis of evaluation is Cost only then the Procurement Officer can be one of the evaluators.

(c) Where an Interview / Presentation session has been planned into an evaluation, the evaluation panel members must be consistent with the panel members that have undertaken other elements of the evaluation. Ahead of any Interview / Presentation session, evaluation panel members must ensure that they are familiar with the content of the Quotations of the bidders invited to that session.

3.2.3 Evaluation Matrix

(a) The Evaluation Matrix will consist of defined evaluation criteria and weightings. Marks and scores must be brought through from the Quotation document to reflect what is material to the award of a particular contract.

(b) criteria shall have a number of marks allocated to signify to bidders the relative importance of each criterion.

(c) Scores – All bids must be scored consistently against a scoring model which must be included in the Quotation document.

(d) All scores and notes made by the evaluation panel must be recorded in writing and used for reference if further moderation is required. Individual Panel Member's scores and associated notes along with moderated evaluation panel scores and final justifying notes must be uploaded to the Council's electronic opportunities portal.

(e) Section 3.2.4 of these rules advises on the need for moderation, and this is essentially to manage out subjectivity in an evaluation process. Where an evaluation contains an Interview / Presentation stage then quality scores attributed up to that point must be moderated in order to ensure that any decision taken to invite a shortlist of bidders to Interview / Presentation is based on correct and accurate scoring.

(f) Where an Interview / Presentation stage is employed within an evaluation then officers must seek to manage this stage incorporating the following advice:

- i) Should a Presentation be required from a shortlist of invited bidders, then all shortlisted bidders must equally be informed, ahead of the Presentation, via the Council's electronic opportunities portal, of:
 - the theme that the bidder must base their presentation on (and this must be relevant to the subject of the procurement).
 - the time limit applied to the Presentation
- ii) Where Interview questions are to be asked then all shortlisted bidders must equally be informed, ahead of the Interview session, via the Council's electronic opportunities portal:
 - the number of questions that will be asked
 - the marks that will be allocated to each question

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However bidders Invited to an Interview session must NOT be informed, ahead of the session, of the content of the questions to be asked as this will simply result in pre-refined question responses which will make it difficult to distinguish the bidders.

- iii) Comprehensive notes of all Interview / Presentation Sessions must be recorded and fed into the evaluation matrix as these will be required to support the scoring allocated, and enable feedback to be given to unsuccessful bidders.

3.2.4 Moderation

- (a) The Evaluation Panel will discuss their individual scores and must reach agreement on a moderated panel score and justifying comments.
- (b) Any moderated scores and applicable justifying comments must be recorded in the Evaluation Matrix accompanying the procurement.
- (c) All notes may be the subject of information requests or legal challenge against award of a contract. It is crucial that accurate notes justifying awarded scores are maintained throughout and relate solely to the relevant award criteria.

3.2.5 Post Quotation Clarification

- (a) Post Quotation Clarification is to be requested and returned via the Council's electronic opportunities portal. Importantly, post quotation clarification may only be sought in relation to an element of the bidder's submission that has been provided, and which needs further understanding.

Post Quotation Clarification however cannot be used to seek from the bidder some element of the submission which has been omitted, and as such seeking provision of such omission would provide the bidder with an unfair advantage.

- (b) Evaluation scores can only be amended where specific clarification has been requested relating to the award criteria.
- (c) All clarification questions and returns must be noted and any amended scores which result from clarification are to be updated in the Evaluation Matrix.

3.2.6 Best and Final Offer (BAFO)

For below-EU Spend Threshold procurements only, these Contracts Procedure Rules facilitate officers employing a BAFO stage within a procurement exercise.

The purpose of the BAFO stage, is to enable the Commissioning / Procuring Officer to afford an opportunity to all bidders in a procurement exercise, that have not failed any pass/fail element of the evaluation, a final opportunity to improve their overall

offer to the Council. This should enable the Council to seek best value.

The BAFO stage must be conducted through the Council's electronic opportunities portal, it must be provided to all 'compliant' bidders equally (i.e. those bidders that have passed all pass/fail elements of the evaluation), and must set a deadline for submission of BAFO's, to be returned via the Council's electronic opportunities portal.

Upon receipt of any number of BAFO's within a below-EU procurement exercise the Commissioning / Procuring officer will examine the contents of each BAFO.

A BAFO can be an improvement of any element of the bidder's 'offer' i.e. it may contain, for example;

- i) A lower Cost
- ii) An improvement in the quality offering
- iii) A value added element (such as an extended warranty on supplies)

Or any combination of these.

Where a BAFO is submitted Commissioning / Procuring officers must ensure that any improvements in a bidder's offer are reflected in the applicable evaluation matrix, rescoring bidder's submissions only where appropriate.

The following illustration summarises Procurement Process that these Contracts Procedure Rules detail

What level of Procurement Activity is required in respect of Contract Value?

(Officers must ensure that you read and understand The Contract Procedure Rules and do not simply refer to this illustration alone)

£1 to £20000	£20001 to EU Spend Threshold	Above EU Spend Threshold
<p>Proof of 2 Written Quotations</p> <p>Client Officer Responsibility</p>	<p>Electronic Opportunities Portal</p> <p>Minimum of 3 electronic invitations</p> <p>Best and Final Offer (BAFO)</p> <p>Procurement Team</p> <p>Risk Based Request for Quotation</p>	<p>Electronic Opportunities Portal</p> <p>In line with Public Contract Regulations</p> <p>Procurement Team</p> <p>Formal Tender Exercise</p>

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Report to:	Licensing and Regulatory Committee Council	Date of Meeting:	Monday 25 June 2018 Thursday 19 July 2018
Subject:	Final draft revised Statement of Gambling Licensing Policy – Gambling Act 2005		
Report of:	Head of Regulation and Compliance	Wards Affected:	(All Wards);
Portfolio:			
Is this a Key Decision:	No	Included in Forward Plan:	No
Exempt / Confidential Report:	No		

Summary:

To seek Members' comments on the final draft revised Statement of Gambling Licensing Policy and to then refer to Council for approval.

Recommendations:

That the Licensing and Regulatory Committee:

- i) Consider and agree the final draft of the revised Statement of Gambling Licensing Policy, attached at Annex 2; and,
- ii) Refer the agreed revised Statement of Gambling Licensing Policy to Council for approval.

That Council:

- i) Approve the revised Statement of Gambling Licensing Policy, attached at Annex 2.

Reasons for the Recommendations:

To enable the timely review of the Statement of Gambling Licensing Policy.

Alternative Options Considered and Rejected: (including any Risk Implications)

None

What will it cost and how will it be financed?

(A) Revenue Costs

There are no financial costs associated with the proposals in this report

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(B) Capital Costs

There are no financial costs associated with the proposals in this report

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets): None
Legal Implications: None
Equality Implications: There are no equality implications.

Contribution to the Council's Core Purpose:

Protect the most vulnerable: Yes
Facilitate confident and resilient communities:
Commission, broker and provide core services: Yes
Place – leadership and influencer:
Drivers of change and reform:
Facilitate sustainable economic prosperity:
Greater income for social investment:
Cleaner Greener

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources has been consulted and notes the report indicates no direct financial implications for the Council. (FD 5169 /18).

Head of Regulation and Compliance has been consulted and any comments have been incorporated into the report. (LD 4393/18).

(B) External Consultations

Consultation exercise took place between 5 February 2018 and 2 April 2018

Implementation Date for the Decision

Immediately following the Committee meeting.

Contact Officer:	Kevin Coady
Telephone Number:	Tel: 0151 934 2946
Email Address:	kevin.coady@sefton.gov.uk

Appendices:

Annex 1 – Responses received to consultation exercise.

Annex 2 – Final draft revised Statement of Gambling Licensing Policy.

Background Papers:

There are no background papers available for inspection.

1. Background

- 1.1 Members will recall that Section 349 of the Gambling Act 2005 (“the GA05”) requires that all licensing authorities prepare and publish a statement of the principles that they propose to apply in exercising their functions under the GA05 during the three-year period to which the policy applies. A licensing policy statement will last for a maximum of three years, but can be reviewed and revised by an authority at any time.
- 1.2 The existing Policy has been kept under review since coming into force on 31 January 2016, no revision has been deemed necessary to date. The Policy will require revising during 2018 in order for it to take effect from 31 January 2019 (when the new three year cycle will commence).
- 1.3 Section 349 (3) of the GA05 requires that the Licensing Authority consult the following on the Policy (or any subsequent revision):
 - The chief officer of police for the Authority's area;
 - One or more persons who appear to the Authority to represent the interests of persons carrying on gambling businesses in the Authority's area; and,
 - One or more persons who appear to the Authority to represent the interests of persons who are likely to be affected by the exercise of the Authority's functions under this Act.
- 1.4 The views of the above have to be given appropriate weight when the Policy is being determined.
- 1.5 In addition to the above, the Authority must also have regard to Guidance issued under Section 25 of the GA05 by the Gambling Commission.

2.0 Consultation process

- 2.1 The consultation took place between 5 February 2018 to 2 April 2018.

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2.2 The consultation consisted of:

- i) Publishing the draft revision, a list of the alterations made, a consultation response proforma and general information on the Sefton Council Website (www.sefton.gov.uk) and via Sefton Council's Consultation Finder (www.engagespace.co.uk/sefton);
- ii) News items placed on the Sefton Twitter account and the Sefton Facebook page;
- iii) Placing copies of the draft revision, and the list of the alterations made, in local libraries; and,
- iv) Through press releases to all local press agencies.

2.3 In addition to the general consultation/awareness raising referred to above specific consultations also took place where a letter, copy of the changes proposed and copy of revised Policy were forwarded for comment to:

Merseyside Police, the Gambling Commission; local fire and rescue authority; Sefton Council Planning; Sefton Council Environmental Health & Licensing Section; Sefton Council Safeguarding Children's Unit; HM Revenue and Customs; National Casino Forum; British Amusement Catering Trade Association (BACTA); the Bingo Association; National Association of Bookmakers; Association of British Bookmakers Ltd (ABB); Hospice Lotteries Association; the Lotteries Council; the British Association of Leisure Parks; Piers and Attractions Limited (BALPPA); the Racecourse Association Limited; the British Beer and Pub Association; Gamcare, Sefton Chamber of Commerce; the Southport BID Team; all Borough Councillors; Sefton Members of Parliament and all Parish Council Clerks.

2.4 A full list of responses to the consultation exercise, together with the officer appraisal of those responses, is provided at Annex 1 to this report.

3.0 Further revisions made to Policy

3.1 As a result of the consultation further amendments have been made to the Policy, these being additional to those outlined within the Report to Members on 8 January 2018, and these are indicated below.

3.2 Paragraph 1.3, first sentence redrafted to now read:

The three licensing objectives which guide the way that the Licensing Authorities perform their functions and the way that gambling businesses carry on their activities, are:

3.3 Paragraph 1.12 Sefton population amended to 274,853 to reflect 2016 census.

3.4 Paragraph 1.13, the following added to the end of the second bullet point:

Southport Business Improvement District, the Council, Merseyside Police, Pubwatch, Light for Life and Street Pastors have been successful in applying for Purple Flag status.

3.5 Paragraph 1.14 *Unitary Plan* changed to *Local Plan*.

- 3.6 Paragraph 2.13, last two sentences removed; to now read:

Demand issues cannot be considered with regard to the location of premises but considerations in terms of the licensing objectives can (see Section 3.0). The Authority will pay particular attention to the protection of children and vulnerable persons from being harmed or exploited by gambling, as well as issues of crime and disorder. For example, the Authority would have regard to the proximity of the premises to schools, vulnerable adult centres or residential areas where there may be a high concentration of families and children.

- 3.7 Paragraph 3.1, first sentence redrafted to now read:

In carrying out its licensing functions the Authority will be guided by the Gambling Licensing Objectives which are:

- 3.8 Paragraph 3.14, re-drafted to specify what types of premises should seek advice:

In recent years there has been an increasing awareness of the problems in society generally connected with Child Sexual Exploitation. It is this Authority's opinion that Child Safeguarding is everyone's responsibility and that gambling premises should be vigilant in this regard. Operators whose premises are allowed to admit under 18s should have in place appropriate child safeguarding measures and should seek the advice of the Council's Safeguarding Children's Unit in this respect.

- 3.9 A copy of the Final Draft of the Policy is to be found within Annex 2.

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Ref	Respondent	Comments	Appraisal	Response
001	Sgt Craig Carmichael Merseyside Police Central Licensing	No observations to make	N/A	N/A
002	Mr Richard Taylor, Gosschalks Solicitors. On behalf of the association of British Bookmakers	<p>Overall the ABB welcomes the light touch approach to the Gambling Licensing Policy.</p> <p>State that it is the Gambling Commission's role to "promote" the gambling licensing objectives rather than the Authority. Suggest that reference to "promote" be removed.</p> <p>Paragraph 2.13 should be redrafted as penultimate sentence suggests the Authority may pre-determine an area/areas where gambling premises should not be located.</p> <p>Paragraph 3.14 should be redrafted to indicate that only those premises allowing under 18s entrance need to seek CSE advice.</p>	<p>N/A</p> <p>Agree that appropriate to redraft</p> <p>Agree that this could be construed as unlawful as the Act requires the Authority to "aim to permit".</p> <p>Agree that it would not be appropriate for those premises who cannot allow under 18s entrance to seek such advice.</p>	<p>N/A</p> <p>Paragraphs 1.3 and 3.1 redrafted.</p> <p>Paragraph redrafted.</p> <p>Paragraph redrafted.</p>

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SEFTON METROPOLITAN BOROUGH COUNCIL

GAMBLING ACT 2005

STATEMENT OF GAMBLING LICENSING POLICY

Draft Version 2

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ANNEXES

The following annexes do not form part of the approved Statement of Gambling Licensing Policy but are included to assist applicants in meeting the requirements of the licensing process.

Annex 1 - Map of Sefton

Annex 2 - Responsible Authorities

Annex 3 - Gaming Machine Definition Tables

1.0 GENERAL STATEMENT

- 1.1 Sefton Metropolitan Borough Council (the Council) is the Licensing Authority (the Authority), under the Gambling Act 2005 (the Act), responsible for granting Premises Licences, issuing certain Permits and Provisional Statements, receiving and endorsing Temporary Use Notices, receiving Occasional Use Notices and registering Small Lotteries under the Act.
- 1.2 Section 349 of the Act requires that all Licensing Authorities prepare and publish a statement of the principles that they propose to apply in exercising their functions under the Act during the period to which the policy applies.
- 1.3 The three licensing objectives which guide the way that the Licensing Authorities perform their functions and the way that gambling businesses carry on their activities, are:
- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;
 - Ensuring that gambling is conducted in a fair and open way; and
 - Protecting children and other vulnerable persons from being harmed or exploited by gambling.

See Section 3.0 for more information.

- 1.4 In producing this policy statement, the Authority declares that it has had regard to the licensing objectives of the Gambling Act 2005, the guidance to Licensing Authorities issued by the Gambling Commission, and any responses from those consulted on the statement.
- 1.5 The Act requires that the following parties are consulted by Licensing Authorities:
- The Chief Officer of Police
 - One or more persons who appear to the Authority to represent the interests of persons carrying on gambling businesses in the Authority's area
 - One or more persons who appear to the Authority to represent the interests of persons who are likely to be affected by the exercise of the Authority's functions under the Act

- 1.6 The list of the persons consulted by this Authority is as below:

Merseyside Police, the Gambling Commission; local fire and rescue authority; Sefton Council Planning; Sefton Council Environmental Health & Licensing Section; Sefton Council Safeguarding Children's Unit; HM Revenue and Customs; National Casino Forum; British Amusement Catering Trade Association (BACTA); the Bingo Association; National Association of Bookmakers; Association of British Bookmakers Ltd (ABB); Hospice Lotteries Association; the Lotteries Council; the British Association of Leisure Parks; Piers and Attractions Limited (BALPPA); the Racecourse Association Limited; the British Beer and Pub Association; Gamcare, Sefton Chamber of Commerce; the Southport BID Team; all Borough Councillors; Sefton Members of Parliament and all Parish Council Clerks.

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Residents' comments were also invited by:

- i) Publishing the draft revision, a list of the alterations made, a consultation response proforma and general information on the Sefton Council Website (www.sefton.gov.uk) and via Sefton Council's Consultation Finder (www.engagespace.co.uk/sefton).
- ii) News items on placed on the Sefton Twitter account and the Sefton Facebook page;
- iii) Placing copies of the draft revision, and the list of the alterations made, in local libraries; and,
- iv) Press releases to all local press agencies.

- 1.7 This policy statement sets out the general approach to the making of licensing decisions. It does not prevent any individual from making any application, under the terms of the Act, and having that application considered on its individual merits. Nor does it override the right of any person to make representations on an application nor to seek a review of a licence where the Act allows them to do so.
- 1.8 Unmet demand is not a criterion for a licensing authority in considering an application for a Premises Licence under the Act. As a result each application will be considered on its merits without regard to demand.
- 1.9 This policy statement will be subject to a periodic review every three years. Between those periodic reviews it may also be subject to ongoing reviews, particularly where feedback indicates that the Licensing Objectives are not being met.

Sefton

- 1.10 Sefton is one of the six Metropolitan Boroughs that make up Merseyside. It lies in the northern part of the Liverpool City Region with which it shares close economic, social, cultural and transport links and stretches 22 miles north from Bootle to Southport. It also has important links to Preston and West Lancashire. Sefton adjoins the City of Liverpool to the south, the borough of Knowsley to the south-east, and the largely rural West Lancashire elsewhere. The location of Sefton is shown by the map provided at Annex 1.
- 1.11 Sefton is an area of great contrasts with beautiful coastlines, rural landscapes and industrial/commercial areas; working docklands, commuter towns and a busy seaside resort; areas of great affluence but also some of the most deprived communities in England and Wales. Sefton has a number of famous features that help make it distinctive. These include the resort of Southport, an outstanding natural coast, the home of the Grand National at Aintree, England's 'golf coast' including Royal Birkdale, and Antony Gormley's 'Iron Men' sculptures on Crosby beach with most of the Port of Liverpool being situated in the south of the Borough.
- 1.12 Sefton has a resident population of 274,853 (2016 census) and has a high proportion of retired people, widowed people and long term unemployed when compared with the rest of England and Wales.

1.13 The main centres of population are the urban and suburban areas of Bootle, Crosby, Maghull, Formby and Southport.

- Bootle is an area of mainly Victorian terraced properties, with busy working docklands and a mixture of retail and office developments at its centre. In recent years, much of the area was designated as part of the Merseyside 'Housing Market Renewal Area'. The initiative has begun to change the housing quality, type and tenure available, mainly through demolition of low-demand homes and clearance of low grade or vacant industrial sites and rebuilding of new homes.
- Southport at the north of the Borough has a traditional, quality image, borne out of its Victorian and Edwardian architectural and landscape grandeur. This heritage has led to Southport being described as a 'classic resort'. This, coupled with family attractions and recent growth in 'eco-tourism', has enabled it to endure changing holiday patterns. There has been significant investment in the town centre and Seafront in recent years, but both its leisure and retail areas continue to need to be revitalised. Southport Business Improvement District, the Council, Merseyside Police, Pubwatch, Light for Life and Street Pastors have been successful in applying for Purple Flag status.
- Formby, Crosby and Maghull are largely residential with a smaller number of commercial premises, there are therefore relatively few employment areas here. These are however distinctive settlements in their own right, and all function as commuter settlements for the Liverpool City Region.

1.14 The Local Plan for Sefton will allow development in town centre areas as long as it does not cause significant harm to amenity, would not result in grouping of similar uses which would harm the character of the area or harm residential amenity. Planners may use conditions to restrict opening hours.

2.0 SCOPE

2.1 Licensing authorities are required to undertake various regulatory functions in relation to a number of gambling activities. They are required to:

- Be responsible for the licensing of premises where gambling activities are to take place by issuing *Premises Licences*.
- Issue *Provisional Statements*.
- Regulate *members' clubs and miners' welfare institutes* who wish to undertake certain gaming activities via issuing Club Gaming Permits and/or Club Machine Permits.
- Issue *Club Machine Permits to Commercial Clubs*.
- Grant permits for the use of certain lower stake gaming machines at *unlicensed Family Entertainment Centres*.
- Receive notifications from alcohol licensed premises (under the Licensing Act 2003) for the use of two or fewer gaming machines.
- Issue *Licensed Premises Gaming Machine Permits* for premises licensed to sell/supply alcohol for consumption on the licensed premises, under the Licensing Act 2003, where there are more than two machines.

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- Register *small society lotteries* below prescribed thresholds.
- Issue *Prize Gaming Permits*.
- Receive and Endorse *Temporary Use Notices*.
- Receive *Occasional Use Notices*.
- Provide information to the Gambling Commission regarding details of licences issued (see Section 7.0 regarding 'information protocols').
- Maintain registers of the permits and licences that are issued under these functions.

2.2 It should be noted that local licensing authorities are not involved in licensing remote gambling at all. This falls to the Commission via Operating Licences.

Premises Licence

2.3 A Premises Licence is required for any premises where it is intended to provide gambling facilities.

2.4 The types of Licence available are as follows:

- Casino Premises Licence
- Bingo Premises Licence
- Adult Gaming Centre Premises Licence (enabling the provision of category B3, B4, C and D machines)
- Family Entertainment Centre Premises Licence (enabling the provision of category C and D machines)
- Betting Premises Licence (enabling the provision of facilities for betting, by making or accepting bets or by acting as a betting intermediary)

2.5 An application for a Premises Licence may only be made by persons (which includes companies or partnerships):

- Who have the right to occupy the premises;
- Who have an Operating Licence which allows him/her to carry out the proposed activity, or have applied for an Operating Licence (except in the circumstances outlined in Paragraph 2.9, the Premises Licence may only be issued once the Operating Licence has been issued by the Commission); and

2.6 An applicant for a Premises Licence must be over the age of 18.

2.7 The Authority is aware that, as per Section 153, in making decisions about Premises Licences it should aim to permit the use of premises for gambling in so far as it thinks it is:

- In accordance with any relevant code of practice issued by the Gambling Commission;
- In accordance with any relevant guidance issued by the Gambling Commission;
- Reasonably consistent with the licensing objectives; and
- In accordance with the licensing authority's statement of policy.

- 2.8 In determining applications the licensing authority has a duty to take into consideration all relevant matters and not to take into consideration any irrelevant matters, in effect those not related to gambling and the licensing objectives. One example of an irrelevant matter would be the likelihood of the applicant obtaining planning permission or building regulations approval for their proposal. The Authority will therefore seek to avoid any duplication with other statutory / regulatory systems where possible, including planning. The Authority will not consider whether a licence application is likely to be awarded planning or building consent, in its consideration of it. However, the Authority will listen to, and consider carefully, any concerns about conditions that can not be met by Licence Holders due to planning restrictions, should such a situation arise.
- 2.9 Except in the case of Tracks (where the occupier may not be the person offering gambling), Premises Licences will only be issued to people with the relevant Operating Licences issued by the Commission.

Definition of “premises”

- 2.10 Premises is defined in the Act as “any place”. Different Premises Licences cannot apply in respect of a single premises at different times. However, it is possible for a single building to be subject to more than one Premises Licence, provided they are for different parts of the building and the different parts can be reasonably regarded as being different premises. Whether different parts of a building can be properly regarded as being separate premises will always be a question of fact in the circumstances. However, the Commission does not consider that areas of a building that are artificially or temporarily separate can be properly regarded as different premises.
- 2.11 The Authority takes particular note of the Gambling Commission’s Guidance with regard to applications for multiple licences for a building, or those for a specific part of the building to be licensed. The Guidance indicates that the premises should be configured so that children are prohibited from participating in gambling, such that they are not invited to participate in, have accidental access to, or can closely observe gambling. Additionally entrances to and exits from parts of a building covered by one or more premises licences should be separate and identifiable so that the separation of different premises is not compromised and people do not ‘drift’ into a gambling area. In this context it should normally be possible to access the premises without going through another licensed premises or premises with a permit.
- 2.12 When considering applications where access to the licensed premises is through other premises (which themselves may be licensed or unlicensed), the Authority will consider, as per the Guidance, whether taken as a whole, the co-location of the licensed premises with other facilities may have the effect of creating an arrangement that otherwise would, or should, be prohibited under the Act.

Location

- 2.13 Demand issues cannot be considered with regard to the location of premises but considerations in terms of the licensing objectives can (see Section 3.0). The Authority will pay particular attention to the protection of children and vulnerable persons from

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being harmed or exploited by gambling, as well as issues of crime and disorder. For example, the Authority would have regard to the proximity of the premises to schools, vulnerable adult centres or residential areas where there may be a high concentration of families and children.

Premises “ready for gambling”

- 2.14 The Guidance states that a licence to use premises for gambling should only be issued in relation to premises that the licensing authority can be satisfied are going to be ready to be used for gambling in the reasonably near future, consistent with the scale of building or alterations required before the premises are brought into use.
- 2.15 If the construction of a premises is not yet complete, or if they need alteration, or if the applicant does not yet have a right to occupy them, then an application for a provisional statement should be made instead.
- 2.16 In deciding whether a premises licence can be granted where there are outstanding construction or alteration works at a premises, this authority will determine applications on their merits, applying a two stage consideration process:
- Firstly, whether the premises ought to be permitted to be used for gambling; and
 - Secondly, whether appropriate conditions can be put in place to cater for the situation that the premises are not yet in the state in which they ought to be before gambling takes place.
- 2.17 Applicants should note that this authority is entitled to decide that it is appropriate to grant a licence subject to conditions, but it is not obliged to grant such a licence.

Betting tracks

- 2.18 Tracks are different from other premises in that they may be subject to one or more Premises Licences, provided that each Licence relates to a specified area of the track.
- 2.19 The Authority will have particular regard to the protection of children and vulnerable persons from being harmed or exploited by gambling and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.
- 2.20 The Authority would expect Premises Licence applicants to demonstrate suitable measures to ensure that children do not have access to adult only gaming facilities. Children and young persons will be permitted to enter track areas on days when dog-racing and/or horse racing takes place, including areas where facilities for betting are provided, however, they must be prevented from entering areas where gaming machines (other than category D machines – see Annex 3 for Gaming Machine definitions) are provided.
- 2.21 The Authority notes that the Commission considers that it is disproportionate and unnecessary to insist that betting rules are displayed at each distinct betting location and that the rules should be made available at suitable central locations. We further note that the Commission indicates that the track premises licence holder should

make the necessary arrangements to ensure that betting rules are accessible to all customers, regardless of which area of the track they are in.

- 2.22 It is sometimes difficult to define the precise location of betting areas on tracks and the Authority notes that the precise location of where betting facilities are provided is not required to be shown on track plans, both by virtue of the fact that betting is permitted anywhere on the premises and because of the difficulties associated with pinpointing exact locations for some types of track.

Bingo premises

- 2.23 It is important that if children are allowed to enter premises licensed for bingo that they do not participate in gambling, other than category D machines. Where category C machines, or above, are available in the premises to which children are admitted, applicants will ensure that:

- All such machines are located in an area of the premises separate from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance;
- Only adults are admitted to this area where the machines are located;
- Access to the area where the machines are located is supervised;
- The area where the machines are located is arranged so that it can be observed by staff of the operator or the licence holder, and
- At the entrance to, and inside any such area there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.

- 2.24 Appropriate licence conditions, covering the above issues, may be imposed by the Authority.

- 2.25 In imposing any additional licence conditions the Authority will consider any Guidance issued by the Commission relating to the suitability and layout of bingo premises.

