



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

MEETING HELD AT THE COMMITTEE ROOM, TOWN HALL BOOTLE ON TUESDAY 14TH JANUARY, 2020

PRESENT: Councillor Bradshaw (in the Chair)
Councillor Byrom (Vice-Chair)
Councillors Doyle, Grace, Killen, Lewis and McCann

ALSO PRESENT: Councillor Lappin

26. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Brodie-Browne, Brough and McKinley.

27. DECLARATIONS OF INTEREST

No declarations of interest were received.

28. MINUTES OF THE PREVIOUS MEETING

RESOLVED:

That the Minutes of the meeting held on 22 October 2019 be confirmed as a correct record.

29. AIR QUALITY UPDATE

The Committee considered the report of the Head of Highways and Public Protection that updated on air quality management and recent air quality developments in Sefton.

The report indicated that Local Air Quality Management (LAQM) was introduced under the Environment Act 1995, that evidence had shown that certain atmospheric pollutants were linked to poor health and that the Act placed a statutory duty on all Local Authorities to review and assess air quality in their areas at regular intervals; that arising from National Air Quality Standard (NAQS) Objectives 2 pollutants, Nitrogen Dioxide and Particulate Matter PM10 were still of concern in Sefton; that the ongoing review and assessment process had confirmed that in most of Sefton Air Quality was of a good standard and complied with the NAQS objectives; but that four localised areas in South Sefton had been identified where levels of Nitrogen Dioxide had exceeded or were close to the annual average standard of 40 µg/m³. Accordingly, Air Quality Management Areas (AQMAs) had been declared in the four locations at:

- A5036 Princess Way and Crosby Road South Junction, Seaforth

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- A5058 Millers Bridge and Derby Road Junction, Bootle
- A565 Crosby Road North and South Road Junction, Waterloo
- B5422 Hawthorne Road and Church Road Junction, Litherland

The report also provided information on real time automatic monitoring stations and the monitoring results in respect of Nitrogen Dioxide and Particulate Matter PM10; in accordance with a previous decision of the Committee (Minute No. 24 (4) of 22 October 2019) the report detailed the air quality impacts associated with traffic redistribution due to the opening of Broom's Cross Road; and air quality actions and developments associated with the Air Quality Members Reference Group, Clean Air Zone feasibility study, Schools Air Quality project, DEFRA Air Quality grant fund and the Taxi Electric Vehicle project.

The report concluded that air quality in the majority of Sefton was within NAQS Objectives and that action plans were in place to work towards compliance in the four AQMA areas; that there remained areas where there were major challenges to air quality including the expansion of the Port of Liverpool and the associated increase in HGVs; that officers would continue to develop and implement air quality improvement actions under the direction of the Air Quality Members Reference Group; and a more detailed report, specifically on the development of the business case for a Sefton Clean Air Zone, would be submitted to a future meeting of this Committee.

Members of the Committee asked questions/commented on the following issues:

- Complaints continue to be received about parents parking their vehicles with their engines running outside school premises and the opportunity to issue fixed penalty notices to remedy this problem
- The introduction of Clean Air Zones and the specific areas in which they would be implemented
- Vehicle types, which had the most significant impact on increasing NO2 exceedances, to be the subject of charging in Clean Air Zones and potential exemptions from the scheme for Sefton residents
- Collaborative work being undertaken across the Liverpool City Region
- Improved public transport and car sharing schemes would help to alleviate vehicle emissions

RESOLVED: That

- (1) the report updating on air quality management and recent air quality developments in Sefton be noted; and
- (2) the Head of Highways and Public Protection be requested to submit

a further report to a future meeting of the Committee on the development of the business case for a Sefton Clean Air Zone.

30. PUBLIC HEALTH ANNUAL REPORT

The Committee considered the report of the Head of Health and Wellbeing that provided information about the Public Health Annual Report 2018/19 (PHAR) on the issue of Air Quality in Sefton; and advising that the PHAR was the independent annual report of the Director of Public Health and was a statutory duty.

The report indicated that the PHAR was an independent report on one or several aspects of health in the local population; that in recent years, PHARs had increasingly been used as an advocacy tool, for example, to highlight specific population health priorities and generate momentum for change and to draw attention towards the needs of specific groups, and to raise the profile of preventative approaches to improving population health; and that the PHAR for 2018/19 focused on the issue of air quality.

