

Public Document Pack

Sefton Council 

MEETING: CABINET
DATE: Thursday 7th November, 2019
TIME: 10.00 am
VENUE: Birkdale Room, Town Hall, Southport

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: Ruth Harrison
Democratic Services Manager
Telephone: 0151 934 2046
E-mail: ruth.harrison@sefton.gov.uk

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.

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.

This page is intentionally left blank

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	Apologies for Absence		
2	<p>Declarations of Interest</p> <p>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.</p> <p>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.</p> <p>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.</p>		
3	Minutes of the Previous Meeting		(Pages 7 - 20)
	Minutes of the meeting held on 3 October 2019		
* 4	<p>Proposal to Develop an Outline Business Case for a Sefton Clean Air Zone</p> <p>Joint Report of the Head of Health and Wellbeing and the Head of Highways and Public Protection.</p>	All Wards	(Pages 21 - 30)
* 5	<p>Supported Living and Community Support Services</p> <p>Report of the Interim Director for Adult Social Care</p>	All Wards	(Pages 31 - 38)

6	Making the Formby and Little Altcar Neighbourhood Plan Report of the Chief Planning Officer	Harington; Ravenmeols	(Pages 39 - 44)
7	Appointment to Liverpool University Hospital Council of Governors Report of the Chief Legal and Democratic Officer	All Wards	(Pages 45 - 48)
* 8	Annual Health and Safety Report Report of the Head of Corporate Resources	All Wards	(Pages 49 - 68)
* 9	Revenue and Capital Budget Update 2019/20 Report of the Head of Corporate Resources	All Wards	(Pages 69 - 88)
* 10	Revenue and Capital Budget Update – Medium Term Financial Plan 2020/21 to 2022/23 Report of the Head of Corporate Resources	All Wards	(Pages 89 - 104)
11	Exclusion of Press and Public To comply with Regulation 5(2) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, notice has been published regarding the intention to consider the following matter(s) in private for the reasons set out below. No representations have been received on this matter and this agenda satisfies the requirements of Regulation 5(4). The Cabinet is recommended to pass the following resolution: That, under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the press and public be excluded from the meeting for the following item on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. The Public Interest Test has been applied and favours exclusion of the information from the Press and Public.		

This page is intentionally left blank

THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON TUESDAY 15 OCTOBER, 2019, MINUTE NO'S: 56 AND 58 ARE NOT SUBJECT TO "CALL IN".

CABINET

MEETING HELD AT THE COMMITTEE ROOM, TOWN HALL, BOOTLE ON THURSDAY 3RD OCTOBER, 2019

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

43. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Atkinson.

44. DECLARATIONS OF INTEREST

Councillor John Joseph Kelly declared an interest in Agenda Item 4, Minute No: 46 refers, Domiciliary Care Tender, by virtue of his membership of the Sefton New Directions Board and remained in the meeting but took no part in the debate.

Councillor Veidman declared an interest in Agenda Items 15 and 17, Minute No's: 56 and 58 refers, Disposal of former St Wilfrid's School site, by virtue of his position as Chair of the Planning Committee and he left the room during consideration of the items.

45. MINUTES OF THE PREVIOUS MEETING

Decision Made:

That the minutes of the Meeting held on 5 September 2019 be approved as a correct record.

46. DOMICILIARY CARE TENDER

The Cabinet considered the report of the Interim Director for Adult Social Care seeking approval to commence a procurement exercise to secure new Domiciliary Care Lead Provider/s in areas 4 and 5 of Sefton.

Decision Made: That:

- (1) the Interim Director for Adult Social Care in consultation with the Cabinet Member – Adult Social Care be authorised to conduct a procurement exercise to establish new Lead Domiciliary Care Providers in areas 4 and 5 of Sefton with a view to entering into contracts for a maximum period of five years comprising an initial three-year period with an option to extend for up to two periods of twelve months; and

Agenda Item 3

CABINET- THURSDAY 3RD OCTOBER, 2019

- (2) the Interim Director for Adult Social Care in consultation with the Cabinet Member – Adult Social Care be granted delegated authority to award the Contracts resulting from the procurement, and to award any extensions thereof.

Reason for the Decision:

To secure new Lead Provider contractual arrangements in areas 4 and 5 of Sefton.

Alternative Options Considered and Rejected:

The following options were considered and rejected:

1. Maintaining the status quo – this was not considered a viable option due to the current market capacity issues and the proposed future strategic direction of the current Lead Provider.
2. Conducting a procurement exercise which would encompass transferring existing services in areas 4 and 5 (either whole or in part) – this option was considered and rejected as such transfers could further destabilise the market and therefore would not assist with alleviate market capacity issues. Furthermore, any partial transfer of services could potentially not be viable for any new incoming Provider and the current Provider wishes to retain existing services and therefore existing staff.

47. SECTION 75 AGREEMENT

The Cabinet considered the report of the Interim Director of Adult Social Care and Health in relation to a request to enter into a new arrangement under Section 75 of the National Health Act 2006 Section 75 Agreement with each of the two Clinical Commissioning Groups (CCGs) of Southport and Formby and South Sefton covering the population of Sefton.

Decision Made: That the Cabinet:

- (1) note the work to date on the new Section 75 Agreement; and
- (2) that delegated authority be granted to the Chief Executive, Chief Legal and Democratic Officer and Head of Corporate Resources in consultation with the Cabinet Member, Health and Wellbeing, to complete and enter into a new Section 75 Agreement with Southport and Formby Clinical Commissioning Group and South Sefton Clinical Commissioning Group. The agreement will be for a three-year period.

Reasons for the Decision:

CABINET- THURSDAY 3RD OCTOBER, 2019

Sefton`s Health and Wellbeing Board has the following statutory responsibilities:

- Duty to encourage integrated working.
- Duty to prepare and publish the Joint Strategic Needs Assessment.
- Duty to prepare and publish the Joint Health and Wellbeing Strategy.

Every year since 2014, Sefton has submitted a Better Care Fund Plan. This plan required each Health and Wellbeing Board to work towards a number of “National Conditions”. Two “National Conditions” have been that

- The Health and Wellbeing Board agrees “The (BCF) Plan”.
- A Section 75 Agreement is in place.

In addition, The Care Act 2014 requires that funds allocated to local areas for the Better Care Fund must be put into pooled budgets established under Section 75 Partnership Agreements.

Alternative Options Considered and Rejected:

None.

48. ST TERESA'S CATHOLIC INFANT SCHOOL - PROPOSAL TO COMMENCE STATUTORY CONSULTATION

The Cabinet considered the report of the Interim Director of Children’s Social Care and Education in relation to a request seeking approval to commence a statutory consultation process on the future of St Teresa’s Catholic Infant School.

The report also referred to a request from the School Governors of St Teresa’s Catholic Infant School to consider the possibility of a merger with their neighbouring Catholic primary school, Our Lady of Lourdes Catholic Primary School, be explored.

The Leader, Councillor Maher highlighted that there had been a typographical error in the report, reference paragraph 5.1 to the report and stated that the figure should read 39% surplus places and not 61%.

Councillor Maher reported that a petition containing 25 signatures had been received and that the Lead petitioner, Mrs L. McCormick would be given five minutes to make her representations to the meeting of Cabinet.

Mrs L. McCormick made representations to the Cabinet in relation to the proposal to commence Statutory Consultation regarding the future of St Teresa’s Catholic Infant School.

Cabinet Members were given the opportunity to ask questions and seek

Agenda Item 3

CABINET- THURSDAY 3RD OCTOBER, 2019

clarifications. The following comments were made:

- That the Local Authority had received a request to approve a deficit budget for 2019/20 from the Chair of Governors at St Teresa's Catholic Infant School and a request was made for the Local Authority to explore a merger with Our Lady of Lourdes Catholic Primary School.
- Falling numbers were referred to.
- That this report was the first stage of exploring the future options of St Teresa's Catholic Infant School.
- That no decision was being taken today in relation to the outcome of the future of the School.
- The report was seeking approval to commence the statutory consultation process.
- The financial health of the School was highlighted and its deficit position.
- It was highlighted that Local Authority have a responsibility to pick up the costs of the deficit of a School and so all options have to be investigated and consulted upon.

Councillor Maher thanked Mrs L. McCormick for attending the Meeting.

Decision Made: That the Cabinet:

- (1) note the request from the Governing body of St Teresa's Infant School;
- (2) note the statutory process outlined in the report: and
- (3) approve the commencement of the statutory consultation process relating to the future operation of St Teresa's Catholic Infant School via the publication of a consultation paper agreed between the Council and the Archdiocese of Liverpool.

Reasons for the Decision:

The Local Authority has the statutory power to close a maintained school following the statutory process detailed in the report.

Alternative Options Considered and Rejected:

All options will be explored through the consultation process and recommendations presented back to Cabinet at its conclusion.

CABINET- THURSDAY 3RD OCTOBER, 2019

49. LOCALITY SERVICES - VEHICLE PARTS PROCUREMENT EXERCISE

The Cabinet considered the report of the Head of Locality Services in relation to the request to undertake a compliant tender exercise for the procurement of vehicle parts, components and associated services for the vehicle maintenance service in order to provide such parts, components and services at a more economically advantageous rate.

Decision Made: That the Cabinet:

- (1) authorise the Head of Locality Services to conduct a procurement exercise for the provision of vehicle parts, components and associated services with a view to entering into a contract for a maximum period of 5 years comprising an initial 3 year period with an option to extend for up to 2 periods of 12 months; and
- (2) grant delegated authority to the Head of Locality Services in consultation with the Cabinet Member for Locality Services to award the Contract resulting from the procurement and to award any extension thereof.

Reasons for the Decision:

Maintaining and servicing the Council's vehicle fleet requires significant expenditure on vehicle parts, components and services for a wide range of vehicle types. Best Value is always sought in relation to the purchase of parts and components via the obtaining of quotations from a range of suppliers. However, it may also be possible to obtain competitive prices for required parts, components and services from a single supplier. This report seeks permission to undertake a procurement exercise to establish whether any additional savings could be generated.

Alternative Options Considered and Rejected:

Continue to utilise current quotation and procurement methods.

Agenda Item 3

CABINET- THURSDAY 3RD OCTOBER, 2019

50. SPECIALIST TRANSPORT VEHICLE PROCUREMENT EXERCISE

The Cabinet considered the report of the Head of Locality Services in relation to the procurement of Specialist Transport vehicles. The report detailed that the current Specialist Transport 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 (2018/19 and 2019/20). The report also highlighted that as the fleet is seven years old, it 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.

The report also explained that in order to procure a new fleet during 2020/21, the procurement process must commence in advance of the vehicles being required. Therefore, in order to provide continuity of service, permission is being sought to commence the required procurement process.

Decision Made: That the Cabinet:

- (1) authorise the Head of Locality Services to conduct a procurement exercise for the replacement of the Special Transport vehicle fleet: and
- (2) grant delegated authority to the Head of Locality Services in consultation with the Cabinet Member for Locality Services to award the contract resulting from the procurement.

Reasons for the Decision:

The current Specialist Transport fleet is reaching the end of its effective life cycle and needs replacement. Maintenance and repair costs are increasing as the vehicles become older.

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

51. LOCALITY SERVICES - VEHICLE HIRE COLLABORATIVE CONTRACT

The Cabinet considered the report of the Head of Locality Services in relation to the Merseyside Procurement Partnership (MPP) for Commercial Vehicle Hire of which St Helens Council act as lead Authority. The collaborative group consists of St Helens Council, Liverpool City Council, Halton BC, Knowsley BC, Sefton Council and Wirral Council.

CABINET- THURSDAY 3RD OCTOBER, 2019

The rationale for this collaborative approach is to ensure that competitive pricing is received for the range of hired vehicles required by authorities across Merseyside.

Decision Made:

That the Cabinet grant delegated authority to the Head of Locality Services in consultation with the Cabinet Member for Locality Services to commit to the Collaborative Vehicle Hire Contract renewal exercise organised on behalf of Merseyside Authorities by St Helens Council, for a maximum period of 5 years comprising an initial 4 year period with an option to extend for 1 period of 12 months.

Reason for the Decision:

Sefton Council currently spends over £400,000 per annum on externally hired vehicles which includes specialist cleansing vehicles, refuse vehicles, tippers, cars, light commercial vans, people carriers and minibuses utilised by all Council departments.

The Council has previously participated in the Merseyside Procurement Partnership Commercial Vehicle Hire Contract and benefited from the range of suppliers available, and the competitive prices quoted, providing the latest specification vehicles and equipment at fixed prices for the contract term.

Alternative Options Considered and Rejected:

To not participate in the collaborative contract, but to seek individual prices for this Council alone. This approach has been rejected as the Council would not benefit from the economies of scale delivered via the adoption of a collaborative approach resulting in greater purchasing power.

52. BOROUGH OF CULTURE 2020

The Cabinet considered the report of the Executive Director in relation to Sefton being the Liverpool City Region's Borough of Culture for 2020, and an outline programme and business plan have been developed for the year following consultation and engagement with partners and communities across the borough. This feedback recommends focus on local history and the environment as the two priority areas for the programme, with emphasis in all events, activities and initiatives on participation (inclusive of all communities), permanence (assets, activities and relationships lasting beyond 2020), partnerships (working with partner organisations and communities across the borough), and on engendering local pride in Sefton.

Decision Made: That the Cabinet:

- (1) approved the outline structure of the programme and the business plan;

Agenda Item 3

CABINET- THURSDAY 3RD OCTOBER, 2019

- (2) granted delegated authority for finalisation of the detailed programme to the Cabinet Member (Communities and Housing);
- (3) noted that a supplementary revenue estimate of £0.200m to be fully funded by the Liverpool City Region, be approved by the Executive Director in consultation with the Cabinet (Communities and Housing) and the Section 151 Officer in accordance with Financial Procedure Rules;
- (4) granted delegated authority for approval of allocations of available funding in excess of £5,000 to the Cabinet Member (Communities and Housing); and
- (5) granted delegated authority for approval of allocations of available funding below £5,000 to the Borough of Culture Steering Group, chaired by the Executive Director, in accordance with the approved detailed programme.

Reasons for the Decision:

These recommendations will support finalisation of the detailed actions relating to key events and initiatives, as well as pursuit of further funding opportunities. They will also enable finalisation of plans for further discussion with partners and communities, including in advance of the proposed launch of the programme in November 2019.

Alternative Options Considered and Rejected:

- (i) Develop an alternative programme structure – this is not recommended due to the quality and quantity of feedback received from partners and communities that has informed the programme development process.
- (ii) Do not delegate authority for finalisation of the programme – this is not recommended given the time constraints it would place on the finalisation of planning for initiatives and events across the year; efficiency in this process will enable maximum investment in the ideas and initiatives proposed by partners and communities.

53. CORPORATE APPRENTICESHIP STRATEGY 2019-2022

The Cabinet considered the report of the Head of Corporate Resources in relation to the Council's Corporate Apprenticeship Programme, progress to date, an overview of recruitment, procurement and the approach to these issues. The report also sets out how the Council intends to deliver the Corporate Apprenticeship Strategy and Action Plan 2019-2022 to ensure that a highly trained, ambitious and flexible workforce is maintained whilst continuing to attract and retain the very highest talent to live and work in Sefton to deliver our Vision 2030 and Core Purpose.

CABINET- THURSDAY 3RD OCTOBER, 2019

Decision Made: That the Cabinet:

- (1) Noted the performance of Sefton's Corporate Apprenticeship Programme; and
- (2) approved the Corporate Apprenticeship Strategy and Action Plan for 2019 – 2022.

Reasons for the Decision:

The Corporate Apprenticeship Strategy and Action Plan 2019 - 2022 is a key driver that will support and underpin the work of the Corporate Apprenticeship Team (CAT). This includes our ambition to achieve our annual apprenticeship target for Sefton Council and Schools, whilst also contributing to the Government's wider ambition of achieving 3 million new apprenticeship starts by 2020.

Alternative Options Considered and Rejected:

The Strategy and Action Plan was not adopted as a way forward, however such an approach would lead to a lack of co-ordination and guidance in workforce planning issues.

54. REVENUE AND CAPITAL BUDGET UPDATE 2019/20

The Cabinet considered the report of the Head of Corporate Resources in relation to:

1. the current forecast revenue outturn position for the Council for 2019/20;
2. the current forecast on Council Tax and Business Rates collection for 2019/20; and
3. the monitoring position of the Council's capital programme to the end of August 2019, the forecast expenditure to year end, variations against the approved budgets and an explanation of those variations for consideration by Members. Updates to spending profiles and proposed amendments to capital budgets necessary to ensure the efficient delivery of capital projects are also presented for approval.

Decision Made: That the Cabinet:

- (1) note the following in relation to the Revenue Budget;
 - (a) 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;

Agenda Item 3

CABINET- THURSDAY 3RD OCTOBER, 2019

- (b) the mitigating measures being used to ensure a balanced forecast outturn position;
- (2) note the following in relation to the Capital Programme;
 - (a) the latest capital expenditure position as at 31 August 2019 to date of £4.7m (paragraph 5.2.2) with the latest full year forecast being £26.7m (paragraph 5.3.1);
 - (b) the explanations of variances to project budgets (paragraph 5.3.2); and
 - (c) 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.

Reasons for the Decision

To ensure Cabinet are informed of the forecast outturn position for the 2019/2020 Revenue Budget as at the end of August 2019, including delivery of agreed savings, and to provide an updated forecast of the outturn position with regard to the collection of Council Tax and Business Rates.

To keep members informed of the progress of the Capital Programme against the profiled budget for 2019/20 and agreed allocations for future years.

To progress any changes that are required in order to maintain a relevant and accurate budget profile necessary for effective monitoring of the Capital Programme.

To approve any updates to funding resources so that they can be applied to capital schemes in the delivery of the Council's overall capital strategy.

In March 2017 Council approved a three-year budget plan to March 2020. The final year of this plan was revised in February 2019 as part of the process of setting the 2019/20 budget. The Council is in the final year of the budget plan and remains confident its strategic approach to budget planning alongside good financial management and extensive community engagement means that the plan continues to develop on solid foundations; it 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 significantly exceeding the budget. If further budget pressures are identified between now and the end of the year additional remedial action will be required to bring the overall budget into balance.

Alternative Options Considered and Rejected:

CABINET- THURSDAY 3RD OCTOBER, 2019

None.

55. EXCLUSION OF PRESS AND PUBLIC

Decision Made:

That, under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the press and public be excluded from the meeting for the following item on the ground that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. The Public Interest Test has been applied and favours exclusion of the information from the Press and Public.

56. DISPOSAL OF FORMER ST WILFRID'S SCHOOL SITE

The Cabinet considered the report of the Head of Corporate Resources with a request to exchange a conditional contract for the disposal of the former St Wilfrid's RC High School site to Bellway Homes in accordance with the Council's Asset Disposal Policy.

Decision Made:

That the exempt information be considered as part of the public report in relation to this matter, reference Minute No: 58 refers.

Reason for the Decision:

The exempt information is required to be considered with the information in the public report in order that an informed decision may be made.

Alternative Options Considered and Rejected:

None.

57. RE-ADMIT PRESS AND PUBLIC

Decision Made:

That the press and public be re-admitted to the meeting.

58. DISPOSAL OF FORMER ST WILFRID'S SCHOOL SITE

The Cabinet considered the report of the Head of Corporate Resources with a request to exchange a conditional contract for the disposal of the former St Wilfrid's RC High School site to Bellway Homes in accordance with the Council's Asset Disposal Policy.

Agenda Item 3

CABINET- THURSDAY 3RD OCTOBER, 2019

Decision Made: That the Cabinet:

- (1) notes that the proposal is a Key Decision that had not been included in the Council's Forward Plan of Key Decisions. Consequently, the Leader of the Council and the Chair of the Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services) has been consulted under Rule 27 of the Access to Information Procedure Rules of the Constitution, to the decision being made by the Cabinet as a matter of urgency on the basis that it was impracticable to defer the decision until Cabinet in November due to the requirement to conclude the legal position and exchange contracts with Bellway Homes, arising from external contract and project plan commitments;
- (2) notes that the Chair of the Overview and Scrutiny Committee (Regulatory, Compliance and Corporate Services) has been consulted under Rule 46 of the Access to Information Procedure Rules of the Constitution, waiving call in due to the need to resolve on the basis that the decision cannot be reasonably deferred because of the urgency to conclude the legal position and exchange of contracts, arising from external contract and project plan commitments.
- (3) notes the progress of negotiations with Bellway Homes and the beneficiary of the restrictive covenant for its release and a further report on the sum required for such covenant release be submitted to the Cabinet Member - Regulatory Compliance and Corporate Services in conjunction with the Head of Corporate Resources for approval once the outstanding matters have been resolved;
- (4) confirms that there is no objection to exchanging conditional contracts with Bellway Homes to achieve best consideration;
- (5) notes the current strategy that officers are pursuing with the Education Funding and Skills Agency (EFSA) to secure Section 77 consent under the School Standards and Framework Act 1998; and
- (6) approves that the Chief Legal and Democratic Officer complete the necessary legal documentation for the disposal of the site subject to the resolution of the conditions of contract for sale.