- 2.26 Further information on this type of Licence can be found on the Sefton Council website at www.sefton.gov.uk.

Self Service Betting Terminals

- 2.27 The Authority will take into account the size of the premises, the number of counter positions available for person-to-person transactions, and (as per the Commission's Guidance) the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the number/nature/circumstances of Self Service Betting Terminals an operator wants to offer.

Permits

- 2.28 Permits are required when premises provide a gambling facility but either the stakes and/or prizes are very low or gambling is not the main function of the premises. The permits regulate gambling and the use of gaming machines in a specific premises.

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2.29 The types of Permit available are as follows:

- Family Entertainment Centre Gaming Machine Permit
- Club Gaming Permit
- Club Machine Permit
- Licensed Premises Gaming Machine Permit
- Prize Gaming Permit

Family Entertainment Centre Gaming Machine Permit

2.30 The Act states that a licensing authority may prepare a statement of principles that they propose to consider in determining the suitability of an applicant for a permit, and/or considering applications, it need not (but may) have regard to the licensing objectives and shall have regard to any relevant guidance issued by the Commission under section 25. The Commission's Guidance indicates that in its policy statement a licensing authority may include a statement of principles that it proposes to apply when exercising its functions in considering applications for these type of permits.

2.31 The principles that this Authority intends to adopt will require the applicant to show that there are policies and procedures in place to protect children from harm. Harm in this context is not limited to harm from gambling but includes wider child protection considerations.

2.32 The efficiency of such policies and procedures will each be considered on their merits, however, they may include:

- CRB checks for staff
- Appropriate measures / training for staff as regards suspected truant school children on the premises
- Measures / training covering how staff would deal with unsupervised very young children being on the premises
- Children causing perceived problems on / around the premises.

2.33 In addition to the above, the Authority will also expect, as per Commission Guidance, that:

- Applicants demonstrate a full understanding of the maximum stakes and prizes of the gambling that is permissible in unlicensed FECs;
- The applicant has no relevant convictions (those that are set out in Schedule 7 of the Act); and
- Staff are trained to have a full understanding of the maximum stakes and prizes.

Club Gaming and Club Machine Permits

2.34 Members Clubs and Miners' welfare institutes (but not Commercial Clubs) may apply for a Club Gaming Permit or a Clubs Machine Permit. The Club Gaming Permit will enable the premises to provide gaming machines (3 machines of categories B, C or D), equal chance gaming and games of chance as set out in forthcoming regulations.

A Club Machine Permit will enable the premises to provide gaming machines (3 machines of categories B, C or D).

- 2.35 The Act states that Members clubs must have at least 25 members and be established and conducted “wholly or mainly” for purposes other than gaming, unless the gaming is restricted to bridge and whist. A members’ club must be permanent in nature, not be established to make commercial profit and be controlled by its members equally; there is no need for a club to have an alcohol licence. Examples include working men’s clubs, branches of Royal British Legion and clubs with political affiliations.
- 2.36 The Commission Guidance states that licensing authorities may only refuse an application on the grounds that:
- a) the applicant does not fulfil the requirements for a members’ or commercial club or miners’ welfare institute and therefore is not entitled to receive the type of permit for which it has applied
 - b) the applicant’s premises are used wholly or mainly by children and/or young persons
 - c) an offence under the Act or a breach of a permit has been committed by the applicant while providing gaming facilities
 - d) a permit held by the applicant has been cancelled in the previous ten years
 - e) an objection has been lodged by the Commission or the police.
- 2.37 There is also a ‘fast-track’ procedure available under the Act for premises which hold a Club Premises Certificate under the Licensing Act 2003 (Schedule 12 paragraph 10). Under the fast-track procedure there is no opportunity for objections to be made by the Commission or the police, and the grounds upon which the Authority can refuse a permit are reduced; those grounds being:
- (a) that the club is established primarily for gaming, other than gaming prescribed under schedule 12;
 - (b) that in addition to the prescribed gaming, the applicant provides facilities for other gaming; or
 - (c) that a club gaming permit or club machine permit issued to the applicant in the last ten years has been cancelled.
- 2.38 There are statutory conditions on club gaming permits that no child uses a category B or C machine on the premises and that the holder complies with any relevant provision of a code of practice about the location and operation of gaming machines.

Licensed Premises Gaming Machine Permit

- 2.39 There is provision in the Act for premises licensed to sell alcohol for consumption on the premises, to automatically have two gaming machines, of categories C and/or D. The premises merely need to notify the Authority.
- 2.40 The Authority can remove the automatic authorisation in respect of any particular premises if:

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- Provision of the machines is not reasonably consistent with the pursuit of the licensing objectives;
- Gaming has taken place on the premises that breaches a condition of section 282 (for example, the gaming machines have been made available in a way that does not comply with requirements on the location and operation of gaming machines);
- The premises are mainly used for gaming; or
- An offence under the Gambling Act has been committed on the premises

2.41 Should a premises wish to have more than two machines, then it will need to apply for a Licensed Premises Gaming Machine Permit and the Authority will need to consider that application based upon the licensing objectives, any guidance issued by the Commission, and “any other matters that are considered relevant to the application”. This Authority considers that “any other matters” will be decided upon on a case by case basis but generally there will be regard to the need to protect children and vulnerable persons from harm and we will expect the applicant to satisfy that there will be sufficient measures in place to ensure that under 18 year olds do not have access to the adult only gaming machines. Measures which will satisfy the Authority may include that the adult only gaming machines will be within sight of the bar (or within the sight of staff who will monitor that the machines are not being used by those under 18). As regards the protection of vulnerable persons applicants may wish to consider the provision of information leaflets / helpline numbers for organisations such as GamCare or indeed training for staff under the GamCare Certification scheme (details available via www.gamcare.org.uk).

Prize Gaming Permit

2.42 The Act states that a Licensing Authority may prepare a statement of principles that they propose to consider in determining the suitability of an applicant for a permit.

2.43 This Authority has prepared a Statement of Principles, which is that the applicant should set out the types of gaming that s/he is intending to offer and that the applicant should be able to demonstrate:

- That they understand the limits to stakes and prizes that are set out in Regulations; and,
- That the gaming offered is within the law.

2.44 In making its decision on an application for this Permit the Authority does not need to have regard to the licensing objectives but must have regard to any Commission Guidance.

2.45 It should be noted that there are conditions in the Act by which the Permit holder must comply, but that the Authority cannot attach conditions. The conditions in the Act are:

- The limits on participation fees, as set out in regulations, must be complied with;
- All chances to participate in the gaming must be allocated on the premises on which the gaming is taking place and on one day; the game must be played and completed on the day the chances are allocated; and the result of the game must be made public in the premises on the day that it is played;

- The prize for which the game is played must not exceed the amount set out in regulations (if a money prize), or the prescribed value (if non-monetary prize); and
- Participation in the gaming must not entitle the player to take part in any other gambling

Travelling fairs

- 2.46 Where category D machines and / or equal chance prize gaming without a permit is to be made available for use at travelling fairs, the Authority will need to determine whether the statutory requirement that the facilities for gambling amount to no more than an ancillary amusement at the fair is met.
- 2.47 The Authority will also consider whether the applicant falls within the statutory definition of a travelling fair.
- 2.48 The 27-day statutory maximum for the land being used as a fair is per calendar year, and it applies to the piece of land on which the fairs are held, regardless of whether it is the same or different travelling fairs occupying the land. The Authority will work with its neighbouring authorities to ensure that land that crosses our boundaries is monitored so that the statutory limits are not exceeded.
- 2.49 Further information on Permits can be found on the Sefton Council website at www.sefton.gov.uk.

Provisional Statements

- 2.50 Section 204 of the Act provides for a person to make an application to the Authority for a Provisional Statement in respect of premises that s/he:
- Expects to be constructed;
 - Expects to be altered; or
 - Expects to acquire a right to occupy.
- 2.51 Developers may wish to apply for Provisional Statements before they enter into a contract to buy or lease property or land to judge whether or not a development is worth taking forward in light of the need to obtain a Premises Licence. It is also possible for an application for a Provisional Statement to be made for premises that already have a Premises Licence (either for a different type of gambling or for the same type).
- 2.52 Applicants for Premises Licences must fulfill certain criteria (see Para 2.5). These restrictions do not apply in relation to an application for a Provisional Statement.
- 2.53 Further information on Provisional Statements can be found on the Sefton Council website at www.sefton.gov.uk.

Temporary Use Notices

- 2.54 These allow the use of premises for gambling where there is no Premises Licence but where a gambling operator wishes to use the premises temporarily for providing facilities for gambling. Premises that might be suitable for a Temporary Use Notice

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(TUN) would include hotels, conference centres, and sporting venues. A TUN may only be granted to a person or company holding a relevant Operating Licence (for example, the holder of a Betting Operating Licence could apply to provide betting facilities at a snooker tournament).

- 2.55 Regulations state that the only activities permitted under a TUN are the provision of facilities for any form of equal chance gaming where those participating in the gaming are taking part in a competition which is intended to produce a single, overall winner (this does not include providing such facilities in circumstances where any person participating in the gaming does so by means of a gaming machine).
- 2.56 The same set of premises may not be the subject of a TUN for more than 21 days in any 12-month period, but may be the subject of several Notices provided that the total does not exceed 21 days.
- 2.57 Further information on TUNs can be found on the Sefton Council website at www.sefton.gov.uk.

Occasional Use Notices

- 2.58 The Authority has very little discretion as regards these Notices aside from ensuring that the statutory limit of 8 days in a calendar year is not exceeded. However, the Authority will need to consider the definition of a 'track' and whether the applicant is permitted to avail him/herself of the Notice. Provided that the Notice will not result in betting facilities being available for more than eight days in a calendar year, there is no provision for counter-notices or objections to be submitted.
- 2.59 Further information on Occasional Use Notices can be found on the Sefton Council website at www.sefton.gov.uk.

Small Lotteries

- 2.60 These are lotteries operated by non-commercial societies, as defined in Section 19, which states that a society is non-commercial if it is established and conducted:
- For charitable purposes;
 - For the purpose of enabling participation in, or of supporting, sport, athletics or a cultural activity; or
 - For any other non-commercial purpose other than private gain.
- 2.61 If the lottery has proceeds which exceed £20,000 for a single draw or aggregated proceeds that exceed £250,000 in a calendar year then they must be licensed with the Commission.
- 2.62 The promoting society of a small society lottery must, throughout the period during which the lottery is promoted, be registered with a licensing authority. The licensing authority with which a small society lottery is required to register must be in the area where their principal office is located. If the Authority believes that a society's principal office is situated in another area, it will inform the society and the other relevant authority as soon as possible.

2.63 Further information on Small Lotteries can be found on the Sefton Council website at www.sefton.gov.uk.

3.0 GAMBLING LICENSING OBJECTIVES

3.1 In carrying out its licensing functions the Authority will be guided by the Gambling Licensing Objectives which are:

- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;
- Ensuring that gambling is conducted in a fair and open way; and
- Protecting children and other vulnerable persons from being harmed or exploited by gambling.

3.2 The Authority, in exercising its functions under the Act, shall also have regard to the Guidance issued by the Commission.

Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime

3.3 The Authority is aware that the Commission will be taking a leading role in preventing gambling from being a source of crime and that it will maintain rigorous licensing procedures that aim to prevent criminals from providing facilities for gambling. The Commission's Guidance does however envisage that licensing authorities should pay attention to the proposed location of gambling premises in terms of this licensing objective. Therefore, if an area has known high levels of organised crime then the Authority will consider whether or not gambling premises are suitable for that location and whether conditions may be suitable such as the provision of Door Supervisors.

3.4 Except in the circumstances outlined in Paragraph 2.9, anyone applying to the Authority for a Premises Licence will have to hold an Operating Licence from the Commission before a licence can be issued. Therefore, the Authority will not generally be concerned with the suitability of an applicant and where concerns about a person's suitability arise the Authority will bring those concerns to the attention of the Commission.

3.5 Issues of disorder should only be dealt with under the Act if the disorder amounts to activity which is more serious and disruptive than mere nuisance and it can be shown that gambling is the source of that disorder. This Authority is aware of the distinction between disorder and nuisance and will consider factors such as whether police assistance was required and how threatening the behaviour was to those who could see it, so as to make that distinction. Issues of nuisance cannot be addressed via the Gambling Act provisions.

Ensuring that gambling is conducted in a fair and open way

3.6 Generally, the Commission do not expect licensing authorities to become concerned with ensuring that gambling is conducted in a fair and open way, as this will be a matter for either the management of the gambling business (and therefore relevant to the Operating Licence), or will be in relation to the suitability and actions of an

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individual (and therefore relevant to the Personal Licence), both of these options falling under the purview of the Commission.

- 3.7 Where the Authority has concerns that gambling at any premises is not being conducted in a fair and open way those concerns will be brought to the attention of the Commission.

Protecting children and other vulnerable persons from being harmed or exploited by gambling

- 3.8 The Authority has noted the Commission Guidance which states that “the intention of the Gambling Act is that children and young persons should not be permitted to gamble and should be prevented from entering those gambling premises which are adult-only environments. The objective refers to protecting children from being ‘harmed or exploited by gambling’. That means preventing them from taking part in gambling and for there to be restrictions on advertising so that gambling products are not aimed at children or advertised in such a way that makes them particularly attractive to children, excepting Category D gaming machines”.
- 3.9 The Authority will also make itself aware of the Codes of Practice that the Commission issues as regards to this licensing objective, in relation to specific premises such as casinos.
- 3.10 There is no definition offered with regard to the term “vulnerable persons”, therefore the Authority will consider this objective on a case-by-case basis. In seeking to protect vulnerable persons the Authority will include people who gamble more than they want to, people who gamble beyond their means, and people who may not be able to make informed or balanced decisions about gambling, perhaps due to a mental impairment, alcohol or drugs.
- 3.11 Applicants shall have regard to the need to protect children and vulnerable persons from harm, or being exploited by gambling, and there should be sufficient measures to ensure that under 18 year olds do not have access to adult only gaming machine areas.
- 3.12 Appropriate licence conditions may therefore be imposed by the Authority and they may cover issues such as:
- Proof of age schemes;
 - CCTV;
 - Door supervisors;
 - Supervision of entrances / machine areas;
 - Physical separation of areas;
 - Location of entry;
 - Notices / signage;
 - Specific opening hours;
 - Self barring schemes;

- The provision of information leaflets / helpline numbers for organisations such as GamCare as well as training for staff under the GamCare Certification scheme; details available via www.gamcare.org.uk/.

3.13 This list is not mandatory, nor exhaustive; further details on Conditions can be found at Section 6.0.

3.14 In recent years there has been an increasing awareness of the problems in society generally connected with Child Sexual Exploitation. It is this Authority's opinion that Child Safeguarding is everyone's responsibility and that gambling premises should be vigilant in this regard. Operators whose premises are allowed to admit under 18s should have in place appropriate child safeguarding measures and should seek the advice of the Council's Safeguarding Children's Unit in this respect.

3.15 The Authority will always treat each case on its own individual merits and when considering whether specific measures are required to protect children and other vulnerable persons will balance its considerations against the overall principle of aiming to permit the use of premises for gambling.

4.0 CASINO LICENCES

4.1 The Authority has not passed a 'no casino' resolution under Section 166 of the Act, but it is aware that it has the power to do so. Should the Authority decide in the future to pass such a resolution, it will update this policy statement with details of that resolution.

5.0 THE LICENSING PROCESS

5.1 In determining a licence or permit application the overriding principle adopted by the Authority will be that each application will be determined on its merits.

Interested Parties

5.2 Interested parties may make representations about Premises Licence applications, or apply for a review of an existing Licence.

5.3 These parties are defined within the Act as follows:

"a person is an interested party in relation to an application for or in respect of a premises licence if, in the opinion of the licensing authority which issues the licence or to which the applications is made, the person –

- a) lives sufficiently close to the premises to be likely to be affected by the authorised activities,
- b) has business interests that might be affected by the authorised activities, or
- c) represents persons who satisfy paragraph (a) or (b)"

5.4 The Authority is required by regulations to state the principles it will apply in exercising its powers under the Act to determine whether a person is an interested party or not.

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5.5 The principles are that each case will be decided upon its merits. This Authority will not apply a rigid rule to its decision making. It will however consider the following:

- The size of the premises
- The nature of the premises
- The distance of the premises from the location of the person making the representation
- The potential impact of the premises (number of customers, routes likely to be taken by those visiting the establishment); and
- The circumstances of the complainant. This is not the personal characteristics of the complainant but the interests of the complainant, which may be relevant to the distance from the premises. For example, it could be reasonable for an authority to conclude that “sufficiently close to be likely to be affected” could have a different meaning for (a) a private resident (b) a residential school for children with truanting problems and (c) residential hostel for vulnerable adults.
- The ‘catchment’ area of the premises (i.e. how far people travel to visit); and
- Whether the person making the representation has business interests in that catchment area that might be affected.

5.6 Interested parties can be persons who are democratically elected such as councillors and MP’s. No specific evidence of being asked to represent an interested person will be required as long as the councillor / MP represents the ward likely to be affected. Likewise, parish councils likely to be affected will be considered to be interested parties. Other than these however, this authority will generally require written evidence that a person/body (e.g. an advocate / relative) ‘represents’ someone who either lives sufficiently close to the premises to be likely to be affected by the authorised activities and/or has business interests that might be affected by the authorised activities. A letter from one of these persons, requesting the representation is sufficient.

Responsible authorities

5.7 Section 157 of the Act details the necessary “responsible authorities”, which are:

- The Gambling Commission;
- The chief officer of police;
- The local fire authority;
- The local planning authority;
- An authority which has functions in relation to pollution to the environment or harm to human health;
- The body responsible for the protection of children from harm;
- Any other licensing authority in whose area part of the premises are situated; and,
- HM Revenue & Customs

5.8 In exercising the Authority’s powers under Section 157(h) of the Act to designate, in writing, a body which is competent to advise the Authority about the protection of children from harm, the following principles have been applied:

- The need for the body to be responsible for an area covering the whole of the licensing authority’s area; and,
- The need for the body to be answerable to democratically elected persons, rather than any particular vested interest group etc.

5.9 Therefore, in accordance with the Commission’s Guidance, this Authority designates Sefton Council’s Safeguarding Children’s Unit for this purpose.

5.10 The appropriate points of contact for the abovementioned responsible authorities, i.e. the person to whom copies of applications should be sent, are listed within Annex 2.

Delegation of decisions and functions

5.11 Licensing decisions and functions may be taken or carried out by the Licensing Committee, or delegated, where appropriate, to sub-committees or officers. The principal of delegation will be to ensure that decisions and functions, particularly non-contentious applications and purely administrative functions, are taken or carried out in a speedy, efficient and cost-effective way.

5.12 The delegation of decisions and functions will be as follows:

Matter to be dealt with	Full Council	Sub-committee of licensing committee	Officers
Three year licensing policy	✓		
Policy not to permit casinos	✓		
Application for premises licences		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Application for a variation to a licence		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Application for a transfer of a licence		Where representations have been received from the Commission or responsible authority	Where no representations received from the Commission or responsible authority
Application for a provisional statement		Where representations have been received and not withdrawn	Where no representations received/ representations have been withdrawn
Review of a premises licence		✓	
Application for club gaming/ club machine permits		Where objections have been made (and not withdrawn)	Where no objections made/objections have been withdrawn

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SEFTON METROPOLITAN BOROUGH COUNCIL – STATEMENT OF GAMBLING LICENSING POLICY

Cancellation of club gaming/ club machine permits		✓	
Applications for other permits			✓
Cancellation of licensed premises gaming machine permits			✓
Consideration of temporary use notice			✓
Decision to give a counter notice to a temporary use notice		✓	

- 5.13 Where there is licensing authority discretion as to the level of fee that may be set, the level of fee will be decided by the Licensing and Regulatory Committee.

Hearings

- 5.14 A hearing will be arranged to deal with any application that cannot be dealt with under delegated powers or resolved by agreement between applicants and ‘interested parties’ and/or ‘responsible authorities’. Hearings will be held at the earliest possible date having regard to the regulations published under the Act and the laws of natural justice. The Licensing Sub-Committee will conduct a quasi-judicial consideration of the application, objections and representations.
- 5.15 Conditions may be attached to Licences where relevant representations are received. Any condition attached to a Licence will be related to one or more of the Licensing Objectives, and conditions will not relate to matters that are the subject of other legislation.

Review of licences

- 5.16 Requests for a review of a Premises Licence can be made by interested parties or responsible authorities. However, it is for the Authority to decide whether or not the review is to be carried out. This will be on the basis of whether the request for the review is relevant to the matters listed below (as well as to consideration as to whether the request is considered to be frivolous or vexatious):
- i) It is in accordance with any relevant code of practice issued by the Commission;
 - ii) It is in accordance with any relevant guidance issued by the Commission;
 - iii) It is reasonably consistent with the licensing objectives; and,
 - iv) It is in accordance with this policy statement
- 5.17 The Authority can also initiate a review of a licence on the basis of any reason that it thinks is appropriate.

Local risk assessments

- 5.18 The Commission’s Licence Conditions and Codes of Practice (LCCP) (issued in February 2015) requires operators to consider local risks in their applications.
- 5.19 As part of the application process licensees are required to submit a local risk

assessment when applying for a new Premise Licence. An updated risk assessment must also be submitted:

- When applying for a variation of a Premise Licence
- To take account of significant changes in local circumstances, including those identified in a licensing authority's policy statement
- When there are significant changes at a licensee's premises that may affect their mitigation of local risks.

5.20 This Authority will require a licensee to share their risk assessment with it. The risk assessment will set out the measures the licensee has in place to address specific issues where concerns exist over new or existing risks. By adopting this proactive approach the Authority and licensees should be able to reduce the occasions on which a premises review is required.

Local Area Profiles

5.21 Whilst this Authority does not currently have a Local Area Profile, as referenced in the Commission's Guidance, nonetheless its clear priority is to ensure that children and vulnerable persons are not harmed by gambling. To this end the Authority will expect applicants to research and understand the local environment in which they wish to operate and to demonstrate that they have effective and robust measures in place to promote this licensing objective and mitigate any risks related to it.

5.22 It should be noted that the Authority may develop a Local Area Profile setting out the local issues, local data, local risks and the expectations that it has of operators who either currently offer gambling facilities or wish to do so in the future. Should it do so it will be included as an Annex to this Statement.

5.23 In the absence of a Local Area Profile when considering applications for Premise Licences, permits and other permissions, and when determining whether to review a Licence, the Authority will still consider each application on its merits and relevant considerations are likely to include the type of gambling proposed and the proximity of gambling premises to schools and vulnerable adult centres, or to residential areas where there may be a high concentration of families with children.

6.0 LICENSING CONDITIONS

Mandatory conditions

6.1 Mandatory conditions may be attached to Premises Licences by the Secretary of State under Section 167 of the Act. They can be attached generally to all Premises Licences, or may be attached to all Premises Licences of a particular type, or to a particular type of Premises Licences under certain specified circumstances.

6.2 The Secretary of State considers that mandatory conditions are most appropriate where there are basic minimum requirements to which all Premises Licence holders, or holders of a particular type of Licence, should adhere.

6.3 Once mandatory conditions are attached they can only be removed by further

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Secretary of State regulations. The Authority has no discretion to decide not to include them, or to modify them.

Default conditions

- 6.4 The Secretary of State considers the use of default conditions are most appropriate where a general industry or sector wide approach is desirable in order to assist national consistency, but where licensing authorities ought to be able to respond to local circumstances by altering those conditions if necessary.
- 6.5 Section 169 of the Act gives licensing authorities the ability to exclude from Premises Licences any default conditions that have been imposed under section 168. However, as default conditions are considered to be the industry norm, and while licensing authorities are free to limit or remove them where appropriate, this Authority will only extend them with reference to the Commission Codes of Practice and Guidance, the Licensing Objectives and this Policy Statement.
- 6.6 There are conditions that the Authority cannot attach to Premises Licences, which are:
- Any condition on the Premises Licence which makes it impossible to comply with an Operating Licence condition;
 - Conditions relating to gaming machine categories, numbers, or method of operation;
 - Conditions which provide that membership of a club or body be required (the Act specifically removes the membership requirement for casino and bingo clubs and this provision prevents it being reinstated); and,
 - Conditions in relation to stakes, fees, winning or prizes
- 6.7 Any conditions attached to Premises Licences will be proportionate and will be:
- Relevant to the need to ensure that the premises are suitable to meet the licensing objectives and are suitable to provide facilities for gambling;
 - Directly related to the premises and the type of licence applied for;
 - Fairly and reasonably related to the scale and type of premises; and
 - Reasonable in all other respects.
- 6.8 Decisions upon individual conditions will be made on a case-by-case basis. The Authority will expect the applicant to offer his/her own suggestions as to the way in which the Gambling Licensing Objectives can be met effectively. The Authority may, however, exclude a condition and substitute it with one that is either more or less restrictive. In this instance the Authority will give clear and regulatory reasons for so doing.
- 6.9 The Authority will consider specific measures that may be required for buildings subject to multiple Premises Licences. Such measures may include the supervision of entrances; segregation of gambling from non-gambling areas frequented by children; and the supervision of gaming machines in non-adult gambling specific premises in order to pursue the licensing objectives. These matters are in accordance with the Commission's Guidance.

- 6.10 The Authority will also ensure that where category C or above machines are on offer in premises to which children are admitted that:
- All such machines are located in an area of the premises which is separated from the remainder of the premises by a physical barrier which is effective to prevent access other than through a designated entrance;
 - Only adults are admitted to the area where these machines are located;
 - Access to the area where the machines are located is supervised;
 - The area where these machines are located is arranged so that it can be observed by the staff or the licence holder; and
 - At the entrance to and inside any such areas there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.
- 6.11 These considerations will apply to premises, including buildings, where multiple Premises Licences are applicable.

Door Supervisors

- 6.12 The Commission advises in its Guidance that if a licensing authority is concerned that a premises may attract disorder or be subject to attempts at unauthorised access (for example, by children and young persons) then it may require that the entrances to the premises are controlled by a door supervisor, and is entitled to impose a premises licence condition to this effect.
- 6.13 Where it is decided that supervision of entrances/machines is appropriate for particular cases, a consideration of whether or not these supervisors need to be licensed by the Security Industry Authority will be necessary. It will not be automatically assumed that they need to be licensed, as the statutory requirements for different types of premises vary (as per the Guidance).

7.0 INFORMATION PROTOCOLS

- 7.1 Authorities are required to include in their Policy Statements the principles to be applied by them in exercising the functions under Sections 29 and 30 of the Act, with respect to the exchange of information between them and the Commission, and the functions under Section 350 of the Act with the respect to the exchange of information between them and the other persons listed in Schedule 6 to the Act.
- 7.2 The principle that this Authority applies is that it will act in accordance with the provisions of the Act in its exchange of information, which includes the provision that the Data Protection Act 1998, will not be contravened. The Authority will also have regard to any Guidance issued by the Commission to local authorities on this matter as well as any relevant regulations issued by the Secretary of State under the powers provided in the Act.
- 7.3 Should any protocols be established as regards information exchange with other bodies then they will be made available.