The report advised that the issue of air quality was selected for the reasons:

- Health problems caused by air pollution are falling in Sefton as air quality improves but this remained a significant population health issue
- Improving air quality was an ongoing top priority for Sefton Council and for many residents, particularly those living in or close to air quality management areas in the south of the borough. At the same time, that awareness-raising activity was needed elsewhere in Sefton
- Sefton Council had put in place a wide range of measures to improve air quality, often ahead of other local authority areas, but this type of work was not always visible
- Nationally, air quality had become more high profile both in the media and in national policy following publication of the National Clean Air Strategy in 2019.

Following positive feedback on the use of a film format for last year's PHAR, a decision was taken by the Air Quality Cabinet Members Reference Group, to use the same format this year; and the Committee watched the film during the meeting. The film highlighted the following:

- Why Air Pollution and Health?
- What do we mean by air quality and what is 'air pollution'?
- Where does pollution come from?
- It's not just the great outdoors...
- What happens when we breathe polluted air?
- How big a problem is air pollution for Sefton?
- What is air quality like in Sefton?

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- Protect yourself and your family
- So, what is the Council doing to tackle air pollution?
- What can you do (walking and cycling)?
- What can you do (drivers)?
- What's next (our goals)?
- Who are the other key people we need to work with?
- Calls to action

The report concluded that in the context of continuing work to develop a detailed proposal for a Sefton Clean Air Zone, the PHAR was a valuable resource to help local people understand the scale, nature and causes of air pollution in Sefton and why a clean air zone was being considered.

The Committee's attention was also drawn to a more detailed 'Factfile', Air Quality and Health, which accompanied the animation and provided additional information and resources to help people and organisations understand the issue of air pollution in Sefton and the changes they could make. The animation and pdf Factfile are available at:
www.sefton.gov.uk/phar.

RESOLVED:

That the content of the PHAR and its future use be supported.

31. CLIMATE EMERGENCY

The Committee considered the joint report of the Head of Corporate Resources and Executive Director that advised that the Council, at its meeting held on 18 July 2019, agreed a motion to declare a Climate Emergency and this was attached as Appendix A to this report; that in accordance with the terms of the Council motion, work had progressed on developing a programme structure, strategy and initial implementation plan for delivery of the motion and its objectives; that in order to further inform this work, a baseline position was required across the Council of work that was currently underway or planned that could contribute to the Council achieving the aims of the motion; and that the report provided a summary of work undertaken to date and the exercise that was required to be led through each Overview and Scrutiny Committee in order to establish that baseline position.

The report also advised that each Overview and Scrutiny Committee was being asked to lead an immediate piece of work for completion by the next cycle of meetings that:

- (1) conducted a stock take of all activity in relation to carbon emissions that would inform a comprehensive council wide baseline position;
- (2) Identify all projects that were currently taking place across the

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council that would support the delivery of the Council's Strategy;
and

- (3) Identify potential long-term issues that would need to be addressed for the Council to meet the objectives within the Council motion.

The report concluded that the output from the work referred to above should be reported back to Overview and Scrutiny Committees in March/April 2020 and be led by the respective Heads of Service in conjunction with the Committee members and Cabinet Member; and that necessary support would be available from the Cabinet Member - Regulatory, Compliance and Corporate Service, the Head of Corporate Resources and the Executive Director in addition to the Council wide officer working group.

The Committee also received a presentation from Stephanie Jukes, Section Manager Energy and Environmental Management, Corporate Resources on the background to climate change and the Council's Climate Emergency Declaration which included information on:

- Sefton's target of net zero carbon by 2030; and the establishment of a working group and its commencement of work on a strategy, action plan and partnership working
- How Sefton quantified its emissions using the scope of the "Greenhouse Gas Protocol"
- Next steps which included most departments having now received information on the issues associated with the Climate Emergency Declaration, had been tasked with completing an initial scoping exercise and to consider further options

Members of the Committee asked questions/commented on the following issues:

- The Council's commitment to reducing carbon emissions and to act in line with scientific consensus that emissions must be reduced to net zero by 2030
- Initiatives to achieve net zero emissions by 2030 which included the involvement of Green Sefton, the use of solar farms and changes to tariffs to electricity and gas contracts
- Acknowledgement was made of the financial constraints the Council had to operate in; and mention was made of achieving economies of scale by collaborative working with like-minded local authorities
- Future technological improvements would reduce costs to help achieve carbon reduction targets

RESOLVED: That

- (1) the Councils agreed approach to delivering the objectives as set

- out in the Council motion that declared a climate emergency be noted;
- (2) the activity that will take place within the first 12 months of the programme be noted;
 - (3) the important role of each Overview and Scrutiny Committee in delivering the Council's objectives as set out in the agreed motion and the initial work that is required to be carried out in each area of the council's activity by all Heads of Service, in order to form an initial baseline position; and that this initial work will be reported back to the next meeting of this Committee, be noted;
 - (4) the Head of Corporate Resources be requested to make a further presentation to the next meeting of the Committee on the scientific background and context to climate change and the climate change declaration; and
 - (5) Stephanie Jukes be thanked for her informative presentation.

