

**CABINET**

**MEETING HELD AT THE TOWN HALL, SOUTHPORT  
ON THURSDAY 6TH SEPTEMBER, 2018**

**PRESENT:** Councillor Maher (in the Chair)  
Councillors Atkinson, Cummins, Fairclough, Hardy,  
Lappin and Veidman

**36. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors John Joseph Kelly and Moncur.

**37. DECLARATIONS OF INTEREST**

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

**38. MINUTES OF THE PREVIOUS MEETING**

**Decision Made:**

That the Minutes of the meeting held on 26 July 2018 be confirmed as a correct record.

**39. TENDER ARBORICULTURAL WORKS CONTRACT**

The Cabinet considered the report of the Head of Locality Services – Commissioned seeking approval to procure a new contract for arboricultural works and to award the contract based on the lowest priced tender that met all pre-determined minimum quality requirements.

**Decision Made:** That

- (1) the procurement of a new contract for arboricultural works be approved;
- (2) the basis for the evaluation of tenders received be approved; and

- (3) authority be delegated to the Head of Locality Services – Commissioned, in consultation with the Cabinet Member – Locality Services, to award the contract upon completion of the procurement process.

**Reasons for the Decision:**

The existing contract is due to expire. Establishing a replacement contract will provide the Council with sustainable arrangements for commissioning arboricultural work on a planned and responsive basis. It will avoid indirect costs that are likely to be incurred from procuring such work on an ad-hoc basis and provide a service in response to emergencies or call-outs outside of normal office hours.

**Alternative Options Considered and Rejected:**

Not to replace the existing contract would result in arboricultural work having to be undertaken in an ad-hoc way, outside of a framework contract, which would result in increased costs.

**40. GREEN WASTE COMPOSTING SERVICE – RE-PROCUREMENT FOR A NEW CONTRACT TO RUN FROM 1ST NOVEMBER 2019**

The Cabinet considered the report of the Head of Locality Services – Provision seeking approval to begin a procurement exercise for a new Green Waste Composting Service Contract to run from 1 November 2019.

**Decision Made:** That

- (1) the proposed Official Journal of the European Union (OJEU) - compliant procurement process for a new Joint Green Waste Composting Contract to run from 1st November 2019 be approved; and
- (2) delegated authority be granted to the Head of Locality Services Provision to award the Contract resulting from the procurement in consultation with the Cabinet Member – Locality Services.

**Reasons for the Decision:**

The current contract for the delivery of green garden waste for composting comes to an end on 31 October 2019. This was a joint authority contract. There is no option to extend the contract for a further period. The Contract will have to be re-tendered in order to maintain composting facilities for green garden waste to be delivered.

**Alternative Options Considered and Rejected:**

None.

**41. ACCEPTANCE OF CONTRACT VARIATIONS FOR EXTENSION OF EUROPEAN STRUCTURAL INVESTMENT FUND INITIATIVES**

The Cabinet considered the report of the Executive Director advising Members of arrangements to extend the current provision of support to local businesses and workless residents undertaken by the InvestSefton and Sefton@work teams through an extension of European Structural Investment Fund (ESIF) grants. The report also sought permission for delegated authority to be granted to the Cabinet Member - Regeneration and Skills to accept the necessary contract variations for both the European Regional Development Fund (ERDF) and European Social Fund (ESF) which would be forthcoming from the Liverpool City Region (LCR) Combined Authority over the forthcoming period, in consultation with the Head of Corporate Resources and Head of Regulation and Compliance. The delegated authority would allow the Council to maintain these essential services for workless residents and businesses without a break in continuity of service for local businesses and workless residents.

**Decision Made:** That

- (1) the in-principle approval received by the LCR Combined Authority for extension to the “Ways to Work” ESF programme in Sefton under PA1.3 (for young people aged 16 – 29) and the submission of the extension request for funding under PA1.1 (Adults aged over 18) be noted;
- (2) the in-principle approval received by the LCR Combined Authority for extension to the PA3 ERDF Business Growth Programme t/a LCRIBS (Liverpool City Region Integrated Business Support) programme be noted;
- (3) the in-principle approval received by the LCR Combined Authority for extension to the PA3 ERDF Place Marketing for Investment programme be noted; and
- (4) acceptance of the ESIF grant offers for delivery in Sefton be delegated to the Cabinet Member – Regeneration and Skills in line with the advice received from the Head of Corporate Resources and Head of Regulation and Compliance prior to bid submission.