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8.0 ENFORCEMENT PROTOCOLS

- 8.1 Licensing Authorities are required by regulation under the Act to state the principles to be applied in exercising the functions under Part 15 of the Act with respect to the inspection of premises; and the powers under Section 346 of the Act to institute criminal proceedings in respect of the offences specified.
- 8.2 This Authority's principles are that it will be guided by the Commission's Guidance and it will endeavour to be:
- Proportionate: regulators should only intervene when necessary: remedies should be appropriate to the risk posed and costs identified and minimised;
 - Accountable: regulators must be able to justify decisions, and be subject to public scrutiny;
 - Consistent: rules and standards must be joined up and implemented fairly;
 - Transparent: regulators should be open, and keep regulations simple and user friendly; and
 - Targeted: regulation should be focused on the problem, and minimise side effects.
- 8.3 As per the Commission's Guidance this Authority will endeavour to avoid duplication with other regulatory regimes so far as possible.
- 8.4 The Authority has, again as recommended by the Commission's Guidance, adopted a risk-based inspection programme.
- 8.5 The main enforcement and compliance role for this Authority in terms of the Act will be to ensure compliance with the Premises Licences and other permissions that it authorises. The Commission will be the enforcement body for the Operator and Personal Licences and it should also be noted that concerns about manufacture, supply or repair of gaming machines will not be dealt with by the Authority but will be notified to the Commission.
- 8.6 This Authority embraces the Department for Business Innovation and Skills' "Regulators Code" which came into force on 6th April 2014, and it's standards have been integrated into our regulatory culture and processes. The Authority supports the principals of better regulation to promote efficient and effective approaches to regulatory inspection and enforcement that improve regulatory outcomes without imposing unnecessary burdens on business.

Report to:	Licensing and Regulatory Committee Council	Date of Meeting:	Monday 25 June 2018 Thursday 19 July 2018
Subject:	Final draft revised Statement of Licensing Policy – Licensing Act 2003		
Report of:	Head of Regulation and Compliance	Wards Affected:	(All Wards);
Portfolio:			
Is this a Key Decision:	No	Included in Forward Plan:	No
Exempt / Confidential Report:	No		

Summary:

To seek Members' comments on the final draft revised Statement of Licensing Policy and to then refer to Council for approval.

Recommendations:

That the Licensing and Regulatory Committee:

- i) Consider and agree the final draft of the revised Statement of Licensing Policy, attached at Annex 2; and,
- ii) Refer the agreed revised Statement of Licensing Policy to Council for approval.

That Council:

- i) Approve the revised Statement of Licensing Policy, attached at Annex 2.

Reasons for the Recommendations:

To enable the timely review of the Statement of Licensing Policy.

Alternative Options Considered and Rejected: (including any Risk Implications)

None

What will it cost and how will it be financed?

(A) Revenue Costs

There are no financial costs associated with the proposals in this report

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(B) Capital Costs

There are no financial costs associated with the proposals in this report

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets): None
Legal Implications: None
Equality Implications: There are no equality implications.

Contribution to the Council's Core Purpose:

Protect the most vulnerable: Yes
Facilitate confident and resilient communities:
Commission, broker and provide core services: Yes
Place – leadership and influencer:
Drivers of change and reform:
Facilitate sustainable economic prosperity:
Greater income for social investment:
Cleaner Greener

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources has been consulted and notes the report indicates no direct financial implications for the Council. (FD 5170/18).

Head of Regulation and Compliance has been consulted and any comments have been incorporated into the report. (LD 4394/18).

(B) External Consultations

Consultation exercise took place between 5 February 2018 and 2 April 2018

Implementation Date for the Decision

Immediately following the Committee meeting.

Contact Officer:	Kevin Coady
Telephone Number:	Tel: 0151 934 2946
Email Address:	kevin.coady@sefton.gov.uk

Appendices:

Annex 1 – Responses received to consultation exercise.
Annex 2 – Final draft revised Statement of Licensing Policy.

Background Papers:

There are no background papers available for inspection.

1. Background

- 1.1 Members will recall that Section 5 of the Licensing Act 2003 (“the LA03”) formally requires that the Licensing Authority has to prepare and publish a statement of its licensing policy (“the Policy”) every five years. During each five year period, the Licensing Authority must keep the Policy, in respect of that period, under review and make such revisions to it, at such times, as it considers appropriate.
- 1.2 The existing Policy has been kept under review since coming into force on 9 December 2013 and no revision has been deemed necessary to date. It will require reviewing in 2018 in order for a revised Policy to come into effect from 9 December 2018 (when the new five year cycle will commence).
- 1.3 Before determining its Policy, the Licensing Authority must consult the persons listed in Section 5(3) of the LA03. Those being:
 - The chief officer of police for the area;
 - The Director of Public Health;
 - The fire authority for the area;
 - Persons/bodies representative of local holders of premises licences;
 - Persons/bodies representative of local holders of club premises certificates;
 - Persons/bodies representative of local holders of personal licences; and,
 - Persons/bodies representative of businesses and residents in its area.
- 1.4 The views of the above have to be given appropriate weight when the Policy is being determined.
- 1.5 In addition to the above, the Authority must also have regard to Guidance issued under Section 182 of the LA03 by the Home Office.

2.0 Consultation process

- 2.1 The consultation took place between 5 February 2018 to 2 April 2018.

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2.2 The consultation consisted of:

- i) Publishing the draft revision, a list of the alterations made, a consultation response proforma and general information on the Sefton Council Website (www.sefton.gov.uk) and via Sefton Council's Consultation Finder (www.engagespace.co.uk/sefton);
- ii) News items placed on the Sefton Twitter account and the Sefton Facebook page;
- iii) Placing copies of the draft revision, and the list of the alterations made, in local libraries; and,
- iv) Through press releases to all local press agencies.

2.3 In addition to the general consultation/awareness raising referred to above specific consultations also took place where a letter, copy of the changes proposed and copy of revised Policy were forwarded for comment to:

Letter and copy of the Policy were sent to Merseyside Police; Merseyside Fire and Rescue; the local Health Body; Sefton Council Environmental Health & Licensing Section; Sefton Council Planning; Sefton Council Safeguarding Children's Unit; and Home Office Immigration Enforcement; British Beer & Pub Association; British Institute of Innkeepers; Federation of Licensed Victuallers Association; Association of Licensed Multiple Retailers; Association of Convenience Stores; the Wine and Spirit Trade Association; Committee of Registered Clubs Association; Chartered Institute of Environmental Health; Highfield Awarding Body for Compliance; Industry Qualifications; Laser Learning Awards; Pearson Education; Qualifications Network; Training Qualifications UK; the Scottish Qualifications Authority; Sefton Chamber of Commerce; the Southport BID Team; and to all Borough Councillors, Sefton Members of Parliament and Parish Council Clerks.

2.4 A full list of responses to the consultation exercise, together with the officer appraisal of those responses, is provided at Annex 1 to this report.

3.0 Further revisions made to Policy

3.1 As a result of the consultation, and changes to the S.182 Guidance, further amendments have been made to the Policy, these being additional to those outlined within the Report to Members on 8 January 2018, and these are indicated below.

3.2 Paragraph 1.8 Sefton population changed to 274,853 to reflect 2016 Census figures.

3.3 Paragraph 1.9 repeated first sentence deleted.

3.4 Following sentence added to second bullet point in paragraph 1.9:

Southport Business Improvement District, the Council, Merseyside Police, Pubwatch, Light for Life and Street Pastors have been successful in applying for Purple Flag status.

3.5 In paragraph 1.10 *Unitary Plan* changed to *Local Plan*.

3.6 Paragraph 1.13 the following added to the end:

Southport Business Improvement District funds two regulated Taxi Marshalls every Friday and Saturday and selected Bank Holidays and special events from midnight to 4am. The Marshalls being located at the Lord Street taxi rank.

3.7 Paragraph 3.2 altered to include “local pubwatches” between “local businesses” and “community representatives”, to now read:

To achieve these objectives the Authority will use a full range of measures including its planning, transport and crime and disorder policies and powers. The Authority will work in partnership with Merseyside Police, Merseyside Fire Authority, local businesses, local pubwatches, community representatives and local people in meeting these objectives.

3.8 Paragraph 3.3 first bullet point re-drafted to now read:

- *The layout of the local area and physical environment including crime and disorder hotspots, hotspots of ill health (particularly children) caused by alcohol, proximity to residential premises and proximity to areas where children may congregate;*

3.9 Paragraph 3.5 altered to include the following at the end of the bullet point:

- *Illegal sale of alcohol to those who are already drunk;*
- *Participation in any existing radio network scheme*

3.10 Paragraph 3.9 penultimate bullet point re-drafted to now read:

- *Measures to be taken to reduce drunkenness on the premises, e.g. the “Drink Less Enjoy More” scheme;*

3.11 Paragraph 4.1 health added to list top now read:

The Authority will ensure proper integration of this and other related policies and strategies, including its cultural, economic development, local crime prevention, health, planning, race equality, transport, tourism and town centre management strategies, through consultation, ongoing communication and reporting arrangements between the Licensing and Regulatory Committee, the Licensing Unit and other relevant bodies.

3.12 Paragraph 4.8 redrafted to now read:

The Authority also encourages Licencees to give consideration to the National Alcohol Harm Reduction Strategy and any Alcohol Harm Reduction Strategy that may be in force from Sefton Council, in particular the contribution they can make to reducing the harm caused by irresponsible consumption of alcohol.

3.13 9.0 Section heading changed to now read Cumulative Impact Assessment.

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3.14 Paragraph 9.1 to 9.6 re-drafted and replaced with below:

- 9.1 *A cumulative impact assessment (“CIA”) may be published by a licensing authority to help it to limit the number or types of licence applications granted in areas where there is evidence to show that the number or density of licensed premises in the area is having a cumulative impact and leading to problems which are undermining the licensing objectives. CIAs relate to applications for new premises licences and club premises certificates and applications to vary existing premises licences and club premises certificates in a specified area.*
- 9.2 *Evidence of cumulative impact on the promotion of the licensing objectives needs to relate to the relevant problems identified in the specific area to be covered by the CIA. Information which licensing authorities may be able to draw on includes:*
- *local crime and disorder statistics, including statistics on specific types of crime and crime hotspots;*
 - *statistics on local anti-social behaviour offences;*
 - *health-related statistics such as alcohol-related emergency attendances and hospital admissions;*
 - *environmental health complaints, particularly in relation to litter and noise;*
 - *complaints recorded by the local authority, which may include complaints raised by local residents or residents’ associations;*
 - *residents’ questionnaires;*
 - *evidence from local councillors; and*
 - *evidence obtained through local consultation.*
- 9.3 *The CIA must include a statement saying that the licensing authority considers that the number of premises licences and/or club premises certificates in one or more parts of the area described is such that it is likely that granting further licences would be inconsistent with the authority’s duty to promote the licensing objectives.*
- 9.4 *The Act does not stipulate how the CIA should be used once published, because the requirements for determining applications for new licences or variations are the same in areas with a CIA as they are elsewhere. However, any CIA published by a licensing authority must be summarised in its statement of licensing policy. Under section 5(6D) a licensing authority must also have regard to any CIA it has published when determining or revising its statement of licensing policy.*
- 9.5 *This Authority has not published a CIA, however it should be noted that although the publication of a CIA should generally be suitable as the basis for a decision to refuse an application or impose conditions, it does not change the fundamental way that decisions are made under the Act.*
- 9.6 *Each decision in an area subject to a CIA would still need to be made on a case-by-case basis and with a view to what is appropriate for the promotion of the licensing objectives. It is also noted that the publication of a CIA*

would not remove a licensing authority's discretion to grant applications for new licences or applications to vary existing licences, where the authority considers this to be appropriate in the light of the individual circumstances of the case.

3.14 A copy of the Final Draft of the Policy is to be found within Annex 2.

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Ref	Respondent	Comments	Appraisal	Response
001	Hugh Evans CEO, Southport BID	<p>Could you include in the General Statement the following:</p> <p>A partnership comprising Southport Business Improvement District, Sefton Council, Merseyside Police, Pubwatch, Light for Life, and Street Pastors was successful in applying for Purple Flag status. The Purple Flag standard, launched in 2007, is an accreditation process similar to the Green Flag award for parks and the Blue Flag for beaches. It allows members of the public to quickly identify town and city centres that offer an entertaining, diverse, safe and enjoyable night out. The assessment criteria considered a number of factors including cleanliness and safety, movement and transport, the range of attractions, entertainment and events, high quality environment and evidence of strong partnership working.</p> <p>1.13. Could you include "Southport Business Improvement District funds two regulated Taxi Marshalls every Friday and Saturday and selected Bank Holidays and special events from midnight to 4am. The Marshalls are located at the Lord Street taxi rank."</p> <p>3.2 Could you add: "Southport Business Improvement District and Southport Pubwatch"?</p> <p>3.4 Applicants should also indicate that they will be seeking to join the local Pubwatch scheme.</p>	<p>Appropriate to include in Policy</p> <p>Appropriate in include in Policy</p> <p>Southport BID included in "local businesses" so not appropriate to amend. Appropriate to include "local pubwatches"</p> <p>Appropriate to include, however already mentioned in 3.5</p>	<p>Policy amended, sentence including mentioning attainment of Purple Flag in second bullet point.</p> <p>Policy amended, sentence included at end of Paragraph 1.13.</p> <p>Policy amended "Local "pubwatches" included within 3.2.</p> <p>No change</p>

Ref	Respondent	Comments	Appraisal	Response
		3.5 A willingness to join the town centre radio network.	Appropriate to include general statement: <i>Participation in any existing radio network scheme</i>	Policy amended.
002	Sgt Craig Carmichael Merseyside Police Central Licensing	No observations to make	N/A	N/A
003	Alan McGee Public Health Lead (Substance Use and Sexual History) Public Health Merton House Bootle	<p>Page 3 – 1.8 Sefton Population 274,853 based on 2016 census</p> <p>Page 3 – 1.9 sentence is repeated</p> <p>Page 3 – 1.10 Change ‘Unitary’ to Local Plan</p> <p>Page 4 – 1.18 can we add to ‘help both the public and industry professionals’ including representations from public health to</p> <p>Page 4 – 1.19 change to local strategies and position statements on alcohol are taken into account</p> <p>Page 7 – 3.2 change to ‘crime and disorder and health policies’</p> <p>Page 8 – 3.3 to include hot spots of ill health (particularly children) caused by alcohol</p> <p>Page 8 – 3.3 examples of local initiatives could also include ‘drink less enjoy more’</p> <p>Page 8 – 3.5 to include ‘illegal sale of alcohol to those who are already drunk’</p> <p>Page 10 – 3.9 could include drink less enjoy</p>	<p>Appropriate to change</p> <p>Appropriate to change</p> <p>Appropriate to change</p> <p>Not appropriate to change as wording has been agreed by the 9 local authorities in Cheshire/Merseyside</p> <p>See above</p> <p>Not appropriate to include</p> <p>Appropriate to change</p> <p>Covered under “other schemes”</p> <p>Appropriate to change</p> <p>Appropriate to change</p>	<p>Policy amended</p> <p>Policy amended</p> <p>Policy amended</p> <p>No change.</p> <p>No change.</p> <p>No change</p> <p>Policy amended</p> <p>No change</p> <p>Policy amended</p> <p>Policy amended</p>

Ref	Respondent	Comments	Appraisal	Response
		<p>more</p> <p>Page 11 – 4.1 crime prevention and health planning</p> <p>Page 12 – 4.7 Sefton does not have an alcohol harm reduction strategy</p> <p>Page 16 – 6.3 add evidence of negative impact on health</p> <p>Page 18 – 9.2 exceptional problems to health, disorder and nuisance.....</p> <p>Page 18 – 9.6 can this include ‘cumulative impact on health’ linked to the 4 objectives.</p>	<p>Appropriate to change</p> <p>Appropriate to change</p> <p>Public health not a licensing objective</p> <p>Appropriate to include as wording can be found in S182 Guidance</p> <p>Public health not a licensing objective</p>	<p>Policy amended</p> <p>Policy amended</p> <p>No change</p> <p>Policy amended</p> <p>No change</p>
004	<p>Philippa Borrowman Policy & Information Officer British Beer & Pub Association Brewer’s Hall Aldermanbury Square London</p>	<p>Responding to 1.14 to 1.17 of the changes to the Policy. States that the BBPA and its members support a number of initiatives which work to cut down on alcohol related harm whilst supporting a vibrant night time economy. Indicates that they have worked hard to promote best practice of operating well-run businesses and the partnership initiatives that support them, to help to tackle alcohol-related issues and improve safety.</p> <p>States it strongly supports policies and initiatives targeted at “the minority of those who misuse alcohol” and that they view this as the best way to reduce alcohol harm.</p> <p>Stated examples of current best practice in the industry that the BBPA and its members support, in particular the “Responsibility Deal” which has removed 1 billion units of alcohol from the market.</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p>

Ref	Respondent	Comments	Appraisal	Response
		<p>Indicated the number of partnerships they work with, including Pubwatch, Best bar None etc.</p> <p>With regard to Paragraph 1.16, would like further clarification on how this would be achieved and would be concerned with initiatives that sought to restrict the sale of particular beer brands.</p>	<p>N/A</p> <p>Paragraph is a statement of intent. Any initiatives would be brought in by the 9 Cheshire/Merseyside authorities in tandem, this after consultation with the industry. Not appropriate to outline in the Policy.</p>	<p>N/A</p> <p>No change</p>



SEFTON METROPOLITAN BOROUGH COUNCIL

LICENSING ACT 2003

LICENSING POLICY STATEMENT

Draft Version 2

Agenda Item 13

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ANNEXES

The following annexes do not form part of the approved Statement of Licensing Policy but are included to assist applicants in meeting the requirements of the licensing process.

- Annex 1 - Map of Sefton
- Annex 2 - Contact details for responsible authorities
- Annex 3 - Crime and Disorder
- Annex 4 - Public Safety
- Annex 5 - Public Nuisance
- Annex 6 - Children

1.0 GENERAL STATEMENT

- 1.1 Sefton Metropolitan Borough Council (“the Council”) is the Licensing Authority (“the Authority”), under the Licensing Act 2003 (“the Act”), responsible for granting Premises Licences, Club Premises Certificates, Temporary Event Notices and Personal Licences in respect of the retail sale and/or supply of alcohol and the provision of Regulated Entertainment and Late Night Refreshment.
- 1.2 The Act requires that the Council publish a statement of licensing policy. Accordingly this policy statement has been prepared and published in compliance with the requirements of Section 5 of the Act and with regard to guidance issued under Section 182 of that Act. In drawing up this policy the Council has also had regard to the nature of the Borough and the needs and wishes of the communities it serves and has consulted with all the statutory consultees and other appropriate bodies.
- 1.3 This policy statement sets out the general approach to the making of licensing decisions. It does not prevent any individual from making any application, under the terms of the Act, and having that application considered on its individual merits. Nor does it override the right of any person to make representations on an application or to seek a review of a licence or certificate where the Act allows them to do so.
- 1.4 This policy statement will be subject to a periodic review every five years, between those periodic reviews it may also be subject to ongoing reviews, particularly where feedback indicates that the Licensing Objectives are not being met.
- 1.5 In carrying out its licensing functions the Authority will promote the Licensing Objectives which are:
- The prevention of crime and disorder;
 - Public safety;
 - The prevention of public nuisance; and
 - The protection of children from harm.

See Section 3.0 for more information.

Sefton

- 1.6 Sefton is one of the six Metropolitan Boroughs that make up Merseyside. It lies in the northern part of the Liverpool City Region with which it shares close economic, social, cultural and transport links and stretches 22 miles north from Bootle to Southport. It also has important links to Preston and West Lancashire. Sefton adjoins the City of Liverpool to the south, the borough of Knowsley to the south-east, and the largely rural West Lancashire elsewhere. The location of Sefton is shown by the map provided at Annex 1.
- 1.7 Sefton is an area of great contrasts with beautiful coastlines, rural landscapes and industrial/commercial areas; working docklands, commuter towns and a busy seaside resort; areas of great affluence but also some of the most deprived

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communities in England and Wales. Sefton has a number of famous features that help make it distinctive. These include the resort of Southport, an outstanding natural coast, the home of the Grand National at Aintree, England's 'golf coast' including Royal Birkdale, and Antony Gormley's 'Iron Men' sculptures on Crosby beach with most of the Port of Liverpool being situated in the south of the Borough.

- 1.8 Sefton has a resident population of 274,853 (2016 census) and has a high proportion of retired people, widowed people and long term unemployed when compared with the rest of England and Wales.
- 1.9 The main centres of population are the urban and suburban areas of Bootle, Crosby, Maghull, Formby and Southport.
- Bootle is an area of mainly Victorian terraced properties, with busy working docklands and a mixture of retail and office developments at its centre. In recent years, much of the area was designated as part of the Merseyside 'Housing Market Renewal Area'. The initiative has begun to change the housing quality, type and tenure available, mainly through demolition of low-demand homes and clearance of low grade or vacant industrial sites and rebuilding of new homes.
 - Southport at the north of the Borough has a traditional, quality image, borne out of its Victorian and Edwardian architectural and landscape grandeur. This heritage has led to Southport being described as a 'classic resort'. This, coupled with family attractions and recent growth in 'eco-tourism', has enabled it to endure changing holiday patterns. There has been significant investment in the town centre and Seafront in recent years, but both its leisure and retail areas continue to need to be revitalised. Southport Business Improvement District, the Council, Merseyside Police, Pubwatch, Light for Life and Street Pastors have been successful in applying for Purple Flag status.
 - Formby, Crosby and Maghull are largely residential with a smaller number of commercial premises, there are therefore relatively few employment areas here. These are however distinctive settlements in their own right, and all function as commuter settlements for the Liverpool City Region.
- 1.10 The Local Plan for Sefton will allow development in town centre areas as long as it does not cause significant harm to amenity, would not result in grouping of similar uses which would harm the character of the area or harm residential amenity. Planners may use conditions to restrict opening hours.
- 1.11 There have been a number of studies in recent times relating to the night-time economy, particularly in relation to the "classic" resort status of Southport, these have helped shape Sefton's vision for developing a sustainable pattern of licensing, as expressed in 1.14 below.
- 1.12 Noise has been a problem in certain areas and from certain premises, with complaints about licensed premises tending to relate to poorly constructed or

poorly managed premises. Complaints are also received about noise and disturbance from people going to or leaving licensed premises, this is mainly in the areas of greatest concentration of licensed premises or from premises located in residential areas.

- 1.13 Trains and buses do not operate all night and whilst there are up to 2000 licensed taxis and private hire vehicles in the borough, problems can arise at times of high demand with insufficient transport readily available for the large numbers of potential customers. Southport Business Improvement District funds two regulated Taxi Marshalls every Friday and Saturday and selected Bank Holidays and special events from midnight to 4am. The Marshalls being located at the Lord Street taxi rank.

Statement of intent

- 1.14 Councils in Cheshire and Merseyside are planning to use licensing laws to reduce crime, anti-social behaviour and poor health caused by alcohol.
- 1.15 The drive aims to promote a 'healthier relationship' with alcohol in communities and improved wellbeing through the powers available in the Act.
- 1.16 Evidence shows the easy availability and affordability of cheap, strong alcohol contributes to the harm experienced by those most vulnerable. We aim to support the wellbeing of these local residents and communities by using the powers of the Act to limit access to this type of alcohol.
- 1.17 Nine areas in Cheshire and Merseyside are working together to support local communities to identify ways of reducing alcohol-related harm, while at the same time ensuring night time economies remain safe, vibrant and popular.
- 1.18 To achieve this we will employ a number of practical approaches and will help both the public and industry professionals gain access to the skills necessary to participate effectively in their part of the licensing process. We will:
- Work with national bodies to identify the latest advice and guidance and agree a consistent approach across Cheshire and Merseyside.
 - Identify best practice in licensing and look to extend successful local initiatives more widely where there is good evidence for reducing harm to vulnerable residents.
 - Engage and involve local retailers and communities.
 - Signpost the availability of evidence and provide guidance on using it in the licensing process.
- 1.19 This approach will be co-produced by the nine Local Authorities in Cheshire and Merseyside and will ensure local alcohol strategies are taken into account.

2.0 SCOPE

- 2.1 This Policy Statement covers the following 'licensable activities':

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- The licensing of individuals for the retail sale of alcohol (Personal Licence);
 - The licensing of premises for the retail sale of alcohol, provision of regulated entertainment or late night refreshment (Premises Licence);
 - The supply of alcohol or the provision of regulated entertainment to certain clubs (Club Premises Certificate);
 - The permitting of certain licensable activities on a temporary basis (Temporary Event Notice)
- 2.2 In this regard the policy covers new applications, renewals, transfers, variations and minor variations of Licences and also includes the review of Licences and Certificates, which could lead to revocation.
- 2.3 It should be noted that incomplete applications will be returned to the applicant and the period for determination will not commence until a valid application has been submitted.

Personal Licences

- 2.4 A Personal Licence is granted to an individual and authorises the supply of alcohol in accordance with a Premises Licence.
- 2.5 An applicant has to demonstrate that they have an appropriate licensing qualification, are aged over 18 years, do not have a relevant or foreign criminal conviction or have been required to pay an immigration penalty. In addition they must also demonstrate that they have the right to work within the United Kingdom.
- 2.6 The holder of a Personal Licence is required by the Act to report (as soon as reasonably practicable) to the Licensing Authority any change to their name or address. Similarly should they receive a conviction for any relevant criminal offence or foreign offence or have been required to pay an immigration penalty they must report this in writing (again as soon as reasonably practicable). On receipt of which the Licensing Authority has the discretion to suspend, for up to 6 months, or to revoke the Licence. In addition any Personal Licence issued in respect of an application made on or after 6 April 2017 will become invalid if the holder ceases to be entitled to work in the United Kingdom.
- 2.7 Further information on this type of Licence can be found on the Sefton Council website at www.sefton.gov.uk.

Premises Licences and Club Premises Certificates

- 2.8 A Premises Licence / Club Premises Certificate is required for any premises where it is intended that a licensable activity should take place.
- 2.9 The Act states that the following persons may apply for a Premises Licence in respect of any premises:

- A person who carries on, or proposes to carry on, a business which involves the use of the premises for the licensable activities to which the application relates;
 - Any person who makes the application pursuant to:
 - i) any statutory function discharged by that person which relates to those licensable activities, or
 - ii) any function discharged by that person by virtue of Her Majesty's prerogative,
 - iii) a recognised club,
 - iv) a charity,
 - v) the proprietor of an educational institution,
 - vi) a health service body,
 - vii) a person who is registered under Part 2 of the Care Standards Act 2000 (c14) in respect of an independent hospital,
 - viii) a person who is registered under Chapter 2 of Part 1 of the Health and Social Care Act 2008 in respect of the carrying on of a regulated activity (within the meaning of that Part) in an independent hospital in England,
 - ix) a chief officer of police of a police force in England and Wales,
 - x) a person of such other description as may be prescribed.
 - An individual may not apply for a premises licence if s/he is not aged 18 or over.
 - An individual who is resident in the United Kingdom may not apply for a Premises Licence authorising premises to be used for the sale of alcohol and/or late night refreshment unless the individual is entitled to work in the United Kingdom.
- 2.10 The grant of a Club Premises Certificate means that a club is entitled to certain benefits, which include the authority to supply alcohol to its members and sell it to guests without the need for any member or employee to hold a personal licence, and the absence of a requirement to specify a designated premises supervisor. There are also more limited rights of entry for the police and other authorised persons, as the premises are considered private and not generally open to the public.
- 2.11 Unless requested by the applicant, the Licence / Certificate will not be time limited. However any Premise Licence issued in respect of an application made on or after 6 April 2017 (and including the sale of alcohol and/or late night refreshment) will become invalid if the individual holder ceases to be entitled to work in the United Kingdom.
- 2.12 Further information on this type of Licence / Certificate can be found on the Sefton Council website at www.sefton.gov.uk.