Reasons for the Decision:

To ensure that the Council's interest in the land is disposed of in accordance with its legal obligations.

Alternative Options Considered and Rejected:

The Council could wait until August 2022 when the 10-year rule for disposal of playing fields under S77 no longer applies. This has been rejected because of the difficulty of then securing a comprehensive redevelopment of the site in partnership with the Archdiocese who are the owners of the school building footprint.

The Council could retain the site for a future disposal however this would be problematic for a variety of reasons including access. This has been rejected because of it fails to recognise the Councils aspirations for the site under the Local Plan

This page is intentionally left blank

Agenda Item 4

Report to:	Cabinet	Date of Meeting:	7 th November 2019
Subject:	Proposal to Develop an Outline Business Case for a Sefton Clean Air Zone		
Report of:	Head of Health and Wellbeing, Head of Highways and Public Protection	Wards Affected:	All Wards
Portfolio:	Cabinet Member - Health and Wellbeing, 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 the report is to:

- Advise Cabinet of findings and recommendations of the Sefton Clean Air Zone (CAZ) Feasibility Study,
- Seek approval to develop an Outline Business Case (OBC) to inform future decisions in relation to the possible implementation of a Sefton CAZ
- Seek approval to provide the additional funding necessary to enable the OBC to be prepared

Recommendation(s):

Cabinet is recommended to,

1. Note the conclusions and recommendations from the Clean Air Zone (CAZ) Feasibility Study
2. Provide approval to proceed with development of an Outline Business Case for a Sefton CAZ in line with the 5 Case Model as detailed in the report
3. Cabinet are asked to note the Revenue & Capital Budget Update 2019/20 report considered elsewhere on the agenda which contains a recommendation to approve a supplementary revenue estimate of £0.530M to fund the development of the Business Case.
4. Grant approval for officers to commence soft consultation with the key stakeholders identified in this report as an early and essential step in the OBC process
5. Note risks, assumptions and uncertainties associated with this key decision
6. Note future key decisions that result from the completion of an OBC

Agenda Item 4

Reasons for the Recommendation(s):

The Outline Business Case process is a systematic approach. It establishes the case for change, evaluates affordability, and aims to identify a commercially viable option or options that offers best value for money and is practically deliverable. The 5 Case Business Case model is the framework being used in other local authority areas where a CAZ is being considered. This model also enables effective risk management and strengthens rigour, transparency and objectivity in decision-making. Investment in this approach is commensurate with the magnitude of costs, benefits and risks that attend future decisions about a CAZ in Sefton.

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

This section summarises considerations in relation to,

- Alternative options for reducing traffic-related air pollution
- Alternative options for further exploring a CAZ in Sefton compared to the funded, 5 Case OBC model being proposed

Sefton Council has good coverage of air quality monitors and has implemented air quality improvement action plans in four air quality management areas where air pollution readings are above government targets. A summary of these are provided here.

<https://mysefton.co.uk/2019/06/18/sefton-council-clears-the-air-on-pollution-initiatives/>

The rationale for conducting the CAZ Feasibility Study was provided by: evidence of the risk to health from road traffic pollution, ongoing above-target concentrations in discrete 'hotspots', and the absence of any other high impact interventions left to consider.

The Sefton Clean Air Zone Feasibility Study used a detailed mathematical model, to predict where the government's target for annual average nitrogen dioxide (NO₂) concentration would not be achieved in the future, assuming no further air quality improvement interventions are implemented. This 'do nothing' scenario identifies 70 relevant locations in 2020. The prediction for 2025 is zero, however several remain just under the target.

The study concluded that a CAZ would achieve reduced emissions, but recommended additional, specialist analyses to identify a best fit design and location in order to identify options with the optimum balance of direct health benefit (less exposure to NO₂) and indirect costs to health (e.g. possible displacement of polluting traffic, impacts on access to transport, economic conditions for local employers).

The Council's primary objective is to reduce harm from traffic pollution throughout Sefton, but particularly in those places where concentrations are highest. The risks of the three broad response options are as follows:

- Under a 'do nothing scenario' people will be exposed to more air pollution for longer, adding to inequality arising from other socio-economic and behavioural risk factors in communities in and around Sefton's existing Air Quality Management Areas
- A strategy of minor improvement measures is likely to result in a similar outcome

- Possible implementation of a CAZ addresses the primary objective but has risks in a number of areas – strategic context, economic, financial, commercial and management

The proposal to develop a comprehensive OBC is the best way to address the issues identified above.

The proposal to allocate funding to support this process recognises the scale and complexity of the task, and the specialist skills and knowledge needed to complete it.

The risks associated with not progressing along these lines include: delay, weaker basis for future decisions and sub-optimum management of risk.

What will it cost and how will it be financed?

(A) Revenue Costs - Forecast costs for the development of a business case for a CAZ amount to £0.530M over 2 years.

(B) Capital Costs - no capital cost implications for the development of the OBC

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets): As outlined in the report
Legal Implications: As outlined in the report
Equality Implications: There are no equality implications.

Contribution to the Council's Core Purpose:

Protect the most vulnerable: Poor Air Quality affects the most vulnerable in society including children and the elderly. Exploring options for further improving air quality contributes to this core purpose.
Facilitate confident and resilient communities: Interventions to improve air quality taken by the Local Authority and its partners, including the community, demonstrate that mitigation against poor air quality is possible and can actively support making better choices and behavioural change.
Commission, broker and provide core services: The protection of public health and local air quality management are core services of the Council
Place-leadership and influencer: The development of a comprehensive OBC, exploring the option of a CAZ to tackle poor air quality, is a clear demonstration of place leadership.
Drivers of change and reform: The actions taken to date to improve air quality have sought to bring about positive change and reform where possible. The exploration of a CAZ continues that approach.
Facilitate sustainable economic prosperity: The development of a comprehensive OBC exploring the option of a CAZ is an important action in facilitating sustainable

Agenda Item 4

economic prosperity. It recognises the negative impact on health and productivity from poor air quality and the potential negative socio-economic impact on people and businesses. The OBC will seek to identify option(s) providing the optimum balance of both.
Greater income for social investment: N/A
Cleaner Greener- The measures being explored to improve air quality in the Borough are directly linked this core purpose.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD5828/19.) and the Chief Legal and Democratic Officer (LD4062/19.) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Not Applicable

Implementation Date for the Decision

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

Contact Officer:	Matt Ashton, Peter Moore
Telephone Number:	0151 934 3373, 0151 934 3730
Email Address:	matthew.ashton@sefton.gov.uk , peter.moore@sefton.gov.uk

Appendices:

There are no appendices.

Background Papers:

The following background papers, which are not available elsewhere on the Internet can be accessed on the Council website:

Link to Sefton’s Clean Air Zone Feasibility Study

<https://www.sefton.gov.uk/media/1611489/Sefton-Clean-Air-Zone-Feasibility-Study.pdf>

1. Introduction/Background

1.1 Air quality in the Borough has been reviewed and assessed by officers from Environmental Health for many years. Through the review and assessment process, air quality in most of the Borough has been determined to be within national air quality limits. However, 4 localised areas have been identified in the South of the Borough where levels of Nitrogen Dioxide (NO₂) are close to or above the health based annual average national standard. These areas have been designated as Air Quality Management Areas (AQMA). These areas are Millers Bridge, Hawthorne Road, South Road and Princess Way.

1.1 Road traffic is responsible for the large majority of NO₂ in the air, with diesel powered vehicles being the largest contributor of this pollutant.

1.2 At high concentrations NO₂ causes inflammation and irritation in airways, which can trigger symptoms such as coughing and shortness of breath. High NO₂ levels increase the likelihood of lung infections, especially in more susceptible groups. In infants, chronic exposure to higher levels of NO₂ is associated with lung development issues.

1.3 Officers in Sefton have worked with various partner organisations on a number of air quality actions and interventions aimed at both preventing poor air quality arising, and improving air quality in these hotspot areas. A summary of the improvement actions already implemented can be found here,

<https://mysefton.co.uk/2019/06/18/sefton-council-clears-the-air-on-pollution-initiatives/>

These initiatives have had some success in reducing air pollution, however there remains concern that the ongoing expansion of the port and associated additional port traffic may result in increased levels of air pollution in the AQMAs and locality and/or require further AQMAs to be declared.

1.4 Further air quality mitigation/improvement measures are limited however one possible method of reducing traffic related pollution is the use of a charging Clean Air Zone (CAZ). A charging CAZ is a financial stimulus in a defined area for owners of non-compliant vehicles (which emit more pollution) to upgrade. Owners who do not upgrade their vehicle must pay the charge or use an alternative route. The introduction of a charging CAZ encourages owners of certain types of vehicle to upgrade to low emissions models sooner than they might otherwise. There are a number of factors that influence how successful a charging CAZ will be, e.g. placement and design, types of vehicle included, pricing, time to implement, exemptions, access to funding to help drivers upgrade, and the ease with which drivers can re-route around the zone.

2. Detail

2.1 Dealing with poor air quality is a priority for Sefton Council and whilst the ongoing monitoring shows that air quality in the majority of the Borough is of a good standard the concerns detailed above explain why it is necessary to further

Agenda Item 4

explore the potential use of a CAZ to reduce traffic related emissions in these areas.

- 2.2 In view of the above, environmental consultants AECOM were commissioned in July 2017 to provide a report exploring the feasibility of developing a CAZ within Sefton. The report considered what the traffic makeup in Sefton was like, what the current baseline levels of air quality are in the Borough, what would happen in future to these levels if no further air quality improvement actions were implemented and whether implementing a CAZ would improve air quality. The report has now been completed and a copy is available on the Councils website via the following link:

<https://www.sefton.gov.uk/media/1611489/Sefton-Clean-Air-Zone-Feasibility-Study.pdf>

- 2.3 The report is a highly detailed technical account of the feasibility of implementing a CAZ in Sefton. The report draws on various data and information. In summary, AECOM's report concluded that given the current and projected make-up of the traffic in the area of Sefton's 4 AQMAs a Charging CAZ could be effective in reducing NO₂ emissions. Other options for reducing air pollution were considered but were not considered feasible or of little positive impact. These are detailed in the feasibility report.
- 2.4 Government guidance recognises there are 4 types of charging CAZ (CAZ A, B, C, D) which target different types of vehicles. As part of the study all charging CAZ types were predicted to reduce emissions if implemented in Sefton, however CAZ **type B** - targeting buses, coaches, taxis, Private Hire Vehicles and Heavy Goods Vehicles (HGVs) proportionally had the most significant impact on reducing NO₂ exceedances.
- 2.5 The detailed report sets out a number of assumptions and offers some caveats alongside the conclusions. The report recommends some further, detailed technical analyses. Officers must consider all aspects of what implementing a CAZ in Sefton would entail including the significant risk and resource implications.
- 2.6 The development and implementation of any Clean Air Zone(s) is a major project that could not be undertaken solely from within existing resources. For example, additional dedicated technical resource will be required to complete the project. Specialist expert support will also be required at specific stages in the project.
- 2.7 Other Local Authorities, with road link exceedances of the NO₂ limit, including Liverpool City Council have received significant funding and support from DEFRA and mandated to undertake similar feasibility studies and prepare business cases. As things stand, the cost to develop and implement any CAZ would have to be found by the Council
- 2.8 In view of these considerations, further exploration of a Sefton based CAZ is considered most appropriate through the formation of a Clean Air Zone working group reporting to the Air Quality Cabinet Member Reference Group, and the development of a formal Outline Business Case (OBC) in line with the approach recommended by DEFRA. The formal business case would then include the

development of a project plan, risk register, resource costings using recognised project management frameworks, and a communications and engagement plan.

3. Outline Business Case (OBC)

- 3.1 As detailed above, the next stage in the process is for Sefton to develop an Outline Business Case, which would explore the case for investing in a charging Clean Air Zone in more depth and under five distinct criteria.
- 3.2 In line with the guidance provided by the Government's Joint Air Quality Unit (JAQU), the development of the OBC would follow the UK Treasury's '**5 Case Model**', as set out in the HM Treasury Green Book. This is an established project management approach for developing complex programmes of work. This Business Case model is an evolving record, which supports transparent decision-making, balanced assessment of cost, benefits, risk and value for money.
- 3.3 In taking the above into account Sefton's OBC will need to include the following elements
- **Strategic Case** – this interrogates and establishes the continuing rationale for considering a CAZ. It includes measurable objectives, and the main benefits, risks, constraints, dependencies and uncertainties
 - **Economic Case** – This section of the business case assesses the economic costs and benefits of the proposal to society as a whole. It includes cost-benefit analyses to make comparisons between possible options and a range of impacts. This is needed to inform the selection of a final preferred option. Economic costs extend beyond the purely financial, for example, impact on income, employment opportunity, costs from displacement of polluting traffic onto adjacent roads or other environmental impact
 - **Commercial Case** – this aims to answer the question 'can this be delivered?' It details the service needs, supplier capability and capacity, and the procurement route. In covering the procurement strategy, this element of the document will also seek to detail:
 - Required procurement packages and their outputs
 - Preferred procurement routes and the options appraisal undertaken
 - Allocation of risk
 - Contract timescales
 - Contract management
 - Appropriate resources to successfully deliver the strategy
 - **Financial Case** – this aims to answer the question, 'how will this be financed?' It details the funding needs, sources of finance, and financial model for the lifetime of the CAZ. The purpose is to present the costs and associated sensitivity analysis of the preferred option in terms of capital and revenue elements with associated profiling of costs, income streams and overall financial performance ie will potential income cover the cost of the CAZ. This is

Agenda Item 4

presented alongside wider consideration of the financial risks and implications of the project.

- **Management Case** – this aims to address how development, implementation, running and decommissioning will be successfully delivered to ensure established objectives are met. It details the governance and risk management arrangements, and resource requirements. The management case also specifies the delivery programme, stakeholder management, communication and engagement plans, and monitoring and evaluation programmes.

4. OBC timeline and Governance

- 4.1 It follows from the outline above that the development of Sefton's CAZ OBC is a technically complex and detailed process which will require specialist expertise from outside the Council to ensure that all 5 cases are completed to the required standard. This will also help to protect the Council as far as practicable from any legal challenges. The OBC forms a significant and essential part of the overall CAZ implementation timetable.
- 4.2 In view of the complexities it is anticipated that the preparation of a Sefton OBC with the necessary consultancy support would take in the region of 9 months to complete including procurement.
- 4.3 This is in line with the experience of other local authorities that have been mandated to identify options for bringing modelled roadside NO₂ exceedances to compliant levels as soon as possible. Over 60 local authorities (including Liverpool) are now working under ministerial direction, which is enabled through the provision of dedicated support from staff at DEFRA's Joint Air Quality Unit (JAQU) and direct government funding.
- 4.4 Stakeholder consultation is also a key element in the development phase of the business case. Initial 'soft' consultation with Key Stakeholders including Liverpool City Council, Highways England and Peel Ports is required as an early step in the OBC.
- 4.5 The progress of the development of the OBC will be reported to the Air Quality Members Reference Group at each meeting of that group, and more frequently if necessary, with quarterly reports taken to Cabinet to advise on progress and seek any necessary approvals/decisions.

5. Budget proposal for Business Case Development phase

- 5.1 The preparation of Sefton's OBC and ongoing management of the project cannot be undertaken within existing resources and as such additional funding will be required to enable the OBC to be produced.
- 5.2 Funding required to develop the Business Case is estimated to be £530,000 and includes consultation and staffing costs over a 2-year period.

6. Liverpool City Council Outline Business Case

- 6.1 As Members have been made aware Liverpool City Council have been mandated to prepare an outline business case for submission to DEFRA on the 31st October 2019 detailing which methods they propose to use to bring about reductions in NO₂ exceedances in the quickest possible time.
- 6.2 Due to Sefton and Liverpool bordering each other there are significant inter-dependencies between the authorities with regards to air quality. What Sefton and Liverpool propose to do to improve air quality may have a positive impact on their neighbour but conversely may have a negative impact. It is important therefore that these issues are fully understood and opportunities to mitigate risks arising are explored. It is proposed that this would be managed through ongoing communication and where appropriate close working with Liverpool City Council.

This page is intentionally left blank

Agenda Item 5

Report to:	Cabinet	Date of Meeting:	7th November 2019
Subject:	Supported Living and Community Support Services		
Report of:	Interim Director for Adult Social Care	Wards Affected:	All
Portfolio:	Cabinet Member - Adult Social Care		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

To seek approval to commence procurement exercises to establish new Pseudo Dynamic Purchasing Systems (PDPS) for both supported living and community support services. The PDPS's will be open for a period of 5 years.

Recommendation(s):

Cabinet is recommended to approve;

- (1) The Interim Director for Adult Social Care to commence a two-stage procurement exercise for supported living and community support services (including floating support), which will create two separate PDPS mechanisms. Commencing with an exercise for supported living which will enable new contracts from September 2020 and then following this with an exercise to procure services for community support (floating support), which will establish an individual PDPS for each.
- (2) Delegation of decisions regarding the tender evaluation and the development of a new outcome-based service specification to the Interim Director for Social Care in consultation with the Cabinet Member - Adult Social Care. Such decisions will be made in advance of the procurement exercise commencing; and
- (3) Delegation of decisions regarding the awarding of contracts from each of the individual PDPS's to the Interim Director for Adult Social Care in consultation with Cabinet Member - Adult Social Care. The PDPS's as an overarching mechanism will be in place for 5 years, and used to award contracts either through a direct call off or by undertaking mini competitions. Initial contracts and any subsequent contracts would then be awarded using the PDPS's. These contracts would be awarded for a five-year period comprising an initial three-year period with an option to extend for up to two periods of twelve months either as a whole or as two separate twelve-month extension periods.

Agenda Item 5

Reasons for the Recommendation(s):

To establish new commissioning and contractual arrangements for the provision of supported living and community support services, which will encompass a new model of service delivery, improved market sustainability, updated processes for the commissioning of new services and to support people to live the lives they want to lead

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

The following options were considered and rejected;

- 1. Maintaining the status quo** – this was not considered a viable option as there is a need to establish updated contracts with Providers which also reflect the implementation of a new service specification which is more outcome focussed.
- 2. Conducting a procurement exercise solely utilising the Liverpool City Region framework** – Members will recall Cabinet has previously approved Sefton joining an LCR framework that provides a route to market for a larger number of Providers who provide support across the LCR for people with complex support needs. This route to market is still being put in place and it is anticipated that Sefton will be able to take advantage of the framework where this would offer some benefit and enhancement of local arrangements where these were not able to meet needs. The LCR framework is seeking to establish a larger range of provision which could be used by all the LCR Authorities. The option to develop a local PDPS would enable Sefton to utilise and develop its local market and where needed have access to the broader range of provision through the LCR framework. This would ensure that Sefton makes best use of the local market to secure effective and sustainable placements for local people.

What will it cost and how will it be financed?

(A) Revenue Costs

Revenue costs with respect to new contracts will be met from existing Supported Living and Community Support budgets it is anticipated that the PDPS will enable efficiencies through the embedding of the model of support which is based on the council approved model of accommodation and development of the specification.

(B) Capital Costs

None.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):
All resource implications are addressed within the report.
Legal Implications:

Care Act 2014
Registering the Right Support 2019
Building the Right Support 2015
Care and Support Statutory Guidance
Public Contract Regulations 2015
Humans Rights Act 1998
Mental Capacity Act 2005

Equality Implications:

The equality Implications will be assessed as the procurement progresses and any changes are made to provision. Cabinet Member ASC will be kept informed of all equality implications, risks and mitigations.

Contribution to the Council's Core Purpose:

Protect the most vulnerable:

450 people currently live in supported living where they benefit from personalised care and support. A further 150 people are in receipt of community support services which supports them to access their community and live the lives they want to lead. The personalised support that they all receive is based upon their assessed need under the Care Act 2014 thus ensuring that the council meets its statutory obligations.