**Reasons for the Decision:**

The contract variations from the LCR Combined Authority will allow the Sefton@work and InvestSefton services to continue to offer high quality, value for money interventions which provide key services in our local economy. Both services, under the Investment and Employment division have been largely self-funded since 2011 and have managed, through a

variety of grants and contracts, to undertake a range of important support services which have driven up employment, advocated for vulnerable people, captured social value for Sefton citizens, supported the growth of SMEs and attract new inward investment over a number of years. The Sefton delivery for both business support and employment support each operate as constituent parts of wider economic development initiatives led by the LCR Combined Authority. This offers a degree of financial stability and shared risk. The contract variations will allow these services to be retained and developed further and the grant intervention rates on offer are extremely attractive with ESF for young people (incorporating YEI) offering a rate of 25% match funding to 75% grant and ERDF 50% match to 50% grant.

**Alternative Options Considered and Rejected:**

Not to apply for EU funding would be to forego the benefits (financial, social and economic) associated with external funding and would mean that Sefton would fall behind other Local Authorities on this important agenda. EU funding has supported an essential pillar of key elements of the Council's Investment and Employment Service from 2016 onwards, and these extensions will support the delivery of key objectives for prosperity and jobs expressed in the Council's Vision for 2030. The opportunity to maximise Youth Employment Initiative funding (YEI), in addition to European Social Fund, offers a particularly desirable level of grant intervention rate unavailable through other means. The current extension would allow the Sefton@work offer for workless residents to be fully optimised as the Council moves forward with its commitment to developing resilience and independence among workless residents. The extension of ERDF would allow InvestSefton to support the growth of more enterprises in Sefton, help in attracting new investment and expand their capacity to employ more residents. Given the UK's decision to exit the European Union in 2019, there are no expectations that further European Structural funds will be made available for the North West in future. However, the UK government is keen to utilise all available EU monies prior to Brexit and this extension is likely to represent the last funding opportunity of its kind.

**42. PROCUREMENT PROCESS FOR THE PROVISION OF ENFORCEMENT AGENT SERVICES**

The Cabinet considered the report of the Head of Corporate Resources seeking approval for officers to begin the process of a mini competition under the Rotherham Enforcement and Debt Collection Service Framework. The existing contract under the Rotherham Enforcement and Debt Collection Services Framework was due to expire on 31 March 2019. To ensure enforcement action could continue, a procurement process for Enforcement Agent services was required.

The report indicated that for many years the Council had used the services of external Enforcement Agent Companies as a last resort to recover the various debts it was owed.

Most people payed the Council on time but some tried to delay payment for as long as possible. However, the Council recognised that many people and businesses in our community faced challenges in the current economic climate, particularly in the light of welfare reform changes. To assist in mitigating these challenges, the Council had included a number of support procedures within the debt collection process and the report outlined these support procedures.

The Council complied with all relevant Government legislation that governed the collection of debt and applied best practice to Council Tax debt collection, as recommended by the Local Government Association.

**Decision Made:** That

- (1) the procurement process of a mini competition under the EU procurement regime compliant Rotherham Enforcement and Debt Collection Services Framework, be approved;
- (2) the decision on which Enforcement Agent companies will be awarded the contract for enforcement and debt collection services and the contract for warrants of arrest without bail, be delegated to the Head of Corporate Resources; and
- (3) the Monitoring Officer be authorised to draw up the appropriate contracts to run for a period of 3 years, with an option to extend for one year.

**Reasons for the Decision:**

Existing contracts are due to expire on 31 March 2019. Enforcement Agents are a vital additional resource for the collection of unpaid debt due to the Council.