Late Night Refreshment

- 2.13 The provision of late night refreshment is defined as the supply of hot food or hot drink on or from premises to members of the public between 11pm and 5am for

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consumption on or off the premises. Schedule 2 of the Act makes provision for exempt supplies of hot food or hot drink; these include supplies which can only be made from premises which are recognised clubs or hotels to persons admitted to those premises as a member of the club or as an overnight guest at the hotel, and supplies by means of a self service vending machine or which are free.

- 2.14 Changes made to Schedule 2 of the Act by the Deregulation Act 2015 provide a licensing authority with the discretionary powers to exempt the supply of late night refreshment from the licensing regime if it takes place:
- i) On or from premises which are wholly situated in a designated area;
 - ii) On or from premises which are of a designated description; or
 - iii) During a designated period (beginning no earlier than 11pm and ending no later than 5am).
- 2.15 The Authority has not yet exercised these powers; if it should then a list of any designated areas, designated descriptions or designated periods will be included as an Annex to this Policy.

Temporary Event Notices

- 2.16 The Act states that the organiser of a Temporary Event must give the Licensing Authority, the local authority exercising environmental health functions and the Police notice of the event.
- 2.17 The Act states that a “standard” Temporary Event Notice (“TEN”) may be served (up to) 10 working days prior to a permitted Temporary Event, whilst a “late” TEN may be served (up to) 5 working days prior to a permitted Temporary Event.
- 2.18 TENs are subject to certain limits, which are set by statute, further information on these can be found on the Sefton Council website at www.sefton.gov.uk.

3.0 LICENSING OBJECTIVES

- 3.1 In carrying out its licensing functions the Authority will promote the Licensing Objectives which are:
- The prevention of crime and disorder;
 - Public safety;
 - The prevention of public nuisance; and
 - The protection of children from harm.
- 3.2 To achieve these objectives the Authority will use a full range of measures including its planning, transport and crime and disorder policies and powers. The Authority will work in partnership with Merseyside Police, Merseyside Fire Authority, local businesses, local pubwatches, community representatives and local people in meeting these objectives.
- 3.3 Applicants will be expected to undertake their own enquiries about the area in which their premises are situated to inform the content of their application and in

particular they will be expected to obtain sufficient information to enable them to demonstrate, when setting out the steps they propose to take to promote the licensing objectives, that they understand:

- The layout of the local area and physical environment including crime and disorder hotspots, hotspots of ill health (particularly children) caused by alcohol, proximity to residential premises and proximity to areas where children may congregate;
- Any risk posed to the local area by the applicants' proposed licensable activities; and
- Any local initiatives (for example, local crime reduction initiatives or voluntary schemes including local taxi-marshalling schemes, street pastors and other schemes) which may help to mitigate potential risks.

3.4 Applicants will be expected to include positive proposals in their application on how they will manage any potential risks. For example, premises with close proximity to residential premises should consider smoking, noise management and dispersal policies to ensure the promotion of the public nuisance objective. Applicants must consider all factors which may be relevant to the promotion of the licensing objectives, and where there are no known concerns, acknowledge this in their application.

Prevention of Crime & Disorder

3.5 When making licence applications, in providing evidence within the Operating Schedule that suitable and sufficient measures will be in place to address the Crime and Disorder objective, applicants should consider the following matters in particular:

- The capability of the person in charge to ensure effective and responsible management of the premises;
- The training given to staff in crime prevention measures;
- Procedures for risk assessing promotions and events, such as 'happy hours' in relation to crime and disorder, and the plans to minimise such risks;
- Adoption of best practice in relation to safer clubbing etc;
- Physical security features installed in the premises (i.e. location and standard of CCTV equipment, toughened drinking glasses etc);
- Measures to prevent the supply of illegal drugs, including search and entry policies;
- Employment of SIA licensed door supervisors;
- Participation in an appropriate crime prevention scheme (e.g. 'pubwatch');
- Measures to be taken for the prevention of violence and disorder;
- The presence, or access to, sufficient transport facilities to ensure that customers can leave the premises safely and swiftly;
- Weapon detection and search facilities;
- Illegal sale of alcohol to those who are already drunk;
- Participation in any existing radio network scheme

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- 3.6 Annex 3 gives further guidance as to the type of measures applicants may wish to include in their Operating Schedules with regard to this objective.

Public Safety

- 3.7 When making licence applications, in providing evidence within the Operating Schedule that suitable and sufficient measures will be in place to address the Public Safety objective, applicants should consider the following matters in particular:

- The safe occupancy capacity of the premises, in particular having regard to floor area and means of escape;
- The age, design and layout of the premises, including the means of escape;
- The nature of the licensable activities provided, in particular the sale of alcohol;
- Hours of operation;
- Customer profile (age, disability etc);
- The necessary Health and Safety and Fire risk assessments for the premises, and other measures to reduce risk to public safety;
- The number of people employed or engaged to secure the safety of all persons attending the premises or event;
- Where appropriate, noise exposure controls, for both staff and public, which have been detailed in accordance with the appropriate legislation;
- Arrangements to ensure that litter, generated by activities at the premises, does not present a fire hazard;
- Implementation of appropriate crowd management measures

- 3.8 Annex 4 to this Policy gives some further guidance as to the type of measures applicants may wish to include in their Operating Schedules with regard to this objective.

Prevention of Public Nuisance

- 3.9 When making licence applications, in providing evidence within the Operating Schedule that suitable and sufficient measures will be in place to address the Public Nuisance objective, applicants should consider the following matters in particular:

- The type of activity, its frequency and the number and nature of customers likely to attend;
- Measures taken, or proposed, to prevent noise and/or vibration escaping from the premises given its location and proximity to residential and other noise sensitive premises. This would include music, plant noise and human voice, whether amplified or not;
- Measures taken to prevent the transmission of sound and/or vibration to adjoining properties;
- Measures taken, or proposed, for management and supervision of the premises and open areas to minimise unreasonable disturbance by customers and staff arriving or leaving the premises, including the delivery of goods and services;

- The proposed hours of operation for all, or parts, of the premises;
 - Measures taken to prevent cooking odours and other smells escaping from the premises;
 - Means of access to and egress from the premises, including customer entrances and exits on principal pedestrian routes;
 - Whether routes to and from the premises pass residential premises;
 - Whether the premises would result in increased refuse storage, disposal problems or additional litter in the vicinity of the premises, including measures taken to ensure the collection and disposal of litter and waste outside the premises;
 - Measures to be taken to reduce drunkenness on the premises, e.g. the “Drink Less Enjoy More” scheme;
 - If appropriate, a ‘wind down’ period between the end of the licensable activities and closure of the premises;
- 3.10 If sound leakage from the premises is identified by the applicant, or any responsible authority, the Authority will expect this to be addressed in practical ways, such as:
- Keeping doors and windows closed and providing adequate mechanical ventilation, or if necessary, air conditioning;
 - Reducing sound levels and installing a sound limiting device to prevent sound exceeding the appropriate level;
 - Installing soundproofing measures to contain sound and vibration
- 3.11 In premises where customers leave late at night, or early in the morning, the Authority will expect the applicant to have included, in the Operating Schedule, such practical steps as:
- Erecting prominent notices at the exits to the premises asking customers to leave quietly and not to slam car doors;
 - At appropriate time making loud speaker announcements to the same effect;
 - Instructing door staff to ask customers leaving the premises to do so quietly;
 - Reducing the volume of music towards the end of the evening and where appropriate playing quieter, more soothing music as the evening winds down;
 - Improving availability of licensed taxis or private hire vehicles to take customers from the premises;
 - Refusing entry to people known to regularly leave in a noisy manner;
 - The supervision of any queues so as to keep noise and disturbance to a minimum
- 3.12 Annex 5 to this Policy gives further guidance as to the type of measures applicants may wish to include in their Operating Schedules with regard to this objective.

Protection of Children from Harm

- 3.13 It is not possible to anticipate every issue of concern that could arise with regard to each individual premises in respect of children, however, when making licence applications, in providing evidence within the Operating Schedule that suitable and

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sufficient measures will be in place to address the protection of children from harm objective, applicants should, in particular, consider how they will prevent children from:

- Acquiring or consuming alcohol;
- Being exposed to drugs, drug taking or drug dealing;
- Being exposed to gambling;
- Being exposed to entertainment of an adult or sexual nature;
- Being exposed to incidents of violence or disorder;
- Being exposed to excessive noise.

3.14 With regard to the mandatory condition concerning age verification policies, the Authority recommends that the following documents should be used as proof of age:

- Passport;
- 'Photocard' Driving Licence; or,
- Any PASS (Proof of Age Standards Scheme) card (details from www.pass-scheme.org.uk).

3.15 The Authority will normally require persons working with children, in respect of premises holding under 18 regulated entertainment, to undergo an enhanced Criminal Records Bureau check before they are appointed.

3.16 In recent years there has been an increasing awareness of the problems in society generally connected with Child Sexual Exploitation. It is this Authority's opinion that Child Safeguarding is everyone's responsibility and that licensed premises should be vigilant in this regard particularly those premises which may be expected to attract under 18 year olds such as nightclubs, fast food outlets, cinemas screening children's films etc. Operators of licensed premises should have in place appropriate child safeguarding measures and should seek the advice of the Council's Safeguarding Children's Unit in this respect.

3.17 Annex 6 to this Policy gives further guidance as to the type of measures applicants may wish to include in their Operating Schedules with regard to this objective.

4.0 LINKS TO OTHER POLICIES

4.1 The Authority will ensure proper integration of this and other related policies and strategies, including its cultural, economic development, local crime prevention, health, planning, race equality, transport, tourism and town centre management strategies, through consultation, ongoing communication and reporting arrangements between the Licensing and Regulatory Committee, the Licensing Unit and other relevant bodies.

4.2 All licensing activities will be undertaken in compliance with the Authority's Race Equality Scheme which recognises its responsibilities under the Race Relations Act 1976.

- 4.3 This Policy Statement also recognises the Disability Discrimination Act 1995 as well as recognising that the Equality Act 2010 places a legal obligation on public authorities to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation; to advance equality of opportunity; and to foster good relations, between persons with different protected characteristics.
- 4.4 The Authority has a duty under Section 17 of the Crime and Disorder Act 1998 to promote the prevention of crime and disorder and it will also have regard to these duties when determining applications.
- 4.5 The Authority recognises the need and wider cultural benefits of encouraging and promoting a broad range of entertainment, particularly live music, dance and theatre and will seek to avoid measures that unnecessarily deter the provision of such entertainment. Working with the Sefton Cultural Strategy Group, the Authority will seek to monitor the impact of licensing on the provision of regulated entertainment, particularly live music, dance and theatre.
- 4.6 The Authority recognises the impact of irresponsible consumption of alcohol on crime, disorder and health and will expect Licensees to ensure that alcoholic drinks are packaged, presented and sold in a socially responsible way. In this context the Authority commends the use of the following: *“Home Office: Selling Alcohol Responsibly: Good Practice Examples from the Alcohol Retail and Hospitality Industries”* and *“Portman Group Code of Practice on Naming, Packaging and Promotion of Alcoholic Drinks”*.
- 4.7 The Authority also encourages Licensees to give consideration to the National Alcohol Harm Reduction Strategy and any Alcohol Harm Reduction Strategy that may be in force from Sefton Council, in particular the contribution they can make to reducing the harm caused by irresponsible consumption of alcohol.

5.0 THE LICENSING PROCESS

- 5.1 In determining a licence application the overriding principle adopted by the Authority will be that each application will be determined on its merits.
- 5.2 The decisions taken by the Authority will be focused on matters within the control of individual licensees and others granted relevant permissions. Accordingly, these matters will centre on the premises and places being used for licensable activities and the vicinity of those premises and places.
- 5.3 In addressing this matter, the Authority will primarily focus on the direct impact of the activities taking place at the licensed premises on members of public living, working or engaged in normal activity in the area concerned.
- 5.4 Whilst recognising that licensing law is a key aspect in the general control of anti-social behaviour and forms part of the holistic management of the evening and night-time economy, in taking its decisions the Authority will take into account the fact that it is not the primary mechanism for the general control of anti-social behaviour by individuals once they are beyond the direct control of the individual, club or business holding the Licence, Certificate or Permission concerned.

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SEFTON METROPOLITAN BOROUGH COUNCIL – LICENSING POLICY STATEMENT

- 5.5 The Authority recognises that there should be a clear separation of the planning and licensing regimes and licensing applications should not be a re-run of the planning application. The Authority will therefore ensure that the two regimes are kept separate. The Planning Committee will be kept regularly apprised of the situation regarding licensed premises within the Borough to enable the Committee to have regard to such matters when taking decisions to avoid any unnecessary overlap.
- 5.6 There may be circumstances when as a condition of planning permission, a terminal hour has been set for the use of premises for commercial purposes. Where these hours are different to the licensing hours, the applicant must observe the earlier closing time. Premises operating in breach of their planning permission would be liable to prosecution under planning law. The granting by the Licensing Committee of any variation of a licence which involves a material alteration to a building would not relieve the applicant of the need to apply for planning permission or building control approval where appropriate.
- 5.7 Licensing decisions and functions may be taken or carried out by the Licensing Committee, or delegated, where appropriate, to sub-committees or officers. The principal of delegation will be to ensure that decisions and functions, particularly non-contentious applications and purely administrative functions are taken or carried out in a speedy, efficient and cost-effective way.
- 5.8 The delegation of decisions and functions will be as follows:

Matter to be Dealt With	Sub-Committee	Officers
Application for a personal licence	If a Police objection	If no objection made
Application for personal licence with unspent convictions	All cases	
Application for premises licence / club premises certificate	If a relevant representation made	If no relevant representation made
Application for a provisional statement	If a relevant representation made	If no relevant representation made
Application to vary premises licence / club premises certificate	If a relevant representation made	If no relevant representation made
Application to vary designated premises supervisor	If a Police objection	All other cases
Request to be removed as designated premises supervisor		All cases
Application for transfer of premises licence	If a Police objection	All other cases
Application for interim authorities	If a Police objection	All other cases
Application to review premises licence / club premises certificate	All cases	

Decision on whether a complaint is irrelevant frivolous, vexatious etc		All cases
Decision to object when local authority is a consultee and not the relevant authority considering the application	All cases	
Determination of an objection to a temporary event notice	All cases	
Determination of application to vary premises licence at community premises to include alternative licence condition	If a Police objection	All other cases
Decision whether to consult other responsible authorities on minor variation application		All cases
Application for minor variation		All cases

5.9 Applicants for grants or variations of Premises Licences / Club Premises Certificates are required by the Act to copy details of their applications to the following “responsible authorities”, who may make representations about the application or ask the Authority to review a Premises Licence / Club Premises Certificate:

- The relevant licensing authority and any other licensing authority in whose area part of the premises is situated;
- The chief officer of police;
- The local fire authority;
- The local enforcement agency for the Health and Safety at Work Etc Act 1974 (the local authority or the Health and Safety Executive as appropriate to each particular premises);
- The local authority with responsibility for environmental health;
- The local planning authority;
- The body responsible for the protection of children from harm;
- The local weights and measures authority;
- The Home Office;
- The Primary Care Trust or Local Health Board, and,
- Any other licensing authority in whose area part of the premises are situated.

5.10 The appropriate points of contact for the abovementioned responsible authorities, i.e. the person to whom copies of applications should be sent, are listed in Annex 2.

5.11 The Authority will notify those residential and business properties with curtilages abutting those premises applying for a Premises Licence or a Club Premises Certificate, the Variation of a Premises Licence or Club Premises Certificate, or any premises subject to a review. Whilst this is not a statutory requirement, the Authority is of the belief that it is important to ensure that the community are fully aware of licensing applications made in their area and as such this will ensure that local people have a voice in licensing decisions. As part of our statutory requirements we will also advertise these applications on www.sefton.gov.uk.

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- 5.12 In respect of minor variations the overall test for Officers will be to decide whether or not the proposed minor variation would impact adversely on any of the four licensing objectives.

Hearings

- 5.13 A hearing will be arranged to deal with any application which cannot be dealt with under delegated powers or resolved by agreement between applicants and other parties and/or 'responsible authorities'.

Review of licences

- 5.14 Following the grant of a Premises Licence or Club Premises Certificate a 'responsible authority' or any other party may request the Authority to review the Licence/Certificate where problems associated with the four Licensing Objectives have occurred. Similarly the Authority itself may instigate a review of the licence in a similar manner.
- 5.15 The Authority considers that other parties and 'responsible authorities' will give licence holders sufficient warning of any concerns they may have with regard to problems identified at the premises and the need for improvement. The Authority therefore expects licence holders to respond to such warnings and implement the necessary remedial action. A failure to respond to such warning could lead to a decision to request a review of the licence.
- 5.16 In all cases where a representation for a review is made it must relate to a particular premises for which a Licence/Certificate is in force and must be relevant to the promotion of the four Licensing Objectives.
- 5.17 Requests for reviews may be rejected where, in the view of the Authority, the complaint is not relevant (to the Licensing Objectives), is vexatious, frivolous or repetitious.
- 5.18 Where a review has been accepted by the Authority and where a statement from a proposed witness is served on the Authority and all other relevant parties at least 14 days prior to the date notified for the hearing of a review, that witness statement shall be taken as fact unless written notice requiring the attendance of that witness is given to the party putting forward the witness, and to the Authority, at least five working days prior to any review hearing.

6.0 LICENSING HOURS

- 6.1 The Authority will not prescribe general licensing hours and in determining licensing hours the Authority will not limit opening hours without consideration of the circumstances and individual merits of each application.
- 6.2 Where there are objections to an application to extend the hours during which licensable activities are to be carried on and the Authority determines that this would undermine the licensing objectives, it may reject the application or grant it with appropriate conditions and/or different hours from those requested.

- 6.3 The Authority will consider in each case the evidence presented to it and in particular, where relevant and appropriate:
- a) Any evidence that longer hours may lead to public nuisance later at night, particularly where residents are affected;
 - b) Any evidence of policing difficulties late at night;
 - c) Any evidence of difficulties experienced in late night street cleaning;
 - d) Any evidence that premises licensed for longer hours are in fact closing, or likely to close, at the same hour so producing peaks of disturbance later at night;
 - e) Any evidence that those drinking longer are creating disorder later at night.
- 6.4 In general the Authority will seek to ensure that nuisance is minimised to local residents and will demand stricter conditions with regard to noise and nuisance control in areas of denser residential accommodation.
- 6.5 Shops, stores and supermarkets will generally be permitted to sell alcohol for consumption off the premises throughout the hours they intend to open unless there are good reasons, based on the licensing objectives, for restricting those hours. For example, a limitation may be appropriate following police representations in the case of some shops known to be a focus of disorder and disturbance because youths gather there.
- 6.6 Entertainment providers will be encouraged to provide a range of entertainment during their operating hours and to promote live music, dancing and theatre for the wider cultural benefit of the Community.

7.0 CHILDREN

- 7.1 The Authority can only attach conditions where an objection is upheld following a hearing. Licensing covers a wide variety of types of premises and activity. The Authority will not seek to limit access of children to any premises unless such access is specifically prohibited by the Act or it is otherwise considered necessary for the prevention of physical, moral or psychological harm. Each application and the circumstances obtaining to each application will be considered on its own merits.
- 7.2 The Authority would be most likely to take such action in relation to premises where there have been convictions for members of the current staff at the premises for serving alcohol to minors or with a reputation for underage drinking; a known association with drug taking or dealing; a strong element of gambling on the premises; where entertainment of an adult or sexual nature is commonly provided; or where the supply of alcohol for consumption on the premises is the exclusive or primary purpose of the services provided at the premises.
- 7.3 Where it is considered necessary, for the prevention of physical, moral or psychological harm, to limit the access of children, the following options, or combination of options may be imposed:

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- Limitations on the hours when children may be present;
 - Limitations or the exclusion of the presence of children under certain ages when particular specified activities are taking place;
 - Limitations on the parts of premises to which children might be given access;
 - Age limitations (below 18);
 - Requirements for accompanying adults; and
 - Full exclusion of those people under 18 from the premises when any licensable activities are taking place.
- 7.4 The Authority will not impose conditions requiring the admission of children to any premises. The Authority believes that where no licensing restriction is necessary, the admission or otherwise of children to a premises should remain a matter for the discretion of the individual licensee or club.
- 7.5 The provision of entertainment to children will require the presence of sufficient adults to control the access, egress and safety of the children. Where regulated entertainment is provided for children, or large numbers of children may be expected, conditions may be imposed to require an appropriate ratio of adult staff to be present, to control access egress and safety of the children.
- 7.6 Where a licence relates to the exhibition of films, the Authority will expect that children will be restricted from viewing age-restricted films classified according to the recommendations of the British Board of Film Classification. In exceptional cases the Authority may vary the age-restriction applied to a film to be exhibited within its area.

8.0 LICENSING CONDITIONS

- 8.1 As indicated in Paragraph 7.1 above, the Authority can only attach conditions where an objection is upheld following a hearing. In these instances only those conditions considered appropriate to meet the Licensing Objectives will be imposed. The Authority will avoid the imposition of disproportionate and overburdensome conditions where there is no need for them.
- 8.2 The Authority will seek to avoid any duplication with other regulatory regimes. Licence conditions will not be imposed where other regulatory regimes provide sufficient protection to the public (for example, health and safety at work and fire safety legislation). However, the Authority will expect licencees to maintain compliance with those other regulatory regimes and would encourage licencees to adopt best practice wherever possible.
- 8.3 To ensure consistency the Authority will maintain pools of conditions, from which appropriate and proportionate conditions, tailored to the individual style and characteristics of the premises and events to which an application relates, may be drawn when necessary in particular circumstances. Conditions will, so far as possible, reflect local crime prevention strategies.
- 8.4 When considering whether an entertainment being provided constitutes ‘the provision of regulated entertainment’ each case will be treated on its own merits. There will inevitably be a degree of judgement as to whether the provision is

regulated or not and therefore organisers of events should check with the Authority if in doubt.

- 8.5 Further information on what constitutes ‘the provision of regulated entertainment’ (and in what circumstances) can be found via the Sefton Council Website at www.sefton.gov.uk.

9.0 CUMULATIVE IMPACT ASSESSMENT

- 9.1 A cumulative impact assessment (“CIA”) may be published by a licensing authority to help it to limit the number or types of licence applications granted in areas where there is evidence to show that the number or density of licensed premises in the area is having a cumulative impact and leading to problems which are undermining the licensing objectives. CIAs relate to applications for new premises licences and club premises certificates and applications to vary existing premises licences and club premises certificates in a specified area.

- 9.2 Evidence of cumulative impact on the promotion of the licensing objectives needs to relate to the relevant problems identified in the specific area to be covered by the CIA. Information which licensing authorities may be able to draw on includes:

- local crime and disorder statistics, including statistics on specific types of crime and crime hotspots;
- statistics on local anti-social behaviour offences;
- health-related statistics such as alcohol-related emergency attendances and hospital admissions;
- environmental health complaints, particularly in relation to litter and noise;
- complaints recorded by the local authority, which may include complaints raised by local residents or residents’ associations;
- residents’ questionnaires;
- evidence from local councillors; and
- evidence obtained through local consultation.

- 9.3 The CIA must include a statement saying that the licensing authority considers that the number of premises licences and/or club premises certificates in one or more parts of the area described is such that it is likely that granting further licences would be inconsistent with the authority’s duty to promote the licensing objectives.

- 9.4 The Act does not stipulate how the CIA should be used once published, because the requirements for determining applications for new licences or variations are the same in areas with a CIA as they are elsewhere. However, any CIA published by a licensing authority must be summarised in its statement of licensing policy. Under section 5(6D) a licensing authority must also have regard to any CIA it has published when determining or revising its statement of licensing policy.

- 9.5 This Authority has not published a CIA, however it should be noted that although the publication of a CIA should generally be suitable as the basis for a decision to refuse an application or impose conditions, it does not change the fundamental way that decisions are made under the Act.

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- 9.6 Each decision in an area subject to a CIA would still need to be made on a case-by-case basis and with a view to what is appropriate for the promotion of the licensing objectives. It is also noted that the publication of a CIA would not remove a licensing authority's discretion to grant applications for new licences or applications to vary existing licences, where the authority considers this to be appropriate in the light of the individual circumstances of the case.

10.0 ENFORCEMENT

- 10.1 Enforcement action will be taken in accordance with the Authority's Licensing Enforcement Policy, will follow the Hampton principles and will be targeted, proportionate and transparent. The inspection of premises will be undertaken, when necessary, on a risk assessment and targeted basis, ensuring that resources are concentrated on high risk and problem premises and activities and again these will recognize the Hampton principles.
- 10.2 The Authority has established protocols on enforcement issues with the local Police, to provide for a more efficient deployment of Local Authority staff and Police Officers who are commonly engaged in enforcing Licensing Law and the inspection of licensed premises. In particular, these protocols provide for the targeting of agreed problem and high-risk premises which require greater attention, while providing a lighter touch in respect of those low-risk premises that are well run.

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Report to:	Council	Date of Meeting:	19 July 2018
Subject:	Overview and Scrutiny Annual Report 2017/18		
Report of:	Head of Regulation and Compliance	Wards Affected:	All
Cabinet Portfolio:	Adult Social Care Children, Schools and Safeguarding Communities and Housing Health and Wellbeing Locality Services Planning and Building Control Regeneration and Skills Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	No	Included in Forward Plan:	No
Exempt / Confidential Report:	No		

Summary:

To present formally the Annual Report of the Overview and Scrutiny Management Board and the four Overview and Scrutiny Committees for 2017/18.

Recommendation:

That the Chairs of the Overview and Scrutiny Management Board and the four Overview and Scrutiny Committees introduce their Annual Reports for 2017/18.

Reasons for the Recommendation(s):

To comply with the formal reporting mechanism to Council.

Alternative Options Considered and Rejected: (including any Risk Implications)

No alternative options have been considered as the Overview and Scrutiny Annual Report needs to be submitted to Council.

What will it cost and how will it be financed?

There are no direct financial implications arising from this report.

(A) **Revenue Costs** – see above

(B) **Capital Costs** – see above

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Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets): None
Legal Implications: None
Equality Implications: There are no equality implications.

Contribution to the Council's Core Purpose:

Protect the most vulnerable: None directly applicable to this report
Facilitate confident and resilient communities: None directly applicable to this report
Commission, broker and provide core services: None directly applicable to this report
Place – leadership and influencer: None directly applicable to this report
Drivers of change and reform: None directly applicable to this report.
Facilitate sustainable economic prosperity: None directly applicable to this report.
Greater income for social investment: None directly applicable to this report.
Cleaner Greener: None directly applicable to this report.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

This report is not subject to FD/LD consultation. Any specific financial and legal implications associated with any reports referred to in the Annual Report have been subject to the LD and FD process when they were originally submitted to Committee. Likewise, any reports referred to in the "Year Ahead" section of the Annual Report will be subject to the LD and FD process prior to their submission to Committee during the 2018/19 Municipal Year.

(B) External Consultations

Not applicable

Implementation Date for the Decision

Immediately following the Committee meeting.

Contact Officer:	Paul Fraser
Telephone Number:	0151 934 2068
Email Address:	Paul.fraser@sefton.gov.uk

Appendices:

Overview and Scrutiny Annual Report 2017/18

Background Papers:

There are no background papers available for inspection.

Introduction/Background

1. Overview and Scrutiny Annual Report 2017/18

- 1.1 Each year the Council receives the Annual Report of the Overview and Scrutiny Management Board and the four Overview and Scrutiny Committees.
- 1.2 Attached as an Appendix to the report is the Overview and Scrutiny Annual Report for 2017/18.
- 1.3 The Chairs of the Overview and Scrutiny Management Board and the four Overview and Scrutiny Committees have been requested to introduce their Annual Reports for 2017/18.