Facilitate confident and resilient communities:

Supported Living and Community Support services help local people to maintain independent living, encourage them to access opportunities within the community and so remain part of their local communities, building their friendship and social networks. This support is key in supporting families to build their resilience

Commission, broker and provide core services:

The adoption of the recommendations will ensure that statutory services will continue to be delivered to people who use services in a personalised way. The procurement method will adopt any learning and ongoing delivery of the pilot for individual service funds which offer people greater choice and control.

The proposed method of awarding new contracts will ensure that we have a strategic approach to the commissioning of supported living and community support and that all Providers comply with service specifications as a condition of their contract. The procurement will also ensure that there is a sufficient supply across the whole of Sefton.

Place – leadership and influencer:

The Council will engage with the market place to develop new ways of working and supporting people at a local level.

Agenda Item 5

<p>The Clinical Commissioning Group could benefit from the rates, quality standards, and framework of Providers established by the Council after undertaking this procurement</p>
<p>Drivers of change and reform:</p> <p>The Council wants people to live the lives they want to lead and is looking to work with Providers to develop new models which will be fit for the future and can support young people in transition to Adult Services. The Council will be looking for innovation and flexibility within the market place in order to ensure sustainability, increased independence and reduce dependency on residential models of care.</p>
<p>Facilitate sustainable economic prosperity:</p> <p>The new model of service will enable Providers to encourage greater independence and innovation, supporting people to gain new skills in a way that is right for them. In turn, this will produce better individual outcomes.</p>
<p>Greater income for social investment:</p>
<p>Cleaner Greener</p>

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD5826/19.) and the Chief Legal and Democratic Officer (LD4060/19) have been consulted and any comments have been incorporated into the report

(B) External Consultations

Conversations have been undertaken with the market as services have been subject to review. Formal consultations will be undertaken with the market to enable development of the specification and model of support.

As the procurement progresses people who use services will be supported to understand any changes that affect them. We will engage with appropriate advocacy services to support people who use services.

Implementation Date for the Decision

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

Contact Officer:	Deborah Butcher
Telephone Number:	Tel: 0151 934 3329
Email Address:	Deborah.Butcher@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 Both supported living and community support services enable local people to live the lives they want to lead and retain their independence. There are approximately 626 people receiving Supported Living and Community Support services in Sefton, with approximately 450 people currently living in 125 supported tenancy settings and approximately 176 people receiving support to access the community. In Sefton this support is currently delivered by approximately 24 care providers and are a mix of local, national and charitable providers.
- 1.2 Supported Living Provision is delivered in the persons own tenancy normally on a 24-hour basis. Community Support provides support for people to access services in the community or via a floating support type provision, often for people who live at home with elderly parents or people with mental health issues who don't require 24 hour type provision.
- 1.3 Members will recall a review of the Supported Living Service and Community Support was approved in February 2016. Over the past three years this review was undertaken, utilising the model of accommodation approved by Cabinet which detailed the usage of larger types of accommodation This review included aligning funding streams that were previously utilised to fund these services, for example, Supporting People grants, Legacy funding and Adult Social Care Community Care budget.
- 1.4 Current contractual arrangements subsequently require updating to ensure that the new model is successfully embedded across Sefton and that the needs of local people are met now and in the future.
- 1.5 In order to make the most of all resources available in Sefton we will be exploring joint commissioning with the North and South Clinical Commissioning Groups. This is because services which support complex individuals can be joint funded or have eligibility for Continuing Health Care, and a joint agreement on price and quality could support more efficient use of joined up resources.
- 1.6 The Council is currently conducting a Pilot of Individual Service Funds (ISF's) which afford people with assessed need with greater choice and control when selecting a care provider to support them. These developments will be reflected in the procurement process.

Agenda Item 5

2. The proposed procurement exercise to develop a Pseudo Dynamic Purchasing System (PDPS) for both Supported Living and Community Support.

2.1 It is proposed that the Council commences two separate procurement exercises. The first exercise will be the development of a PDPS for Supported Living services. The second exercise would be to develop a PDPS for Community Support/ Floating Support Services using the following stages:

- Establishment initially of a PDPS mechanism for Supported Living followed by a further PDPS being developed shortly after this for the purchasing of Community Support (floating support) Services.
- This PDPS mechanism will allow existing Providers to apply alongside the encouragement of new Providers to register onto the PDPS. Any existing Providers who meet the criteria (as referenced in section 3 of this report) would retain their existing business.
- Existing Providers who are not successful in registering onto the PDPS will have their current services re-procured via mini competition exercises conducted via the new PDPS commissioning arrangements.
- The PDPS being used as the mechanism for both conducting any future procurement exercises for new supported living services identified following Adult Social Care needs analysis work, and potentially any joint commissioning of services with Health.

3. The proposed procurement exercise to establish a PDPS

3.1 The procurement will be conducted under OJEU light-touch procurement arrangements. Timelines for each PDPS will be agreed by the Interim Director for Adult Social Care in consultation with the Cabinet Member - Adult Social Care.

3.2 The first stage would be to develop the PDPS for each service (Supported Living initially followed by Community Support/Floating Support) for the whole market. Each PDPS will be in operation for a period of 5 years from when it is set up. The indicative timeline for both of the PDPS's would seek to have these established for use from the end of 2020.

3.3 There will be the ability to undertake an immediate call off from each PDPS to award contracts to current Providers who meet the criteria and join the PDPS and which will replace the current agreements that are in place. Contracts will be awarded for an initial period of 3 years plus the option to extend for a further period of two years either as a whole or as two separate twelve-month extension periods.

3.4 The second stage would be for any current services being delivered by unsuccessful bidders to be re-procured using mini competitions from the PDPS. These Providers would be unable to deliver services under any existing contracts as these would cease once the PDPS was established.

3.5 Each new PDPS will be used for the future commissioning of new services.

3.6 Applications to join each of the PDPS's will be compliant with Contract Procedure Rules and will need to reflect Adult Social Care budget resources.

- 3.7 The tender will encompass evaluating bids based on the most economically advantageous tender and it is proposed that the evaluation will be based on an assessment of Quality and Social Value (for example 95% Quality and 5% Social Value), with price not being a contributory factor in evaluations as the price (typically the hourly rate paid) will be set by Sefton. Therefore, contracts will be awarded to the bidder/s who demonstrate the highest quality/social value submission. This will benefit Sefton by ensuring that there is a primary focus on commissioning the highest quality services which in turn will benefit service users. It is recommended that decisions on the evaluation criteria be designated to the Interim Director for Adult Social Care in consultation with the Cabinet Member – Adult Social Care to also ensure that the quality criteria and questions tenderers are asked to respond to, are based on ensuring that future services meet Adult Social Care requirements.
- 3.8 Following Cabinet approval to commence the procurement exercise, the next stage will be to formulate the strategy for the market and associated procurement documents, principally the Invitation to Tender (ITT) document outlining how each PDPS will operate and the new contract and service specification that Providers will deliver services under.
- 3.9 It is recommended that decisions regarding the ITT will be delegated to the Interim Director for Adult Social Care in consultation with the Cabinet Member – Adult Social Care in order to ensure that they reflect potential future developments such as joint commissioning with Health.

This page is intentionally left blank

Agenda Item 6

Report to:	Cabinet Council	Date of Meeting:	7 November 2019 21 November 2019
Subject:	Making the Formby and Little Altcar Neighbourhood Plan		
Report of:	Chief Planning Officer	Wards Affected:	Harington; Ravenmeols;
Portfolio:	Cabinet Member: Planning and Building Control		
Is this a Key Decision:	No	Included in Forward Plan:	No
Exempt / Confidential Report:	No		

Summary:

Neighbourhood Plans can be prepared by a local community to guide development in their area. The Local Planning Authority has a legal duty to arrange an independent examination of any Plan submitted to the Council to make sure it meets the 'basic conditions' and determine whether it can go to referendum.

Following examination, the Examiner recommended that the Formby and Little Altcar Neighbourhood Plan proceed to referendum. This was held on 10th October 2019. As long as a simple majority of those who vote (50% + 1) are in favour of the Plan (i.e. agree with the proposals in the Plan), the Council has a legal duty to 'make' (i.e. adopt) it as part of the Development Plan for Sefton.

The purpose of this report is to seek the Council's formal approval to 'make' the Formby and Little Altcar Neighbourhood Plan part of the statutory Development Plan for Sefton as required by the Town and Country Planning Act 1990 and the Localism Act 2011. This will mean that the plans will be used to determine planning applications in Formby and Little Altcar Parishes in addition to the Local Plan.

Recommendation to Cabinet:

That the Cabinet notes that the Formby and Little Altcar Neighbourhood Plan was passed at referendum and recommends that the Council be requested to 'make' the Formby and Little Altcar Neighbourhood Plan and that it becomes part of the Development Plan for Sefton.

Recommendation to Council:

That the Council be requested to 'make' the Formby and Little Altcar Neighbourhood Plan and that it become part of the Development Plan for Sefton.

Reasons for the Recommendation(s):

Agenda Item 6

The preparation of the Formby and Little Altcar Neighbourhood Plan has followed the statutory procedures set out in The Neighbourhood Planning (General) Regulations 2012 (as amended). The plan has successfully undergone examination, has satisfied the basic conditions and is in conformity with the Sefton Local Plan. Where a Referendum results in a majority 'yes' vote, the Local Planning Authority is required to 'make' the Neighbourhood Plan within 8 weeks of the referendum decision in accordance with Regulations. This will enable the Council to use the Formby and Little Altcar Neighbourhood Plan to determine planning applications in those parishes.

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

As set out in the various Neighbourhood Planning Regulations, the referendum and subsequent 'making' of Neighbourhood Plans following a successful referendum is part of the legal process for a community (Neighbourhood Forum or Town or Parish Council) to make a Neighbourhood Plan for its area. As such Sefton Council does not have any option other than to make the plan.

What will it cost and how will it be financed?

(A) Revenue Costs

The Neighbourhood Plan will be implemented by staffing within the Planning Service which are funded from existing budgets.

(B) Capital Costs

None.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):
Once 'made' implementing the plan will be from existing resources and not considered to be material.
Legal Implications:
The referendum is part of a legal process and the outcome has to be complied with.
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 Formby and Little Altcar Neighbourhood Plan establishes the community's aspiration for how its area should be developed in the future and enhance its role as a resilient and sustainable community.

Commission, broker and provide core services: N/A
Place – leadership and influencer: N/A
Drivers of change and reform: N/A
Facilitate sustainable economic prosperity: The Plan contains policies that seek to support the development of local businesses, retain land in employment use and retain and enhance retail, office and business uses.
Greater income for social investment: The Plan contains a policy that seeks to support the delivery of infrastructure including to support social investment.
Cleaner Greener The Plan contains policies that seek to provide green infrastructure, support allotments, renewable energy and low energy consumption homes. Policies also seek to protect and enhance residential character, enhance rights of way and provision for pedestrians and cyclists. Further policies seek to avoid increased flooding and flood risk and reduce discharge.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD5821/19) and the Chief Legal and Democratic Officer (LD4045/19) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Consultation, carried out by Formby and Little Altcar Parish Councils, took place at various times during the preparation of the Plan, as required by the Neighbourhood Plan Regulations and national Planning Practice Guidance. Sefton Council also consulted on the Neighbourhood Plan following submission by the Parish Councils, in accordance with the Regulations.

Contact Officer:	Alison Jones, Ian Loughlin
Telephone Number:	
Email Address:	alison.jones@sefton.gov.uk, ian.loughlin@sefton.gov.uk

Appendices:

There are no appendices to this report

Background Papers:

There are no background papers available for inspection.

Agenda Item 6

1. Introduction/Background

- 1.1 The Localism Act 2011 gives local communities the right to prepare a Neighbourhood Plan to develop a shared vision for their neighbourhood and shape the development and growth of their local area. The Council has a statutory duty to support this activity.
- 1.2 The process for preparing a Neighbourhood Plan is set out by the [Neighbourhood Planning \(General\) Regulations 2012 \(as amended\)](#) ('The Regulations') and is subject to several key stages which include:
 - Designation of the neighbourhood plan area;
 - Pre-submission publicity and consultation (under Regulation 14);
 - Submission of the plan to the Local Planning Authority;
 - Consultation by the Local Planning Authority (under Regulation 16);
 - Independent Examination;
 - Referendum; and
 - Making the Neighbourhood Plan (i.e. bringing it into force).
- 1.3 Policies in Neighbourhood Plans are used when determining planning applications. It is a requirement that a Neighbourhood Plan contain policies which are broadly in accordance with the strategic policies in the Local Plan. If Neighbourhood Plan policies conflict with non-strategic policies in the Local Plan, the policies in the Plan that was approved most recently take precedence.
- 1.4 Neighbourhood Plans are already in place in Lydiate and Maghull.

2 Plan preparation

- 2.1 Application for the designation of the Formby and Little Altcar Parishes as a Neighbourhood Plan area was made in 2013. Following statutory publicity, the Neighbourhood Plan area was approved by Sefton Council on 12 September 2013.
- 2.2 The parish councils have completed the tasks set out in paragraph 1.2 above, necessary in preparing a neighbourhood plan. These included the preparing and gathering of evidence and undertaking various consultation exercises before drawing up a draft version of the plan, known as the Pre-submission Plan. The Pre-submission Plan underwent consultation (under Regulation 14 of the Regulations) from 31 October to 12 December 2016.
- 2.3 The Pre-submission Plan was amended in response to the comments made and formally submitted to Sefton Council. Sefton Council consulted on the submission version in accordance with Regulation 16 of the Regulations from 27 March to 15 May 2019.
- 2.4 The Plan and supporting documents were then sent to the Council's retained independent examiners, Intelligent Plans and Examinations (IPe) Ltd. Sefton appointed Andrew S Freeman, in agreement with the parish councils, to examine the Plan. The purpose of an examination is to determine whether the Plan meets

the 'Basic Conditions' and other legislative requirements and so proceed to referendum. The 'Basic Conditions' are that the submitted Plan must:

- Have regard to national planning policies
- Achieve sustainability
- Be in general conformity with the strategic policies of the development plan
- Be compatible with EU and European Convention on Human Rights (ECHR) obligations
- Be unlikely to have significant environmental effects

2.5 The [Examiner's Report](#) for the Formby and Little Altcar Neighbourhood Plan was formally received on 12 August 2019. It concluded that, subject to modification, the Plan may proceed to referendum on the basis that all the relevant legal requirements were met.

2.6 The Referendum Version of the Plan is available online together with other 'specified documents' required by the Regulations at www.sefton.gov.uk/neighbourhoodplanning.

2.7 The [decision](#) for the Formby and Little Altcar Neighbourhood Plan to proceed to referendum was made by Cabinet Member: Planning and Building Control on 9 September 2019.

3 Referendum outcome

3.1 The referendum for the Formby and Little Altcar Neighbourhood Plan was held on 10 October 2019. The purpose of the referendum is to confirm that the local community (those on the electoral roll living in the parishes of Formby and Little Altcar) agree with the proposals in the Plan. A simple majority (50%+1) voting 'yes' requires Sefton Council to 'make' (i.e. adopt) the Plan.

3.2 The rules covering all aspects of organising and conducting the poll can be found in the [Neighbourhood Planning \(Referendum\) Regulations 2012](#) (as amended by the Neighbourhood Planning (Referendum)(Amendment) Regulations [2013](#) and [2014](#)) and the [Neighbourhood Planning \(General\) Regulations 2012](#).

3.3 The results were declared as follows:

- Formby and Little Altcar – votes 'yes' 2,601; votes 'no' 428 = 85.56% in favour

Further details are available at www.sefton.gov.uk/media/1613724/Declaration-of-Result.pdf

4 Next steps

4.1 As a majority of votes were in favour, the Council is required, in accordance with legislation, to formally 'make' the Formby and Little Altcar Neighbourhood Plan. This means it becomes part of the development plan for Sefton, along with the Local Plan (2017), the Waste Local Plan (2013), Lydiate Neighbourhood Plan (2019) and the Maghull Neighbourhood Plan (2019). It will be given full weight in determining planning applications in the Formby and Little Altcar area.

Agenda Item 6

- 4.2 The Council is required to 'make' the Plan within 8 weeks of a 'yes' vote at referendum, in accordance with Regulation 18A of the Regulations.

Agenda Item 7

Report to:	Cabinet	Date of Meeting:	7 November 2019
Subject:	Appointment to Liverpool University Hospital Council of Governors		
Report of:	Chief Legal and Democratic Officer	Wards Affected:	(All Wards);
Portfolio:	Regulation, Compliance and Corporate Services		
Is this a Key Decision:	No	Included in Forward Plan:	No
Exempt / Confidential Report:	No		

Summary:

To advise Members that due to the recent merger of Aintree university Hospital NHS Foundation Trust (AUH) and Royal Liverpool & Broadgreed University Hospitals NHS Trust (RLB) on 1 October 2019 into Liverpool University Hospitals NHS Foundation trust (LUH). The Council is required to consider appointing a Member to the Liverpool University Hospital Council of Governors.

Recommendation(s):

 That the Cabinet:

- (1) notes the termination of the appointment of Councillor Lappin to the Aintree University Hospital - NHS Foundation Trust - Council of Governors due to the recent merger of Aintree university Hospital NHS Foundation Trust (AUH) and Royal Liverpool & Broadgreed University Hospitals NHS Trust (RLB); and
- (2) appoints Councillor Friel as the Sefton Council representative, to the newly formed Liverpool University Hospitals NHS Foundation Trust University Hospital Council of Governors, term of office from 2 December 2019 – 2 December 2022.

Reasons for the Recommendation(s):

The Cabinet has delegated powers set out in Chapter 5, Paragraph 40 of the Constitution to appoint the Council's representatives to serve on Outside Bodies.

Alternative Options Considered and Rejected:

None

What will it cost and how will it be financed?

(A) Revenue Costs

None arising from this report.

Agenda Item 7

(B) Capital Costs

None

Implications:

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

Financial	
Legal Paragraph 40 of Chapter 5 in the Constitution gives the Cabinet delegated powers to make appointments to Outside Bodies, appropriate.	
Human Resources	
Equality	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Contribution to the Council's Core Purpose:

Protect the most vulnerable: The appointment of Council representative will ensure that the interests of residents of Sefton are taken into account.
Facilitate confident and resilient communities: As above
Commission, broker and provide core services: As above
Place – leadership and influencer: As above
Drivers of change and reform: As above
Facilitate sustainable economic prosperity: As above
Greater income for social investment: As above
Cleaner Greener: As above

Impact of the Proposals on Service Delivery:

Agenda Item 7

The appointment of Council representative will ensure that the interests of residents of Sefton are taken into account

What consultations have taken place on the proposals and when?

The Head of Corporate Resources (FD5833/19) has been consulted and notes the report indicates no new direct financial implications for the Council.

The Chief Legal and Democratic Officer (LD4067/19) has been consulted and comments have been incorporated into the report

Implementation Date for the Decision

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

Contact Officer: Ruth Harrison

Tel: 0151 934 2046

Email: ruth.harrison@sefton.gov.uk

Background Papers:

There are no background papers available for inspection

Agenda Item 7

1. Introduction/Background

- 1.1 The Cabinet has delegated powers set out in Chapter 5, Paragraph 40 of the Constitution to appoint the Council's representatives to serve on Outside Bodies and this is usually done annually.
- 1.2 Following the merger of Aintree University NHS Foundation Trust (AUH) and Royal Liverpool & Broadgreen University Hospitals NHS Trust (RLB) on 1 October 2019 into Liverpool University Hospitals NHS Foundation Trust the Director of Corporate Governance at the hospital is seeking to elect a new Council of Governors. The new Council will be made up of 31 members from the public, staff and appointed constituencies.
- 1.3 Representation from local authorities has historically been provided to the two legacy trusts. Sefton Metropolitan Borough Council, Knowsley Metropolitan Borough Council and Liverpool City Council each have a governor on the Aintree University Hospital Council of Governors. Liverpool City Council had a governor on the RLB shadow Council. The constitution of LUH provides for one position from each respective Local Authority, this was in recognition of the value that local authority representation can provide to the Council of Governors and in support of wider partnership working to the Trust.
- 1.4 That the Cabinet be requested to:
 - (1) note the termination of the appointment of Councillor Lappin to the Aintree University Hospital - NHS Foundation Trust - Council of Governors due to the recent merger of Aintree university Hospital NHS Foundation Trust (AUH) and Royal Liverpool & Broadgreed University Hospitals NHS Trust (RLB); and
 - (2) appoint Councillor Friel as the Sefton Council representative, to the newly formed Liverpool University Hospitals NHS Foundation Trust University Hospital Council of Governors, term of office from 2 December 2019 – 2 December 2022.