32. COUNCIL TAX REDUCTION (CTR) SCHEME 2020/21, COUNCIL TAX BASE 2020/21 AND CHANGES TO COUNCIL TAX DISCOUNTS FOR EMPTY HOMES

The Committee considered the report of the Head of Corporate Resources that provided details of the review of the local Council Tax Reduction Scheme for 2019/20 and which recommended that there be no change to the scheme for 2020/21 for working age claimants.

The report would also be considered by Cabinet and Council and changes were recommended to discretionary Council Tax Empty Homes discounts following the outcome of a public consultation, and an additional increase to the Council Tax long-term Empty Homes Premium following a consultation exercise that took place in 2018; and the report also recommended an increase in the Exceptional Hardship Fund (EHF) budget from £150,000 to £170,000 from 2020/21 onwards.

The report also provided an updated Council Tax Base for Sefton Council and each Parish area for 2020/21.

Attached as annexes to the report were the Council Tax Base Report 2020/21; a summary of feedback from the consultation on changing Council Tax Empty Homes discounts and the associated equality impact assessment; and a summary of feedback from the consultation on increasing Council Tax long-term empty homes premium and the associated equality impact assessment.

Members of the Committee asked questions/commented on the following issues:

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- Exemptions for landlords to pay Council Tax as part of the Empty Homes Discount Scheme
- Landlords owning properties in local communities also had a responsibility to those communities
- Difficulties in identifying owners of vacant properties and the recovery of costs/charges placed against such properties
- Council must be prepared to use compulsory purchase or enforced sales legislations to combat the most serious cases of long-term vacant properties

RESOLVED:

That the report providing details of the review of the local Council Tax Reduction Scheme for 2019/20 and which recommended that there be no change to the scheme for 2020/21 for working age claimants be noted.

33. REVENUE AND CAPITAL BUDGET UPDATE 2019/20

The Committee considered the report of the Head of Corporate Resources that provided information on the current forecast revenue outturn position for the Council for 2019/20; the current forecast on Council Tax and Business Rates collection for 2019/20; and the monitoring position of the Council's capital programme to the end of October 2019, the forecast expenditure to year end, variations against the approved budgets and an explanation of those variations for consideration by Members. The report also updated on spending profiles and proposed amendments to capital budgets necessary to ensure the efficient delivery of capital projects.

In respect of the forecast outturn position as at the end of November 2019 the report indicated that significant pressures had been identified in several service areas, particularly Children's Social Care, Locality Services and Home to School Transport; that the latest forecast of service expenditure indicated an overspend of £3.587m; and a table was included within the report highlighting the variations. The report also set out the measures to close the residual gap in 2019/20 to ensure there was no year-end deficit.

In respect of the current forecast on Council Tax it was anticipated that there would be a forecast surplus of £1.160m of which Sefton's share was £0.996m; whilst in respect of Business Rates collection for 2019/20 a forecast surplus of £1.768m was anticipated with Sefton's share of this being £1.750m.

In respect of the Capital Programme the report detailed the Capital Budget and profile of expenditure for the three years 2019/20 to 2021/22 and provided information on new schemes added to the Programme; and detailed the current position of expenditure against the budget profile to the end of November 2019 and indicated that it should be noted that budgets were profiled over the financial year which skewed expenditure to

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the final three quarters of the financial year; and a full list of the capital programme by capital scheme was attached to the report as Appendix A.

The report concluded that the Head of Corporate Resources would continue to manage the financing of the programme to ensure the final capital funding arrangements secured the maximum financial benefit to the Council.

