

# Public Document Pack

Sefton Council 

MEETING: CABINET  
DATE: Thursday 23rd May, 2019  
TIME: 10.00 am  
VENUE: Committee Room, Town Hall, Bootle

DECISION MAKER: **CABINET**

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

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

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

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

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

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# A G E N D A

Items marked with an \* involve key decisions

<u>Item No.</u>	<u>Subject/Author(s)</u>	<u>Wards Affected</u>	
1	<b>Apologies for Absence</b>		
2	<b>Declarations of Interest</b> Members are requested to give notice of any disclosable pecuniary interest, which is not already included in their Register of Members' Interests and the nature of that interest, relating to any item on the agenda in accordance with the Members Code of Conduct, before leaving the meeting room during the discussion on that particular item.		
3	<b>Minutes of the Previous Meeting</b> Minutes of the meeting held on 4 April 2019		(Pages 5 - 8)
* 4	<b>Approval for Homes England Grant in respect of Enabling Works</b> Report of the Head of Corporate Resources	Ainsdale	(Pages 9 - 14)
5	<b>Appointment to Outside Bodies</b> Report of the Head of Corporate Resources  Report to Follow		

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**THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON WEDNESDAY, 17 APRIL 2019.**

## **CABINET**

### **MEETING HELD AT THE BIRKDALE ROOM, TOWN HALL, SOUTHPORT ON THURSDAY 4TH APRIL, 2019**

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

**ALSO PRESENT:** Councillor Sir Ron Watson

#### **107. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Atkinson and Fairclough.

#### **108. DECLARATIONS OF INTEREST**

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

#### **109. MINUTES OF THE PREVIOUS MEETING**

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

That the minutes of the Cabinet meeting held on 7 March 2019 be confirmed as a correct record.

#### **110. CORPORATE HEALTH AND SAFETY POLICY**

The Cabinet considered the report of the Head of Corporate Resources which provided details of the revised Corporate Health and Safety policy which had been reviewed to ensure that it reflected the operating arrangements in place and current legislation.

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

- (1) the Corporate Health and Safety Policy be approved; and
- (2) it be noted that the changes to the terms of reference of the Audit and Governance Committee, referred to in paragraph 2 of the report, will be submitted to the Committee and Council in due course.

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## **Reasons for the Decision:**

The Council has an existing Corporate Health and Safety Policy which in line with good practice has been reviewed to ensure that it reflects the operating arrangements in place and current legislation.

The Council's Constitution outlines that the Cabinet has a strategic responsibility for employee related health and safety.

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

None considered.

### **111. LOCALITY SERVICES - CLEANSING SERVICES VEHICLE FLEET PROCUREMENT**

The Cabinet considered the report of the Head of Locality Services in relation to cleansing services vehicle fleet procurement. The report indicated that the current refuse collection and recycling vehicle fleet was initially purchased in 2012/13, with the prudential borrowing being repaid over a five year period up to 2017/18. Following the final repayment of all purchase costs, the fleet is currently being operated for an additional two years in 2018/19 and 2019/20. At seven years old the fleet will have reached the point at which it is no longer reliable, and an increased number of breakdowns would be expected, coupled with greatly increased maintenance costs. As such, a replacement vehicle fleet will be required.

In order to procure a new fleet during 2020/21, the procurement process must commence over twelve months in advance of the vehicles being required. Therefore, in order to provide continuity of service, approval was being sought to commence the required procurement process in April 2019, albeit with no capital requirement until the 2020/21 financial year.

## **Decision Made:** That

- (1) the requirement to replace the vehicle fleet in 2020/21 be noted and officers be requested to commence the necessary procurement process to obtain tender prices accordingly; and
- (2) it be noted that no commitment will be entered into prior to a further report upon completion of the initial procurement process detailing costs and options and funding proposals.

## **Reasons for the Decision:**

The current fleet is reaching the end of its effective life cycle and needs replacement.

The current fleet is also 'Euro 5' diesel, and to meet the revised and enhanced suite of targets, a fleet of 'Euro 6' compliant, or the potential or possibility of CNG (compressed natural gas) vehicles, or electric vehicles,

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must be purchased to meet strict carbon and emissions targets by the EU and UK national Government.

**Alternative Options Considered and Rejected:**

To not renew the fleet risks the current fleet becoming unmaintainable and the service provision liable to be disrupted. A new fleet greatly reduces/eliminates the risk of service delivery disruption.

**112. PROCUREMENT OF LIQUID FUELS**

The Cabinet considered the report of the Head of Strategic Support that set out the approach for the procurement of Liquid Fuels via an external supply framework with effect from 1 October 2019.

**Decision Made:** That

- (1) approval be given to the Council sourcing its supply of Liquid Fuels via the new Yorkshire Purchasing Organisation (YPO) Liquid Fuels supply framework and that the contract be established with effect from 23 November 2019, for a maximum period of 4 years, subject to re-competition within the framework after 2 years;
- (2) approval be given to an extension of the current supply arrangement with Standard Fuel Oils, via the existing YPO Liquid Fuels supply framework, for the 8 week bridging period of 1 October 2019 to 22 November 2019 in order to align the procurement timescales; and
- (3) the Head of Strategic Support be granted delegated authority in consultation with the Cabinet Member – Regulatory, Compliance and Corporate Services to approve and implement the resulting supply arrangements to ensure uninterrupted service.