Agenda Item 8

Report to:	Cabinet	Date of Meeting:	7 November 2019
Subject:	Annual Health and Safety Report		
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:

The report provides Cabinet with a report on the progress made to implement the Council's Health and Safety policy during the 2018/19 financial year.

Recommendation:

Cabinet note the progress on implementing the Council's Corporate Health and Safety Policy for the 2018/19 financial year.

Reasons for the Recommendation(s):

The annual report provides assurance to the Cabinet, which has strategic responsibility for employee health and safety, that there is continued progress to implement and enhance an effective health and safety system across the Council.

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 revenue costs arising from this report outside the existing approved budget.

(B) Capital Costs

There are no capital costs arising from this report.

Implications of the Proposals:

Agenda Item 8

Resource Implications (Financial, IT, Staffing and Assets):
There are no resource implications from the paper
Legal Implications:
There are no legal implications from the paper.
Equality Implications:
There are no equality implications.

Contribution to the Council's Core Purpose:

The annual report provides assurance that continued progress on implementing an effective health and safety system assists the delivery of services by the Council by ensuring appropriate controls are in place to protect service users, the general public, employees and contractors.

Protect the most vulnerable: Positive
Facilitate confident and resilient communities: Positive
Commission, broker and provide core services: Positive
Place – leadership and influencer: Positive
Drivers of change and reform: Positive
Facilitate sustainable economic prosperity: Positive
Greater income for social investment: Positive
Cleaner Greener: Positive

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD5822/19) and the Chief Legal and Democratic Officer (LD4046/19) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

None.

Implementation Date for the Decision

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

Contact Officer:	David Eden
Telephone Number:	0151 934 4053
Email Address:	david.eden@sefton.gov.uk

Appendices:

The following appendices are attached to this report:

- Annual Health and Safety Report

Background Papers:

There are no background papers available for inspection.

1. Introduction/Background

- 1.1. The Council in accordance with its responsibilities to manage health and safety, approved a Council-wide Corporate Health and Safety Policy in April 2019. The policy sets out the Council's approach to health and safety, the responsibilities for key staff for managing the system and the arrangements within the Council for monitoring health and safety.
- 1.2 A key objective from the Policy is to clarify and strengthen governance arrangements for health and safety across the Council.
- 1.3 The Policy outlines that the Cabinet has strategic responsibility for employee related health and safety in the Council and that the Audit and Governance committee's responsibilities are to consider the Council's arrangements for health and safety, receive regular assurances and assessments on the effectiveness of these arrangements.
- 1.4 The Policy also states that the Corporate Health and Safety Team is responsible for providing an annual report on Health and Safety to Cabinet on behalf of the Head of Corporate Resources.
- 1.5 Currently the Audit and Governance Committee receives an update on health and safety performance on a quarterly basis which includes the following information:
 - Progress on health and safety actions due to be undertaken during the quarter.
 - Updates on health and safety performance including accidents and incidents.
 - Any emerging legal or health safety related issues.
 - Proposed activity in the next quarter.

2. Annual Report

- 2.1 The Annual Report for Health and Safety is designed to provide assurance to Cabinet of the continued progress to implement health and safety effectively

Agenda Item 8

across the Council. The progress update will assist Cabinet meet its strategic responsibility for employee health and safety.

- 2.2 Providing an annual report to Cabinet on health and safety will assist in the achievement of the health and safety objective, including in the Corporate Health and Safety Policy, of improving governance.
- 2.3 The Annual Health and Safety Report is attached at Appendix 1 and includes updates on:
- The organisational arrangements for Health and Safety
 - Updates on consultation and communication
 - Liaison during the year with regulatory authorities
 - The management of council facilities
 - Details of the reported accidents and incidents during the financial year
 - The health and safety culture operating in Sefton
 - Legal updates
 - The role of Health and Safety Co-ordinators
 - Training undertaken during the financial year
 - Priorities for 2019/2020
- 2.4 The key highlights from the report include:
- 2.5 The Council continues to focus on improving the provision of health and safety by reviewing existing arrangements and improving governance. An example of this approach is the Health and Safety Co-ordinator role, which is identified in the Health and Safety Policy, has been reviewed and relaunched during the past 12 months. A new Corporate Landlord model is also being introduced in September 2019 to improve the management of statutory compliance in the Council's buildings.
- 2.6 The Health and Safety Team are fully qualified safety professionals who deliver a full range of services to all Council departments and schools for the prevention of injury and ill health. These services can be divided into three main areas: -
- Proactive monitoring
 - Policy and communication
 - Operational e.g. reactive response
- 2.7 Significant work continues to be done to provide managers with the information, guidance and support they need to manage risks.
- 2.8 Consultation arrangements are working well, with the Corporate Health and Safety Committee playing a key role together with health and safety groups in directorates/services.
- 2.9 There has been a focus on improving the governance with a revised Health and Safety Policy being presented to Cabinet for approval and a revised term of reference for the Corporate Health and Safety Committee and Departmental Committees. There has also been improved formal reporting to the Corporate Health and Safety Committee and Audit and Governance Committee.

- 2.10 The health and safety culture is evolving as a result of the focus to improve with the Health and Safety Team relaunching the revised Health and Safety Co-ordinators role and addressing the under reporting of incidents across the Council. There are clear objectives to achieve in the medium term which are improving governance, risk assessment and training.
- 2.11 There has been contact with the Health and Safety Executive (HSE) in an enforcement capacity following the reporting of an incident at one of the Council owned premises. The Health and Safety Team are working closely with the local management team to ensure the lessons learnt from the incident are implemented to enhance the local health and safety system.
- 2.12 Accidents are reported and recorded on-line with the Health and Safety Team administering the incident system and managers reporting serious accidents to the Health and Safety Executive in accordance with statutory requirements.
- 2.13 There has been an increase in the overall number of accidents being reported which is due to an increase in staff using the updated incident reporting system. However, the number of serious accidents (i.e. those requiring a report to the HSE) has largely remained the same.

3. Progress since April 2019 on health and safety

- 3.1 The following work has been completed on health and safety following the start of the financial year:
- 3.2 An updated Health and Safety Policy was presented to the Cabinet on the 4th April 2019 and approved. The Policy includes health and safety objectives and key performance indicators and is not duly signed and available on the intranet
- 3.3 A Head of Service survey has been undertaken to determine the effectiveness of the current health and safety management arrangements. A report and action plan was presented to the Corporate Health and Safety Committee for their approval in May 2019.
- 3.4 The Health and Safety Team continue to work with Building Property Services to facilitate the formal definition of building related statutory compliance responsibilities where the Heads of Service have responsibility. A decision was approved by the Chief Executive in June 2018 to move away from the current model and adopt a Corporate Landlord Model. This will mean that Buildings and Property Services will have sole responsibility for statutory compliance with effect from 30 September 2019.
- 3.5 The Incident Reporting Standard was revised in April 2019 and issued to staff. This provides clearer requirements for managers on the process to follow when reporting incidents both on the on-line system and to the Health and Safety Executive.
- 3.6 Heads of Service were provided with a bespoke health and safety training course based on the Institution of Occupational Safety and Health (IOSH) Leading Safety course in May 2019. A draft training plan for Heads of Service has been developed.

Agenda Item 8

- 3.7 A revised standard core agenda for the Health and Safety Sub- Committees has been designed and provided to the Heads of Service. The standard core agenda, which can include other items to reflect local operating requirements, ensures that health and safety issues are consistently addressed throughout the Council.
- 3.8 The structure for the Health and Safety Sub-Committees has been reviewed, to reflect the revised operating arrangements that came into force in December 2018.
- 3.9 Meetings have commenced with the Council's Health and Safety Co-ordinators to ensure that risk management is firmly embedded consistently across the Council.
- 3.10 There are two main areas of focus for the health and safety team for the 2019/20 financial year which are:
- Design and launch a revised risk assessment guidance for managers to follow. Following the launch there will be training for all managers who manage one member of staff to help implement the revised system.
 - Devise a training needs assessment which will shape a revised health and safety training plan for the Council.



Annual Health and Safety Report 1 April 2018 – 31 March 2019

Agenda Item 8

Table of Contents

Section	Subject	Page
1.	Introduction	2
2.	Executive summary	2
3.	Organising for Health and Safety	3
4.	Consultation and Communication	4
5.	Liaison with Regulatory Authorities	5
6.	Management of Council Facilities	5
7.	Accidents and Incidents	6
8.	Health and Safety Culture	9
9.	Legal Updates	9
10.	Health and Safety Coordinators	9
11.	Training	9
12.	Priorities for 2019/2020	10
13.	Work Completed	11

1. Introduction

- 1.1 This report covers the period 1 April 2018 to 31 March 2019 and outlines the main areas of work that have been covered in the past year and the areas which will be addressed in the forthcoming year.
- 1.2 The priorities for the forthcoming year 2019/2020 include: -
- embedding risk assessment across Council departments
 - clarifying and strengthening governance arrangements
 - improving health and safety risk management by targeting effective training
- 1.3 Throughout the report the term 'Health and Safety' is used and should be read within the context of occupational health and safety issues for which Sefton Council (the Council) has responsibility under both statute and common law.
- 1.4 The Council's Health and Safety Policy was revised during the 2018/2019 financial year and was presented to the Corporate Health and Safety Committee and Strategic Leadership Board (SLB) for consultation before being approved by Cabinet in April 2019.

2. Executive Summary

- 2.1 The Council continues to focus on improving the provision of health and safety by reviewing existing arrangements and improving governance. An example of this approach is the Health and Safety Co-ordinator role, which is identified in the Health and Safety Policy, has been reviewed and relaunched during the past 12 months. A new Corporate Landlord model is also being introduced in September 2019 to improve the management of statutory compliance in the Council's buildings.
- 2.2 The Health and Safety Team are fully qualified safety professionals who deliver a full range of services to all Council departments and schools for the prevention of injury and ill health. These services can be divided into three main areas: -
- proactive monitoring
 - policy and communication
 - operational e.g. reactive response
- 2.3 Significant work continues to be done to provide managers with the information, guidance and support they need to manage risks.

Agenda Item 8

- 2.4 Consultation arrangements are working well, with the Corporate Health and Safety Committee playing a key role together with health and safety groups in directorates/services.
- 2.5 There has been a focus on improving the governance with a revised Health and Safety Policy being presented to Cabinet for approval and a revised term of reference for the Corporate Health and Safety Committee and Departmental Committees. There has also been improved formal reporting to the Corporate Health and Safety Committee and Audit and Governance Committee.
- 2.6 The health and safety culture is evolving as a result of the focus to improve with the Health and Safety Team relaunching the revised Health and Safety Co-ordinators role and addressing the under reporting of incidents across the Council. There are clear objectives to achieve in the medium term which are improving governance, risk assessment and training.
- 2.7 There has been contact with the Health and Safety Executive (HSE) in an enforcement capacity following the reporting of an incident at one of the Council owned premises. The Health and Safety Team are working closely with the local management team to ensure the lessons learnt from the incident are implemented to enhance the local health and safety system.
- 2.8 Accidents are reported and recorded on-line with the Health and Safety Team administering the incident system and managers reporting serious accidents to the Health and Safety Executive in accordance with statutory requirements.
- 2.9 There has been an increase in the overall number of accidents being reported which is due to an increase in staff using the updated incident reporting system. However, the number of serious accidents (i.e. those requiring a report to the HSE) has largely remained the same.

3. Organising for Health and Safety

- 3.1 The Council has a Health and Safety Team within Corporate Resources who provide health and safety advice to Members, officers, school governors, headteachers, partner organisations and contractors. The Health and Safety Team also liaise with other services/teams within the Council regarding Occupational Health, Insurance, Emergency Planning, Human Resources and Public Health. The Team comprises of two FTE advisers with additional assistance from Health and Safety Co-ordinators within departments. The additional assistance has enabled the Health and Safety Team to assess how risk assessments are embedded they are throughout the Council. The Team has also started to look at, with the aid of the Health and Safety Co-ordinators, the provision of first aiders across the Council.

- 3.2 The Health and Safety Team has good communication links with external organisations e.g. Merseyside Fire and Rescue Service, Merseyside Police and North-West Ambulance Service via attendance at the Sefton Event Advisory Group meetings.
- 3.3 The Team provide health and safety services to schools and academies through the Sefton Service Level Agreement on-line system. (The Health and Safety Team provide the EVOLVE system which manages school trips and CLEAPPS which is the school's science advisory service).

4. Consultation and Communication

- 4.1 Employers have a duty to consult with their employees and/or their representatives on health and safety matters. Consulting employees about health and safety can lead to improvements in efficiency, improved workforce motivation and staff wellbeing.
- 4.2 The forums for consultation with Trade Unions and employees is the Health and Safety Committee structure. This structure comprises a Corporate Health and Safety Committee, which is chaired by the Head of Corporate Resources and meets quarterly. There are also Departmental Health and Safety Committees which meet six monthly and report high-level issues through to the Corporate Health and Safety Committee. Consultation arrangements are continuing to improve with plans in place to ensure the Corporate Health and Safety Committee plays a prominent role alongside the Departmental Health and Safety Committees in promoting and consulting health and safety.
- 4.3 Changes to the Terms of Reference for the Corporate Health and Safety Committee have been included in the revised Health and Safety Policy which was approved by Cabinet in April 2019.
- 4.4 The primary functions of the Corporate Health and Safety Committee is to: -
- provide a forum for setting objectives and targets to improve health and safety performance.
 - consider and recommend policies and standards for approval by Cabinet.
 - monitor health and safety performance against the stated objectives and compliance against the framework.
 - receive and recommend approval of Corporate Health and Safety Policy to Cabinet and approve and monitor the Corporate Health and Safety Improvement Plan.
 - co-ordinate issues of a corporate nature identified by the sub-committees with a view to resolving issues of common concern.

Agenda Item 8

- 4.5 An updated structure of the sub-committees has been approved by the Corporate Health and Safety Committee in May 2019 and is now in line with the current service structure of the Council. A standard core agenda has been devised and implemented across the health and safety committee structure to ensure that issues are addressed consistently across the Council.
- 4.6 There has been a focus during the financial year on improving the formal provision of information to the various health and safety committees.
- 4.7 Following the start of the financial year a quarterly update on health and safety progress has been provided to colleagues across the Council posted on Yammer and the Council's Health and Safety intranet page.

5. Liaison with Regulatory Bodies/Partners

- 5.1 There has been contact with the Health and Safety Executive (HSE) in an enforcement capacity following the reporting of an incident at one of the Council owned premises. An improvement notice was issued at the time of the incident and the HSE is currently investigating the incident and further enforcement action may be taken as a result of the review. The Health and Safety Team are working closely with the local management team to ensure the lessons learnt from the incident are implemented to enhance the local health and safety system. The Health and Safety Team liaise with Merseyside Fire and Rescue Service and North-West Ambulance Service in relation to events which take place in throughout the year.

6. Management of Council Facilities

- 6.1 The Strategic Operations Manager for Property and Buildings Services has the responsibility for providing assurance that all statutory tests and inspections are carried out and remedial actions taken and priorities managed for the Council's properties where Property and Buildings Services provide statutory buildings related services.
- 6.2 Building Managers appointed by the Heads of Service, where the responsibility for managing the building lies with the service area, are responsible for managing and coordinating statutory health and safety services for the building.
- 6.3 Heads of Service are responsible for ensuring that a Building Manager is appointed for each building in their service area and they are competent by a combination of appropriate training and experience. In practice, there is liaison between the Property and Building Services Team and the Building Managers to ensure that building related risk assessments are carried out and any necessary action such as maintenance and repairs are undertaken within reasonable timescales.

Agenda Item 8

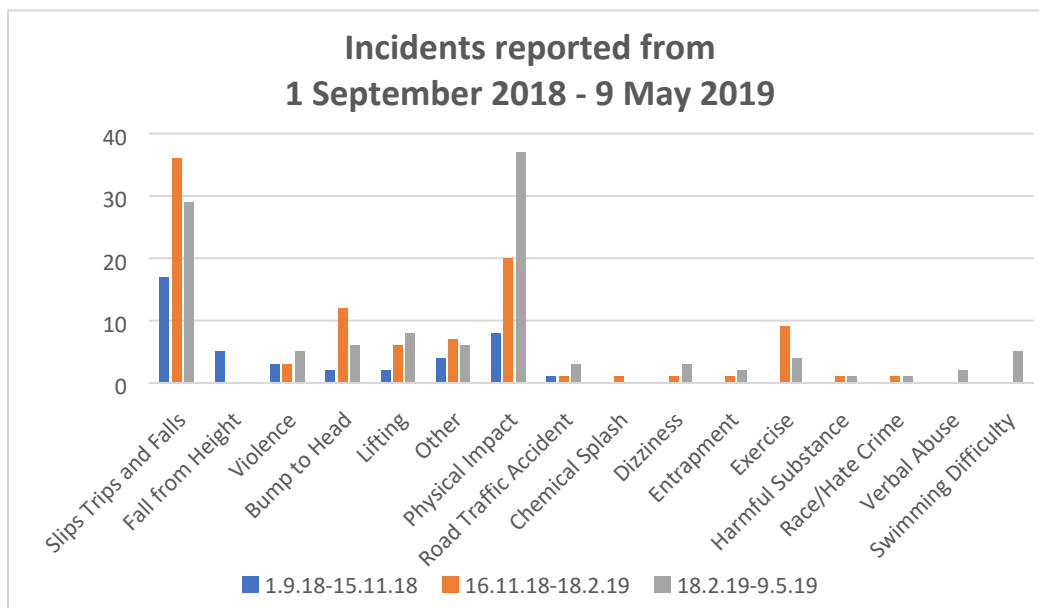
- 6.4 Property and Buildings Services is responsible for managing and coordinating statutory health and safety for the buildings they directly manage as well as those properties they provide services on behalf of the Heads of Service.
- 6.5 A decision was approved in June 2018 by the Chief Executive to move from the current model, whereby it is the responsibility of the Heads of Service to manage statutory building compliance for their properties, to a model of Corporate Landlord where Buildings and Property Services has the sole responsibility of statutory building compliance.
- 6.6 Implementation of and transition to the Corporate Landlord model relies on 2 key phases covering centralisation of the corporate property register (Phase 1) followed by importation of statutory compliance data (Phase 2) for all managed assets. Projected implementation has reflected the complexities and the extensive scale of data transfer from existing IT systems.
- 6.7 Having an accurate and comprehensive property database which brings together several previous software applications is critical to success of the new approach and as such, it is essential that the council gets this right otherwise it could result in more costly and extensive problems at a later date. These events have delayed implementation of phase 1, which is now scheduled to take place between in Q4 of 2019.
- 6.8 Phase 2 will follow on from this and incorporates the amalgamation of all managed statutory compliance activities. This is now anticipated to take place before the end of April 2020 and once again, is subject to verification and data transfer going smoothly. A phased transition will then take place where responsibility for assets is moved from Heads of Service over to the Corporate Landlord.
- 6.9 In the intervening period Heads of Service have been continually engaged to ensure that they continually monitor activities relating to statutory compliance and health and safety in their areas, with advice and support provided from Property and Building Services, Corporate Health and Safety Teams, thereby minimising risk to the Council during the transition process.
- 6.10 To assist the hand over to the Corporate Landlord model, the Health and Safety Team has undertaken a compliance review of a sample of properties to provide assurance that there is visibility on their statutory compliance position during the financial year.
- 6.11 The revised Health and Safety Policy outlines the responsibilities of Heads of Service for building management and the Health and Safety Team will attend all the Departmental Management Team (DMT) meetings during the current financial year to remind managers of their roles with the Health and Safety Policy.