RESOLVED: That

- (1) the current forecast revenue outturn position for 2019/20 and the current position relating to delivery of savings included in the 2019/20 revenue budget be noted;
- (2) the mitigating measures being used to ensure a balanced forecast outturn position, excluding a forecast deficit on Housing Benefits which will be considered at the end of the financial year if it materialises, be noted;
- (3) It be noted that a comprehensive review of all forecast outturn estimates and potential remedial measures is required as part of the end of December monitoring in order to inform decisions that may be required to ensure a balanced forecast outturn position can be achieved or understand a potential call of General Fund Balances;
- (4) In respect of the capital Programme:
 - (a) the updates to spending profiles across financial years be noted;
 - (b) the new schemes added to the Capital Programme under delegated authority for 2019/20 be noted;
 - (c) the latest capital expenditure position as at 30 November 2019 to date of £10.695m with the latest full year forecast being £24.734m be noted;
 - (d) the explanations of variances to project budgets be noted; and
 - (e) it be noted that capital resources will be managed by the Head of Corporate Resources to ensure the capital programme remains fully funded and that capital funding arrangements secure the maximum financial benefit to the Council.

34. ETHICAL BUSINESS PRACTICES WORKING GROUP FINAL REPORT

The Committee considered the report of the Chief Legal and Democratic Officer that presented formally the final report of the Council's Ethical Business Practices Working Group.

RESOLVED:

That Cabinet and Council be recommended to:

- (1) request the Head of Corporate Resources to make arrangements, via the Council's decision-making processes, to include the revised statement of draft ethical business/investment principles as referred to below in the Treasury Management Strategy and to adopt it as part of the Council's Policy for investment:

ETHICAL INVESTMENT POLICY

"The Local Authority at times invests surplus funds with third party organisations and institutions and the Council's [core values](#) will play a major role in making investment decisions which will be aligned where possible to the following four overarching core principles;

- Sustainable and Responsible – manage the effect on the environment, community and for the good of society
- Value Based – invest in businesses that are aligned with the organisations core values;
- Maximising Impact – achieve a measurable positive, social or environmental impact, in addition to a financial return;
- Green – improving the environment."

In deciding and then approving the counterparty list in which the Council will invest, the principles of security, liquidity and yield will always be the primary consideration to ensure compliance with statutory guidance. As part of this evaluation, the Council will consider ethical investment opportunities and identify and apply an appropriate weighting based on the Council's Core Values/overarching core principles.

Where the Council deposits surplus balances overnight or for a short-term, investments will be made with financial institutions in a responsible manner (aligned to the overarching core principles/councils core values) where possible and in accordance with advice from its Treasury Management Advisor. In the event

that the Council has surplus balances that it can invest for the longer term (e.g. terms over 1 year) it will exclude direct investment in financial products that do not contribute positively to society and the environment. This will include the principle that investment in specific financial products whose performance is driven by off-shore trading, financial malpractice, debt swops, short selling, the arms trade and tobacco industry will be avoided. The same rigorous criteria will be used to assess whether investment in certain countries will be contrary to Sefton's [core values](#).

It is recommended that the Head of Corporate Resources, to assess whether investment in certain countries will be contrary to Sefton's [core values](#), give consideration to the exclusion of those countries on the [EU list of non-cooperative tax jurisdictions](#) (the black list and the grey list), which aims to tackle external risks of tax abuse and unfair tax competition, within the Council's Treasury Management Strategy.

In order for these organisations to be included on the Council's counterparty list they will be evaluated against the same criteria as other counterparties and assessed against the Council's core values and ethical business and investment principles/policy, including the ethical weighting to ensure balance and investments are aligned with the new policy.

The Council's Treasury Management Team will be continually engage on progress in this sector, understanding where possible that Council investments and deposits are aligned with its core values – for example, generating income for social reinvestment and not investing in such companies as highlighted above.

This approach will be supported by considering the opportunity for ethical investments as part of the development of the annual Treasury Management Strategy and engaging with the Council's Treasury Management Advisors as to whether any investment is contrary to the Council's values (including the ethical investment weighting). A specific section in the annual Treasury Management report will cover how the adopted ethical investment strategy is being applied to investment decisions.

The Local Authority publishes a list of its investments to ensure openness and transparency.”;

- (2) request the Head of Strategic Support to make arrangements, via the Council's decision-making processes, to adopt the following revised statements of ethical procurement principles/policy.

ETHICAL PROCUREMENT POLICY

“The Local Authority routinely procures goods and services with a

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range of providers and the Council's [core values](#) will play a major role in making procurement decisions which will be aligned where possible to the following four overarching core principles;

- Sustainable and Responsible – manage the effect on the environment, community and for the good of society
- Value Based – work with businesses that are aligned with an organisations core values;
- Maximising Impact – achieve a measurable positive, social or environmental impact, as a result of a contract;
- Green – improving the environment.”