**Alternative Options Considered and Rejected:**

1. The option of not appointing a contractor was considered but dismissed. This was because the Authority cannot risk not collecting a sizeable percentage of its annual income without the support of Enforcement Agents.
2. The Council could conduct an EU procurement regime compliant exercise, approaching the whole market directly. This option however would require a much longer timescale as the tender opportunity would need to be advertised in the Official Journal of the European Union (OJEU). Further, the volume of bids submitted is unpredictable and so in addition to managing a longer advertising period, officers could easily find that evaluation of bids also takes a

much longer period. This could prove problematic as the existing contracts expire on 31/03/2019 and would be an inefficient use of the Council's resources. Therefore, this option has been rejected.

3. Contracts can also be awarded under a concession agreement with direct awards to successful bidders. However, there is a limit to the value of the contracts that can be awarded as a concession based on the value over the lifetime of the contracts. It has been assessed that the potential value of the contracts would exceed the OJEU threshold. A tender process would still be required by way of advertisement via OJEU that would open the process to unlimited competition and would be an inefficient use of the Council's resources. This is also likely to extend the timescale to procure services which could negatively impact on the collections process.

#### **43. UTILITY PROCUREMENT PLAN**

The Cabinet considered the report of the Head of Corporate Resources seeking approval for the appointment of an electricity and gas supplier for contracts commencing 1 April 2019, for four year contracts.

**Decision Made:** That

- (1) approval be granted for the procurement of electricity supplies for all Council buildings, including schools and street lighting, to be delivered through a Central Purchasing Body (CPB), namely Yorkshire Purchasing Organisation (YPO);
- (2) approval be granted for the Council to join the YPO Electricity Supply Framework, with instruction to purchase electricity supplies on behalf of the Council for contracts commencing 1 April 2019 until 31 March 2023;
- (3) approval be granted for the continuation of the Council utilising Crown Commercial Services (CCS) Gas Supply Framework as the provider of gas contracts for the period 1 April 2019 until 31 March 2023;
- (4) approval be granted for the continuation of the authority previously delegated to the Head of Corporate Resources and the Head of Commissioning Support and Business Intelligence to sign the Customer Access Agreements for both CCS and YPO supply frameworks;
- (5) approval be granted for the Head of Corporate Resources to report the results of the electricity and gas procurement exercise and his actions to a future meeting with the Cabinet Member – Regulatory, Compliance and Corporate Services; and

- (6) it be noted that planning for contract options for Council water supplies is underway.

**Reasons for the Decision:**

Approval is sought for the proposals of the procurement of electricity and gas for 2019/20 for 4 year contracts.

The use of existing public sector framework contracts and alternative procurement models have been thoroughly investigated within the context of achieving maximum future business value to the Council and the partners on its contracts.

To establish a new electricity contract with a new supplier in a timely manner to minimise risk in exposing the Council to default penalty rates beyond 31 March 2019, which are significantly higher in cost.

**Alternative Options Considered and Rejected:**

Allowing the contracts to expire and enter default rates would expose the Council to significant financial risk.

To continue with operating an in-house Official Journal of the European Union (OJEU) procurement exercise for electricity and/or gas supply is considered onerous when the public sector frameworks offer demonstrable value for money in the current energy market. The officer time involved in such a lengthy procurement process is better directed towards actions to reduce consumption across the Council.

**44. MID-YEAR REVIEW 2018/19 AND MEDIUM TERM FINANCIAL PLAN UPDATE 2019/20 ONWARDS (INCORPORATING THE REVENUE AND CAPITAL BUDGET UPDATE 2018/19)**

The Cabinet considered the report of the Head of Corporate Resources informing Members of: -

- (i) the current forecast revenue outturn position for the Council for 2018/19 following the Mid-Year Review;
- (ii) the current forecast budget gap for 2019/20 following the Mid-Year Review and the actions required to ensure a balanced budget could be set early in 2019;
- (iii) an initial view on the potential budget gap for 2020/21 and factors that might have a significant impact on this budget gap;
- (iv) the current forecast on Council Tax and Business Rates collection for 2018/19; and,

- (v) the current position of the Capital Programme.

Members of the Cabinet referred to budget pressures within certain service areas and further information on the budget situation would be presented in due course.