Agenda Item 8

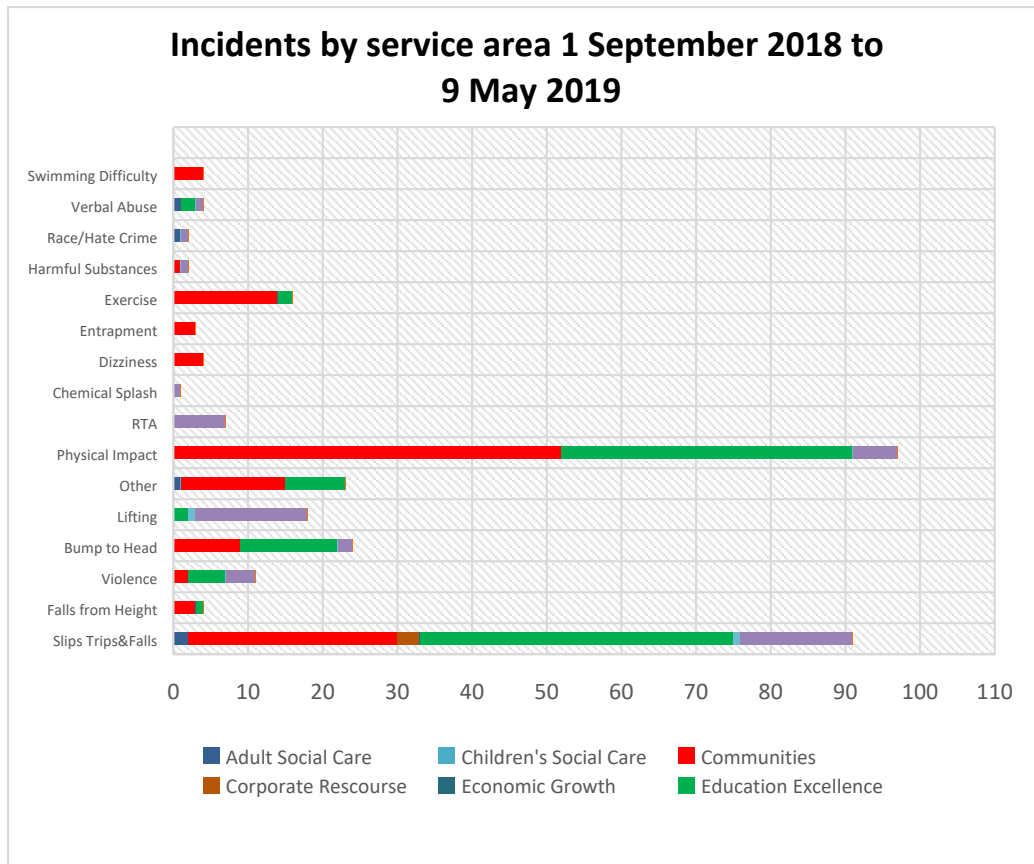
7. Accidents and Incidents

7.1 The Health and Safety Team manages the on-line incident reporting system which is used by all Service areas including schools. Awareness sessions have been run following the introduction of the upgraded system with a reminder to managers about the need to report accidents and incidents.

7.2 The graph below shows the incidents which have been reported from 1 September 2018 to 9 May 2019.



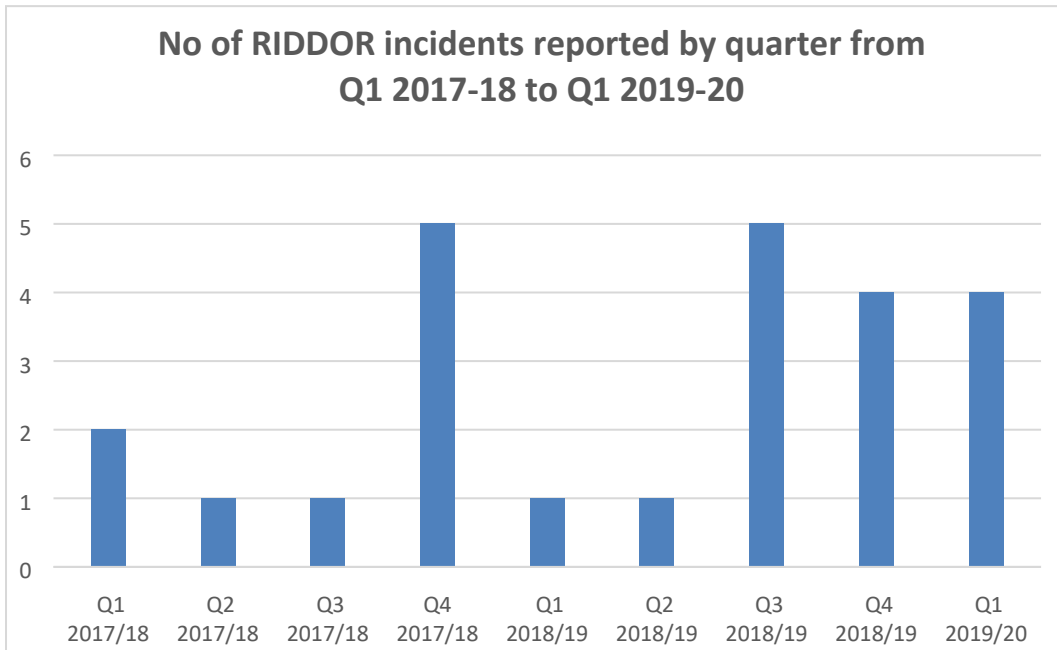
7.3 The graph below shows incidents by service areas for the period from 1 September 2018 to 9 May 2019.



- 7.4 Graph start dates are from 1 September 2018 as this is the date the new incident reporting system was introduced and the previous data for earlier in the financial year is unavailable.
- 7.5 The main causes of incidents reported for the stated period across all sectors remain as slips, trips, falls and physical impact. These incidents did not occur in office environments and the majority are reported from leisure centres, which notice an increase in incidents during the school holidays. The remainder are reports from schools which involve pupils and not the teaching staff. The amount of staff using the incident reporting system securely via the internet and intranet has increased during the financial year especially in schools who, in conjunction with the leisure centres, do report most of the physical impact and slips, trips and falls accidents.
- 7.6 The data indicates that there is still under reporting in certain service areas including Children’s Services which was discussed at the relevant Departmental Health and Safety Committee. The Health and Safety Team has been invited to the Children’s Departmental Management Team meeting to give an overview of the incident reporting system and the importance of recording incidents. It is noted that there is a general under reporting of verbal abuse incidents which remains an area of focus for the health and safety team to promote.
- 7.7 A revised incident reporting procedure has been developed to provide clearer guidance to staff and managers on the process to follow when reporting incidents.

Agenda Item 8

- 7.8 All incidents are reviewed by the Health and Safety Team to ensure that the accident is properly investigated and that the lessons learnt are shared with other service areas where appropriate.
- 7.9 The graph below details the RIDDOR incidents from Quarter 1 2017/18 financial year to Quarter 1 2019/20 financial year.



- 7.10 The number of RIDDOR claims has increased during the year however following investigations there are no trends within the data. Numbers of claims remain relatively low.
- 7.11 The incident reporting continues to remain steady following the initial increase in Q3 2018/2019 period when the new system was introduced. There were no significant trends or incidents within the data that required intervention and there has been no contact with the Health and Safety Executive regarding any of the reports.

8. Health and Safety Culture

- 8.1 It is essential that the Council ensures statutory compliance with health and safety legislation and common law duties and with this aim in mind the Health and Safety Team continues to promote good risk management throughout the Council.

9. Legal Updates

- 9.1 The Health and Safety Executive suite of RIDDOR forms is being refreshed and moved to a more modern platform to improve user experience according to HSE. The reporting

requirements remain unchanged. A feature of the new forms is that once a report has been submitted to the RIDDOR database an e-mail copy will no longer be automatically sent by the system to the address of the person notifying. If required, the person providing the notification can download a copy of their form at the point of submission otherwise a copy will not be received.

10. Health and Safety Co-ordinators

- 10.1 The Health and Safety Co-ordinator role within each service area is clearly defined in the Health and Safety Policy and meetings have commenced to embed the role within the health and safety culture within the Council. The Health and Safety Co-ordinators have been tasked with considering how first aid provision is provided within their service areas and identifying the status of embedding risk assessment across the Council. A four-day Institution of Occupational Safety and Health (IOSH) Managing Safely course has been offered to every co-ordinator at no charge and is being delivered by Gallagher Bassett, the Council's insurance claim's handlers.

11. Training

- 11.1 There is a program of Health and Safety training available from Corporate Learning Centre which is a mixture of both classroom based learning and e-learning. A selection of training is also being planned by Gallagher Bassett, the Council's insurance claim handlers. These courses include Control of Contractors and Highways Risk Management. The range of courses delivered by the Corporate Learning Centre for Sefton Council staff and schools include: -

- Basic Life Support & Defibrillator (AED) Training
- Emergency First Aid at Work
- Fire Risk Management
- Fire Safety Awareness
- Fire Warden
- First Aid at Work
- First Aid at Work Requalification
- Food Safety Awareness
- Food Safety Level 2
- General Risk Assessment
- Health and Safety Awareness
- Legionella Management
- Moving and Handling (Client) Induction
- Moving and Handling (Client) Refresher
- Moving and Handling (Objects)
- Pediatric First Aid
- Principles of COSHH

Agenda Item 8

- 11.2 In addition, Gallagher Bassett, the Council's Insurance Brokers undertook a shortened version of the Institution of Occupational Safety and Health (IOSH) Managing Safely Course for Executives and Directors on the 22 May 2019.
- 11.3 The IOSH four day Managing Safely Course is also being delivered primarily for the newly appointed Health and Safety Co-ordinators. The course is being held over two weeks in September 2019.
- 11.4 Part of the plans for the 2019/20 financial year is to devise a training needs assessment for staff and to develop a training plan on Health and Safety with relevant training content.

12. Priorities for 2019-2020

- 12.1 There will be a continued focus during the next year on delivering the Health and Safety objectives and the Health and Safety Improvement Plan with planned priorities including:
- Undertaking work to support the Council to strengthen its system of risk assessment. A review of the risk assessment guidance has been undertaken and will be relaunched with appropriate publicity, associated guidance and training. The Health and Safety Co-ordinators will be actively involved in this activity.
 - Improving Health and Safety governance including embedding the revised Corporate Health and Safety Policy throughout the Council which will include the Health and Safety Team visiting Departmental Management Team (DMT) meetings and an e-learning package being developed in conjunction with the Corporate Learning Centre which will include e-learning for induction and develop a training plan.
 - Developing further the reporting of health and safety performance on key health and safety objectives through key performance indicators.
 - Assisting in improving the current reporting on building related statutory compliance once the Corporate Landlord model has been implemented in September 2019 and enhance the building compliance review by the Health and Safety Team.
 - Improving health and safety training by ensuring that there is an appropriate training needs assessment for staff and to develop a training plan to ensure there is a consistent approach to health and safety across the Council.
 - Continuing the campaign to ensure the completion of self-assessment forms given the significant number of staff who are required to use display screen equipment.

13. Work completed

13.1 During the period, the following key pieces of work/projects have been undertaken: -

- An updated Health and Safety Policy was presented to Cabinet on the 4 April 2019 and approved. The policy includes health and safety objectives and key performance indicators and is now duly signed and available on the intranet.
- A Heads of Service survey has been undertaken to determine the effectiveness of the current health and safety management system. A report and action plan was presented to the Corporate Health and Safety committee for their approval in May 2019.
- The Health and Safety Team continue to work with Building Property Services to facilitate the formal definition of building related statutory compliance responsibilities for the building where the Heads of Service have responsibility. A decision was approved by the Chief Executive in June 2018 to move away from the current model and adopt a Corporate Landlord model. This will mean that Buildings and Property Services will have sole responsibility for statutory compliance with effect from 30 September 2019.
- The Incident Reporting Standard was revised in April 2019 and issued to staff. This provides clearer requirements for managers on the process to follow when reporting incidents both on the on-line system and to the Health and Safety Executive.
- Heads of Service were provided with a bespoke Health and Safety training course based on the Institution of Occupational Safety and Health (IOSH) Leading Safety in May 2019. A draft training plan for Heads of Service has been developed.
- A revised standard core agenda for the Health and Safety Sub-Committees has been designed and provided to the Heads of Service for consultation. The standard core agenda, which can include other items to reflect local operating requirements, ensures that health and safety issues are consistently addressed throughout the Council.
- The structure for the Health and Safety Sub-Committees has been reviewed, to reflect the revised operating arrangements that came into force in December 2018.

Agenda Item 8

- Meetings have commenced with the Council's Health and Safety Coordinators to ensure that risk management is firmly embedded consistently across the Council.

Agenda Item 9

Report to:	Cabinet	Date of Meeting:	7 November 2019
Subject:	Revenue and Capital Budget Update 2019/20		
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:

To inform **Cabinet** of: -

1. The current forecast revenue outturn position for the Council for 2019/20;
2. The current forecast on Council Tax and Business Rates collection for 2019/20; and,
3. The monitoring position of the Council's capital programme to the end of September 2019, the forecast expenditure to year end, variations against the approved budgets and an explanation of those variations for consideration by Members. Updates to spending profiles and proposed amendments to capital budgets necessary to ensure the efficient delivery of capital projects are also presented for approval.

Recommendation(s):

Cabinet is recommended to: -

Revenue Budget

- 1) Note 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;
- 2) Note 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;
- 3) Approve a Supplementary Revenue Estimate of £0.530m funded from earmarked reserves to support the development of an Outline Business Case for a Sefton Clean Air Zone;

Capital Programme

- 4) Note updates to spending profiles across financial years (paragraph 5.1.1);
- 5) Note the new schemes added to the Capital Programme under delegated authority for 2019/20 (paragraph 5.1.3);
- 6) Note the latest capital expenditure position as at 30 September 2019 to date of £7.397m (paragraph 5.2.2) with the latest full year forecast being £26.107m (paragraph 5.3.1);
- 7) Note explanations of variances to project budgets (paragraph 5.3.2);

Agenda Item 9

- 8) Note the capital programme outputs to the end of September (section 5.4); and,
- 9) Note 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 (section 5.6).

Reasons for the Recommendation(s):

To ensure Cabinet are informed of the forecast outturn position for the 2019/2020 Revenue Budget as at the end of September 2019, including delivery of agreed savings, and to provide an updated forecast of the outturn position with regard to the collection of Council Tax and Business Rates.

To keep members informed of the progress of the Capital Programme against the profiled budget for 2019/20 and agreed allocations for future years.

To progress any changes that are required in order to maintain a relevant and accurate budget profile necessary for effective monitoring of the Capital Programme.

To approve any updates to funding resources so that they can be applied to capital schemes in the delivery of the Council's overall capital strategy.

In March 2017 Council approved a three-year budget plan to March 2020. The final year of this plan was revised in February 2019 as part of the process of setting the 2019/20 budget. The Council is in the final year of the budget plan and remains confident its strategic approach to budget planning alongside good financial management and extensive community engagement means that the plan continues to develop on solid foundations; it 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 significantly exceeding the budget. If further budget pressures are identified between now and the end of the year additional remedial action will be required to bring the overall budget into balance.

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

N/A

What will it cost and how will it be financed?

(A) Revenue Costs

The report indicates that for 2019/20 there is currently a forecast deficit of £2.959m. Mitigating measures have been identified in order to meet this deficit (excluding a forecast overspend on Housing Benefits which will be considered at outturn if this materialises) and are detailed within the report.

(B) Capital Costs

The Council's capital budget in 2019/20 is £25.430m. As at the end of September 2019, expenditure of £7.397m has been incurred and a full year outturn of £26.107m is currently forecast.

Implications of the Proposals:

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

Resource Implications (Financial, IT, Staffing and Assets): There is currently a budget shortfall of £2.959m forecast for 2019/20 and as previously reported, mitigating actions have been identified in order to address this (with the exception of a forecast overspend on Housing Benefits which will be considered at outturn if the position doesn't improve). However, it should be noted that significant pressure and risk remains in four key business areas, namely Adults and Children's Social Care, Education Excellence and Locality Services. These budgets may experience further demand pressure between now and the end of the year and further mitigations and remedial actions will be required in such an eventuality.
Legal Implications: None
Equality Implications: None

Contribution to the Council's Core Purpose:

Effective Financial Management and the development and delivery of sustainable annual budgets support each theme of the Councils Core Purpose.

<u>Protect the most vulnerable:</u> See comment above
<u>Facilitate confident and resilient communities:</u> See comment above
<u>Commission, broker and provide core services:</u> See comment above
<u>Place – leadership and influencer:</u> See comment above
<u>Drivers of change and reform:</u> See comment above
<u>Facilitate sustainable economic prosperity:</u> See comment above
<u>Greater income for social investment:</u> See comment above
<u>Cleaner Greener:</u> See comment above

What consultations have taken place on the proposals and when?

Agenda Item 9

(A) Internal Consultations

The Head of Corporate Resources is the author of the report (FD 5829/19)

The Chief Legal and Democratic Officer has been consulted and has no comments on the report (LD 4063/19).

(B) External Consultations

N/A

Implementation Date for the Decision

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

Contact Officer:	Paul Reilly
Telephone Number:	Tel: 0151 934 4106
Email Address:	paul.reilly@sefton.gov.uk

Appendices:

APPENDIX A – Capital Programme 2019/20 to 2021/22

Background Papers:

There are no background papers available for inspection.

- 1.1 In March 2017, Council approved a three-year budget plan to March 2020. The final year of this plan was revised in February 2019 as part of the process of the Council setting the 2019/20 budget. This report updates the forecast revenue outturn position for 2019/20, including the delivery of savings included in the 2019/20 budget.
- 1.2 The report also outlines the current position regarding key income streams for the Authority, namely Council Tax and Business Rates. Variations against expected receipts in these two areas will also affect the Council's financial position in future years.
- 1.3 The capital section of the report informs members of the latest estimate of capital expenditure for 2019/20 and updates forecast expenditure for 2020/21, 2021/22 and future years. The capital budget to date is presented in section 5.1. Sections 5.2 and 5.3, and section 5.6 confirms that there are adequate levels of resources available to finance the capital programme.

2. Summary of the Forecast Outturn Position as at the end of September 2019

- 1.0 Members will be provided with updates of the Council's forecast financial position each month during this financial year. Significant pressures have been identified in several service areas, particularly Children's Social Care, Locality Services and Home to School Transport. The latest forecast of service expenditure indicates an overspend of £2.959m. The table below highlights the variations:

	Budget	Forecast Outturn	Variance	Previously Reported Position	Movement since last month
	£m	£m	£m	£m	£m
Services					
Strategic Management	3.187	3.144	-0.043	-0.057	0.014
Strategic Support Unit	2.709	2.709	0.000	-0.003	0.003
Adult Social Care	96.765	96.765	0.000	0.000	0.000
Children's Social Care	33.356	34.654	1.298	1.298	0.000
Communities	19.518	19.657	0.139	0.000	0.139
Corporate Resources	4.858	4,758	-0.100	-0.099	-0.001
Economic Growth & Housing	6.041	6.005	-0.036	-0.046	0.010
Education Excellence	9.859	10.041	0.182	0.259	-0.077
Health & Wellbeing	18.060	17.960	-0.100	-0.070	-0.030
Highways & Public Protection	11.133	11.133	0.000	0.000	0.000
Locality Services	13.809	13.809	0.000	0.000	0.000
Total Service Net Expenditure	219.295	220.635	1.340	1.282	0.058

Agenda Item 9

Provision relating to 2018/19 Service Pressures	0.000	0.000	0.000	0.000	0.000
Budget Pressure Fund	1.000	1.000	0.000	0.000	0.000
Public Sector Reform Savings not allocated to services (see para 2.3)	(0.950)	0.000	0.950	0.950	0.000
Council Wide Budgets	6.617	7.286	0.669	0.431	0.238
Levies	34.156	34.156	0.000	0.000	0.000
General Government Grants	(40.979)	(40.979)	0.000	0.000	0.000
Total Net Expenditure	219.139	222.098			
Forecast Year-End Deficit			2.959	2.663	0.296

1.1 The key forecast variations in the outturn position, including any significant variations from the August position, are as follows: -

- **Children's Social Care (£1.298m net overspend)** – The Placement and Packages budget overspent by £5.612m in 2018/19. The equivalent forecast overspend in 2019/20 is currently £6.398m due to the increase in Looked After Children since the end of 2018/19, from 525 to 544, and the full year impact of new cases from 2018/19. However, an allocation of £4.900m from the *Provision relating to 2018/19 Service Pressures* has reduced the forecast overspend to £1.498m. This is an increase of £0.307m compared to July due to six new placements occurring in the month, which along with the payment of some backdated invoices, increases the forecast outturn by approximately £0.400m. However, some invoices are due to be raised to the CCG's to reduce this.

There are net underspends across other areas of the service totalling £0.252m.

The cost of Placements and Packages is the largest risk to the Council's budget position and it is expected that the position will change. The Council is looking at developing a range of options to address the inherent demand and costs of Looked After Children whilst supporting our most vulnerable residents.