Procurement will enhance Social impact/value, including opportunities associated with national themes of Jobs: Promoting Local Skills and Employment; Growth: Supporting Sustainable Growth of Responsible Regional Business; Social: Healthier, Safer and more Resilient Communities; Environment: Protecting and Improving Our Environment; and Innovation: Promoting Social Innovation; and their outcomes and measures.

Implement and enhance a Procurement Strategy, based on the Local Government Association (LGA) National Procurement Strategy providing an effective mechanism for improving the social impact/social value from our contracted providers, particularly its focus on “Achieving Community Benefit”, which includes “obtaining social value”.

The local strategy for social value opportunities to include the increased emphasis in the refreshed Corporate Commissioning Framework and on developing an updated Social Value Action Plan.

Implement a stand-alone phased two-year Social Value Action Plan to include the guiding principles of catching up with those leading the field, going beyond compliance with the Public Services (Social Value) Act 2012, maximising the full breadth of Social Value outcomes and effectively measuring, monitoring and reporting delivery.

The Social Value Action plan will address the areas for development identified through the self-assessment against the LGA strategy and include tangible, clear, measurable, timebound targets to improve social value.

Maximise Social value opportunities connected with the joined-up approach across the Liverpool City Region – LCR Procurement Hub and work undertaken with Proactis and the Social Value Portal to join-up the Chest, the National Themes, Outcomes and

measures and the online Measurement Tool”;

- (3) request the Head of Strategic Support to make arrangements, via the Council’s decision-making processes, to develop, adopt and implement a Social Value Action Plan in line with the following:

SOCIAL VALUE ACTION PLAN

“The guiding principles for development of our approach to Social Value are to catch up with those leading the field; Go beyond compliance with the Public Services (Social Value) Act 2012; maximise full breadth of Social Value outcomes; and effectively measure, monitor and report delivery.

Self-assessment against “Obtaining Social Value” in the LGA National Strategy will provide a framework whereby we can evaluate what we already do and identify areas for improvement including assessment against the following statements, “the extent to which...”:

- the requirements of the Social Value Act are embedded into corporate policy;
- social value awareness is embedded across all management levels;
- social value themes, outcomes and measures are reported and used (including evaluating the usefulness of social accounting quantitative measures to evaluate impact);
- social value requirements are embedded in the commissioning process;
- social value requirements are embedded in the procurement process;
- obtaining social value is part of engagement and third-party relationships;
- social value requirements in contracts are managed;
- social value is embedded in a wider collaborative environment;
- obtaining social value is communicated and reported;
- social value is embedded and managed in the commissioning and procurement process.
- These can all be addressed within the scope of the guiding principles, through specific, tangible and time-bound actions in a Procurement/Social Value Action Plan.”

The policy will be reviewed on completion of the SV action Plan;
and

- (4) the Chief Legal and Democratic Officer be requested to submit a monitoring report to the meeting of the Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Resources to

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be held in the June 2020 Committee cycle setting out progress made against each of the recommendations set out in the report and that thereafter, monitoring reports be submitted to the Committee on a six monthly basis.

**35. WORK PROGRAMME 2019/20, SCRUTINY REVIEW TOPICS
AND KEY DECISION FORWARD PLAN**

The Committee considered the report of the Chief Legal and Democratic Officer that sought views of the Work Programme for 2019/20, the identification of potential topics for scrutiny reviews to be undertaken by a Working Group(s) appointed by the Committee; the identification of any items for pre-scrutiny by the Committee from the Key Decision Forward Plan; and which provided an update on the Liverpool City Region Combined Authority Overview and Scrutiny Committee.

RESOLVED: That

- (1) the Work Programme for 2019/20 be approved;
- (2) the deferral of the presentation updating on the on the Commissioning and the Procurement Policy from this meeting to the meeting to be held on 3 March 2020 be approved; and
- (3) the update on the Liverpool City Region Combined Authority Overview and Scrutiny Committee be noted.

**36. CABINET MEMBER REPORT - OCTOBER 2019 TO JANUARY
2020**

The Committee considered the report of the Chief Legal and Democratic Officer that included the most recent report from the Cabinet Member – Regulatory, Compliance and Corporate Services.

Councillor Lappin, Cabinet Member – Regulatory, Compliance and Corporate Services presented her report.

RESOLVED: That

- (1) the update report from the Cabinet Member – Regulatory, Compliance and Corporate Services be noted; and
- (2) Councillor Lappin be thanked for her attendance at the meeting.