**Decision Made:** That

- (1) the forecast deficit revenue outturn position for 2018/19 following the Mid-Year Review (including the achievement of approved Public Sector Reform savings) and the proposed actions to mitigate this deficit, be noted;
- (2) the forecast budget gap for 2019/20 following the Mid-Year Review and the proposed approach to identifying proposals to meet this budget gap, be noted;
- (3) the potential budget gap for 2020/21 and the factors that could have a significant impact on this budget gap, be noted;
- (4) the forecast position on the collection of Council Tax and Business Rates for 2018/19, be noted; and
- (5) the current progress in the delivery of the 2018/19 Capital Programme, be noted.

**Reasons for the Decision:**

In March 2017, the Council approved a three-year budget plan to March 2020. The final two years of this plan were revised in March 2018 as part of the process of setting the 2018/19 budget. As the Council is nearly half way through the second year of this budget plan it remains confident that its continued strategic approach to budget planning, alongside good financial management and extensive community engagement, means that the plan continues to develop on solid foundations, remains flexible and will secure the future sustainability to 2020 and beyond. However, in-year demand for social care services is currently resulting in the costs for these services exceeding the budget. Corrective action will be required to bring the overall budget into balance.

The recommendations in this report start to provide the basis on which the budget plan would be balanced for the financial year 2019/20 and will ensure that the Council's statutory obligations are met.

To ensure the Cabinet is informed of the forecast outturn position for the 2018/19 revenue and capital budgets as at the end of July 2018 and to provide an updated forecast of the outturn position with regard to the collection of Council Tax and Business Rates.

**Alternative Options Considered and Rejected:**



Not applicable.

#### **45. SENIOR MANAGEMENT STRUCTURE REVIEW**

The Cabinet considered the report of the Chief Executive putting into effect changes in the Senior Management of the Council as a result of the on-going review of function and capacity, and enabling the Authority to be best placed in terms of meeting its 2030 Vision and core purpose. The changes resulted in an overall reduction of two posts. Appendix 1 to the report illustrated the current structure of Senior Management within the Council. The proposed structure was set out at Appendix 2 to the report.

**Decision Made:** That

- (1) the deletion of the post of Head of Regulation and Compliance be authorised;
- (2) the future deletion, at a time at the discretion of the Chief Executive, of the post of Head of Locality Services - Commissioned and subsequent potential redundancy of the current post-holder, be authorised. It is envisaged that any redundancy would only take place subject to normal processes and would be on or around 31 December 2018, subject to a successful transition of matters, as detailed in the report;
- (3) a new post of Head of Highways and Public Protection be created, to assume the responsibilities listed within the report;
- (4) the future deletion of the post of Head of Commissioning and Business Intelligence, be authorised, the duties to be subsumed within the Head of Strategic Support Post; the current post-holder of the Head of Commissioning and Business Intelligence to be moved into the Head of Highways and Public Protection post;
- (5) the formation of a new role of Chief Legal and Democratic Officer be authorised, with the assimilation of an individual into that role;
- (6) the Head of Communities role to assume responsibility for the areas as listed within the report, taking over some responsibility which currently resides with the Head of Health and Wellbeing and Head of Schools and Families, with consequent changes to the roles of Head of Health and Wellbeing and Head of Schools and Families;
- (7) the Head of Schools and Families Post be re-designated as Head of Education Excellence, to take up responsibilities as detailed within the report;
- (8) the other Heads of Service to take up responsibilities as detailed in the report;

- (9) the Chief Executive be authorised to implement the changes, subject to any necessary procedures, in role, job function and functional areas, at a time and pace to be considered in consultation with the relevant Cabinet Members; and
- (10) the Chief Executive and Chief Personnel Officer be authorised under normal procedures to consider the impact of changes to job grades under the HAY Scheme and consult the Cabinet Member – Regulatory, Compliance and Corporate Services.

**Reasons for the Decision:**

To ensure that the future Management Structure is fit for purpose and reflects the priorities set out in the 2030 Vision and the Council's Core Purpose.

**Alternative Options Considered and Rejected:**

The changes could be rejected. However, this would lead to a loss of efficiency and a failure to make anticipated savings.

Organisationally the changes provide for a structure which is fit for purpose, whereas without changes, the structure is operating below the desired standards.