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Overview & Scrutiny



SEFTON COUNCIL OVERVIEW AND SCRUTINY ANNUAL REPORT 2017/18



Overview & Scrutiny



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Overview and Scrutiny Management Board



Councillor Michael O'Brien
Chair of the Overview and Scrutiny Management Board

It gives me great pleasure to introduce the Annual Report of the Overview and Scrutiny Management Board for 2017/18.

The Overview and Scrutiny Management Board has met twice during 2017/18.

Communication has always been a key consideration for the Management Board and the Board has previously agreed that Cabinet Member reports would be submitted to the relevant Overview and Scrutiny Committee in order to contribute towards the relationship between the Executive and Overview and Scrutiny Members.

Members have welcomed the Cabinet Member update reports and attendance of relevant Cabinet Members at Overview and Scrutiny Committee meetings. This process will remain in place despite Cabinet Member decisions being managed electronically.

The Management Board has offered support and guidance, where necessary, in the promotion of mini-reviews/single item meetings with a view to being more productive and adding value with reduced resources. This has been welcomed by all Committees and we hope to build on the successes from the previous years to ensure we continually improve.

The Council had appointed Councillor Paula Murphy (Scrutiny Link) and Councillors Dan T. Lewis and Thomas onto the Liverpool City Region (LCR) Combined Authority Scrutiny Panel; and Councillor Murphy submitted regular progress reports in relation to the operation of the LCR Scrutiny Panel throughout the year.

Councillor Murphy was also appointed by the Management Board to represent Sefton at meetings of the North West Strategic Scrutiny Network for 2017/18.

The Management Board supports training being offered to all Members of the Council. Although not specifically related to Overview and Scrutiny, a Charing Skills for Members training event for all Members of the Council was held on 9 February 2018; and a Chair and two Vice-Chairs of Overview and Scrutiny Committees attended this training.



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The Management Board had considered the following issues during 2017/18:-

- Regular progress reports on the position of Working Groups established by the Council's four Overview and Scrutiny Committees; and the establishment of a cross-cutting Scrutiny Review by the Management Board relating to Early Intervention and Prevention Strategy/Marmott Indicators. Membership of this Working Group was comprised of Councillors Page (Lead Member), Byrom, Sayers and Webster. Work by the Early Intervention and Prevention Working Group was completed in October 2017 and approved by the Cabinet at its meeting on 2 November 2017. A monitoring report on progress made against each of the recommendations agreed is scheduled to be reported to the Management Board in September 2018.
- Amendments to the Overview and Scrutiny call-in procedure that were subsequently adopted by all four Overview and Scrutiny Committees.
- The Liverpool City Region Overview and Scrutiny Committee relating to:-
 - its Work Programme for 2017/18;
 - the establishment of three Working Groups to investigate the themes of Spatial Development Strategy, Air Quality and Welfare Reform and Universal Credit.
- The publication of the Communities and Local Government Select Committee report titled "Effectiveness of Local Authority Overview and Scrutiny Committees".

The Year Ahead

Given the scale of the financial and service challenges facing the Council the year ahead will be extremely busy for Overview and Scrutiny Committees and the Management Board to scrutinise such challenges and how they impact on the Council's statutory requirement to remain financially sustainable and the desire to deliver the Sefton's 2030 Vision and Core Purpose.

Finally, I would like to take this opportunity to thank the Officers of the Democratic Services Team for all their hard work during the year.

Councillor Michael O'Brien
July 2018



During 2017/18 the following Members served on the Committees indicated-

Overview & Scrutiny Management Board

Councillor Michael O'Brien (Chair)
Councillor Page (Vice-Chair)
Councillor Byrom
Councillor Bradshaw
Councillor Carragher
Councillor Dams (subsequently replaced by Councillor Marianne Welsh)
Councillor Murphy
Councillor Sayers

Overview & Scrutiny Committee (Children's Services and Safeguarding)

Chair: Cllr. Murphy
Vice-Chair: Cllr. Carragher
Cllr. Bennett
Cllr. Bradshaw
Cllr. Hands
Cllr. Keith
Cllr. Brenda O'Brien
Cllr. Pitt
Cllr. Spencer
Cllr. Webster

Mr. S. Harrison – Church Diocesan Representative
Father D. Seddon - Church Diocesan Representative
Mrs. C. Palmer - Parent Governor Representative
Mrs. S. Cain - Advisory Member
Ms. L. Kitt - Healthwatch Representative

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Overview & Scrutiny Committee (Adult Social Care)

Chair: Cllr. Page
Vice-Chair: Cllr. Dams (subsequently replaced by Cllr. Marianne Welsh)
Cllr. Bliss (subsequently replaced by Cllr. Jones)
Cllr. Burns
Cllr. Carr
Cllr. Linda Cluskey
Cllr. Dawson
Cllr. McGuire
Cllr. Owens
Cllr. Pugh
Cllr. Lynne Thompson
Cllr. Bill Welsh
Cllr. Marianne Welsh
Mr. B. Clark and Mr. R Hutchings – Healthwatch Representatives

Overview & Scrutiny Committee (Regulatory, Compliance and Corporate Services)

Chair: Cllr. Bradshaw
Vice-Chair: Cllr. Byrom
Cllr. Booth
Cllr. Linda Cluskey
Cllr. Grace
Cllr. Jamieson
Cllr. Daniel Lewis
Cllr. McCann
Cllr. McKinley
Cllr. Owens



Overview & Scrutiny Committee (Regeneration and Skills)

Chair: Cllr. Sayers

Vice-Chair: Cllr. Michael O'Brien

Cllr. Bliss (subsequently replaced by Cllr. Jamieson. Cllr. Jamieson subsequently replaced by Cllr. Bliss)

Cllr. Carragher

Cllr. Dan T. Lewis

Cllr. Pullin (subsequently replaced by Cllr. Shaw. Cllr. Shaw subsequently replaced by Cllr. Pullin)

Cllr. Roche

Cllr. Weavers

Cllr. Webster (subsequently replaced by Cllr. Dawson due to a change in political balance on the Council)

Cllr. Bill Welsh



Adult Social Care and Health



Councillor Catie Page
Chair of the Overview & Scrutiny Committee
(Adult Social Care and Health)

It is my pleasure to introduce the 2017/18 Annual Report of the Overview and Scrutiny Committee (Adult Social Care and Health).

Introduction

This is my sixth Annual Report as Chair of the Overview and Scrutiny Committee (Adult Social Care and Health). I believe that the Committee has built on the existing good working relationships with many of our health partners. The trust that has been established has meant that we are recognised in our role of “critical friend”; we are listened to and have been able to have a positive influence on the development of health and adult social care services within Sefton. This Report is presented to the Council and a wider audience beyond in the hope that the information it contains will contribute to the debate and discussion about the provision of health and adult social care services for Sefton residents and their development, improvement and access.

Meetings

The Committee met formally on seven occasions during 2017/18. A Special Meeting was held during May 2017 to consider the proposed merger of the Liverpool, Southport and Formby, and South Sefton Clinical Commissioning Groups. At the time, the Committee considered it had insufficient information on which to reach a decision on whether the merger would mutually benefit all communities, and we requested additional information before our support could be given. We also held a Joint Meeting with the Overview and Scrutiny Committee (Children’s Services and Safeguarding) to consider a review of services at Liverpool Women’s NHS Foundation Trust.

A further Special Meeting was held during March 2018 and a Reconvened Meeting during April 2018, in order to consider the position for Hightown GP Surgery. I was very pleased that a Provider came forward to continue with the Hightown service, albeit at the eleventh hour, and the outcome prompted us to request the Sefton Clinical Commissioning Groups (CCGs) and NHS England to report to us on the GP Primary Care Strategy during 2018/19. An informal meeting of Members of the Committee was also held in order to receive draft Quality Accounts, details of which are outlined below.

NHS Trust Quality Accounts

As usual, the Committee commenced 2017/18 with the consideration of draft Quality Accounts from local healthcare providers. This provided Committee Members with an opportunity to comment on the performance of local NHS Trusts during the preceding twelve months, particularly in relation to patient experience, safety and clinical effectiveness. A number of local NHS Trusts routinely submit their draft Quality Accounts for consideration and comment each year and it is always a challenge to determine where the Committee will focus each year. I attended a separate event hosted by the Sefton Clinical Commissioning Groups, to receive a briefing on all the draft Quality Accounts, with Liverpool and Knowsley CCGs and Healthwatch representatives, where close questioning took place from a wider perspective. Then an informal meeting of Members of the Committee was held during May 2017, dedicated to considering the four draft Quality Accounts from the following Providers:-

- Southport and Ormskirk Hospital NHS Trust;
- Mersey Care NHS Foundation Trust;
- Aintree University Hospital NHS Foundation Trust; and
- Liverpool Women's NHS Foundation Trust.

The Providers concerned sent representatives to respond to our questioning and the Committee sought input from a representative of the two Sefton Clinical Commissioning Groups, together with Healthwatch Sefton representatives. This proved to be an effective approach in scrutinising the four draft Quality Accounts concerned.

Clinical Commissioning Groups (CCGs)

Throughout 2017/18 the Committee received regular update reports from the two Clinical Commissioning Groups (CCGs) within Sefton, namely the South Sefton Clinical Commissioning Group and the Southport and Formby Clinical Commissioning Group. This was the fifth year of full operation for the CCGs and I attended a number of their “Big Chat” and “Shaping Sefton” events which are designed to engage with local communities.

The CCGs are, of course, responsible for the planning and commissioning of health care services for the local area. During 2017/18 they reported to the Committee on a range of activities designed to promote health and wellbeing amongst residents. I believe that excellent relationships exist between Committee Members and officers of the CCGs, particularly the Chief Officer who attends virtually every Committee meeting and has always been willing to take up issues raised by Members and explain aspects of the services provided.

Updates submitted by the CCGs have included details of CCG Board meetings to which members of the public are invited; representatives and elections for the CCG governing bodies; “Big Chat” events used to shape services; plus details on various aspects of the work and health care services provided by the CCGs. The regular



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updates allow Members to raise questions and scrutinise aspects of the services provided by the CCGs. We also received a presentation on the CCGs' Estates Plan.

Throughout the year the CCGs have also submitted statistics to the Committee on Health Provider Performance which has enabled us to check the key performance areas of our local NHS Hospital Trusts, including the Friends and Family Test and A&E monitoring. These statistics have been particularly useful in scrutinising services during winter pressures.

Joint Health Scrutiny Committee

Towards the end of 2016/17 the Committee was asked to determine whether the case for change submitted by the Healthy Liverpool Programme for Orthopaedic Services constituted a substantial variation. The Committee agreed that it did and the Council subsequently endorsed our decision. A Joint Health Scrutiny Committee was then established with our colleagues at Liverpool and Knowsley Councils, to consider the proposals for Orthopaedic Services in greater depth and I was one of our Sefton representatives to consider the proposals at the first meeting in June 2017. We also visited facilities at site visits to Broadgreen Hospital and also at Aintree Hospital during the autumn of 2017. I understand that a further meeting of the Joint Committee will be convened during 2018/19 to consider the final proposals.

NHS Trusts / Partners

Throughout 2017/18 the Committee received reports and presentations on work and activities undertaken by NHS Trusts. Attendance at meetings by senior NHS representatives has enabled Committee Members to scrutinise NHS performance in the following areas:-

- Southport and Ormskirk Hospital NHS Trust - update reports in respect of performance and management arrangements; and
- Aintree University Hospital NHS Foundation Trust - recent developments at the Trust.

I was very pleased that the Chief Executive of Aintree Hospital attended a meeting to respond to our questions and we heard about the merger proposals with the Royal Liverpool and Broadgreen University Hospital Hospitals NHS Trust, together with the outcome of the recent Care Quality Commission inspection report.

We also welcomed the Interim Chief Executive for Southport and Ormskirk Hospital to a meeting during the year. Having recently met the new Chief Executive for the Trust early in 2018/19, I look forward to establishing a good working relationship between him and the Committee and he has agreed to attend the Committee meeting in September 2018.

During the year we also met with representatives of NHS England (Cheshire and Merseyside) to discuss the future provision of primary care services to patients registered with Freshfield and Hightown Village Surgeries. Then I attended 6 out of the 8 consultation sessions for the 2 practices where I ensured that views and



suggestions from the patients and public were listened to and taken on board. Tenders were put out and business plans were submitted, Freshfield Surgery being a smooth transition whilst Hightown Surgery culminated in two Special Meetings, as outlined above, involving Committee Members and Margaret Carney, Chief Executive, to make sure an appropriate service was put in place.

Adult Social Care

During the year the Committee received reports on the following aspects of the Council's Adult Social Care function:-

- Review of Sefton Community Equipment Store;
- Domiciliary Care Contracts - Future Tender; and
- Adult Social Care Complaints Annual Report 2016/17.

We also said goodbye to Tina Wilkins, the Council's former Head of Adult Social Care, and I am grateful for her input into the work of the Committee and for being so candid, particularly in her reporting of complaints to the Committee and how complaints can be understood and learnt from.

Public Health

During 2017/18 the Committee received reports on the following aspects of the Council's Public Health function:-

- Public Health Annual Report; and
- Health Checks.

The Public Health Annual Report considered the root causes of health inequalities across Sefton, actions being undertaken to address those issues and recommendations for future actions across key areas. The Health Checks item informed the Committee of progress made in the implementation of a new delivery model for the NHS Health Checks programme in Sefton.

Scrutiny Review Working Groups

During 2016/17 the Committee had established a Residential and Care Homes Working Group, comprised of Councillors Linda Cluskey, Lynne Thompson and Roger Hutchings, one of our Healthwatch co-opted Members, which undertook a review on the current care home market within Sefton. This Working Group continued into 2017/18 and particularly took into account current and future population needs, demand and market supply, together with the Council's "market shaping" duties arising from the Care Act. During 2017/18 we welcomed the Final Report of the Working Group and I am grateful to Working Group Members for their input on this piece of work. I was pleased that the Committee supported the recommendations and commended them to the Cabinet for approval. I look forward to receiving an update of the implementation of the recommendations during 2018/19.

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Call-In

In 2017/18 the Committee was asked to contribute towards the “call-in” procedure by scrutinising and approving a revised “Call-In Procedure Note”, as amended by the Overview and Scrutiny Management Board. Although the Committee receives very few “called-in” items, I was pleased that we were given the opportunity to contribute towards the procedure to be adopted by all Overview and Scrutiny Committees and ensure that the system is even more efficient in the future.

Pre-Scrutiny and the Key Decision Forward Plan

As ever, the Key Decision Forward Plan provided the Committee with an opportunity to pre-scrutinise Key Decision items from the Council’s Forward Plans as each of the latest Forward Plans are submitted to the Committee as part of its Work Programme update. The pre-scrutiny process assists the Cabinet and Cabinet Members to make effective decisions by allowing Overview and Scrutiny Committees to examine issues beforehand and make recommendations prior to a determination being made by the Executive.

Cabinet Member Reports

The regular attendance at meetings of both Councillor Paul Cummins, Cabinet Member - Health and Social Care, and Councillor Ian Moncur, Cabinet Member – Health and Wellbeing, has been very much appreciated by Members of the Committee. Throughout the year I have agreed the inclusion of all the relevant Cabinet Member Update Reports on agendas as I feel that it is particularly important to include regular updates on major areas of the Council’s activities, particularly as budgets have become increasingly under pressure. The Cabinet Member Update Reports have included a wealth of valuable information on aspects of the services and the Cabinet Members’ attendance, together with the presence of senior officers from both the Council’s Adult Social Care and Public Health service areas, has been very useful, providing Members with an opportunity to raise question and scrutinise developments within those Council Portfolio areas.

Sefton Healthwatch

Back in 2014/15 the Committee was fortunate in securing the services of two Advisory Members from Healthwatch Sefton who bring additional experience and expertise to the table, and this practice has continued into 2017/18.

I have also met informally with the Healthwatch representatives on a regular basis, together with the Manager of the Organisation and my Vice-Chair, and these informal meetings have proved to be very useful, enabling us to discuss a range of issues and strengthen the excellent working relationship between Healthwatch Sefton and the Committee.



Contributions Made During 2017/18

The attendance of representatives of organisations and partners, including senior officers of NHS Trusts, has been much appreciated and I would like to thank all our partners for their openness and their responses to our requests and suggestions. I have also appreciated the advice and support of Fiona Taylor, Chief Officer for both the Sefton Clinical Commissioning Groups (CCGs); Dwayne Johnson, the Council's Director of Social Care and Health; Tina Wilkins, the former Head of Adult Social Care; and Matt Ashton, Head of Health and Wellbeing and Director of Public Health, during 2017/18. I look forward to forging a closer working relationship with Deborah Butcher, the Council's recently appointed Head of Adult Social Care.

I am grateful to all the Members of the Committee for their support and for the enthusiastic way that they have contributed to our work. I would also like to express my gratitude to those members of the public who attended the Committee during 2017/18. My particular appreciation goes to our Democratic Services Officers for their commitment, advice and support and specifically the officer who supports the Committee, Debbie Campbell, for her hard work, commitment and patience.

The Year Ahead

With on-going pressures on social care and health services at a time when public expectations remain high, I am constantly aware that the Committee faces fresh challenges at the beginning of each new Municipal Year. Despite these challenges, I am confident that the Committee will rise to meet the expectations upon it and that new Members of the Committee will soon be fully informed and be able to play an active role.

Councillor Catie Page
July 2018



Children's Services and Safeguarding



Councillor Paula Murphy
*Chair of the Overview and Scrutiny Committee
(Children's Services and Safeguarding)*

I am pleased to introduce Sefton Council's Overview and Scrutiny Committee (Children's Services and Safeguarding) Annual Report 2017/18 to the Council.

Meetings

During 2017/18 the Committee met on 7 occasions, including Special Meetings arranged for the Committee to scrutinise specific issues in detail.

At the beginning of the Municipal Year the Committee received a report in relation to the Special Educational Needs and Disability (SEND) Inspection and the final Statement of Action which had been submitted to Ofsted. The inspection had been undertaken jointly by Ofsted and the Care Quality Commission (CQC) and the written statement of action had been required on 5 areas of concern within Sefton. Members of the Committee expressed some concerns and felt that they should have the opportunity to consider the re-drafted statement of action prior to its submission to Ofsted and the CQC. The outcome was that a Special Meeting was arranged in order for Committee Members to scrutinise the item in greater depth and a Working Group was subsequently established, details below. We also received an update on the implementation of actions arising from the joint inspection, later in the year.

A Joint Meeting with the Overview and Scrutiny Committee (Adult Social Care and Health) was also held in October 2017 to consider a review of services at Liverpool Women's NHS Foundation Trust.

Working Group - CAMHS

During 2016/17 the Committee had established a Working Group to consider Children and Adolescent Mental Health Services (CAMHS), comprised of Councillors Bennett, Hands, Keith, Spencer and Webster and Ms. Libby Kitt, Healthwatch Representative. Councillor Hands was appointed as the Lead Member of the Working Group. This review was the follow-up to a CAMHS Working Group finalised in 2010 as, whilst the majority of recommendations had been implemented satisfactorily, some had not. Outstanding concerns remained in relation to Children transitioning from Children's Services into Adult Services in terms of being admitted

onto wards that were inappropriate for young adults, and also geographical service delivery with regard to inequality of referral waiting times and thereafter, appointment times.

During 2017/18 we received the Final Report of the Working Group and the Committee supported the recommendations and commended them to the Cabinet for approval. I am grateful to the Members concerned for their input into this piece of work. We did subsequently receive a report and presentation on capacity and the waiting list review for the CAMHS service across Sefton from a representative of the Sefton Clinical Commissioning Groups. I look forward to receiving a progress report on the implementation of the recommendations during 2018/19.

Working Group - Licensing/Child Sexual Exploitation

We also received the Final Report of the Licensing/Child Sexual Exploitation Working Group that had been established jointly with the Overview and Scrutiny Committee (Regulation, Compliance and Corporate Services) to consider this issue. Councillors Bradshaw, Keith, Brenda O'Brien, Robinson and Thomas, and Mrs. Sandra Cain, an Associate Member of the Overview and Scrutiny Committee (Children's Services and Safeguarding), were appointed to serve on the Working Group. Councillor Robinson was appointed as the Lead Member.

The Working Group was established to review the Council's legal and safeguarding position in relation to the issue of any licence following allegations of child sexual exploitation; to consider whether all relevant pathways, methods of referral are sound with respect to escalation of CSE referrals; to ensure that key sectors are informed and aware of how to raise concerns concerning CSE; and to liaise with the Home Office and lobby for legislative change should the need arise. The Committee supported the recommendations produced by the Working Group and commended them to the Cabinet for approval during the autumn of 2017. We subsequently received an update report setting out progress made against each of the recommendations. I am appreciative of Members input into this piece of work and I look forward to receiving further progress reports on the implementation of the recommendations during 2018/19.

Working Group - SEND

The Committee also established a Working Group to review the topic of Special Educational Needs and Disability (SEND) Process of Assessment. This was in response to the concerns raised at the beginning of the Municipal Year, as outlined above. Membership was comprised of me, Councillors Bennett, Brenda O'Brien, Spencer, and Co-opted Members Sandra Cain, Libby Kitt and Carrie Palmer. Councillor Spencer was appointed as the Lead Member of the Working Group. I look forward to seeing a Final Report being submitted to the Committee during 2018/19.

Working Group – (NEETs)

We also requested a progress report on the implementation of the recommendations of the former Not in Education, Employment and Training Working Group (NEETs),



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that had been established jointly with the Overview and Scrutiny Committee (Regeneration and Skills) and was completed during 2013. The Overview and Scrutiny Committee (Children's Services) appointed Councillors Brennan, Keith, Killen and McKinley, former Councillor Dorgan, and Parent Governor Representative Mrs S. Cain to serve on the Working Group. The Overview and Scrutiny Committee (Regeneration and Environmental Services) appointed Councillors Marianne Welsh and Roche to serve on the Working Group. Councillor Brennan was appointed as the Lead Member. I look forward to receiving a progress report during 2018/19.

Schools and Families

During the year the Committee received and considered reports on the following aspects of the Schools and Families service:-

- School Organisation and School Places;
- School Performance Update; and
- School Performance Possible Reasons for the Deterioration of Attainment at Secondary Schools.

I am grateful to Mike McSorley, Head of Schools and Families, and his Teams for their contributions towards the work of the Committee.

Children's Social Care

During 2017/18 the Committee received and considered reports on the following aspects of Children's Social Care:-

- Children's Services Improvement Plan Update and Scorecard;
- Children's Social Care Performance - Improvement Plan;
- Adoption Service – Annual Report;
- Fostering – Annual Report;
- Children's Plan Performance Dashboard; and
- Corporate Parenting Board Activities Report 2017.

We also received a presentation on the Ofsted Inspection Framework from the Head of Children's Social Care, outlining the changes to the Ofsted Inspection regime and the requirement to thread the inspection principles into all the processes undertaken at a local level in order that the Authority was consistently inspection ready.

I appreciate the contribution made by Vicky Buchanan and her Teams towards the work of the Committee.

Other Reports

During 2017/18 the Committee received the Public Health Annual Report that considered the root causes of health inequalities across Sefton, actions being undertaken to try to address those issues, together with recommendations for future actions across key areas.



Call-In

In 2017/18 the Committee was requested to contribute towards the Council's call-in procedure by scrutinising and approving a revised "Call-In Procedure Note", as amended by the Overview and Scrutiny Management Board. The Committee receives very few "called-in" items, but I was pleased that we were provided with the opportunity to contribute towards decision-making and ensure that the procedure adopted by all the Council's Overview and Scrutiny Committees will be even more efficient in the future.

Pre-Scrutiny and the Key Decision Forward Plan

The Key Decision Forward Plan provides the Committee with an opportunity to pre-scrutinise Key Decision items from the Council's Forward Plan, as the latest Forward Plan is submitted to the Committee as part of its Work Programme update. The pre-scrutiny process assists the Cabinet and Cabinet Members in making effective decisions as it allows Overview and Scrutiny Committees to examine issues and make recommendations prior to the executive decision being made.

During 2017/18 the Committee pre-scrutinised an item on the Development of Family Well-Being Services and spent some considerable time carefully considering the matter prior to the matter being considered by the Cabinet. I look forward to receiving an update during 2018/19 on developments in this important area.

Cabinet Member Reports

In order to keep Overview and Scrutiny Members informed, the Overview and Scrutiny Management Board had previously agreed for relevant Cabinet Member Reports for the Children, Schools and Safeguarding Portfolio to be submitted to appropriate Overview and Scrutiny Committee Chairs for them to determine what items should be reported to Committee. During 2017/18, I have agreed for Cabinet Member Update Reports to be included on Committee agendas for general information purposes for Members of the Committee. Items considered within Cabinet Member reports have included issues relating to:-

- National Funding Formula for Schools;
- Academisation;
- South Sefton College;
- Special Educational Needs and Disability (SEND) Inspection/Review and key issues for Sefton including:
 - Demand;
 - Provision;
 - Workforce;
 - Finance;
- Children's Social Care restructure;
- School Performance:
 - Early Years Foundation Stage Profile;
 - Key Stage 2 Outcomes;
 - Key Stage 4 Outcomes;



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- Looked After Children and Care Leavers Sufficiency Strategy 2017/18;
- Children's and Families Centres/Family Well-being Service;
- Ofsted Inspection Outcomes;
- Adoption in Merseyside;
- Pupil Place Plan 2016/17 to 2021/22;
- Foster Care Allowances; and
- School Improvement.

Co-Opted Members

The Committee has 2 Education representatives as part of its membership, together with other co-opted members who regularly attend the Committee to contribute towards debates and who bring additional experience and expertise to the table. I would like to thank all our Added Members for their attendance and contributions during 2017/18, as it is very much appreciated.

The Year Ahead – 2018/19

I am sure that the Committee will look forward to the new Municipal Year as it works as a critical friend to our Cabinet Member and partners. The Committee will be examining a number of key areas during 2018/19 in order to ensure that the services we provide are continually improved to benefit all who live and work in the Borough.

I am particularly appreciative of our Democratic Services Officers for their commitment, advice and support. During 2017/18 we lost our responsible officer, Ruth Harrison, who was promoted to the position of Democratic Services Manager, and I wish her well in this role. Ruth has served the Committee for a number of years and I am grateful for the valuable contributions she has made. Debbie Campbell is now the responsible officer for the Committee and I look forward to working more closely with her.

I would also like to take this opportunity to thank all Committee Members, officers and partners for their support, hard work and contributions to our endeavours throughout the year. Special thanks go to Dwayne Johnson, our Director of Social Care and Health, for his hard work, commitment and patience in contributing towards the work of the Committee and ensuring that the service is as effective as it possibly can be. In addition, I would like to place on record my thanks to our Cabinet Member, Councillor John Joseph Kelly, for his regular update reports to our Committee which have greatly assisted the Committee in keeping abreast of issues within the Children, Schools and Safeguarding Portfolio and are much appreciated by the Members.

Councillor Paula Murphy
July 2018



Regeneration and Skills



Councillor John Sayers
Chair of the Overview and Scrutiny Committee
(Regeneration and Skills)

It gives me great pleasure to introduce Sefton Council's Overview and Scrutiny Committee (Regeneration and Skills) Annual Report 2017/18.