- **Education Excellence (£0.182m overspend)** - Home to School transport external provision has a projected overspend of £2.061m. This budget overspent by £1.817m in 2018/19 but is forecast to overspend by a further £0.244m due to the full year effect of the increased costs of new external transport contracts, this position has reduced by £0.081m since the August position. However, an allocation of £1.800m from the *Provision relating to 2018/19 Service Pressures* has reduced the forecast overspend to £0.261m. In addition, there are net underspends across other areas of the service totalling £0.079m.
- **Highways and Public Protection (£0.141m overspend before mitigating actions)** – There is a shortfall on car parking income (£0.124m) due to poorer weather in the first quarter compared to 2018/19. The approved saving from negotiating extensions to highways maintenance contracts has not realised the amount anticipated (£0.399m shortfall). This has been mitigated by re-aligning

Highway Maintenance budgets for 2019/20. The service will hold vacancies and reduce the Highway Maintenance and Highway Management Programmes as required to mitigate the forecast overspend and ensure the forecast outturn is within the service budget.

- **Locality Services (£0.275m overspend before mitigating actions)** – The service pressures experienced in 2018/19 have continued into 2019/20.
 - Security Service (£0.230m overspend) – The forecast deficit is a reflection of an under recovery of income to support the cost base. The forecast deficit has improved since 2018/19 (from £0.486m overspend) due to additional internal works being undertaken by the service. Despite this improvement in income, the certainty of future income is not assured although efforts are being made to secure new contracts.
 - Green Sefton (£0.073m overspend)- The service was expected to achieve savings of £0.330m in 2019/20. Plans to increase income within the Golf courses will not be achieved in the current year as improvements to the courses to encourage customers are not expected until 2020/21.
 - These overspends have been reduced by a net underspend of £0.028m elsewhere within the service.

Mitigating actions have been identified which will bring the forecast outturn within the service budget. These include generating additional income through increased use of assistive technology and external security services as well as temporarily reducing expenditure on supplies and services.

- **Public Sector Reform Savings not allocated to services (£0.950m overspend)** – see paragraph 2.3 below.
- **Council Wide Budgets (£0.669m)** – the increase in pay budgets due to pay awards and pension increases, after allowing for fees and charges increases for traded services, is £0.403m greater than the provision built into the 2019/20 budget. In addition, Housing Benefits is forecast to overspend by £0.248m due to reductions in subsidy relating to certain types of expenditure. However, this budget is difficult to forecast given the complexities of the subsidy claim and as such there is extreme volatility in this budget with the final position not being able to be predicted until year end.

Savings Delivery

- 1.2 The 2019/20 Budget included £9.803m of savings from Public Sector Reform (PSR) projects. Current forecasts are that £8.853m of savings will be deliverable in the year (90%). An analysis of the overall savings for 2019/20 are shown in the summary below:

	Total	Forecast -	Forecast
--	-------	------------	----------

Agenda Item 9

	Saving 2019/20	Achieved In 2019/20	– Not Achieved 2019/20
	£m	£m	£m
PSR1 - Acute Wrap Around	0.230	0.000	0.230
PSR2 – Locality Teams	4.408	4.408	0.000
PSR4 - All Age Pathway	0.089	0.089	0.000
PSR6 - Commercialisation	0.405	0.405	0.000
PSR8 – Asset Maximisation	0.512	0.512	0.000
PSR9 – ICT & Digital Inclusion	3.439	3.439	0.000
PSR10 - Commissioning	0.720	0.000	0.720
Total PSR Projects	9.803	8.853	0.950

- 1.3 The shortfall on the achievement of savings shown in the table is included in the forecast outturn position shown in paragraph 2.1.
- 1.4 In addition, service budget options of £2.269m were approved for 2019/20. These have been built into service budgets and any shortfall in achievement of these savings is included in the forecast outturn position for each service.

Measures to close the residual gap in 2019/20

- 1.5 The forecast budget deficit as at September 2019 is **£2.959m**. This reflects the risks that were inherent in the Council's financial position, particularly around demand for Children's Social Care and other demand led services. Major Services Reviews have commenced for Adult Social Care, Children's Social Care, Education Excellence and Locality Services with a view to reduce this budget pressure where possible.
- 1.6 The budget for 2019/20 includes a Budget Pressures Fund of £1.000m. Council gave delegated authority to the Chief Executive and the Head of Corporate Resources, in conjunction with the Leader of the Council, to allocate this Fund. Cabinet, at their meeting on 3rd October 2019, have noted the allocation of £0.913m to support the budget pressure identified and balance the forecast outturn position. However, as noted above the position has worsened in September and it is assumed that the remaining **£0.087m** can be used to contribute to the Council's overall position.
- 1.7 The net forecast outturn position for 2019/20 is therefore:

	£m
Forecast Year-End Deficit (Paragraph 2.1)	2.959
Business Rates Reserve increase (previously noted by Cabinet on 5 September 2019)	-1.750
Budget Pressures Fund	-0.913
Forecast Year-End Deficit	0.209

- 1.8 As mentioned in paragraph 2.2, the forecast outturn position includes an overspend of £0.248m relating to Housing Benefits. This budget is difficult to forecast given the complexities of the Subsidy claim. The position will be monitored during the remainder of the year with any overspend at the end of the year considered as part of the Council's overall outturn position.
- 1.9 Whilst the above table shows a balanced forecast outturn position (excluding the Housing Benefits forecast), there are risks still inherent in the position, particularly relating to Looked After Children, meaning the position may worsen during the year. Should a deficit be forecast then further mitigating actions will need to be presented, including not filling vacant posts, a freeze on all but essential expenditure and any other appropriate measure to ensure a balanced forecast outturn position can be achieved.
- 1.10 An assessment will need to be made on the potential impact on the budget for 2020/21. The Business Rates Reserve usage is a one-off item and the Budget Pressures Fund will need to be retained in 2020/2021. The report on the Medium Term Financial Plan 2021/22 to 2022/23, considered elsewhere on the agenda, assumes that £1.850m will be needed in 2020/21 to fund the ongoing pressures from the 2019/20 budget.

Sefton Clean Air Zone

- 1.11 Elsewhere on this agenda there is a proposal to develop an Outline Business Case for a Sefton Clean Air Zone. It is estimated that this will cost £0.530m, with £0.100m being required in the current year. A comprehensive review of reserves and balances has commenced (the final outcome will be reported to Cabinet in December 2019) and from this first phase it has been identified that reserves would be available in order to fund this work. Cabinet are therefore requested to approve a Supplementary Revenue Estimate funded from Earmarked Reserves as detailed.

2 Council Tax Income – Update

- 3.1 Council Tax income is shared between the billing authority (Sefton Council) and the three major precepting authorities (the Fire and Rescue Authority, the Police and Crime Commissioner and the Combined Authority – Mayoral Precept) pro-rata to their demand on the Collection Fund. The Council's Budget included a Council Tax Requirement of £133.099m for 2019/20 (including Parish Precepts), which represents 84.1% of the net Council Tax income of £158.306m.
- 3.2 The forecast outturn for the Council at the end of September 2019 is a deficit of +£0.111m. This variation is primarily due to: -
- The surplus on the fund at the end of 2018/19 being lower than estimated (+£0.151m);
 - Gross Council Tax Charges in 2019/20 being higher than estimated (-£0.208m);
 - Exemptions and Discounts (including a forecasting adjustment) being higher than estimated (+£0.168m).

Agenda Item 9

- 3.3 Due to Collection Fund regulations, the Council Tax deficit will not be transferred to the General Fund in 2019/20 but will be carried forward to be recovered in future years.
- 3.4 A forecast surplus of £1.160m was declared on the 15 January 2019 of which Sefton's share is £0.996m (85.8%). This is the amount that will be distributed from the Collection Fund in 2019/20. Any additional surplus or deficit will be distributed in 2020/21.

4 Business Rates Income – Update

- 4.1 Since 1 April 2017, Business Rates income has been shared between the Council (99%) and the Fire and Rescue Authority (1%). The Council's Budget included retained Business Rates income of £64.739m for 2019/20, which represents 99% of the net Business Rates income of £65.393m. Business Rates income has historically been very volatile making it difficult to forecast accurately.
- 4.2 The forecast outturn for the Council at the end of September 2019 is a surplus of -£0.798m on Business Rates income. This is due to:
- The surplus on the fund at the end of 2018/19 being higher than estimated (-£0.092m);
 - Increase in the gross charge on rateable properties (-£0.455m)
 - Other reliefs (including a forecasting adjustment) being lower than estimated in 2019/20 (-£0.251m).
- 4.3 Due to Collection Fund regulations, the Business Rates surplus will not be transferred to the General Fund in 2019/20 but will be carried forward to be distributed in future years. However, £0.261m of the surplus forecast in paragraph 4.2 will be required to offset the shortfall in Section 31 grants due to certain reliefs being lower than estimated in 2019/20.
- 4.4 A forecast surplus of £1.768m was declared in January 2019. Sefton's share of this is -£1.750m which is made up of an amount brought forward from 2017/18 (-£2.169m) and the impact of variations in 2018/19 (+£0.419m). This is the amount that will be distributed from the Collection Fund in 2019/20 and any additional surplus or deficit will be distributed in 2020/21.

5 Capital Programme 2019/20 – 2021/22 & Future Years

5.1 Capital Budget

1.1.1. The Capital Budget and profile of expenditure for the three years 2019/20 to 2021/22 is:

2019/20	£25.430m
2020/21	£10.630m
2021/22	£0.730m

1.1.2. Amendments to the 2019/20 capital budget have been made in September due to re-phasing of schemes between 2019/20 and future years as follows:

- Adult Social Care wider programme realigned to future years (£0.544m)
- Public Sector Reform (£0.112m from 2019/20 to 2020/21)
- A565 Northern Key Corridor (£0.023m from 2020/21 to 2019/20).

1.1.3. The following new Section 106 funded schemes have been added to the programme in September:

- Rainbow Park Improvement Works (£0.026m)
- Linacre Ward Mobile CCTV (£0.018m).

1.1.4. Several historic Section 106 schemes have been withdrawn from the programme (£0.357m) following notification from Members that the funds will be used for other identified priorities.

1.2. **Budget Monitoring Position to September 2019**

1.2.1. The current position of expenditure against the budget profile to the end of September 2019 is shown in the table below. It should be noted that budgets are profiled over the financial year which skews expenditure to the final three quarters of the financial year.

1.2.2. As would be expected Education Excellence carries out most of its capital works during key school's holiday periods such as the summer recess, whilst Highways and Public Protection completes most of its programmed works during quarters 2 and 3. The Adult Social Care expenditure excluding core Disabled Facilities Grant (DFG) expenditure is also profiled to quarters 3 and 4.

Service Area	Budget to Sep-19	Actual Expenditure to Sep-19	Variance to Sep-19
	£m	£m	£m
Adult Social Care	1.433	1.203	-0.230
Communities	0.075	0.072	-0.003
Corporate Resources	0.201	0.160	-0.041
Economic Growth & Housing	0.049	0.058	0.009
Education Excellence	1.579	1.520	-0.059
Highways & Public Protection	4.043	3.740	-0.303

Agenda Item 9

Locality Services	0.495	0.644	0.149
Total Programme	7.875	7.397	-0.478

1.2.3. Analysis of significant spend variations over (+) / under (-) budget profile:

Adult Social Care

Scheme	Variation	Reason	Action Plan
Disabled Facilities Grant	-£182,398	Underspend due to reduced occupational therapist resource available to assess claims.	Occupational therapist resource is now in place which will reduce the underspend and ensure the grant is utilised effectively.

Corporate Resources

Scheme	Variation	Reason	Action Plan
Bootle Town Hall - Fire Door Statutory Compliance	-£32,476	Delays due to the contractor not completing work as required. The contractor has now been discharged.	A listed building specialist is actively being sought to continue the work.

Education Excellence

Scheme	Variation	Reason	Action Plan
Healthy Pupils Fund	-£39,358	Three school's schemes due to commence in September have been delayed due to difficulty in finding a suitable contractor.	The schools will work to locate contractors to complete the required works before the end of the financial year.

Highways & Public Protection

Scheme	Variation	Reason	Action Plan
M58 J1 Improvements	-£80,524	Works on site and proceeding as planned but the cost schedule needs to be reviewed.	The cost profile will be reviewed and updated in October.
Street Lighting	-£62,917	September invoice has been delayed. All planned work has now been committed for completion by year end.	The outstanding invoice will be settled in October.

Maintenance	-£111,836	Outstanding balances from the previous financial year.	Balance is reducing. Contractors will continue to be chased up to clear outstanding amounts.
--------------------	------------------	--	--

Locality Services

Scheme	Variation	Reason	Action Plan
CERMS	£107,608	Work is progressing on these projects as planned but invoices have been paid earlier than anticipated. No overspend is forecast against total budget allocation.	Budget profile will be reviewed and will liaise with contractor about timing of payments. Some work is weather dependent and hence timing issues with profile.
The Pool and Nile Watercourses	£12,340	Compensation events have occurred on the contract due to delays in modelling work with United Utilities.	Project contingency is sufficient to cover the extra cost so no overspend anticipated.
Crosby Flood and Coastal Scheme	£30,665	Additional staffing costs have been incurred by the scheme.	Outline business case is due for completion by the end of October. Total scheme costs will be reviewed at this stage.
Surface Water Management Plan	-£23,946	Delays in obtaining the required data for the project.	Data has now been obtained and consultants have completed work. No further action needed.

1.2.4. In the August report a number of schemes that reported variances to budget contained action plans to address the variance. Progress on these is as follows:

Education Excellence

Scheme	Variation	Action Plan	Progress to date
Linacre Primary – Classroom Refurb	£50,765	The projects will be completed as planned with no additional funding required.	The budget profiles have been updated to align with the new schedule. No additional funding is required.
Lydiate Primary – General Refurb	£19,414		
Linaker Primary – Additional Classroom	-£20,000	The scheme has now completed and all accounts will be settled with the contractor.	Final account payments are being processed.

Agenda Item 9

Netherton Moss Primary – Rewire	-£30,081	Work has now caught up over the summer. Payments will be completed in September.	This scheme is now complete
St Luke’s Primary – Resource Hall	-£20,000	Work has now caught up over the summer. Payments will be completed in September.	The budget profiles have been updated to align with a new schedule of payments.

Highways & Public Protection

Scheme	Variation	Action Plan	Progress to Date
Dib Lane Improvements	-£46,666	The contractor could not schedule in the required work when needed. Will look to engage an alternative contractor to complete on schedule.	Quotes for work from alternate contractor will cost an additional £40,000 compared to the budget. Options are being explored to reduce costs through project redesign or identify additional resources from efficiencies in other schemes.
A565 Altcar Road Signals	£50,176	Expenditure to be transferred to the Accessibility budget.	Transfer of expenditure is now complete.
A59 Maghull Route Management	£274,436	Budget profile will be revised.	Budget profile has been revised to take account of the front loading of spend and a revised work schedule.
Highway Maintenance	£146,525	Expenditure will not exceed budget as work will only continue until funding is exhausted.	Budget profile has been amended to take account of a revised work schedule.

1.3. Capital Programme Forecast Outturn 2019/20

1.3.1. The current forecast of expenditure against the budget profile to the end of 2019/20 and the profile of budgets for future years is shown in the table below:

Service Area	Full Year Budget 2019/20	Forecast Out-turn	Variance to Budget	Full Year Budget 2020/21	Full Year Budget 2021/22
	£m	£m	£m	£m	£m
Adult Social Care	4.218	4.216	-0.002	0.000	0.000
Communities	0.269	0.263	-0.006	0.314	0.000
Corporate Resources	1.179	1.179	0.000	0.212	0.000

Economic Growth & Housing	0.338	0.338	0.000	0.127	0.000
Education Excellence	3.519	3.516	-0.003	8.559	0.191
Highways & Public Protection	13.267	13.955	0.688	0.155	0.000
Locality Services	2.640	2.640	0.000	1.262	0.539
Total Programme	25.430	26.107	0.677	10.630	0.730

A full list of the capital programme by capital scheme is at **appendix A**.

1.3.2. Analysis of significant spend variations over budget profile in 2019/20:

Highways & Public Protection

Scheme	Variation	Reason	Action Plan
M58 Junction 1 Improvements	£688,540	Delays to the project due to longer than anticipated time to secure the land. Contractual payments had to be made to the contractor in the interim. Additional redesign costs have also been incurred. The total forecast overspend is £780k over 2019/20 and 2020/21.	Additional funding will be requested from the CA project management office. If this is unsuccessful, the transport programme will be reviewed to identify resources that can be redirected to the M58 scheme.

1.4. Capital Programme Outputs

1.4.1. The Council has spent £7.397m on its Capital Programme to the end of September 2019. The paragraphs below summarise the key areas of delivery to date:

Adult Social Care – Disabled Facilities Grant Core Programme

1.4.2. From 1st April to 30th September there were 161 referrals made by Occupational Therapists and of these 122 had costs approved. During the same period 124 adaptations were completed on behalf of clients including items such as stair lifts, vertical lifts, bathroom adaptations, extensions and hoists.

Education Excellence

1.4.3. **Healthy Pupils Capital Fund** – Work has been completed on projects at six schools to improve young people’s physical and mental health. The new facilities added were: an artificial play area, Early Years outdoor space, Daily Mile track, climbing frames, kitchen alterations and a storytelling area. Further work is scheduled to create a number of garden areas later in the year.

1.4.4. **Schools Programme** – The main outputs are as follows:

- Completion of one form entry classroom at Linaker Primary
- Partial completion of toilet facilities extension at Forefield Infants
- Partial completion of classroom refurbishment at Linacre Primary and remodelling at Great Crosby

Agenda Item 9

- Completion of improvements to school access at Hatton Hill Primary
- Phased replacement of electrical wiring systems at Redgate Primary and Netherton Moss Primary
- Phased replacement of the heating system at Hudson Primary
- Various repairs to building fabric, boundary walls and security fencing across six sites
- Various inspections relating to statutory compliance activities in school buildings.

1.4.5. **Special Educational Needs and Disabilities (SEND)** – The following has been accomplished in support of SEND provision:

- Enabling works are underway at Crosby High School to complete Phase 1 of the accessibility scheme
- Alterations to the former Sand Dunes Nursery and Waterloo Primary have been completed to provide new facilities and improved accessibility
- The design process is underway for a new classroom for children with complex needs at Rowan Park
- A complex needs base has been completed at a Redgate Primary to create additional specialist places.

Highways and Public Protection

1.4.6. Works commenced on the construction of the new slip roads at junction 1 of the M58. The site compound and new farm access track have been established, earthworks commenced and works completed overnight on the M58 to facilitate future tie ins. The project is now in week 20 of 42 with completion scheduled for March 2020.

1.4.7. The Contractor has also made progress on the delivery of the first section of the new Kirkby-Maghull cycle track. Progress has been made with the deals with the various landowners and planning permission has been secured.

1.4.8. Works have progressed on the North Liverpool Key Corridor scheme with the works at the junction of Derby Road and Millers Bridge now completed, equipment relocated and accommodating works undertaken on Derby Road.

1.4.9. The delivery of the improvements to the junction of Buckley Hill with Edge Lane has progressed, although some delay has been encountered as a result of statutory undertaker's diversion works taking much longer than anticipated.

1.4.10. Some initial work on statutory diversion works have commenced at the junction of the A59 with Dover Road in Maghull. The design of the main junction improvement works has been completed, the works tendered and a contractor appointed.

1.4.11. Design work has progressed on a number of projects. These include:

- Crosby Centre Access Improvements
- Southport East-West Cycle Links (including Coastal Road scheme)
- Great George's Road Improvements (including Crosby Marine Park scheme).

- 1.4.12. Bids to the Combined Authority to secure funding from the Feasibility fund have been successful to allow the further development of Business Cases for the Maritime Corridor and Southport Eastern Approaches schemes.
- 1.4.13. Maintenance works have been completed to Marine Parade Bridge, including the testing of the cables.
- 1.4.14. The street lighting maintenance programme has replaced 45 lighting columns to date.
- 1.4.15. Work has been completed on 37,876m² of carriageway resurfacing and 76,056m² of micro-resurfacing treatments.