**Reasons for the Recommendations:**

The Council must procure quantities of liquid fuels to operate its daily business. Under the Council's Contract Procedure Rules the level of expenditure involved (approximately £1.168m per annum) requires that pre-procurement approval is sought from Cabinet.

It is considered that the Council can best be assured of value for money, in terms of price and security of supply, by continued procurement through an external framework contract that is able to offer considerably more collaborative usage volume to the market than Sefton Council alone can offer.

**Alternative Options Considered and Rejected:**

The Council could decide not to continue procuring Liquid Fuels through an external framework and instead undertake its own procurement

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process. This process would need to be a procurement process compliant with the Public Contract Regulations, and would take approximately 6 months to complete.

The significant risk is that it is considered that the separate procurement of lower volumes of fuel (i.e. Sefton Council procuring fuel alone) would be certain to result in much higher unit prices, potentially greater fluctuation in price, and potentially less reliable supply, than if the Council pools its requirement with a significantly wider user group.



# Agenda Item 4

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	23 May 2019
<b>Subject:</b>	Approval for Homes England Grant in respect of Enabling Works at site of former St John's Stone Primary School		
<b>Report of:</b>	Head of Corporate Resources	<b>Wards Affected:</b>	Ainsdale
<b>Cabinet Portfolio:</b>	Cabinet Member Communities & Housing		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt Confidential Report:</b>	/ No		

## Summary:

To consider the offer of grant funding from Homes England to the Council through their Accelerated Construction Programme to support development on the Meadow Lane/St John Stone site in Ainsdale.

## Recommendation(s): That

(1) the acceptance of £623,210 of grant from Homes England to the Council for the Meadow Lane/St John Stone site, and note the conditions attached to this offer be approved;

(2) a Fully Funded Supplementary Capital Estimate of £623,210 in accordance with the Council's Financial Procedure Rules be approved;

(3) a delegation to the Head of Corporate Resources, that in consultation with the Cabinet Member for Regulation, Compliance and Corporate Services a procurement be undertaken to appoint a suitable Client Agent to manage the project and a suitable contractor to undertake the infrastructure and site preparation works for the Meadow Lane/St John Stone site in accordance with the Council Contract Procedure Rules be approved.

## Reasons for the Recommendation(s):

The Council's Financial Regulations require that Cabinet authorise the acceptance of external funding over £500,000, and supplementary capital estimates in excess of £250,000 up to and £1,000,000.

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

The Council could refuse the offer of the Grant funding from Homes England. This would however undermine the financial viability of the development of the site, and risk delays to housing construction being undertaken.

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

(A) **Revenue Costs**  
Not applicable

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## (B) Capital Costs

The initial cost of infrastructure work on the Meadow Lane site to be undertaken by the Council is £623, 210. This grant from Homes England, will meet the costs of these works that the council would otherwise be required to fund.

Following completion of this work by the Council, the land would be sold to a developer who would be responsible for completing all the remaining enabling works necessary to allow commencement of house building. This additional work would cost that developer c. £597k. This developer will be Sandway Homes Limited and a separate procurement will be undertaken by the company for these additional works.

### Implications of the Proposals:

<b>Resource Implications (Financial, IT, Staffing and Assets):</b> None.
<b>Legal Implications:</b> None.
<b>Equality Implications:</b> None.

### Contribution to the Council's Core Purpose:

<b>Protect the most vulnerable:</b> NA
<b>Facilitate confident and resilient communities:</b> The proposals will add housing choice and affordability within the heart of Sefton's communities, facilitating confidence.
<b>Commission, broker and provide core services:</b> NA
<b>Place – leadership and influencer:</b> Housing is a significant contributor to building a better Sense of Place
<b>Drivers of change and reform:</b> Physical infrastructure (housing) is a significant contributor to and enabler/catalyst for change
<b>Facilitate sustainable economic prosperity:</b> The proposals will make a significant contribution to the local economy, both by way of a direct impact to construction and civil engineering jobs, but additionally providing a housing supply and choice for residents whom wish to live and work in Sefton and wider across Merseyside.
<b>Greater income for social investment:</b> NA
<b>Cleaner Greener:</b> The proposals will be compliant with the Building Regulations and other Planning and Habitat regulations meaning Sefton builds cleaner and greener

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

#### (A) Internal Consultations

The Head of Corporate Resources (FD5627/19) and the Chief Legal and Democratic Officer (LD4751/19) have been consulted and any comments have been incorporated into the report.

## **(B) External Consultations**

Proposals for the development of new housing on the Meadow Lane site were the subject of consultation during the development of the Council's Local Plan, and more recently local consultations with the community about the proposed development of this site have been conducted in advance of a planning application being submitted.

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

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

<b>Contact Officer:</b>	Stephan Van Arendsen
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### **Appendices:**

The following appendices are attached to this report:

Appendix 1: Homes England Grant Funding Agreement conditions

### **Background Papers:**

There are no background papers available for inspection.