During the year the Committee has met seven times and considered matters relating to United Utilities – increase in surface water charges to schools; Peer Review Working Group; Town Centre Framework Action Plans; leasehold house sales; refuse collection, recycling and food waste update; Winter Service Policy and Operational Plan; Shale Gas Working Group update report; Flood and Coastal Erosion Risk Management Annual Report; Preliminary Flood Risk Assessment Review; Town Centres Working Group update report; Merseyside recycling and Waste Authority – Service Delivery Plan 2017/18; Employment Development Working Group update report; Housing Licensing Performance Framework Working Group; and the Flood and Coastal Erosion management Strategy Review

The Committee also held two special meetings to consider a called-in item relating to the proposed temporary closure of Lord Street, Southport; and to receive information about the Strand Shopping Centre commercial acquisition.

The Committee received many presentations and this enabled Members to engage with colleagues from within and outside of the Council on topics identified below.

The Committee also received regular Work Programme and Cabinet Member update reports; and I would like to take the opportunity to thank Councillor Hardy, Cabinet Member – Communities and Housing, Councillor Veidman, Cabinet Member – Planning and Building Control, Councillor Fairclough, Cabinet Member – Locality Services and Councillor Atkinson, Cabinet Member – Regeneration and Skills for their regular and informative update reports. I would like to Councillor Atkinson in particular for her regular attendance at meetings to answer questions from Members.

REPORTS

United Utilities – Increase in Surface Water Charges to Schools

In July 2017 the Committee was updated on the progress made in relation to securing a reduction to drainage of surface water to schools; and it was reported that



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following a Member/officer meeting with representatives from United Utilities (UU), UU had agreed a 50% reduction for schools across the North West that equated to £15 million across the region. Whilst the reduction was an excellent outcome, schools, governors and the Forums from across the North West had expressed concerns that the North West would still be more expensive than other regions and the sentiment was that UU should still address this.

It was therefore agreed that officers continue to work with UU to explore a fairer solution that achieved parity in the North West when compared to the South East in terms of surface water drainage charges to Schools.

Members of the Committee paid tribute to the hard work and determination of Officers in working with United Utilities to secure a reduction in surface water drainage charges, in the first instance to Parks and Cemeteries and more recently to Schools.

Members of the Committee requested that United Utilities and Water Charges remain of the Committees programme of work in order that the Committee receives annual updates, at the very least.

In March 2018 the Committee considered the [report](#) of the Head of Corporate Resources that updated on United Utilities' (UU) increase in surface water charges to schools.

The report detailed that Members and officers met with representatives of UU on 16 November 2017 at which UU confirmed the compatibility of the concessionary scheme for schools' site area based charges with relevant charging guidance – including Defra's guidance on concessionary schemes for surface water drainage charges, and their view on the longevity of the scheme. This was subsequently confirmed in writing by UU by letter dated 15 December 2017 and a copy of the letter was attached to the report as Appendix 1. However, it was noted that DEFRA could still make further allowances and include certain community assets in their concessionary scheme and the report recommended that on this basis, DEFRA should be contacted once again to arrange a meeting at their London offices as offered previously.

Appendix 2 to the report provided details of Salix Finance Ltd. that was funded by the Department for Business, Energy and Industrial Strategy (BEIS), the Department for Education, the Welsh Government and the Scottish Government and was established in 2004 as an independent, publicly funded company, dedicated to providing the public sector with loans for energy efficiency projects; that Sefton Council had operated a Salix invest to save loan fund pot for over 12 years, for its corporate sites to reduce energy consumption and lifetime savings to date from these investments were now in excess of £1M; and that OFWAT had shown an interest in the SALIX funding model and proposed this to be an option that this Committee should explore for development in conjunction with BEIS as well as OFWAT and the water companies where possible.

The Committee agreed to:-



- (1) again contact the Department for Environment, Food and Rural Affairs, the Department for Business, Energy and Industrial Strategy and other relevant bodies to arrange a meeting to discuss their concessionary scheme and the setting up of SALIX style funding options for Surface Water drainage reduction schemes; and
- (2) contact OFWAT and United Utilities to establish their involvement in further discussions with DEFRA and other relevant bodies.

The Committee will continue to pursue this matter with united Utilities and receive regular update reports.

Town Centre Framework Action Plans

The Committee considered a [report](#) of the Head of Regeneration and Housing in relation to the Town Centre Framework Action Plans for Bootle, Crosby and Southport.

It was reported that the Frameworks provided a high level vision for future investment in the borough's major Town Centres and that they outlined a direction of travel for each of the Town Centres. It was emphasised that the Frameworks were not a prescriptive list of projects and that the Authority's role would be to stimulate, facilitate and enable the regeneration of each of the Town Centre with developers, other agencies and stakeholders with the intention of providing investment opportunities.

The [Action Plans](#), as appended to the report, for Bootle, Crosby and Southport Town Centres were an illustration of the work streams/themes that would be progressed and that they would link to initiatives highlighted in the published Framework reports. It was also reported that although the Action Plans had a similar look they presented a different style with different priorities in order that the needs of each individual Town Centre could be addressed. It was reported that the Action Plans were a long-term living document and would evolve as new opportunities and developments emerged.

Proposed Temporary Closure of Lord Street, Southport – Called-In Item

The Committee considered a [report](#) of the Head of Regulation and Compliance, which set out the decision of the Cabinet Member – Locality Services regarding the advertising of the Traffic Regulation Orders in relation to the Proposed Temporary Closure of Lord Street, Southport, and the reasons why the decision had been called-in; together with the [report](#) of the Head of Locality Services - Commissioned which was considered by the Cabinet Member – Locality Services in relation to this matter.

The Committee heard representations from Councillor Hands, the lead call-in Member and a response by Councillor Fairclough, Cabinet Member – Locality

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Services. The Committee accepted the decision made by the Cabinet Member – Locality Services in relation to this matter.

Leasehold House Sales

The Council at its meeting held on 26 January 2017 approved the following Motion:-

“This Council is concerned about the alarming rise in the number of new houses sold as leasehold, the time period of the lease and the details of service charges being levied.

This is against a background of more new build properties being sold as leasehold with duration of the leases averaging 150 years, just three generations. This means that unless the lease is purchased at an unknown sum it will then revert to the owners. Buyers in this situation are purchasing a house but with rental conditions.

This Council notes:

1. the overwhelming preference which most purchasers have for freehold houses rather than leasehold;
2. that leasehold properties can carry with them long-term associated costs and charges which are not made sufficiently apparent at point of sale; and
3. domestic leases are often as short as 150 years and mortgage lenders are usually unwilling to lend on properties where a lease has fewer than 50 years remaining.

This Council believes:

1. all immediate and lifetime fees and charges associated with leasehold properties should always be made much clearer in promotional material; and
2. short lease properties can present individuals with significant impediments to enjoying their own home and transferring such homes to future generations.

This Council resolves:

1. to write to the Secretary of State for Communities and Local Government expressing concern about the alarmingly rapid rise in new build houses sold as leasehold and the duration and costs associated with the terms of the lease, including service charges;
2. to promote information and guidance to leaseholders, including to buy or extend their freehold; the existence of the Leasehold Valuation Tribunal and the right to manage;



3. information and guidance relative to this point should be promoted through the Councils associated strategies and plans including the Council's Welfare Reform Anti-Poverty Action Plan; and
4. to request the Head of Housing and Regeneration to investigate the rise in the number of new houses offered as leasehold, the time period of the lease and the details of the associated service charges and submit a report to the Cabinet Member – Communities and Housing”

In respect of 4 above the Cabinet Member - Communities and Housing subsequently agreed that the above report should be considered by this Committee; and the Head of Regeneration and Housing had therefore produced such report.

The [report](#) provided information on leasehold ownership; the levels of leasehold ownership in Sefton and that the proportion of newly built houses in Sefton (excluding flats/apartments and maisonettes), sold as leasehold rather than freehold tenure had increased significantly within the last decade from 14.8% in 2007/08 to 92.7% in 2016/17; the time period of leases and the associated service charges; the Housing White Paper (2017) which included proposals for reforms affecting leasehold; that regarding existing legislation the Council did not have any legal powers, such as Planning powers, which could make developers sell on a freehold basis; and the market reaction to leasehold sales by mortgage lenders and housebuilders.

The report concluded that on the Head of Regeneration and Skills, on behalf of Cabinet Member - Communities and Housing, would write to the Secretary of State for Communities and Local Government expressing concern about the alarmingly rapid rise in new build houses sold as leasehold and the duration and costs associated with the terms of the lease, including service charges.

The Head of Regeneration and Housing was requested to report back to the Committee on the outcome of the Government's consultation on measures to tackle unfair practices in the leasehold market.

In March 2018 the Committee considered the [report](#) of the Head of Economic Growth and Housing that:-

- (1) updated on the Government's current position regarding consultation outcomes and future proposals to tackle unfair and unreasonable abuses of leasehold; in particular the sale of new leasehold houses and onerous ground rents; and
- (2) highlighted the information, help and guidance published on the Council's web site regarding leasehold sales.

The report indicated that the Cabinet Member – Communities and Housing had submitted a response to the Government's consultation 'Tackling unfair practices in the leasehold market'; that the Government published its report on 21 December 2017; and summarised the responses in relation to leasehold sales and ground rents

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on leasehold properties. The full published response can be accessed here: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/670204/Tackling_Unfair_Practices_-_gov_response.pdf

The report concluded by detailing how the Council was raising awareness of leasehold sales in Sefton by promoting and publicising information via its preferred communication channels including the Council's Housing and Investment Services departmental web pages alongside news items published on the MYSefton news site.

Refuse Collection, Recycling and Food Waste Update

The Committee considered the [report](#) of the Head of Locality Services – Provision that updated on refuse collection, recycling and food waste collections during 2016 / 2017.

The report indicated that the waste collection operation within the Council's Cleansing Services Section effectively consisted of four strands of operation, namely:-

- Waste which cannot be recycled (collected via black sack or grey wheeled bin)
- Waste which can be recycled (collected via hessian sack or brown wheeled bin)
- Food waste (collected via a green caddy and compostable liner system)
- Green 'Garden' Waste (collected via green wheeled bin);

updated on the insourcing of the contract for dry recycling materials whereby the Council would undertake to deliver all dry recyclable material to the Merseyside Waste and Recycling Authority Materials Recycling Facility at Gilmoor and be a fully-fledged comingled Council in line with neighbouring Liverpool City Region Councils.

The report also indicated that the dry recycling performance across the Council had actually remained static at 39%; that the tonnage of collected food waste had reduced from approximately 2,700 tonnes per annum to around 1,800 tonnes, despite the availability of free compostable caddy liners and a free additional food waste storage bin if requested; that the Green (garden) waste service had improved dramatically over the last twelve months and that around 20,000 tonnes per year were now collected; and that the total of household waste collected in 2016/2017 increased over the previous twelve months by approximately 1,200 tonnes.

The report also highlighted current issues within the refuse, recycling and green waste services relating to problems occurring with the "clear all" policy in sack collection areas and that a review would be undertaken to combat problems being experienced; and the additional pressure being experienced by refuse collection operatives due to the 2,700 additional properties that had been built in the borough since 2014 that had required refuse collection services and that by 2019 it was expected that some 4,000 additional houses/properties would have been



built/developed within the Borough which equated to one new collection crew and vehicle being required.

The report concluded that any reduction in budget across the service had effectively been found via efficiencies as the Council was still required to collect refuse or empty bins from every property across the Borough; zonal arrangements, extended working week, vehicle and route optimisation and varying shift patterns were some of the strategies utilised in order to maintain the required level of service against the backdrop of reducing budgetary provision; and that officers would continue to seek ways to reduce expenditure and increase efficiencies across the Refuse Collection Service and as such welcomed observations, comments and suggestions from any interested parties.

Members were also advised of the operation of the Wilton incinerator site, Teeside and expressed an interest to visit the facility. A site visit was subsequently undertaken on 19 October 2017 and information on the Merseyside and Halton Waste Partnership Waste Resource Recovery Contract at Wilton can be accessed [here](#)

Winter Service Policy and Operational Plan

The Committee considered the [report](#) of the Head of Locality Services – Commissioned seeking views on the Winter Service Policy and Operational Plan (the Plan) and the submission of views thereon to the Cabinet Member – Locality Services.

The report indicated that the Head of Locality Services – Commissioned and his staff provided a Winter Service to the borough in accordance with the Plan; that Officers monitored the weather conditions 24 hours a day throughout the winter season and enacted the plan when weather conditions dictated; and detailed the duties placed on the Council arising from the Railways and Transport Safety Act 2003 (section 111), section (41(1A)) to the Highways Act 1980 and the Traffic Management Act 2004.

The Plan was subject to an annual review and reassessment and the report detailed the consultation process associated with the Plan which included, in accordance with Cabinet Member – Locality Services' wishes, a consultation letter being sent to every elected Member (a copy of the letter was attached as Annex A to the report); and consultation with Merseytravel to ensure that, in light of the major bus review, officers were aware of any changes to bus routes in the borough.

The report concluded that the Plan was based on guidance provided by the Government in a document entitled 'Well Maintained Highways – Code of Practice for Highway Maintenance Management; that Appendix H of that document referred specifically to Winter Service; that In October 2016 a new code of practice was published entitled 'Well Managed Highway Infrastructure which superseded all previous codes of practice and authorities had until October 2018 to adopt the code; that the Section relating to Winter Service had been delayed and had yet to be



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published; and that any revised guidance would be addressed when available and a report submitted to the Cabinet Member – Locality Services and this Committee.

A copy of the [Plan](#) was appended to the report.

Flood and Coastal Erosion Risk Management

In November 2017 the Committee considered the [report](#) of the Head of Locality Services – Commissioned seeking, in accordance with the Flood and Water Management Act 2010 (the Act), a review and scrutiny of the exercise by the Council as a Lead Local Flood Risk Authority of its flood risk management functions and coastal erosion risk management. An [Action Plan](#) was attached to the report

The report indicated that Sefton’s Flood and Coastal Erosion Risk Strategy (the Strategy) was a requirement under section 9 of the Act; that the Strategy was adopted by Cabinet on the 1 October 2015; that the Strategy set out how Sefton would deliver flood and coastal erosion risk management, what investment would be needed to deliver this and the manner in which this service would be delivered and defined the outcomes, outputs and actions for this service area; and that the Strategy was due to be updated in 2018 and work was currently underway to review the risk, update actions and review outcomes to see if they were still relevant for the next strategy period.

The report also detailed flooding incidents that occurred in the Southport and Formby areas on 5 September 2017; work that had been developed to help deliver Sefton Council’s priorities to create resilient communities and outlined that projects aimed to support communities to become more resilient during flood events and to have an input in the decisions made about flood risk management; work undertaken with the Formby Flood Group, Maghull Flood Committee and Thornton Parish Council on flooding issues; staffing issues within the Flood and Coastal Erosion Risk Management Team; the work undertaken as a statutory consultee for major planning applications and the provision of technical support and advice to the planning authority throughout the Local Plan inquiry; grant in aid has been secured from the Environment Agency to undertake investigations and studies into two watercourses that serve Southport and Birkdale (Nile and Pool Investigations); that £30k funding had been secured from Environment Agency to undertake the Merseyside Natural Flood Risk Management project; and regarding coastal risk management there had been no significant incidents of flooding or erosion along the coast.

The report also detailed partnership working with Merseyside Tactical and Strategic Flood Risk Partnership, North West and North Wales Coastal Group, Liverpool Bay Coastal Sub Group, Northern Coastal Sub Group, the Environment Agency and United Utilities.

The report concluded by setting out the priorities for 2018 relating to Supporting the Local Planning Authority, Community Engagement/SUDS Hubs, Crosby Coastal Schemes, Flood and Coastal Erosion Risk Strategy Review, Securing Capital Funding, Natural Flood Risk Management, Performance management and the Green Infrastructure Service.



In March 2018 the Committee considered the [report](#) of the Head of Locality Services – Commissioned on the Flood and Coastal Erosion Management (FCERM) Strategy review scoping document.

The report indicated that Sefton had a requirement under the Flood and Water Management Act 2010 to produce a Local Flood Risk Strategy; that the Act required each Lead Local Flood Authority (LLFA) in England and Wales to set out how it would manage flooding and coastal erosion in its area; that Sefton was a Lead Local Flood Authority and this Strategy would satisfy this statutory need and also satisfied the requirements under the Flood Risk Regulations 2009 for a Flood Risk Management Plan; that the Sefton Strategy was first produced in 2015 and after 3 years it was required to be updated; and therefore the report set out the scope of this update, reviewing what had changed since 2015 and sought views and input on the proposals.

The report detailed the strategic developments since 2015 to be considered in the new strategy in relation to:-

- Liverpool City Region
- Sefton 2030
- UK Climate Predictions update 2018
- Department for Food, Environment and Rural Affairs 25 year plan
- The Sefton Coast Plan
- Coastal Adaptation Strategy
- New policies adopted by the FCERM team

The report also detailed funding issues since 2015 to be considered in the new strategy in relation to:-

- Budgetary issues associated with the FCERM team being merged into a new service area called Green Sefton with the Parks and Green spaces and Coast and Countryside teams
- Merseyside Partnership Quick Win Funding
- Cell 11 Regional Monitoring Programme (Cerms) Funding and Shoreline Management Officer Local Levy funding
- United Utilities spend programme

The report then highlighted the changes in the understanding of risk associated with:-

- Shoreline Management Plan review
- Coastal erosion predictions
- Climate change predictions
- Surface Water Management Plan realisation of modelled data

and developments in the way the Council worked relating to:-

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- Sustainable flood risk management
- Communication
- Data management and sharing
- Performance management

The report concluded by detailing the constraints facing the Council due to budget reductions and which meant that priorities were changing and alternative ways of delivering the service were being looked at; and that the FCERM team would be undertaking a review of its strategy and the outcomes and actions set out in the 2015 to 2018 strategy and of the understanding of coastal erosion and flooding both coastal and inland would be undertaken with the most up to date information available. It was anticipated that the final document would be published in January 2019.

Preliminary Flood Risk Assessment Review

The Committee considered the [report](#) of the Head of Locality Services – Commissioned on the Preliminary Flood Risk Assessment.

The report indicated that the Flood Risk Regulations 2009 (FRR 2009) required each Lead Local Flood Authority (LLFA) to complete a Preliminary Flood Risk Assessment (PFRA) and identify Flood Risk Areas (FRA) for local flood risk, primarily surface water runoff, groundwater and ordinary watercourses; that in Sefton this was completed in 2011; that FRR 2009 required a review of the PFRA on a 6 year cycle to be coordinated by the Environment Agency; that LLFAs must therefore submit their draft reviews to the Environment Agency by 22 June 2017 to enable the Environment Agency to undertake an internal review and request any changes; and that Sefton Council's draft review was submitted to the Environment Agency in April 2017.

The report also identified that the Environment Agency provided a self- assessment template to be completed by each LLFA and Sefton's completed template was attached to the report as [Appendix 1](#); that the September 2012 significant flood event report, investigated as required by the Flood and Water Management Act 2010, was contained in annex 1 of the review attached to the report as [Appendix 2](#); and that overall there had been little change to the 2011 PFRA (attached to the report as [Appendix 3](#)) following the review with much of the understanding remaining unchanged or with minor amendments. There had, however, been improvements or confirmation of understanding particularly in respect of Sefton's future flood information and the following pieces of work have contributed to our understanding:-

- Sefton Council PFRA desktop study 2013 to improved understanding of initial PFRA assessment and flood risks.
- Modelling of catchments in Formby, Maghull and Seaforth/Litherland.
- Groundwater monitoring locations across Sefton.
- Sefton Council Local Plan. The plan identified flood risks on development sites.



The report concluded by detailing future developments that the PFRA review would feed into the update of Sefton's Flood and Coastal Erosion Risk Management Strategy 2015-2018, which was currently underway; that the PFRA review would feed into the review of the Environment Agency's Flood Risk Management Plans that operated at a catchment wide scale; that Sefton would continue to seek funding to improve the situation for residents and communities at risk of flooding or coastal erosion; and that Sefton would continue to review and update its understanding of flood risk.

PRESENTATIONS

Merseyside Recycling and Waste Authority - Service Delivery Plan 2017/18

The Committee received a [presentation](#) from Carl Beer, Chief Executive of Merseyside Recycling and Waste Authority (MRWA) on his Authority's Service Delivery Plan 2017/18.

Mr. Beer provided information on:-

- The "waste hierarchy" regarding the most and least favoured options in respect of waste
- The Merseyside and Halton Waste Partnership and detailed that 1.5 million residents, living in 688,000 households, generated 650,000 tonnes of waste per year of which 42% was recycled
- Household Waste Recycling Centres and the recycling and diversion performance statistics for 2009 – 2017
- The Bidston and Gillmoss materials recovery facilities
- The Kirkby rail loading station used to transport waste to the Wilton Energy from Waste Combined Heat and Power Facility
- The MRWA and Veolia Community Fund
- Household recycling rates
- Liverpool City Region kerbside residual waste results - 2015/16
- A Classification of residential neighbourhoods (ACORN) together with associated recycling statistics
- Collection strategy considerations
- Waste prevention and re-use
- The "2circular economy" and the need for those materials that are discarded the MRWA must ensure that they return in some form to the local economy – securing and creating jobs for local people
- The cost of service vs the MRWA levy
- The strategic review which included actions from a Leaders meeting in September 2017 which included as part of Phase One - c.£500k savings options from MRWA, levy apportionment mechanism options and 'Publish' Strategic Review report; and as part of Phase Two - governance options, District Collaboration, bulky and clinical waste and common policies

Members also watched a short video that provided information on the transfer of Merseyside's residual waste, via train from the Kirkby rail loading station, to the Wilton energy from waste plant in Teeside.



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Strand Shopping Centre - Commercial Acquisition

A Special Meeting of the Committee was arranged for Members to receive a presentation on the Council's acquisition of the Strand Shopping Centre. Prior to the presentation Margaret Carney, Chief Executive, set out the strategic context of the Council's acquisition of the Strand Shopping Centre and indicated that by 2020 Sefton's budget would have reduced by 50% from the 2010 level; that operating in such a demanding environment of decreasing central government support coupled with an increasing demand on services, the Council had approved its Framework for Change and budget strategy in 2017; that during this process the Council had made it clear that it would need to generate new and improved income streams whilst ensuring it met its core purpose; and that indeed, the Council approved core purpose explicitly states that a key priority was to:-

“Generate income for social reinvestment: the Council will develop a commercial approach and look to what it can do either by itself or with others to generate income and resource that can be reinvested into delivering the councils key priorities

The Committee then received a [presentation](#) from Sarah Kemp, Executive Director, on the commercial acquisition of the Strand Shopping Centre.

The presentation focussed on the following points:-

- Legal relationship pre-purchase
- Marketing of the Strand
- The Market Offer and the acquisition of entire share capital
- Powers to act/policy context
- QC advice and conclusions
- Treasury management
- Timeline of commercial events
- Critical decision-making factors
- Procurement of advisors
- How the diligence was applied
- Pre-bid diligence
- Timeline of events pre-bid
- Property key documentation pre-bid
- Financial key documentation pre-bid
- Legal key documentation pre-bid
- Corporate key documentation pre-bid
- Conclusions of pre-bid diligence relating to the bid report, property report, vendor pack, structures report, Commercial and Financial Analysis, key risks, legal report and counterfactual: no bid
- Process post-bid
- Financial key documentation – post-bid
- Sensitivity modelling



- Property Key Documentation – post-bid
- Legal and Corporate_- key documentation
- Building survey report conclusions
- The “Red Book” Valuation that assessed the market value of the long leasehold interest in the Strand
- Financial due diligence_- conclusions
- Legal/Corporate due diligence – conclusions
- Transactions approved by Cabinet
- Corporate Structure on Completion
- Process - post acquisition to hive-up
- Key documents – hive-up
- Corporate structure on hive-up
- Capital Investment Funds
- Tax implications - tax payable on operations
- HMRC taxes
- Management arrangements
- Asset management
- Property Services Manager
- Post-acquisition company decisions
- Current status quo
- Why Part 2 (exempt) Cabinet decision

WORKING GROUPS

Peer Review Working Group

The Committee considered the [report](#) of the Head of Regulation and Compliance in relation to the [Final Report](#) of a review undertaken by the Peer Review Working Group.

Councillor Dan. T. Lewis, Lead Member of the Peer Review Working Group commended the report to Cabinet for approval. He thanked his colleagues Councillor O’Brien, Councillor Carragher and Councillor Anne Thompson for all their hard work and support whilst undertaking the review.

Shale Gas Working Group

The Committee considered the [report](#) of the Head of Regeneration and Housing that updated on the position with implementing the recommendations of the Shale Gas Working Group.

The report indicated that shale developments had regularly been in the regional and national news especially with respect to projects in Lancashire at the Cuadrilla sites where there had been well-reported legal challenges and direct action that however, during the intervening period there had been no formal inquiries to Sefton planning or Merseyside Environmental Advisory Service with regards to proposed shale oil and gas development in Sefton; and updated on actions relating to:-

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- Action 1 - Cross-Regulator Working Group
- Action 2 – Good Practice and Expectations Document
- Action 3 - Local Validation List
- Action 4 - Sefton Council's Statement of Community Involvement
- Action 8 – Resourcing Regulatory and Monitoring requirements

The report concluded by detailing target activity relating to actions associated with recommendations of the Working Group.

Town Centres (Scrutiny Review Working Group) Report

The Committee considered the [report](#) of the Head of Regeneration and Housing indicating that on 26 February 2015, Cabinet resolved to accept the Final Report of the Town Centres Working Group Final Report; and that one recommendation within the Final Report was that all recommendations contained within it be monitored and progress reported to This Committee every six months.

The report indicated that the Head of Investment and Employment provided a comprehensive update to this Committee on 8 November 2016 that detailed completed actions or highlighting actions that were now redundant as a result of other actions; and that significant progress had now been made in relation to town centres and that high level visions for future investment and a direction of travel had been prepared and published for each of the following Town Centres:

- Bootle Town Centre Investment Framework, published October 2016
- Crosby Development Strategy, published November 2015
- Southport Development Framework published November 2016

The report continued that Action Plans had been drawn up for Bootle, Crosby and Southport, illustrating the work streams and themes that would be progressed for each Town Centre; that each Action Plan was a long-term living document and would evolve as new opportunities and developments emerged; and that the work streams identified for each Town Centre were being actively progressed.

The report concluded by recommending that no further formal update reports be submitted to the Committee but that instead, updates be provided via the Cabinet Member - Regeneration and Skills report to each Committee.

Employment Development Working Group

The Committee considered the [report](#) of the Chief Executive that provided an update setting out the progress made against each of the recommendations formulated by the Employment Development Working Group and approved by Cabinet.

The report indicated that as a result of the expected impact of the Sefton Economic Strategy due to be adopted by the Council in 2018, the current update report had varied from earlier reports; that the forthcoming Sefton Economic strategy would incorporate all the Council's objectives related to employment and skills for younger people and adults in the community, encompassing those actions which were the



responsibility of the Investment and Employment services such as Sefton@work and Invest Sefton; and that accordingly, it was recommended that future reporting on employment actions form a part of the performance reporting framework to be devised once the Council had adopted the forthcoming Sefton Economic Strategy.

Housing Licensing Performance Framework Working Group

The Committee established a Housing Licensing Performance Framework Working Group in November 2017. The Council is working toward the introduction of Private Rented Sector Housing Selective Licensing and Additional HMO Licensing schemes in parts of the borough and the objective of the Working Group was to help develop and review a proposed Selective Licensing Performance Framework before it was completed and submitted for approval to the Cabinet Member – Communities and Housing.