Locality Services – Green Sefton

- 1.4.16. **Pool Project, Southport** – Progress has been made by the consultant and they have developed a short list of options to alleviate flooding in Churchtown. Working with United utilities and the Environment Agency, we are looking into the feasibility of the preferred option and securing funding to undertake the works.
- 1.4.17. **Crosby Coast protection and Flood Alleviation Scheme** – Work is progressing on reviewing options to seek a preferred option and secure funding to undertake the works. The public consultation on the outline designs and principles is included in the wider Crosby Seafront Consultation that runs to the end of September.
- 1.4.18. **Fouracres Project, Maghull** – Work is continuing to find a viable option as the work the consultant did on developing options came back with no viable options. We are now working closely with United Utilities to seek alternative methods of slowing the flow further up the system.
- 1.4.19. **Surface Water Management Plan Level 2** – JBA consultants have been appointed to undertake a detailed option exercise in three key flood risk areas in Sefton, Maghull, Formby and Seaforth & Litherland. This project will identify, assess and develop outline business cases for a range of measures to reduce flood risk in the areas.
- 1.4.20. **Regional Coastal Monitoring Programme** – Work has been ongoing delivering the programme. Bathymetric surveys have been completed and data has been processed. A tender was awarded for land-based remote sensing systems that can operate around the clock and collect data in all conditions and locations are being identified to install them.
- 1.4.21. **The Gormleys** – Work on replacing the foundation piles on the Gormley statues has commenced and is due to finish on the 31st October.
- 1.4.22. A further update of key outputs will be included in the capital out-turn report for 2019/20.

Agenda Item 9

1.5. Special Educational Needs and Disabilities (SEND)

- 1.5.1. Sefton has made a bid to the Department for Education in order to draw down SEND capital grant funding in 2019/20 of £0.849m. This funding has been matched by £0.301m from the balance of existing school's allocations.
- 1.5.2. The Department for Education (DfE) has now released £0.682m of the funds to Sefton in September having been satisfied that the plans have met the funding requirements. The final tranche of £0.167m will be claimed in March 2020 following a further update to the DfE.
- 1.5.3. Work on SEND capital schemes is progressing as per the update provided in paragraph 5.4.5 (above).

1.6. Programme Funding

- 1.6.1. The table below shows a how the capital programme will be funding in 2019/20:

SOURCE	£m
Grants	22.339
Contributions (incl. Section 106)	1.278
Capital Receipts	0.271
Prudential Borrowing	1.542
Total Programme Funding	25.430

- 1.6.2. The programme is reviewed on an ongoing basis to confirm the capital resources required to finance capital expenditure are in place, the future years programme is fully funded and the level of prudential borrowing remains affordable subject to the issue raised in paragraph 5.3.2.
- 1.6.3. The Head of Corporate Resources will continue to manage the financing of the programme to ensure the final capital funding arrangements secure the maximum financial benefit to the Council.

APPENDIX A – Capital Programme 2019/20 to 2021/22

Capital Project	Budget		
	2019/20 £	2020/21 £	2021/22 £
Adult Social Care			
Adult Social Care IT Infrastructure	44,020	-	-
South Hub	11,257	-	-
Primary Care Integration	39,500	-	-
Core DFG Programme	2,200,000	-	-
Wider Social Care Programme	1,923,000	-	-
Communities			
Atkinson Studio Stage	11,929	-	-
Dunes All Weather Pitches - Invest to Save	13,083	-	-
Crosby Lakeside Adventure Centre Water Sports	75,157	-	-
Formby Library Improvements	-	6,620	-
Libraries - Centres of Excellence	80,000	265,237	-
Bootle Library	-	42,372	-
S106 - Rainbow Park Improvement Works	26,211		
S106 - Litherland Ward - Caged Tipper	44,640	-	-
S106 - Linacre Ward - Mobile CCTV	18,000		
Corporate Resources			
Corporate Maintenance	113,022	-	-
STCC Essential Maintenance	219,718	-	-
St John Stone Site – Infrastructure Works	623,210	-	-
Magdalen House Alterations	61,587	83,392	-
Meadows Community Base	3,645	2,683	-
Aintree Community Base	5,815	1,968	-
NAC Community Base	2,511	18,499	-
Southport Town Hall Community Base	26,477	5,373	-
Family Wellbeing Centres	122,816	100,000	-
Economic Growth & Housing			
Marian Square, Netherton CCTV	-	40,405	-
REECH Project	37,162	-	-
Southport Commerce Park - 3rd Phase Development	13,173	-	-
Housing Investment (HMRI)	34,800	56,980	-
Southport Pier Project	252,528	29,675	-
Education Excellence			
Healthy Pupils Fund	178,000	-	-
Schools Programme	2,534,552	3,504,433	190,569
Planned Maintenance	655,203	4,000,000	-

Agenda Item 9

	2019/20 £	2020/21 £	2021/22 £
Special Educational Needs & Disabilities	151,850	1,054,650	-
Highways and Public Protection			
Accessibility	265,000	-	-
Completing Schemes/Retentions	32,250	-	-
Healthy Lifestyles	1,590,000	-	-
Road Safety	120,000	-	-
A565 Route Management and Parking	710,000	-	-
Strategic Planning	523,990	-	-
Traffic Management and Parking	2,417,500	-	-
Highway Maintenance	2,039,446	-	-
Bridges & Structures	243,110	-	-
Drainage	225,000	-	-
Street Lighting Maintenance	300,000	-	-
UTC Maintenance	100,000	-	-
Major Transport Schemes	4,700,589	154,836	-
Locality Services			
Thornton Garden of Rest Improvements	3,692	-	-
Burials & Cremation Insourcing - Vehicles & Equipment	-	200,000	-
Formby Strategic Flood Risk Management Programme	-	44,141	-
Merseyside Groundwater Study	20,000	11,508	-
Four Acres Multi Agency Flood Options	3,352	-	-
CERMS	658,892	410,274	-
Natural Flood Risk Management	10,000	-	-
The Pool & Nile Watercourses	58,602	-	-
Crosby Flood & Coastal Scheme	358,947	306,190	500,000
Seaforth & Litherland Strategic Flood Risk	-	30,000	-
Hall Road & Alt Training Bank - Rock Armour	50,000	-	-
Ainsdale & Birkdale Land Drainage Scheme	30,000	-	-
Surface Water Management Plan	170,000	-	-
Parks Schemes	91,523	221,065	-
Tree Planting Programme	54,300	39,174	38,600
Vehicle Replacement Programme	1,130,614	-	-
TOTAL PROGRAMME	25,429,673	10,629,475	729,169

Report to:	Cabinet	Date of Meeting:	7 November 2019
Subject:	Revenue and Capital Budget Update – Medium Term Financial Plan 2020/21 to 2022/23		
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:

To inform **Cabinet** of: -

- 1) The latest position with regard to Government funding announcements for 2020/21;
- 2) The update to the Medium Term Financial Plan (MTFP) for 2020/21 to 2022/23 taking account of all currently available information; and,
- 3) The funding issues being faced by High Needs and Secondary Schools.

Recommendation(s):

Cabinet is recommended to: -

- 1) Approve the updated Medium Term Financial Plan for 2020/21 to 2022/23 and any assumptions made;
- 2) Note the funding pressures being faced by the Council within High Needs and Secondary Schools and the actions being taken to address these;
- 3) Note the Council's position in relation to its financial resilience; and,
- 4) Approve a full review of reserves and balances, the outcome of which will be reported to Cabinet in December 2019.

Reasons for the Recommendation(s):

In March 2017 Council approved a three-year budget plan to March 2020. The final year of this plan was revised in February 2019 as part of the process of setting the 2019/20 budget. As part of this report, an indicative budget gap of £45m for 2020/21 to 2022/23 was reported. The MTFP for this period has subsequently been updated to reflect the latest information available. In approving the recommendations laid out in this report, the Council will continue to ensure resources are well managed and reflect the key priorities of the residents of Sefton.

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

Agenda Item 10

N/A

What will it cost and how will it be financed?

(A) Revenue Costs

The report indicates that a total budget gap of £23.309m is currently forecast for the period 2020/21 to 2022/23, prior to decisions about Council Tax and budget savings being made.

(B) Capital Costs

N/A

Implications of the Proposals:

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

Resource Implications (Financial, IT, Staffing and Assets): None
Legal Implications: None
Equality Implications: None

Contribution to the Council's Core Purpose:

Effective Financial Management and the development and delivery of sustainable annual budgets support each theme of the Councils Core Purpose.

<u>Protect the most vulnerable:</u> See comment above
<u>Facilitate confident and resilient communities:</u> See comment above
<u>Commission, broker and provide core services:</u> See comment above
<u>Place – leadership and influencer:</u> See comment above
<u>Drivers of change and reform:</u> See comment above
<u>Facilitate sustainable economic prosperity:</u>

See comment above
<u>Greater income for social investment:</u> See comment above
<u>Cleaner Greener:</u> See comment above

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources is the author of the report (FD 5830/19)

The Chief Legal and Democratic Officer has been consulted and has no comments on the report (LD 4064/19).

(B) External Consultations

N/A

Implementation Date for the Decision

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

Contact Officer:	Paul Reilly
Telephone Number:	Tel: 0151 934 4106
Email Address:	paul.reilly@sefton.gov.uk

Appendices:

There are no appendices to this report

Background Papers:

There are no background papers available for inspection.

Agenda Item 10

1. Introduction

- 1.1 In March 2017, Council approved a three-year budget plan for the period 2017/18 to 2019/20. As would be expected, the final year of this plan was revised in February 2019 in order to inform the Council setting the 2019/20 budget. The forecast revenue outturn position for 2019/20, including the delivery of savings included in the 2019/20 budget, are being reported to Cabinet each month as a key element of effective financial management and ensuring that informed decision making can take place within such a severe financial environment.
- 1.2 The budget report presented to Cabinet on 14 February 2019 and Council on 28 February 2019 outlined that the Council would look to develop a further three-year Budget Plan covering 2020/21 to 2022/23. An initial estimate of the potential budget gap for the three-year period was £45m. However, the report indicated that this initial estimate could vary considerably given the high level of uncertainty, particularly around Government funding.
- 1.3 This report provides a further update on the Medium Term Financial Plan (MTFP) for 2020/21 to 2022/23. This takes account of the announcements made in the Spending Review 2019, published at the beginning of September 2019, as well as other issues / spending pressures facing the Council.

2 Initial Development of the Medium Term Financial Plan for 2020/21 and beyond

- 2.1 The Budget Report considered by Cabinet and Council in February 2019 indicated that an initial forecast of the budget gap for 2020/21 to 2022/23 was £45m. This was considered to be the Council's best estimate and included the following assumptions:
 - a) A reduction in general Government funding for the Council in line with 2019/20;
 - b) Reductions in some specific Government grants (Public Health Grant and New Homes Bonus Funding).
 - c) Resources to fund pay awards, increases in the pension future service rate, specific contracts and potential price increases from care providers.
 - d) No increases in costs relating to demand led services.
 - e) No increases in Council Tax.
- 2.2 The report indicated that the initial estimate of £45m could vary considerably given the high level of uncertainty, particularly around Government funding. 2019/20 was the final year of the Government's four-year fixed settlement period for local authorities, as well as the last year covered by the Spending Review period. This, coupled with the number of short term additional funding announcements over the past two years, meant that much was unknown regarding medium and long-term core funding from central government beyond 2019/20.
- 2.3 The Spending Review 2019, published on 4 September 2019, contained a number of announcements relating to local government (see Section 3). However, the Review only covered 2020/21 and a further Spending Review will be required in 2020 to cover future years. In addition, there were two significant changes to local government funding that were expected to be introduced from April 2020 relating to

a Fair Funding Review and the introduction of 75% Business Rates Retention for all local authorities which have not progressed as intended and as a result will not be in place for 2020/21. Based on government advice these will be developed for 2021/22 and beyond and will therefore have an impact on years two and three of this Medium Term Financial Plan. These are explained below:

Fair Funding Review:

- 2.4 The Government is currently undertaking a funding review to determine the means of allocating funding across local authorities. Funding allocations for local authorities, as determined in the local government finance settlement, are based on an assessment of local authorities' relative needs and resources. The methodology behind the relative needs assessment was introduced over ten years ago, and data used in the formulae has not been updated since the introduction of the 50% business rates retention system in 2013/14.
- 2.5 The Government wants to introduce a simpler and more transparent methodology reflecting a small number of cost drivers. One key cost driver, as previously, will be population. Sefton's relative population has declined compared to England as a whole since the methodology was last updated. Therefore, this element is likely to have a negative impact on the Council's overall funding position.
- 2.6 The Government has continued to consult with local authorities as well as be influenced by discussions within a number of joint working groups between the Ministry of Housing, Communities and Local Government and the Local Government Association. Sefton has, and will continue to, respond to any consultations to try to influence the final methodology.

Business Rates Retention:

- 2.7 Sefton's Business Rates baseline was last set in 2013/14. Sefton's retained rates income is forecast to be above its funding baseline for 2019/20, so the Council is expecting to achieve a gain from Business Rate retention. As part of the Liverpool City Region 100% Business Rates Pilot Agreement the Council has retained a 99% share of growth in Business Rates since April 2017.
- 2.8 As part of the Fair Funding Review, the Business Rates baseline will be re-assessed and changed. Therefore, the benefit of these gains is expected to be lost going forward.
- 2.9 Also, nationally the proportion of Business Rates retained by local authorities will increase from 50% to 75%. It is expected that pilot authorities will also move to 75% retention so a lower proportion (74%) of any future growth will be retained by the Council.
- 2.10 As stated these two changes, in addition to the comprehensive Spending Review, have now been deferred to April 2021 at the earliest. Whilst this will allow time for the remaining decisions over the design of the reforms to be made, it means more uncertainty about the future funding arrangements for the Council beyond 2020/21. In addition, the eagerly awaited publication of the Adult Social Care Green Paper, which was to be published "at the first opportunity in 2019" has still not materialised and there is no indication of when it will be, although this was referenced in the recent Queens Speech.

Agenda Item 10

- 2.11 This scenario means that medium term financial planning for the next three years is incredibly difficult and does not support sustainable financial management nor service planning. The 2019 Spending Review provides some guidance as to the funding that will be available in the next financial year, but due to the apparent one off nature of this funding (a number of large one off grants underpinning the Council's most critical services continue to be received as opposed to sustainable funding), no visibility or understanding of the changes that will come through the spending review, fair funding review or review of business rates retention and the significant political uncertainty and impact of Brexit on the nation's economy, developing a reasonable estimate of the Council's financial envelope for the latter two years of this MTFP isn't possible.
- 2.12 As previously referenced, the implications of this on the Council cannot be underestimated. The Council has an excellent record with regard to financial management over the last 10 years that has required it to meet a budget shortfall of £233m. This has been predicated on medium term financial planning and setting multi-year budgets that enable effective planning of service delivery and the inevitable transformation activity. The approach by central government to local government finances due to the national political agenda, Brexit and the lack of progress on key financial reforms leaves local government and Sefton in a vulnerable position as this medium-term planning is not possible.
- 2.13 This position is reflected in the Chancellor of the Exchequer stating publicly in September 2019 that a new 'economic decade' is now upon us and that services will be resourced appropriately on the back of a new fiscal agenda and set of rules. On face value this should be encouraging for local government with the end of the decade long austerity programme and the potential for real term increases to government funding being experienced. This view however is tempered by a number of commentators stating that the economic forecast under a range of scenarios, and taking into account Brexit, will result in less scope for investment in public services and the likelihood that further cuts to funding are inevitable. This together with the impact of a widely predicted General Election further increases the uncertainty.
- 2.14 As a result of these factors, it will be important that the Council continues to engage in the reforms of local government finance both individually and as part of the Liverpool City Region. This will help the assumptions in this MTFP to be continually refined over the next 12 months and inform the budget proposals that will come through between 2020/21 and 2022/23.

3 Government Funding Impact

- 3.1 The Spending Review 2019 made a number of announcements relating to the financing of local government in 2020/21. It should be noted that the impact of these on individual councils won't be known for certain until the Provisional Local Government Finance Settlement is published in December 2019. The announcements related to:

Social Care Grants

- 3.2 In 2019/20, the Government provided £410m of Social Care Grant funding which was distributed using the Adult Social Care Relative Needs Formula. Sefton's

allocation was £2.605m. In addition, the Government provided £240m through a Winter Pressures Grant, with Sefton receiving £1.525m. As outlined in paragraph 2.2, it was unknown whether these were just short term additional funding. The Spending Review confirmed that this funding would continue to be paid in 2020/21 (although the Winter Pressures Grant would be rolled into the Improved Better Care Fund).

- 3.3 The Spending Review announced that an additional £1,000m of Social Care Grant would be paid to local authorities in 2020/21. Of this, the Government proposes to distribute £850m using the Adult Social Care Relative Needs Formula, with the remaining £150m being distributed on a different basis aimed at providing more funding to those authorities with lower council tax bases who cannot raise as much through the Adult Social Care Precept. Sefton's allocation is estimated to be **£6.710m**.
- 3.4 In addition, local authorities will be given the power to raise Council Tax by a further 2% on top of the core principle as an Adult Social Care Precept. This could raise a further £500m nationally. This is discussed further in section 9.
- 3.5 Also, the NHS contribution to adult social care through the Better Care Fund will increase by 3.4 per cent in real terms. It is estimated that this will increase the contribution to Sefton by about **£0.600m**.

Public Health Grant

- 3.6 The Spending Review announced a real terms increase in the Public Health Grant. It is estimated that this will increase Sefton's grant by about **£0.550m**. It should be noted that Sefton's grant has reduced by nearly £3.6m since 2015/16.

New Homes Bonus

- 3.7 The Government will continue to make payments of New Homes Bonus in 2020/21. This will relate to legacy payments relating to allocations in the previous three years plus new one-off allocations for 2020/21. Sefton's legacy payments from previous years will reduce by **£0.750m** as our 2016/17 allocation drops out. It is currently assumed that Sefton will only receive an allocation in 2020/21 relating to affordable homes, in line with the last three years (**£0.040m**). Indications are that Sefton will achieve the current baseline for growth so may receive further New Homes Bonus in 2020/21 – however, the Government has indicated it may need to increase the baseline if allocations are higher than the funding available, which would mean additional grant would be unlikely.

Business Rate Retention - Levy Account Surplus

- 3.8 In 2019/20 the Government distributed £180m of the Levy Account surplus back to local authorities. Sefton's allocation was **£0.980m**. This was one-off funding that isn't being made available in 2020/21.

Housing Benefit / Council Tax Admin Subsidy

- 3.9 In recent years the amount of subsidy received by the Council to help fund the administration costs of Housing Benefits and the Council Tax Reduction Scheme has been reducing year on year. It is anticipated that this will continue in future years with an estimated reduction of **£0.100m** a year.

Agenda Item 10

Settlement Funding Assessment / Business Rates Baseline

- 3.10 The Settlement Funding Assessment / Business Rates Baseline should increase in line with the increase in the Business Rates multiplier. It is estimated that this will result in **£0.315m** of additional funding in 2020/21 (net of required increases in bad debt provisions) with a further increase of **£1.291m** in 2021/22.

Implications for 2021/22 and 2022/23

- 3.11 Given the outcome of the Spending Review 2019, and the central government narrative around a 'new economic decade', it is assumed that nationally there will be no reductions in local government funding in 2021/22 or 2022/23 as there is no further information to base this estimate on. As a result, it is therefore assumed that all grants will continue into future years. However, as mentioned in paragraphs 2.4 to 2.10, there are major reviews of the way local government is financed that could have a significant impact on the funding of the Council. Given Sefton's relative decline in population, even if the funding envelope for local government is maintained at current levels, the Council may see a reduction in funding of £9.000m. Whilst it would be hoped that protections are put in place, and the Local Government Association has called for no Council to see a reduction in funding, it is considered prudent to assume this **£9.000m** reduction will take place across the two years, however this estimate will inevitably change with the position potentially being much better or more adverse. This is the key estimate that will influence the funding available to the Council and as further information becomes available, Members will be updated immediately.

Schools and High Needs Funding

- 3.12 Nationally, the schools budget will rise by £2.6 billion in 2020/21, £4.8 billion in 2021/22 and £7.1 billion in 2022/23, compared to 2019/20 funding levels. Separate to this, each year the government will provide almost £1.5 billion of funding to compensate schools for the increased cost of employer pensions contributions.
- 3.13 In addition, the government announced over £700m more in 2020/21 compared to 2019/20 funding levels to support children and young people with special educational needs.
- 3.14 The funding of Sefton schools and High Needs are discussed further in sections 12 and 13.