## **1. Introduction/Background**

1.1 During 2017, Cabinet Member Communities and Housing agreed that officers make an application to Homes England (HE) for funding under their Accelerated Construction Programme for a number of Sefton sites. The Expression of Interest (EOI) that was submitted included an application to provide financial support to the Council to develop the Meadow Lane site, a site which subsequently has been approved for disposal. The bid sought financial support to meet site preparation and infrastructure costs.

## **2. Grant offer Available**

2.1 Homes England accepted the EOI application for Meadow Lane site, and made a financial grant offer for this site. The Grant Offer of **£623,210** is based upon a site preparation and infrastructure total cost projection of £1,222,600. The remaining balance to be funded will be provided by the developer to whom the land is sold and will take place following the work completed by the Council. This will be Sandway Homes Limited.

2.2 There are a number of key conditions associated with the Offer and these have been considered by officers to ensure that they fit with the objectives of the Council. These include.

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- The Council must have complete ownership of the whole site (purchase of the former school building plot from the Archdiocese was completed on Thursday the 20th September 2018, satisfying this condition)
- Works funded must be completed and grant funding drawn down on a defrayed basis by March 2021 (current programming for this site will complete the works before that target date). This timetable is therefore considered achievable therefore this risk is considered negligible
- In the event that the work was not completed then any un-spent grant would be subject to claw-back, however in this instance expenditure would not have been defrayed therefore the net impact would be nil.
- Monitoring on a quarterly basis by Homes England (which is usually the case with such funding programmes).
- Clawback liability on any land value increase. The land values agreed with Sandway Homes are residual land values so this work would not result in an increase in land value.

A complete set of the Funding conditions are set out at Appendix 1. Officers are satisfied that the Council can satisfy these conditions.

- 2.3 To deliver the works it is proposed that the Council procures both a project managing agent and subsequently a contractor to undertake site preparation and infrastructure works at the Meadow Lane site. The Council would fund works up to the value of £623,210. Upon transfer of the site the remaining contract costs would be funded by Sandway Homes (the developer). The procurement would be compliant with the Council's Contract Procedure Rules.
- 2.4 Cabinet approval is therefore sought in order that the grant offer can be formally accepted and in accordance with Financial Procedure Rules a fully funded Supplementary Capital Estimate is also approved. The grant will be issued in accordance with the schedule requested (aligning it with the Delivery Programme) Delegated Authority is also sought in order that site preparation and infrastructure works can be procured and implemented.
- 2.5 A separate report will be provided to Members at future meeting on the subsequent sale of the site in accordance with the Asset Disposal Strategy.

## Appendix 1

### Homes England Key Funding Agreement conditions

- The total grant amount is [£623,210]. Local authorities should propose an estimated profile for their draw-down to include within the Agreement. We recognise that the profile may need to be revised later once further detail is known about the detailed works programme. All investment must be drawn down by March 2021
- Homes England will work with local authorities to agree a set of core delivery milestones (e.g. procurement and delivery of the infrastructure). If the core milestones are not achieved, and no resolution can be found to the issues causing the delays, Homes England can terminate the funding agreement and prevent further draw-down. These may need to be revised following more detailed due diligence and procurement of works.
- Homes England may require submission of the detailed works schedule (with costs and milestones) prior to the first grant drawdown
- All conditions precedent must be achieved before draw down of the grant. Evidence for achievement of these can be submitted to the online monitoring system.
- Grant is to be claimed in arrears, with evidence of works having been carried out and/or costs incurred on eligible items, and with Section 151 officer sign-off. Grant should be paid within 12 working days of a successful claim.
- In return for the grant funding, we are requiring that local authorities seek to bring forward the scheme:
  - At the agreed pace (units constructed per month, between start of first unit and completion of final unit)
  - Using the agreed MMC (recorded as a % of units to be delivered using each MMC category)
  - In ways which help promote diversification in the industry (eg attracting new entrants and promoting growth in smaller and medium-sized housebuilders)
- It is expected that local authorities deliver the agreed number of housing units, and will work with housebuilders to secure the agreed levels of pace and MMC. In most cases we would expect this to be achieved through use of a Building Lease (Homes England's own Lease is available on request). Freehold disposal of sites will be restricted as these do not allow sufficient control of the requirements around delivery pace and MMC.
- Homes England can offer additional tools and support such as: use of our Developer Partner Panel (<https://www.gov.uk/guidance/delivery-partner-panel-3>); access to our draft Building Lease; access to our MMC procurement and evaluation methodology.
- If local authorities cannot show evidence of having tried to achieve these goals through suitable marketing materials and market engagement, Homes England can terminate the funding agreement and may be able to clawback grant paid to date. Homes England may request evidence of the marketing materials prior to any procurement exercise

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- The local authority must produce a 'franking valuation' at the point of disposal to ensure that the preferred bid achieves market value.
- If the disposal receipt achieved in the market is higher than the 'clean site' value then Homes England is entitled to claw back its grant from that surplus. Where Homes England has funded 100% of the identified costs they may claw back 100% of that surplus, up to the total grant paid.