Councillor Bill Welsh was appointed Lead Member of the Working Group and was assisted by Councillor Michael O'Brien.

The Committee considered a [report](#) of the Head of Regulation and Compliance and approved the Working Group's [Final Report](#) in March 2018 for submission to Cabinet. As is the usual practice the Committee will receive update reports on progress made against the recommendations contained in the Final Report.

Cabinet Member Reports

In keeping with previous years and in order to keep Members informed, the Overview and Scrutiny Management Board agreed for relevant Cabinet Member Reports to be submitted to appropriate Overview and Scrutiny Committees. The Terms of Reference of the Overview and Scrutiny Committee covered the portfolios of the Cabinet Member – Communities and Housing, Cabinet Member – Locality Services, Cabinet Member – Planning and Building Control and Cabinet Member – Regeneration and Skills. I would like to pay particular thanks to Councillor Atkinson who has been a regular attender at meetings to answer questions from Members of the Committee.

Pre-Scrutiny – The Key Decision Forward Plan

The Overview and Scrutiny Committee has also been given the opportunity to pre-scrutinise items from the Council's Key Decision Forward Plan. The Forward Plan is submitted to the Overview and Scrutiny Committee as part of the Work Programme update. The pre-scrutiny process assists the Cabinet to make effective decisions by giving the Overview and Scrutiny Committee the opportunity to examine issues beforehand and making recommendations prior to a determination being made.

The Year Ahead

The Committee will continue to make progress on the following priorities over the coming year:

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- Flood & Coastal Risk – Annual Report
- Preliminary Flood Risk Assessment Review
- Review of Winter Service and Operational Plan
- Merseyside Recycling and Waste Authority – Service Delivery Plan 2018/19
- United Utilities – Update on Increase in Charges
- Refuse Collection
- Leasehold House Sales
- Sefton’s Empty Homes Strategy
- Mental Health and Employment Task Group – Update
- Updates on the implementation of recommendations associated with the peer Review and Housing Licensing Performance Framework Working Groups

I envisage the forthcoming year to be extremely busy and challenging for the Committee given the difficult budgetary challenges and financial savings that have to be met in Sefton.

Finally, and on behalf of the Committee, I would like to thank everyone who has contributed to our work over the past year. I would personally like to thank all Members of the Committee, Cabinet Members Councillors Atkinson, Fairclough, Hardy and Veidman and officers who have attended meetings for their support to me over the past year and provided the Committee with valuable information.

Councillor John Sayers
July 2018



Regulatory, Compliance and Corporate Services



Councillor Sue Bradshaw
Chair of the Overview and Scrutiny Committee
(Regulatory, Compliance and Corporate Services)

On behalf of the Members of the Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services) it gives me great pleasure to introduce the 2017/18 Annual Report.

During the year the Committee has met seven times and considered matters relating to financial issues and updates associated with the 2017/18 revenue budget, financial management across the Council, the 2018/19 Budget and the Medium Term Financial Plan 2018/20; the Accommodation Strategy/Agile Working Working Group Final Report and Agile Working - Potential Approach and Principles; an update on Universal Credit and Full Service Sefton M.B.C; Discretionary Relief for Business Rates following the Revaluation of 2017; the Code of Practice for Enforcement Agent Services; the Area Committees Working Group Final Report; the Licensing/Child Sexual Exploitation Working Group Final Report; the Environmental Services Restructure; Financial Reports and Terminology; Social Media Use and Effectiveness; Commissioning and the Procurement Policy; Levels of Disciplinary, Grievance and Sickness; Review of the Council Tax Reduction Scheme; an update on the Customer Experience of Claiming Council Administered Benefits and Financial Support Working Group recommendations; an Air Quality Update; the arvato contract; and Emergency Planning.

The Committee also received regular Work Programme and Cabinet Member update reports; and established a Working Group to review the topic of Digital Inclusion.

The Committee received many presentations and this enabled Members to engage with colleagues from within and outside of the Council on topics identified below.

Finally, I would like to take the opportunity to thank Councillor Lappin, Cabinet Member – Regulatory, Compliance and Corporate Services for her regular attendance at meetings to update Members on issues associated with her portfolio.

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FINANCIAL SCRUTINY

The Committee received regular budgetary update reports during the year and a Special Meeting of the Committee was held in February 2018 prior to the budget meetings of both Cabinet and Council. At this Special Meeting the Committee considered the joint [report](#) of the Chief Executive and the Head of Corporate Resources that provided information on the following issues in connection with Council's forthcoming consideration and approval, on 1 March 2018, of the Revenue Budget for the period 2018/19 – 2019/20, and also the level of Council Tax for 2018/19:-

- An assessment of the Council's current financial position and approach to the 2018/19 to 2019/20 Budget Plan;
- Progress that has been made during the last year within the Council's Framework for Change programme;
- An update on the Government's announcement of resources that are available to the Council for 2018/19 (subject to final confirmation by the Government);
- The Council's current financial position and the assumptions built into the Medium Term Financial Plan;
- The options available for the Council's Budget
- The proposed Capital Programme for 2018/19 and 2019/20; and
- The first budget estimate of the funding gap that the Council will face in 2020/21.

As such, the report set out the approach to the financial strategy of the Council and the national and local financial context within which it was operating; indicated that the Council had a statutory requirement to remain financially sustainable; that the Council's Framework for Change Programme was a comprehensive and ambitious programme that sought to support the delivery of the Council's core purpose; that as would be expected with a programme of this size and complexity that spanned a number of financial years, the detailed proposals had been and would continue to be the subject of change as they were developed and ultimately implemented; and that within this context, work had been undertaken to confirm that change proposals for 2018/19 were viable and would help deliver financial sustainability.

In respect of the overall financial context for the Council and its approach to the 2017/18 to 2019/20 Budget Plan the report indicated that In 2010, Central Government imposed, what were thought at the time, to be significant reductions in local government financial support; that rather than this being a short term restriction in spending, the austerity programme had extended into a ten-year long period of severe budget reductions; that for Sefton this had resulted in a funding gap of £233m being required to be met by the end of 2019/20, with a direct loss of 51% of government funding which equated to £722 per Sefton household; that due to the scale of this financial challenge (and taking into account the significant savings that had already been made since 2010) the Council undertook a comprehensive review of its role within the Borough, via the Imagine Sefton 2030 consultation and as a



result, updated its core purpose; and that it was subsequently determined that the delivery vehicle for the Council's core purpose and to ensure financial sustainability would be the "Framework for Change" programme, the key pillars of which were detailed in the following diagram in paragraph 2.4 of the report.

The report also detailed the progress to date made on the "Framework for Change" programme and that the Council remained focused on: -

- Creating more and better jobs for local people – Economic Growth
- Working with partners to deliver affordable services which achieve the best possible outcomes – Public Sector Reform
- Making every pound count in everything we do – Service Delivery Options
- Investing wisely and creatively to make and save money, grow faster and enable our communities to thrive – Strategic Investment

The report also provided information on the Medium Term Financial Plan (MTFP) 2018/19 – 2019/20 and in particular on the following issues:-

- Additional budget pressures associated with Adult Social Care and Children's Social Care
- Key MTFP assumption revisions relating to the Local Government Pay Offer, the Transport Levy, Business Rates and Council Tax Base, the Waste Levy, VAT Shelter Income, Leisure Income – VAT Liability Change, and the New Homes Bonus reduced funding
- Impact of the Local Government Financial Settlement
- Review of Budget proposals and planning assumptions

Regarding the Two-Year Budget Plan 2018/19 to 2019/20 the report indicated that, based upon the revisions to the MTFP and the savings that were forecast from the Public Sector Reform programme, it was now estimated that the funding shortfall in the following two years would be £11.227m and £2.542m respectively, before any Council Tax decisions were made and any additional service delivery options were considered; and that in order to support this two year package and the revised funding gap, a number of Service Delivery Options were now proposed relating to:-

- Supplies and Services Saving
- Sefton New Directions Contract Saving
- The annual income stream arising from the acquisition of the Strand Shopping Centre
- PSR2 – Re-phasing of Saving Achievement
- Transforming Sefton Reserve
- Risk Management, Financial Monitoring and Sustainability

In conclusion, the Budget Plan 2018/19 to 2019/20 had proved to be a very positive first year of the financial plan period; and indicated that the Council would continue

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to play its part and show strong and visible leadership in delivering the Vision 2030; and that the Council had adopted the 2030 Sefton Vision of 'A confident and connected Sefton' and would continue to strive to deliver key priorities, ensuring everything it did had a contributory focus to the future of the Borough.

The report then set out specific Budget 2018/19 issues relating to charges relating to external / levying bodies and the proposed overall Council Tax increase; provided information on schools' related grants; other Government grant notifications in 2018/19; a summary of budget proposals for 2018/19; and precepts to the Police and Crime Commissioner and Fire and Rescue Service.

The following appendices were attached to the report:-

Appendix A	Individual School Budgets
Appendix B	Draft Council Budget Summary 2018/19 – 2019/20
Appendix C	Fees and Charges 2018/19
Appendix D	Capital Programme 2018/19 - 2019/20

REPORTS

Update on Universal Credit and Full Service Sefton M.B.C

The Committee considered the [report](#) of the Head of Corporate Resources that set out progress in rolling out Universal Credit (UC) in Sefton; updating on Department for Work and Pensions (DWP) new funding arrangement for Full Service due to commence in Sefton Jobcentre Plus offices in October 2017; and UC implementation locally and the support arrangements that would be introduced to support Sefton residents claiming UC.

The report indicated that UC helped ensure customers were better off in work than they were on benefits; that UC provided support to help people prepare for work, move into work or earn more; and that UC was a means-tested benefit that was intended to replace all of the following means-tested benefits (that top up existing income) with a single monthly payment and that the benefits and tax credits that fall within scope of the UC were:

- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Income Support
- Child Tax Credits
- Working Tax Credits
- Housing Benefit for working age.



The report provided details on the revised timescales of the UC national roll-out; that in Sefton, UC Live Service was introduced in Job Centre Plus (JCP) offices for single newly out-of-work people from 30th June 2014 and that this was expanded to couples from 28th July 2014 and rolled out to families from January 2015; that as at March 2017, there were 4,155 UC claims in Sefton, of which 1,124 were claiming council tax reduction (CTR) with the Council; and the work undertaken to implement UC in Sefton relating to the Council's Benefits Service Back Office, the Council's One Stop Shops and Personal Budgeting Support by the Citizen's Advice Bureau.

The report also provided details on the award by the Council of 208 UC customers with a discretionary housing payment; work undertaken with partners and key stakeholders such as Private Landlord Forums and Registered Social Landlords; UC Benefit Service workload for Live Service; and UC Benefit Service operational issues raised with DWP.

The report concluded by detailing that the UC Full Service was due to commence in Sefton Jobcentre Plus offices in October 2017 and that the Full Service would form part of the DWP's digital solution and that customers would use this solution for claiming and maintaining their UC claim online; that this would bring about a cultural and behavioural shift for claimants as the transition to monthly payments and direct payment of housing costs required them to be responsible for managing their money and paying their bills; and that the move to UC Full Service also meant that UC was delivered predominately via self-serve using the internet and that some claimants would need help with this.

The Committee also considered a further update [report](#) of the Head of Corporate Resources that set out the progress in rolling out Universal Credit (UC) Full Service that commenced in Sefton Jobcentre Plus offices on 11 October 2017 and the support arrangements that had been introduced to support Sefton residents claiming UC.

The report indicated that UC was claimed online and payments were made monthly and direct to the household; that the aim of UC was to help ensure customers were better off in work than they were on benefits; to provide support to help people prepare for work, move into work or earn more; and was a means-tested benefit that was intended to replace all of the following means-tested benefits (that topped up existing income and were referred to by the Department for Work and Pensions (DWP) as legacy benefits) with a single monthly payment:-

- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Income Support
- Child Tax Credits
- Working Tax Credits
- Housing Benefit for working age

The report also indicated that UC Full Service commenced in Sefton Jobcentre Plus offices (JCP) on 11 October 2017 formed part of the DWP's digital solution and that

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customers now used this solution for claiming and maintaining their UC claim online; that this differed under the UC live service where all processes were manual and there was a very limited gateway; that the UC live service ended on the 31 December 2017; but that this would not affect Sefton since the introduction to Full Service had already been rolled out; and that all notifications to local authorities regarding UC awards were now sent through a DWP automated solution.

The report advised that with the introduction of UC Full Service the demand for claimant support services would change and that UC brought a cultural and behavioural shift for claimants; that the transition to monthly payments and direct payment of housing costs required customers to be responsible for managing their money and paying their bills; that the move to UC Full Service also meant that UC was delivered predominately via self-serve using the internet and that some claimants may need help with this; and that key DWP requirement for the UC Full Service was that local authorities provide extensive management information on a case-by-case basis to demonstrate the level of Assisted Digital Support (ADS) and Personal Budgeting Support (PBS) provided.

The report also advised that as at the end of November 2017, there were 4,409 UC claims in Sefton JCP, of which 1,439 were claiming Council Tax Reduction (CTR); of the work undertaken to implement UC by Sefton Benefit Service Back Office and Sefton's One Stop Shops (OSS's); and that since UC Full Service rollout on 11 October 2017, the number of UC customers visiting the OSS's increased from approximately 11 per month in September 2017 to 166 in October 2017 and to 276 in November 2017; and that the total number of customers assisted to claim UC increased from approximately 10 per month under live service to 174 per month under full service, a 1,740% increase.

The report concluded by providing information on PBS provided by Citizens Advice Sefton (CA); Discretionary Housing Payments (DHP); working with partners and key stakeholders such as Landlords, the Council's Customer Service, Benefit Service and Revenue Service and attendance at a Sefton Customer Representative Group hosted by DWP with Registered Social Landlords and CA; UC Benefit Service operational issues raised with DWP; and the impact on current service delivery which showed that show there had been a reduction in new claims and enquiries received for Housing Benefit for working age customers but there had been a significant increase in UC award notifications and also an increase in the number of customers requiring support to claim and manage their ongoing UC awards.

Discretionary Relief for Business Rates following the Revaluation of 2017

The Committee considered the [report](#) of the Head of Corporate Resources on the Discretionary Rate Relief for Business Rates following the Revaluation of 2017; that detailed the process of adopting the powers provided by the Government for distributing Business Rates Locally Administered Discretionary Revaluation relief and setting out guidance for the award of relief to organisations that have had a significant increase in their Business Rates liability consequential from the Government's revaluation effective from 2017; and providing details of other Government announcements regarding discretionary rate relief for Local



Newspapers, Public Houses and small businesses ('Support to Small Business') encountering a large increase in Business Rates.

The report indicated that the Government determined to revalue Business Rates properties taking effect from 2017 based on 2015 values; that the review was not intended to raise additional revenue, but rather to update rental values for properties and that it was therefore intended to be 'fiscally neutral' nationally. However regionally and at an individual taxpayer level the effect varied, such that some Business Rate payers had encountered significant increases and decreases and that a system of transitional relief applied such that the gains and losses to individual taxpayers were limited in any one year and introduced over a five year period; the Government had recently determined that Local Authorities could also make available additional discretionary relief to properties affected by significant increases in their Business Rates via a £300m fund which it had introduced for this purpose and announced as part of the Spring Budget ;and that Sefton's allocation of the Government funding for discretionary rate relief was expected to be £945,838 spread across the next 4 years.

Attached as [Appendix A](#) to the report was the draft guidance in respect of the Locally Administered Discretionary Revaluation Relief scheme that was to be considered by Cabinet on 27 July 2017.

Code of Practice for Enforcement Agent Services

The Committee considered the [report](#) of the Head of Corporate Resources that reviewed how well the Enforcement Agent's Code of Practice was meeting its objectives in terms of fairness and effectiveness; and seeking any comments about the Code of Practice for consideration by the Cabinet Member - Regulatory, Compliance and Corporate Services.

The report indicated that the Code of Practice that was attached as an [Appendix](#) to the report, outlined the way that Enforcement Agents working on behalf of Sefton Council should conduct themselves; that new legislation relating to the Tribunal Courts and Enforcement Act 2007 came into force from 6 April 2014 and Sefton Council's Code of Practice for Enforcement Agent Services was revised to reflect those changes; and that the Ministry of Justice had promised a staged process review of the bailiff reforms one year, three years and, if necessary, five years after they came into force. However, the outcome of the one year review had not been published and it was unclear if further reviews would take place.

Regarding the identification of mental health issues and vulnerability the report described how enforcement agent staff, both office based and field agents, underwent extensive training on vulnerability and that they all received welfare training and were issued with guidelines from organisations such as MIND and the Royal College of Psychiatrists on how to identify potential mental health issues. Staff were also taught questions and techniques with trigger words that may identify a person with mental health issues. Cases were referred to in-house specialist welfare advisors who would undertake further sensitive enquiries, liaise with the Council and where appropriate would signpost to specialist advice agencies.



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The report also indicated that during the period 1 August 2016 to 31 July 2017 Sefton sent 15,544 cases to Enforcement Agent companies (10,466 relating to Revenues Services and 5098 relating to Parking Services); that 801 potentially vulnerable cases were identified (646 relating to Revenues Services and 155 relating to Parking Services); and that the Revenues Service put a marker on those cases which had been returned to the Council relating to vulnerability issues and would review the vulnerability status on a regular basis and check if the status had changed.

The report also detailed that as part of its performance monitoring activity the Council required regular reports (each quarter) from the Enforcement Agent companies detailing the nature of feedback from their customers, whether it was a complaint, comment or compliment together with outcomes; and that there were 30 Revenues Service and 13 Parking Services complaints against Enforcement Agent action that were received and investigated by the companies themselves.

The report concluded by detailing initiatives by the Revenue Service and Enforcement Agents.

Levels of Disciplinary, Grievance and Sickness

The Committee considered the [report](#) of the Head of Corporate Resources that provided information on the levels of discipline, grievance and sickness absence within the Council (excluding schools).

The report indicated that based on current records the total number of 'available days', from 1 April 2017 to 30 June 2017, was 151,508 Full Time Equivalent (FTE) days; that the total sickness absence, both long and short term, was 6,543 FTE days which equated to 4.32%; that this comprised 1.46% short term and 2.86% long term absences; and that the overall Corporate target was 4% (short term 2.2%; long term 1.8%), and that this was a reduction compared to Q1 2016 which was 5.07%.

Annex 1 attached to the report illustrated departmental performance for the Quarter 1 period; whilst Annex 2 provided data across a period of 12 months to 30 June 2017 and therefore provided a wider analysis of absence levels across departments; but however, organisational change within Sefton would impact on making direct comparisons across departments. Support was provided across all service areas and it should be noted that a number of service areas were showing a reduction in absence at this stage.

The report also provided information on the reasons for absence and referral to the Health Unit in Quarter 1 2017; indicated that the Strategic Leadership Board (SLB) continued to monitor and encourage the reduction of levels of both short and long term absence; the Sickness Absence Policy that operated in partnership with trade unions to manage employee absence; and with regard to Disciplinary, Grievance And Capability issues, Annex 3 attached to the report provided a breakdown of formal cases for November 2016 to September 2017.



Review of Local Council Tax Reduction Scheme 2017/18

The Committee considered the [report](#) of the Head of Corporate Resources that provided details of the consultation proposing various options for revising the existing Local Council Tax Reduction Scheme (LCTRS) and recommendations to both Cabinet and Council to revise the scheme accordingly for 2018/19 and an updated Council Tax Base for Sefton Council and each Parish Area for 2018/19.

The report indicated that the LCTRS replaced Council Tax Benefit (CTB) with effect from the 1 April 2013; that LCTRS was a discount awarded to those on a low income to help towards the cost of their Council Tax bill and was based. It is based on a person's household and income; that the LCTRS rules only applied to working age council tax payers as pensioners were protected by legislation and must be provided with the level of council tax support specified by the Government; that the total grant of £24.2m transferred to the Council, Police and Crime Commissioner, and Fire Service in 2013/14 to fund the local scheme was £3.0m (11%) lower than had previously been provided to fund CTB in 2012/13 and that as a result, the Council had to introduce changes to the national default LCTRS to ensure that the scheme was cost neutral; that as the Council was unable to alter the pensioner scheme rules, the saving requirement was met by reducing the level of support provided to working age claimants and through technical changes to empty property discounts; and that the Council must review and agree a LCTRS each year and for 2018/19 must be agreed by full Council by 31 January 2018.

The report also indicated that In order to satisfy the requirement to review the 2016/17 LCTRS key areas were evaluated and the report detailed such key areas relating to:-

- Claimant caseload
- Scheme expenditure.
- Impact on the most vulnerable claimants.
- Welfare reform changes including Universal credit roll out.
- Council Tax collection
- Attachment of Benefits.
- Review of scheme principles.
- Council Tax Exceptional Hardship fund

The report also provided information about Council Tax collection rates and that for 2016/17 Sefton had collected 96.3%; but that since the introduction of the LCTRS in April 2013 the number of working age Council Tax support claimants falling into arrears had grown; and that one recovery option open to the Council in respect of benefit claimants was to apply for an attachment of benefits (AOB) via the courts and statistics were provided relating to AOB cases.

The report also detailed the principles of the LCTRS, the Council Tax Exceptional Hardship Fund and a summary of the review LCTRS for 2016/17; and the proposed changes to the 2017/18 LCTRS that went out to consultation on 27 September 2017 and indicated that the scheme proposals would align key welfare reform changes



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maintaining fairness, consistency and recognising that Universal Credit made provision for children, disability, housing and caring responsibilities.

Annex A attached to the report provided information on setting Sefton's Council Tax Base for 2018/19. The Council Tax Base was the link between the Council's budget and the level of Council Tax and that the tax base would be used to calculate the Council Tax in Sefton, once the Council's budget had been agreed. The Council was required to calculate its own tax base as well as the tax base for each parish council within its boundary and have them approved by the 31 January 2018. The calculation of the Council Tax Base took into account many factors such as the rate of new building and the trends in people living on their own (Sole Occupier Discount); and that the tax base calculation assumed a collection rate of 98.25% in 2018/19, that was unchanged from 2017/18.

The Committee was advised that Cabinet, at its meeting held on 11 January 2018, had also considered this report and had resolved that:-

- (1) the contents of the Council Tax Reduction Scheme 2017/18 review be noted;
- (2) the outcomes of the consultation process and the Equality Impact Assessment both of which have informed the recommendations for the Council Tax Reduction Scheme 2018/19 be noted;
- (3) It be agreed to revise the existing Council Tax Reduction Scheme as indicated in Section 5 (Options 1 to 6) of the report, with effect from 1 April 2018, and for this to be recommended to Full Council on 25 January 2018;
- (4) consideration and implementation of any minor textual changes to the Council Tax Reduction Scheme 2018/19 be delegated to the Head of Corporate Resources; and
- (5) Council be recommended to approve the Council Tax Base for 2018/19 for Sefton Council and each Parish Area as set out in Annex A to the report.

Air Quality Update

The Committee considered the [report](#) of the Head of Regulation and Compliance that updated on Air Quality in Sefton.

The report indicated that the concept of Local Air Quality Management (LAQM) was introduced under the Environment Act 1995 (the Act); that evidence had shown that certain atmospheric pollutants were linked to poor health; that the Act placed a statutory duty on all Local Authorities to review and assess air quality in their areas at regular intervals; that the Air Quality Regulations, made under the Act, specified the pollutants that must be considered and set standards and objectives for each of



the pollutants, which were referred to as National Air Quality Standard (NAQS) Objectives; and that real time monitoring stations were located at:-

- Waterloo Primary School, Crosby Road North, Waterloo
- Hawthorne Road opposite KFC, Litherland
- Lathom Close, Seaforth
- Millers Bridge, Bootle
- A565, Crosby Road South (previously located at St Joan of Arc School)

The report also indicated that as part of the ongoing air quality assessment process the boundaries of 4 AQMAs have been identified across the Borough where NAQS objectives had not been met and these were located at:-

- A5036 Princess Way, Seaforth
- A5058 Millers Bridge, Bootle
- A565 Crosby Road North and South Road Junction, Waterloo
- B5422 Hawthorne Road and Church Road Junction, Litherland

An AQMA was previously in place at A565 Crosby Road North, Waterloo; however, significant work had been undertaken to reduce particulate levels in the area and a number of measures had been implemented as part of the Action Plan including the development of a Route Management Strategy Action Plan which had improved traffic flows in the area. As a result of these measures, the NAQS objective had consistently been met at this AQMA for the last 7 years and as such this AQMA had been de-declared and levels of PM10 now consistently comply with the particulate standard

The report also identified that in addition to the real time monitors, Sefton measured monthly NO₂ levels at approximately 100 sites across the Borough using diffusion tubes; and that results had shown that overall levels of NO₂ have been showing a gradual decline over the last few years. Compliance with the NAQS objectives had been met at all automatic monitoring sites in 2015 when assessed at the nearest residential premises, however monitoring at all sites would continue so that the impact of the port expansion could be assessed.

The report also detailed recent developments/current issues which showed that emissions from heavy goods vehicles (HGV's) in 3 of Sefton's AQMA's at Millers Bridge (A5056/A565), Princess Way (A5036) and Hawthorne Road/Church Road (A5036) had been identified as a significant contributor to air pollution levels in these locations; that the port of Liverpool's major expansion, including the construction of a deepwater river berth that would allow post panamax container ships to dock, would



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increase the number of containers coming into the port significantly; that a Port Access study commissioned by Sefton concluded that the number of container carrying HGV's using the A5036 may double by 2030 and the road in its current state would reach capacity by 2020; that a Strategic Air Quality steering group, co-chaired by Councillors Lappin and Moncur had been introduced which acted as the main strategic forum for Air Quality Matters in the Borough; that Sefton was in the process of commissioning environmental consultants to undertake a Clean Air Zone (CAZ) feasibility study to assess the feasibility of implementing CAZs in Sefton to reduce traffic related emissions; and that officers from Environmental Health were working with Teachers at the ECO centre to develop a Schools Air Quality action programme targeting 10 schools in close proximity to Sefton's AQMAs with the aim of encouraging pupils to consider air quality and how their and their family's actions impacted on air quality in their neighbourhood.

The report concluded that Air Quality in the majority of Sefton was of a good standard with NAQS Objectives complied with across the bulk of the borough; that the on-going review and assessment had identified localised areas where NAQS Objectives would not be met and Action Plans were in place to work towards compliance in these areas; that Action Plan measures had shown significant success and levels of pollution had reduced with levels of PM₁₀ at all monitoring locations below the NAQS objectives and resulted in the de-declaration of one AQMA; that there were however areas where there were major potential challenges to air quality and that the Port expansion and the associated increase in HGVs may lead to an increase in emissions that would affect air quality in the AQMAs and other areas around the A5036, A565 and A5058; and that significant Intervention in the form of introducing CAZs was an option currently under consideration and that regular updates on this study would be submitted to future meetings

Emergency Planning

The Committee considered the [report](#) of the Head of Corporate Resources on the ongoing review of the Council's emergency planning arrangements; and which highlighted the key strands of work, expected outcomes and progress made.

The report indicated that the Civil Contingencies Act 2004 delivered a single framework for civil protection in the UK; that Part 1 of the Act established a clear set of roles and responsibilities for those involved in emergency preparation and response at the local level; that Local Authorities were identified as Category 1 responders, at the core of the response to most emergencies; that the Council maintained a small, dedicated Emergency Planning team in order to meet these requirements; and that the team was an intrinsic part of the Merseyside Resilience Forum (MRF), working with external partners who would also be involved in the response to local emergencies.

The report also indicated that following terror attacks in Manchester on 22 May 2017 and the Grenfell Tower fire on 15 September 2017 these factors had brought emergency preparedness into sharp focus, and the profile of emergency planning and the need to have robust plans in place had never been higher. This had led to a comprehensive review of the arrangements in place in Sefton.



The report detailed the seven areas of focus of the review and the progress made relating to command and control; training; human aspects and community resilience; logistics; communications; emergency plans; and business continuity; and concluded by advising that regular updates on the progress of the project were being provided to senior management and to the Audit and Governance Committee; that it was anticipated that the project would conclude by summer 2018; and that the revised arrangements would be monitored on an ongoing basis so as to ensure continued effectiveness.

Attached as an [Appendix](#) to the report was the Emergency Planning Review Project Plan.

PRESENTATIONS

Environmental Services Restructure

The Committee received a [presentation](#) from Steve Smith, Environmental Health and Trading Standards Manager and Terry Wood, Environment and Consumer Team Section Manager, Regulation and Compliance on the service option to reduce the Environmental Service structure by £500k and the considerations given to the different ways of working that this has necessitated.

Mr Smith and Mr Wood indicated that:-

- Historical savings of £1.1million had been made between 2010-2017; that the current target for 2017-2020 was £500,000; and that this required that a full Service review be undertaken with the aim of achieving £400,000 and £100,000 savings in Phases 1 and 2 respectively
- The approach to achieve the savings would entail re-engineering processes, demand reduction and improving resilience and a fundamental review would be undertaken of Environmental Health and Trading Standards with efficiency savings being sought in Local Licensing and Taxi Licensing
- The reduction in the demand for domestic and commercial services would be met by the introduction of thresholds, the development of self-help guides, training of Contact Centre staff and the streamlining of processes. Examples of demand reduction for the service were also provided
- Income generation would be investigated in the Pest Control Service, Food Hygiene advisory visits and the Dog Warden Service
- The advantages of the service option would be to improve service resilience, release resources to respond to complex technical issues and community resilience but that impacts would include reduced Public Health protection in respect of statutory nuisance and planning consultations thresholds and proactive health and safety at work and food safety and that response times would lengthen

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- Phase 1 - £400,000 savings would be met by the reduction in the establishment of 9 FTE posts, new income generation of £38,000 and consumables savings of £20,000 whilst Phase 2 - £100,000 savings in year 2/3 would be met following a further management review

Financial Reports and Terminology

The Committee received a [presentation](#) from Stephan Van Arendsen, Head of Corporate Resources on financial reports and terminology.

Mr Van Arendsen focussed on the following issues:-

- Best Practice in Financial Management – The three key elements of financial management were Enabling Transformation, Supporting Performance and Delivering Accountability and that financial reporting was a key part of each of these and enabled informed decisions to be reached. The role of the Chief Financial Officer (Head of Corporate Resources) had the responsibility for “making arrangements for the administration of the Council’s financial affairs” and this included ensuring budgets were robust, the Council had adequate reserves, effective controls were in place and value for money was achieved
- The annual reporting cycle – Council, Cabinet, Audit and Governance Committee and Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services) were the key elected Member bodies in the annual reporting cycle; and the distinctions between revenue and capital was described, namely that revenue related to transactions relating to the day to day running of Council services whilst capital transactions related to investing in buildings, infrastructure and expensive pieces of equipment;
- How Members engage - the Medium Term Financial Plan, normally covering 3 years, process was detailed where the aim was to identify forecast budget gaps (April – June); options were formulated that could mitigate budget gaps and linked to the Council’s Core Purpose, Framework for Change, etc. (Typically July – October); and that Members considered options and a budget package was developed (November – March); and that Budget Council agreed the annual budget for the following year and level of Council Tax (and possibly budget plans for future years) (late February / early March) and that the Budget was formally monitored throughout year – monthly starting in June and considered by the Executive Leadership Team, Strategic Leadership Board, Cabinet and Overview and Scrutiny Committee
- Aims of Financial Reporting – this was a circular process whereby the Council set out what it sought to achieve, what had been done so far e.g. what had been spent/delivered, what was anticipated to be done e.g. what did the Council think it would spend, what conclusions had been reached and what decisions need to be made



- Key Aspects – the Capital Process, Capital Programme Budget Monitoring, Council Tax and Business Rates processes were described

Social Media Use and Effectiveness

The Committee received a [presentation](#) from Nicky Speed, Corporate Communications Manager on social media use and effectiveness.

Ms Speed detailed:-

- UK social media usage across the different platforms such as Facebook, YouTube, Instagram and Twitter
- The forecast number of people within Sefton using social media and that this provided the Council with a big audience to tap into as people from all communities and all ages were using social media in Sefton and it was recognised as a great way to talk to our communities and to engage with them on the platforms they are using
- The ways Sefton Council was already using social media to promote our key messages/priorities, grow our audience/reach, encourage customers to self-service, signpost to events and activities, consult on plans and to share key partners' content
- That plans for the future included a social media audit, video content creation, a support channel shift and reduced calls, more focus on engagement, use for social listening, work with influencers/community groups and the provision of support for elected Members
- And concluded by requesting Members to follow the Council on Twitter, LinkedIn, Facebook, Instagram and YouTube to help the Council reach customers, by sharing our messages and promoting Sefton when out and about; and that if Members were not using social media but needed help doing so then the Corporate Communications Team could facilitate this

Commissioning and the Procurement Process

The Committee received a [presentation](#) from Peter Moore, Head of Commissioning Support and Business Intelligence on Commissioning and the Procurement Policy.

Mr Moore detailed:-

- The Commissioning Support and Business Intelligence service's key aims of providing help with Strategy/Policy, Communications and Marketing and Change Management
- Key Work Areas in 2016-17 which included Review of CPR, Processes and Guidance, Framework for Change – PSR10, Re-focusing Performance and



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Intelligence and Business as usual performance and intelligence, commissioning and procurement activity

- Headline Projects in 2016/17 which included Remodelled Adult Community Day Care Services, Remodelling Supported Living Services Adult Social Care Market Analysis Exercises, Collaborative remodelling of Domiciliary Care Services, Dynamic Purchasing System for Children's Placements, Contract Register Improvements, Sefton People and Place Profile and Ward Profiles and Extra Care Housing Gap Analysis
- The Procurement Activity of the Procurement Team
- And the next steps which included implementation of the refreshed Commissioning Framework, Completion of Organisational Development work, Implementation of the Performance Framework, support of the Framework for Change Programme and Framework for Change – PSR 10

The arvato Contract

The Committee received a [presentation](#) from Stephan Van Arendsen, Head of Corporate Resources on the arvato contract.

Mr. Van Arendsen:-

- Set out the context and that the current 10 year contract expired on 30 September 2018 and had an annual value £15.4m; that services included transactional finance, HR and ICT; that the Council decision was to bring 5 of the 6 services back in house; and that a new ICT provider would be procured
- Updated on the governance exit plan arrangements that included a Steering Board established for with arvato
- Updated on the exit plan associated with the following workstreams Legal, Financial & Commercial; HR & Payroll; ICT; Operational Services; and Schools
- The Council aims and objectives that included that Service delivery was maintained between now and exit and that the Council could meet the requirements operationally and financially from PSR9 - ICT and Digital
- Current key issues associated with the exit plan relating to contracts; engagement; timing and quality of information provision; understanding how these services work; adherence to the exit plan; Key Performance Indicators; risk management, and the current status of arvato
- The ICT procurement exercise undertaken and that this was different to anything the Council had done before, namely utilising an invitation to participate in dialogue; that 6 submissions were received by the deadline date



and that it was considered that 2 could progress to the next stage; and that the contract would commence on 1 October 2018

- Concluded that this was a major project that was highly complex, was taking a vast amount of resources and was very sensitive; that the risks associated with the project reflected this and required careful management as did the current provider; that the largest amount of information would be received during April – July 2018; that the external provider market for ICT had changed significantly in recent years; that procurement was ongoing and any successful bidder would need to meet the Council's needs; and that Cabinet and the Cabinet Member – Regulatory, Compliance and Corporate Services would continue to be engaged.

WORKING GROUPS

During the year the Committee considered three Working Group Final Reports relating to:-

Accommodation Strategy/Agile Working

The Working Group was established to agree and confirm the approach to the delivery of the Council's Accommodation Strategy for the period 2016/17 to 2020. The [Final Report](#) and recommendations were approved by the Committee and Cabinet.

Licensing/Child Sexual Exploitation

The Working Group was established to:-

- review the Council's legal and safeguarding position in relation to the issue of any licence following allegations of child sexual exploitation
- consider whether all relevant pathways, methods of referral are sound with respect to escalation of CSE referrals
- ensure that key sectors are informed, aware of how to raise concerns concerning CSE
- liaise with the Home Office and lobby for legislative change should the need arise

This was a joint Working Group with the Overview and Scrutiny Committee (Children's Services and Safeguarding). The [Final Report](#) and recommendations were approved by both Overview and Scrutiny Committees and Cabinet.

The Committee also considered a six monthly update [report](#) of the Head of Regulation and Compliance that provided an update setting out the progress

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made against each of the recommendations formulated by the Licensing/Child Sexual Exploitation Working Group and approved by Cabinet; and the table attached to the report set out progress made against each of the recommendations.

Area Committees

The Working Group was established to:-

- Review the findings of the public consultation exercise undertaken on the role of Area Committees, and the other issues set out in the report submitted to the Cabinet on 23 June 2016
- Review modern methods of engagement between councils and their councillors and councillors and their communities, including the operation of community forums by other local authorities, the use of social media and guidance on its use
- To consider whether a programme of communication training for members should be developed with particular emphasis on the social media aspects of modern communication in their role as 'Community Champions'
- Review ways of communicating information about councillors' expenditure in their wards and associated decision making processes
- To consider whether a system of escalation for the public where a councillor cannot be contacted, does not respond to contact or does not make themselves available for surgeries etc. can be developed
- To consider whether methods for citizens to formally engage with its Council are made as simple and effective as possible through the provisions within the Council Constitution for petitions, questions attendance at meetings etc.
- To consider how section 106 and Community Infrastructure Levy funding would be spent in a revised Area Committee structure
- To consider the remit of Area Committees

The Working Group could not reach a consensus and therefore recommended that the Overview and Scrutiny Committee consider the submissions detailed in paragraph 6 and Appendix 3 of the [Final Report](#) and determine the most appropriate course of action thereon. The Committee resolved that the Final Report be referred to Cabinet with a request that Cabinet select an option. Cabinet met and selected the option proposed by Councillor Carla Thomas. This decision was subsequently called-in and a Special Meeting of the Committee was arranged to consider the call-in. The Committee accepted the decision made by Cabinet and approved the option proposed by Councillor Thomas.

The Committee also considered a six monthly update [report](#) of the Head of Regulation and Compliance that provided an update setting out the progress made against each of the recommendations formulated by the Area Committees Working Group and approved by Cabinet together with an [action plan](#) produced by the Head of Communities.



Digital Inclusion

The Committee also established a Working Group to review the topic of Digital Inclusion. The Working Group is pushing ahead with its task and its approved Scoping Document can be viewed [here](#) It is anticipated that the Working Group will publish its Final Report in October 2018.

Customer Experience of Claiming Council Administered Benefits and Financial Support

The Committee considered the joint [report](#) of the Head of Corporate Resources and Head of Strategic Support that provided an update setting out the progress made against each of the recommendations formulated by the Customer Experience of Claiming Council Administered Benefits and Financial Support Working Group and approved by Cabinet.

The report indicated that the Customer Experience Board (Chaired by the Head of Strategic Support), and comprising of Council staff and Partners had continued to develop and make positive changes to the customer experience and would continue to identify further opportunities to make improvements, simplify processes and address customer's concerns; and that a number of the actions had resulted in changes that the customer would benefit from and that it was recognised that the Council and partners must continue to champion and motivate a culture of change in the workforce in order to maximise those opportunities and demonstrate the necessary behaviours in order to do so effectively.

The report also indicated that as the Head of Strategic Support chaired the Customer Experience Board and was the project sponsor for Customer Interface (PSR 9) progress and activity would be monitored accordingly; and therefore, it was recommended that progress associated to customer related activity in the future be monitored and reported as part of the Public Sector Reform Programme, under the Governance of Executive Leadership and Programme Board.

Annex 1 attached to the report detailed the key objectives set by the Working Group and the action taken and the progress made to date; and highlighted additional changes that had been implemented following the review and as part of PSR9 – Customer Interface.

Cabinet Member Reports

In keeping with previous years and in order to keep Members informed, the Overview and Scrutiny Management Board agreed for relevant Cabinet Member Reports to be submitted to appropriate Overview and Scrutiny Committees. The Terms of Reference of the Overview and Scrutiny Committee covered the portfolio of the Cabinet Member – Regulatory, Compliance and Corporate Services.



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Pre-Scrutiny – The Key Decision Forward Plan

The Overview and Scrutiny Committee has also been given the opportunity to pre-scrutinise items from the Council's Key Decision Forward Plan. The Forward Plan is submitted to the Overview and Scrutiny Committee as part of the Work Programme update. The pre-scrutiny process assists the Cabinet to make effective decisions by giving the Overview and Scrutiny Committee the opportunity to examine issues beforehand and making recommendations prior to a determination being made.

The Year Ahead

The Committee will continue to make progress on the following priorities over the coming year:

- The consideration of budget proposals and savings and the Medium Term Financial Plan
- Review the Council Tax Reduction Scheme during the sixth year of operation
- Monitoring the operation of the Procurement Strategy
- Update on the disposal of surplus council owned land
- Monitoring reports on the implementation of recommendations arising from Overview and Scrutiny Working Group reviews
- Other service operational reports as deemed appropriate by the Committee

I envisage the forthcoming year to be extremely busy and challenging for the Committee given the difficult budgetary challenges and financial savings that have to be met in Sefton.

Finally, and on behalf of the Committee, I would like to thank everyone who has contributed to our work over the past year. I would personally like to thank all Members of the Committee, Councillor Paulette Lappin, Cabinet Member – Regulatory, Compliance and Corporate Services and officers who have attended meetings for their support to me over the past year and provided the Committee with valuable information.

Councillor Sue Bradshaw

July 2018



Report to:	Council	Date of Meeting:	19 July 2018
Subject:	Changing of Parish Council's Name		
Report of:	Head of Regulation and Compliance	Wards Affected:	Park
Portfolio:	Cabinet Member - Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	No	Included in Forward Plan:	No
Exempt / Confidential Report:	No		

Summary:

Sefton Parish Council wishes to change its name to the Parish Council of Sefton and Lunt Villages to include the interests of the Village of Lunt and to stop any confusion by members of the public that the Parish Council is Sefton Parish Church or Sefton Metropolitan Borough Council.

Recommendation(s):

In accordance with Section 75 of the Local Government Act, 1972 Council approve the change of name of Sefton Parish Council to the Parish Council of Sefton and Lunt Villages and formalise that change by writing to the relevant Bodies, as detailed in paragraph 2.1 to the report.

Reasons for the Recommendation(s):

The interests of the Village of Lunt should be included in the title of the Civil Parish to highlight to the residents that they come under the auspices of the Civil Parish Council and the elected representatives.

The public have confused the Civil Parish with the Parochial Church Council of Sefton Parish Church and Sefton Metropolitan Borough Council; with some members of the public in recent years seeking advice from the Civil Parish believing it to be Sefton Metropolitan Borough Council.

Alternative Options Considered and Rejected: (including any Risk Implications)

No alternative options were considered.

What will it cost and how will it be financed?

(A) Revenue Costs

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None

(B) Capital Costs

None

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):
Legal Implications: Section 75 of the Local Government Act 1972
Equality Implications: There are no equality implications.

Contribution to the Council's Core Purpose:

Protect the most vulnerable: N/A
Facilitate confident and resilient communities: The change of name of the Parish Council will make it more representative of the community it represents.
Commission, broker and provide core services: N/A
Place – leadership and influencer: The change of name of the Parish Council will make it more representative of the community it represents.
Drivers of change and reform: N/A
Facilitate sustainable economic prosperity: N/A
Greater income for social investment: N/A
Cleaner Greener: N/A

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD.5213/18.....) and Head of Regulation and Compliance (LD.4437/18.....) have been consulted and have no comments on the report

(B) External Consultations

Section 75 of the Local Government Act 1972 does not require a consultation process to be undertaken by the Parish Council prior to considering the request at full council, on that basis the Parish Council have considered whether there is a need for a consultation process, and have come to the conclusion it would not be a beneficial use of public money of going through a public consultation.

Implementation Date for the Decision

Immediately following the Meeting of the Council.

Contact Officer:	Ruth Harrison
Telephone Number:	Tel: 0151 934 2042
Email Address:	ruth.harrison@sefton.gov.uk

Appendices:

None

Background Papers:

None

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1. Introduction

- 1.1 Section 75 of the Local Government Act 1972 states that at the request of a Parish Council, the Council of the District in which the parish is situated may change the name of the parish.
- 1.2 On Friday 9th March 2018 Sefton Parish Council met for their annual parish meeting and the change of name was on the Agenda.
- 1.3 Madam Chairman highlighted the reason for the suggestion of the name change, being the importance of including the interests of Lunt Village within the Parish Church and affirming with the residents of the village that they also come under the auspices of the Parish Council and elected representatives. In addition, there was a concern since Madam Chairman's term of office that the public had confused the Civil Parish with the Parochial Church Council of Sefton Parish Church and it came to light it had been fed back to the CEO that developers, with whom he had communication with, report to third parties that having spoken with him they were under the impression that Sefton Civil Parish was actually Sefton MBC and due to this confusion the residents of the Borough had searched online and inadvertently sought advice from the Parish Council believing them to be Sefton MBC.
- 1.4 Due to the reasons outlined above, it was decided the most appropriate cause of action would be to change the Parish Council's name from Sefton Parish Council to the Parish Council of Sefton and Lunt Villages.
- 1.5 At the Parish Council's annual meeting it was unanimously resolved to seek leave of Sefton MBC to change the name of the Civil Parish pursuant to the Local Government Act 1972 section 75.
- 1.6 Sefton MBC legal department considered the legal implications of the change of name and it was noted s75 Local Government Act 1972 does not require a consultation process to be undertaken by the Parish Council prior to considering the request at full Council, further research of other Local Authorities showed some had consulted with the public prior to making the change and some had not
- 1.7 The information was fed back to the Parish Council and they decided a public consultation process would not take place as other consultations had taken place on other matters with little involvement from the public and they did not consider it would be a beneficial use of public money and could not be justified.

2.0 Formal Arrangements

- 2.1 Should the Council be minded to approve the change of name of the Parish Council, notice of that change is required to be sent to the Government office, to the Office for National Statistics and Registrar General for England and Wales. It must also be published and in an appropriate manner elsewhere; usually in the local press.

Report to:	Council	Date of Meeting:	19 th July 2018
Subject:	Public Health Annual Report 2017		
Report of:	Director of Public Health	Wards Affected:	(All Wards);
Portfolio:	Cabinet Member: Health and Wellbeing		
Is this a Key Decision:	No	Included in Forward Plan:	No
Exempt / Confidential Report:	No		

Summary:

To receive the Annual Report (film) of the Director of Public Health 2017

Recommendation:

The Council is requested to:

1. receive the annual report of the Director of Public Health; and
2. note that the report will be published.

The report is a statutory independent report of the Director of Public Health and identifies key issues affecting health in the Sefton population

Alternative Options Considered and Rejected: (including any Risk Implications)

N/A

What will it cost and how will it be financed?

- (A) Revenue Costs**
No direct costs associated with the report.
- (B) Capital Costs**
No direct costs associated with the report.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets): No implications
Legal Implications: Legal Section 73B (5) and (6) of the National Health Service 2006 Act, inserted by section 31 of the Health and Social Care Act 2012, provides that the Director of Public Health must produce an annual report and the local authority must publish the report.
Equality Implications: There are no equality implications

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Contribution to the Council's Core Purpose:

Protect the most vulnerable: <i>Raises the profile and the issue of mental health and well-being within the context of children and young people.</i>
Facilitate confident and resilient communities: <i>Shows partnership working to tackle the issue of poor mental health and well-being, showing what is being done to tackle it.</i>
Commission, broker and provide core services: n/a
Place – leadership and influencer: <i>Highlights the work of professionals and the community and voluntary sector as leader of change regarding mental health and well-being within Sefton.</i>
Drivers of change and reform: <i>Highlight works taking place within Sefton, as a catalyst for change.</i>
Facilitate sustainable economic prosperity: n/a
Greater income for social investment: <i>Showcases work with the community and voluntary sector to strengthen a collaborative approach to the issue.</i>
Cleaner Greener: n/a

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD 5191/18) and Head of Regulation and Compliance (LD.4415/18) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Engaged with partners, schools, community, voluntary and faith sector, Sefton pupils and community volunteers regarding the subject matter.

Implementation Date for the Decision

Immediately following the Committee meeting.

Contact Officer:	Steve Gowland
Telephone Number:	0151 934 3070
Email Address:	steve.gowland@sefton.gov.uk

Appendices: There are no appendices to this report

Background Papers: There are no background papers available for inspection.

1. Introduction/Background

1.1 The Director of Public Health (DPH) is required to produce an independent annual report on the health and wellbeing of their population highlighting key issues.

1.2 It is an important vehicle by which the DPH can identify key issues, celebrate success, flag up problems, report progress and, thereby, serve their local populations. It will also be a key resource to inform local inter-agency action.

1.3 Aims of the Report

- Contribute to improving the health and wellbeing of local populations.
- Reduce health inequalities.
- Promote action for better health, through measuring progress towards health targets.
- Assist with the planning and monitoring of local programmes and services that impact on health over time.
- Be relevant to the health of local populations with information analysed at the most appropriate population level.
- Must be integral to planning across all sectors and needs to promote action.
- Should include a clear set of recommendations that are targeted, realistic and achievable (SMART).

2. Key findings

2.1 This year's annual report, which been produced as a short film to explore the emotional wellbeing and mental health of children and young people and the services and resources which are available to support them. The film recognises the importance of building resilience, promoting good mental health and wellbeing, and enabling children and young people to live healthier, happier lives long into adulthood.

2.2 There is no single reason why children and young people experience problems with their mental health. Growing up in challenging home environments such as living in poor quality and overcrowded housing or living in a chaotic home environment can all have a negative impact on mental health and wellbeing. Some other risk factors include; having a disability, being a looked after child or a young carer, not being in education, employment or training, being exposed to domestic abuse or having a parent with mental health problems.

2.3 In Sefton, there are more people from most of these vulnerable groups, when compared to the national averages. We know that experiencing mental health problems before the age of 14 can affect educational attainment, physical health and impact on social relationships; therefore, leading to poorer outcomes in later life. Investing in early intervention programmes to develop emotional resilience will enable children and young people to be able to cope better with difficult circumstances and do well in school and in life. This could help to reduce and prevent potential problems from developing to crisis point and lead to less use of health and social care services in the future.

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- 2.4 We are working in partnership with others to create the right conditions and environments to promote and improve the mental health and wellbeing of children and young people. As featured in the film, leisure and cultural activities (which encourage children and young people to talk about their feelings and emotions in a safe place) are delivered by schools, Council and community based organisations such as Big Love Sista, Litherland Moss Primary School, Merseyside Youth Association SPACE, Well Young Person Team and Y-Kids. In addition to this community and voluntary groups such as sports and dance groups, Scouts and Girl Guiding groups also play an important role in supporting the mental health of children and young people.
- 2.5 However, to make a *real* difference, it needs to continue to be everybody's responsibility. If you are a local business, a service provider, policy maker, teacher, carer, friend or a family member; we all have a role to play to create a caring, supportive system that will make children and young people feel safe, happy and improve their lives.
- 2.6 The Council and partner agencies have established a steering group to drive forward improvement of the emotional health and wellbeing of children and young people in Sefton. The group has been tasked by the Sefton Health and Wellbeing Board with developing strategic approaches to transform systems and services to improve outcomes. It has been recognised as being innovative and effective by OFSTED because of the input from schools into the partnership.
- 2.7 The full film can be seen at www.sefton.gov.uk/PHAR

3 Conclusions

- 3.1 Sefton Public Health has committed to developing a local programme to support the emotional health and wellbeing of children and young people (particularly those at highest risk) over the next two years.by:
- 1 Working with partners and interested stakeholders to extend and promote good mental wellbeing in schools and communities, making sure that activities to help children and young people to develop mental resilience skills are available and used to their full potential.
 - 2 Taking a collaborative approach to deal with Adverse Childhood Experiences (ACEs) and reduce their impact on young people and their families/carers.
 - 3 Further develop and widen the availability of suicide prevention training to specifically cover children and young people, making sure that it is available throughout Sefton.

PROPOSED BY: Councillor Diane Roscoe

SECONDED BY: Councillor Ian Moncur

REDUCING SINGLE USE PLASTIC IN SEFTON

This Council notes that the borough of Sefton has approximately 22 miles of coastline, which is enjoyed by residents and visitors and plays host to some of the most rare plants and animals in the country.

Around 70 per cent of all the litter in the oceans is made of plastic. Plastic pollution in the sea is a symptom of a more systemic issue originating on land and related to the design, the use and the disposal of plastic items, particularly single-use plastic. To reduce it, a key priority is to focus on interventions and stewardship to help reduce the quantity of plastic waste generated by society and the associated release of litter to the ocean.

It is estimated that about 275 million tons of plastic waste are being generated each year in 192 countries around the world, with between 4.8 million and 12.7 million tons being washed or dumped into the sea. If we do not change our behaviour, a threefold increase is predicted in the amount of plastics in the ocean between 2015 and 2025 (1)

Council believes that the reduction of single-use plastic would benefit health in Sefton, reduce waste and ultimately help protect our coast. Council therefore directs Officers to report to Cabinet on:

1. Development of a robust strategy to ensure Sefton Council works towards phasing out single-use plastics (SUP) in its activities and buildings within the next two years.
 2. Work with partners and other large institutions to encourage them in developing similar strategies to reduce SUP.
 3. An ongoing Communications plan to inform the public of Sefton of the reasons for phasing out SUP and encourage them to switch to alternatives.
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1. Jambeck, J. R., Geyer, R., Wilcox, C., Siegler, T. R., Perryman, M., Andrady, A., Narayan, R. & Law, K. L. 2015 Plastic Waste Inputs from Land into the Ocean. *Science* 347, 768-771. Law, K. L. & Thompson, R. C. (2014) Microplastics in the seas. *Science* 345, 144–145.

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Councillor Watson

Annual Delivery of Council Tax Demand

Sefton Council recognises that the annual delivery of the Council Tax Demand plays a very significant part in household budgets and in many cases - particularly for the elderly - represents the single largest financial burden that many face on a monthly basis.

Sefton Council now considers that the use of the word "Demand" is somewhat aggressive and intimidating and as such is very rarely used in business and commerce

As a consequence the Council believes that it should now be referred to in the future as an "Invoice" or "Statement of Account", the Council further believes that it may be necessary for a change in regulation by HM Government for this to happen and therefore requests the LGA to take up this issue on behalf of Sefton in particular and Local Government in general.

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Proposed by Cllr Iain Brodie Browne

The NHS

The Council:

(1) Pays tribute to the NHS in its 70th year.

(2) Welcomes all new investment in this treasured institution.

(3) But recognises the growing financial and clinical challenges for local health services, hospital and adult care in responding to the demographic challenge of the ageing population.

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Proposed by Cllr John Pugh

That this Council welcomes the LGA Peer Review.

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