4 Key MTFP Updated Assumptions

- 4.1 Within this MTFP, there are a number of key assumptions that will impact upon the funding gap facing the Council in the period 2020/21 to 2022/23 as well as a number of other budget changes. These are set out as follows:

Resources to fund pay awards, increases in the pension future service rate, specific contracts and potential price increases from care providers

- 4.2 In line with previous MTFPs, the Council makes provision for the estimated costs of annual increases in pay, pensions etc. Provisions for these items total **£6.500m** per year.

Levy Increases

- 4.3 The Council is required to pay levies to various bodies, the largest two of which are the Liverpool City Region Combined Authority (for Transport) and the Merseyside Recycling and Waste Authority. A provision has been included for the potential costs of increases in these levies in each of the three years (**£0.700m**). Sefton should receive notification of provisional figures for 2020/21 in December 2019.

Existing Service Budget Pressures

- 4.4 The current Budget Monitoring reports for 2019/20 are indicating significant ongoing budget pressures in two service areas:

- Children’s Social Care – current forecast of **£1.000m** relating to the costs of Looked After Children (excluding one-off costs in 2019/20).
- Education Excellence – current forecast of **£0.200m** relating to Home to School Transport.

In addition, the increase in pay budgets due to pay awards and pension increases, after allowing for fees and charges increases for traded services, is **£0.400m** greater than the provision built into the 2019/20 budget. The net surplus budget for Housing Benefits also needs to be reduced due to the reduction in the amounts paid by the Council and the associated loss of subsidy (**£0.250m**).

- 4.5 It is considered prudent to build these costs into the 2020/21 budget as these pressures will continue into future years.

Non-Delivery of 2019/20 Budget Savings

- 4.6 The 2019/20 Budget included £9.803m of savings from Public Sector Reform (PSR) projects. Current forecasts are that £8.853m of savings will be deliverable in the year (90%). An analysis of the overall savings for 2019/20 are shown in the summary below:

	Total Saving 2019/20	Forecast - Achieved In 2019/20	Forecast – Not Achieved 2019/20
	£m	£m	£m
PSR1 - Acute Wrap Around	0.230	0.000	0.230
PSR2 – Locality Teams	4.408	4.408	0.000
PSR4 - All Age Pathway	0.089	0.089	0.000
PSR6 - Commercialisation	0.405	0.405	0.000
PSR8 – Asset Maximisation	0.512	0.512	0.000
PSR9 – ICT & Digital Inclusion	3.439	3.439	0.000
PSR10 - Commissioning	0.720	0.000	0.720
Total PSR Projects	9.803	8.853	0.950

- PSR1 – Acute Wrap Around - as reported, the Children’s Social Care budget is under significant pressure – It is therefore not possible to achieve the savings on the Looked After Children budget. The Service is currently the subject to a Major Service Review.
- PSR10 – Commissioning - A number of reviews of procurement activity have not identified suitable opportunities to generate the savings assumed. Any

Agenda Item 10

future savings on procurement activity will be brought forward as savings options.

- 4.7 It is considered prudent to delete these savings from the 2020/21 budget as they will not be achieved in future years and these sums will need to be reflected in the next MTFP.

Other Changes

- 4.8 A number of other changes have been built into the MTFP for 2020/21, including the estimated additional costs of replacing part of the fleet of vehicles used for Cleansing and reflecting the increased net costs of holding elections following the cessation of a grant previously received to support the service.

5 Non-Recurring Savings

- 5.1 A number of savings built into the 2019/20 budget were only achievable for a limited period and so need to be removed from the budget going forward (**£4.379m** in total). These include:
- Treasury Management savings following the review of policy – reduction of £1.000m in 2020/21 with further reductions of £0.200m in 2021/22 and 2022/23.
 - Highways Maintenance – additional capitalisation of £1.283m.
 - Council Tax Surplus of £0.996m.

6 Updated MTFP 2020/21 to 2022/23

- 6.1 Based upon the revisions relating to Government funding and the updated MTFP assumptions it is now estimated that the funding shortfall between 2020/21 and 2022/23 will be **£31.103m**, before any Council Tax decisions are made and any additional service delivery options are considered. A detailed analysis is shown below:

	2020/21	2021/22	2022/23
	£'m	£'m	£'m
Government Funding:			
- Social Care Grant	-6.710	0.000	0.000
- NHS Contribution to BCF	-0.600	0.000	0.000
- Public Health Grant	-0.550	0.000	0.000
- New Homes Bonus	0.710	0.000	0.000
- Business Rate Retention - Levy Account Surplus	0.980	0.000	0.000
- Housing Benefit / Council Tax Admin Subsidy	0.100	0.100	0.100
- Settlement Funding Assessment / Business Rates Baseline	-0.315	-1.291	0.000
- General Government Funding	0.000	4.500	4.500
	-6.385	3.309	4.600
Key MTFP updated assumptions:			
- Provision for Pay Inflation	3.800	3.800	3.800
- Provision for Pension Increases	0.600	0.600	0.600
- Provision for Inflation on Contracts	0.100	0.100	0.100

- Assumed increase in Care Provider costs re. Adult Social Care	2.000	2.000	2.000
- Levy increases	0.700	0.700	0.700
- Existing service budget pressures	1.850	0.000	0.000
- Non-Delivery of 2019/20 budget savings	0.950	0.000	0.000
- Other Changes	0.800	0.000	0.000
	10.800	7.200	7.200
Non-Recurring Savings	3.979	0.200	0.200
Revised MTFP Funding Gap	8.394	10.709	12.000
Total MTFP Funding Gap			31.103

7 Potential Budget Options

7.1 A number of options have been identified that can be used to mitigate part of the MTFP Funding Gap:

2020 Local Government Pension Scheme Valuation

7.2 Merseyside Pension Fund and their actuaries are currently finalising the valuation of the Fund that will impact on contributions that the Council will need to pay for the 2020/21 to 2022/23 period. Indications are that the financial position of the Fund has significantly improved since the previous valuation. Officers from the Council have been engaged with the Pension Fund over the last two years to ensure this will result in a significant saving, with payments relating to the deficit on Sefton's element of the Fund forecast to reduce dramatically compared to previous years. The current estimate is that the saving to the Council will be **£7.700m** across the three years.

Provision for Pay Inflation and Pension Increases

7.3 The MTFP includes provision for pay awards in future years as well as the increase in the employer pension contribution rate for the Local Government Pension Scheme. The figures provided for include all Council staff. However, a number of staff are within services that either trade or generate significant levels of external income. Therefore, as in 2019/20, pay inflation and pension increases within these services will be funded from income generated rather than through the Council's central provisions. This will reduce the central provision requirement by **£0.550m** per year.

Service options agreed by Budget Council in February 2019

7.4 Service Budget Options agreed at last year's Budget Council delivered £2.269m of savings in 2019/20. Some of the savings were only for a part year. The full year effect of these will deliver an additional **£0.444m** in 2020/21 and 2021/22.

Agenda Item 10

8 Potential Additions to the Budget

Contingency Provision for Growth in Children's Social Care

- 8.1 As stated in paragraph 4.4, the pressure on the Children's Social Care budget from increases in the number of Looked After Children remains significant. Whilst the service is currently undertaking a Major Service Review, it is considered prudent to build in a provision of **£1.000m**, to only be made available if costs increase above the current service budget.

Adult Social Care Budget Increase

- 8.2 As outlined in paragraph 3.5, the NHS contribution to adult social care through the Better Care Fund will increase by 3.4 per cent in real terms. It is estimated that this will increase the contribution to Sefton by about -£0.600m. It is proposed to passport any increase to Adult Social Care (**£0.600m**).

Public Health Budget Increase

- 8.3 As outlined in paragraph 3.6, the Spending Review announced a real terms increase in the Public Health Grant. It is estimated that this will increase Sefton's grant by about £0.550m. It is proposed to passport any increase to Public Health to offset any increases in costs and new burdens (**£0.550m**).

High Needs and Secondary Schools

- 8.4 Sections 12 and 13 discuss the current financial pressures being experienced in the High Needs budget and Secondary Schools. Given these pressures, and the potential to be left with negative reserves and balances, it is considered prudent to make a one-off contribution to a reserve to be utilised if no long-term solution is found (**£1.500m**).

Risk relating to Local Government Finance Settlement 2020/21

- 8.5 As mentioned in paragraph 3.1, the provisional settlement will not be announced until December 2019. The Government has issued a technical consultation on some aspects of the Settlement, which as usual the Council will respond to. In addition, some of the announcement in the Spending Review have yet to be exemplified for individual local authorities. Therefore, there is a risk that the funding forecasts in Section 3 will be worse than assumed. It is therefore considered prudent at this stage to include a provision for potential reductions in funding in 2020/21 (**£1.000m**). Once figures are confirmed this provision will be revised.

9 Potential Additional Funding

Council Tax Increases

- 9.1 The Spending Review assumes a 2% Core Referendum Principle for illustrative purposes. As is customary, the government will consult on Council Tax Referendum Principles later this year as part of the Local Government Finance Settlement. A 1.99% increase for Sefton (to ensure the Council wouldn't breach the principle) would generate £2.627m in 2020/21.
- 9.2 As mentioned in paragraph 3.4, local authorities will be given the power to raise Council Tax by a further 2% on top of the core principle as an Adult Social Care Precept. This would generate an additional £2.640m in 2020/21.

9.3 A decision on the level of Council Tax is made by Budget Council each year. The 2019/20 Band C Council Tax is £1,395.82. It should be noted that as part of the Settlement the Government assumes local authorities raise Council Tax by the maximum amount when calculating an individual authority's Spending Power and this will directly influence future years funding allocations.

Council Tax Base / Empty Homes Discounts and Premiums

9.4 The Council Tax Base is set by Council in January each year. It reflects changes in the number of properties and the value of exemptions and discounts. For forecasting purposes, it is assumed that there will be growth in the Tax Base for additional properties that would generate **£0.500m** per year. This equates to approximately 280 Band C properties per year.

9.5 The Council is currently consulting on proposals to reduce discounts on empty homes from April 2020. In addition, the Council has previously consulted on increasing the premium on long term empty homes in future years. Recommendations on potentially changing these discounts and premiums will be made as part of the Council Tax Base report to Council in January 2020. If approved, these changes could generate an additional **£0.650m** from 2020/21.

10 Updated Budget Plan 2020/21 to 2022/23

10.1 Based upon the potential budget options, additions and funding it is now estimated that the funding shortfall between 2020/21 and 2022/23 will be **£23.309m**, before any Council Tax decisions are made and any further service delivery options are considered. A detailed analysis is shown below:

	2020/21	2021/22	2022/23
	£'m	£'m	£'m
Revised MTFP Funding Gap	8.394	10.709	12.000
Potential Budget Options:			
- 2020 Local Government Pension Scheme Valuation	-5.500	-0.600	-0.600
- Provision for Pay Inflation and Pension Increases	-0.550	-0.550	-0.550
- Service options agreed by Budget Council in February 2019	-0.368	-0.076	0.000
	-6.418	-1.226	-1.150
Potential Additions to the Budget:			
- Contingency Provision for Growth in Children's Social Care	1.000	0.000	0.000
- ASC Budget Increase	0.600	0.000	0.000
- Public Health Budget Increase	0.550	0.000	0.000
- Additional provision to reflect potential financial pressures re. High Needs and Schools	1.500	-1.500	0.000
- Additional risk re. funding uncertainty pending final settlement	1.000	0.000	0.000
	4.650	-1.500	0.000

Agenda Item 10

Potential Additional Funding:			
Council Tax – Core increase	TBC	TBC	TBC
Adult Social Care Precept	TBC	TBC	TBC
Council Tax Base	-0.500	-0.500	-0.500
Empty Homes Discounts / Premiums	-0.650	0.000	0.000
	-1.150	-0.500	-0.500
Revised MTFP Funding Gap – excluding Council Tax	5.476	7.483	10.350
Total MTFP Funding Gap			23.309

11 Proposed approach to meeting budget gaps

11.1 The Budget Report for 2019/20 identified that the Council would extend its Framework for Change programme into 2020/21 and beyond and in addition to being the vehicle that is used to deliver the Council's core purpose would also provide the structure through which budget proposals are developed and subsequently reviewed. Work is continuing to develop this programme, the output of which will be reported in the Budget report in February 2020.

11.2 It can be seen from the Table at 10.1 that the budget gap for 2020/21, excluding any increase in Council Tax, has reduced significantly compared to the original forecast, however the uncertainty around years two and three of this Plan cannot be underestimated in addition to the pressure coming through from demand for core services at this point. The Framework for Change programme will therefore need to reflect both this potential financial scenario and service led demand and this will be detailed in the Budget report that will be considered by Council, Cabinet and Overview and Scrutiny in February 2020.

12 High Needs Funding

12.1 Nationally, High Needs budgets have come under increasing pressure since the Government's 2014 reforms to the system for supporting young people with special educational needs and disabilities (SEND). Funding increases have not kept pace with the rise in demand, resulting in over 80% of local authorities overspending their High Needs budget in 2017/18, with a total net overspend of £282m. This pressure has been reported nationally together with the impact on those in receipt of these key services.

12.2 The financial position in Sefton reflects the national picture with the High Needs budget, which is funded through the Dedicated Schools Grant (DSG), coming under increasing significant pressure. The in-year pressure on this budget in 2019/20 is estimated to be £3.400m. Various mitigating actions are currently being developed that have the potential to reduce the overspend to around £1.7m-£2.0m.

12.3 These pressures will, as would be expected, continue into 2020/21. However, as mentioned in paragraph 3.4, the Government has announced additional funding of £700m nationally which will help reduce this overspend. This additional support is welcomed but is not sufficient in order to fully mitigate the financial pressure being

faced. Work will therefore need to continue, in conjunction with Schools' Forum, to develop proposals that will reduce the budget pressure further. At this stage, it is anticipated that a residual funding gap of £0.400m will remain, increasing the overall deficit to around £2.5m by the end of 2020/21.

- 12.4 It is not known how the Government will address the High Needs funding gap going forward, as well as the issue of cumulative deficits. The Council is awaiting guidance from the Department for Education and the Chartered Institute of Public Finance and Accountancy on how to treat year-end DSG deficit balances. This could have an impact on the Council's Value for Money audit (conducted as part of the year end process) and so a funding strategy will be needed to provide for the potential that the Council is required to underwrite the deficit balance. The Council's External Auditor has advised that the Council will require a robust three-year financial forecast with agreed actions and a funding strategy for any deficit balances. The transfer to reserves proposed in paragraph 8.5 would go part way to meeting this deficit. The Council is in the process of producing that funding strategy and this will be reported as part of the Budget Report in February 2020.

13 Secondary Schools' Funding

- 13.1 The six secondary schools in Sefton have been experiencing increasing financial pressures over the last 3-5 years from a combination of factors, including funding not increasing in line with inflation, reducing pupil numbers in some schools, etc. The Government has announced that schools funding will increase by £7.1 billion by 2022/23. Whilst the increases in funding are welcome, by 2022/2023 funding per pupil will only return to the same level as 2009/2010, once inflation is taken into account. This effectively means that there will have been 13 years of significant pressures on school budgets that have not been addressed despite the additional funding.
- 13.2 It is currently estimated that the cumulative deficit balance on these six secondary schools at the end of 2019/20 will be £1.4m, with this position expected to rise further in 2020/21. As a result of this, the Council is engaged with all schools to develop proposals whereby they set annual budgets within the funding available to them by 2020/21 and from that point start to repay any deficit that exists. This will help deliver financial sustainability for individual schools and reduce the financial risk for the Council that could arise from a school closure or transfer to academy status. The Council operates a process whereby schools who cannot set an annual budget within the approved allocation must apply for a licensed deficit- the approach set out in this paragraph will be used as the frameworks for any approved short-term deficits and a further detailed report on this issue will be included in the Council Budget Report of February 2020.

14 Financial Resilience

- 14.1 Nationally, the financial resilience of councils is something that has recently gained a higher profile than it had previously. Despite this national backdrop, the continued uncertainty around Local Government funding and the pressures particularly around Adult Social Care and Children's Social Care, the Council remains confident in its management of its own financial resilience and has received positive reports from its independent external auditor and the recent LGA peer review that confirm this position.

Agenda Item 10

- 14.2 The Council has a very strong record of sound financial management and has continued to deliver budget savings each year throughout this period of austerity. These have ensured that it has been able to protect core service provision and remain in a strong position financially.
- 14.3 Planning ahead for the medium term, by considering a three-year MTFP and budget plan, enables the Council to make strategic and well considered decisions in relation to its finances and service provision. As referenced in this report there is considerable uncertainty about the future funding levels for the Council therefore given this uncertainty, it is more important than ever for the Council to have a long-term budget plan.
- 14.4 The Council closely monitors its finances with routine reports being considered by Cabinet on a monthly basis and remedial action being taken whenever required to offset emerging budget pressures. All savings proposals are also regularly reviewed for deliverability and are risk assessed by officers throughout the year. These reports are also considered by the Overview and Scrutiny Committee - Regulatory, Compliance and Corporate Services.
- 14.5 The Council also ensures that it has sufficient resources in both general and earmarked reserves to fund costs that will arise as a result of existing plans and commitments, to fund future investments and to safeguard against unforeseen circumstances. These reserves are not relied upon to fund routine council expenditure.
- 14.6 The Chartered Institute of Public Finance and Accountancy (CIPFA) recently consulted on a range of indicators that could measure the financial resilience of councils, in recognition of the unprecedented challenges that Local Government has faced in recent years. The consultation was subject to significant debate and the proposed index is being updated as a result. The Council will consider the revised suite of indicators in due course and these will be reflected in the forthcoming reports that will be considered by Cabinet and Budget Council.

15 Reserves and Balances

- 15.1 As part of its financial management process the Council ensures it has set aside resources in reserves to fund costs that will arise as a result of existing plans and commitments, to fund future investments and to safeguard against unforeseen circumstances. The Council's approach to managing these reserves and provisions was set out in the Robustness Report approved by Council in February 2019.
- 15.2 As part of this budget setting process the Council will review all of its reserves and balances with due regard being given to the impact of any emerging issues and any other strategic financial decisions that will be made over the next three years. The outcome of this review will be presented to Cabinet in December 2019. An assessment of the Council's overall levels and reserves and balances will be included in the Robustness Report to be considered in February 2020.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

Report to:	Cabinet	Date of Meeting:	7 November 2019
Subject:	Revenue and Capital Budget 2019/20- Public Sector Reform Maximisation Disposal		
Report of:	Head of Corporate Resources & Head of Economic Growth and Housing	Wards Affected:	Manor Ward
Portfolio:	Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes – part of Public Sector Reform Asset Maximisation
Exempt / Confidential Report:	Yes, Appendices 1 and 2 of the Report are NOT FOR PUBLICATION by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended). The Public Interest Test has been applied and favours the information being treated as exempt.		

Summary:

Asset Maximisation is a project within the Council’s Framework for Change, Public Sector Reform programme. As part of this project, the Council’s assets will be defined as being required for operational purposes, having heritage value, being required for the economic growth programme or being available for disposal.

The first phase of this review had been completed and a number of assets have been identified for disposal. The first of these sites is Land at Holgate and Southport Old Road. This land is not operational and is surplus to requirements.

The Council is negotiating terms for the Freehold disposal of Plots B and C within the overall site which together form part of a housing allocation in the Sefton Local Plan: MN 2.25 Land at Holgate in Thornton. Plots B and C have a combined gross area of 15.02 acres.

The Purchaser is expected to be a Joint Venture partnership. The disposal represents an off-market transaction but is being conducted on an open-book basis to ensure market value and to satisfy best consideration in accordance with Section 123 Local Government Act 1972.

An Option Agreement has been secured to bring forward the redevelopment of the adjoining Orchard Farm site. A planning application for 14 houses (DC/2018/01568) was refused planning consent in December 2018. This decision was appealed and the Planning Inspectorate allowed the appeal and granted planning permission. Acquisition of the Council’s land will enable the developer to bring forward a

Agenda Item 15

comprehensive and phased housing scheme. The proposal is conditional upon the developer(s) securing planning consent for a policy compliant scheme, setting out a build-out programme, providing proof of funds for a programme of this size and demonstrating that they have the necessary financial standing to acquire the Council's land upfront. This will also require the developers to provide an appropriate vehicular access solution from Park View and agree to a restriction on the use of Holgate.

The scheme that is brought forward will include the provision of affordable housing. In support of the direct provision of housing by the Council to residents of the Borough, it is proposed that as part of the final contract that the option be included for the Council to purchase a number of these affordable homes. This would be agreed as part of any final negotiations with the cost being met from the potential capital receipt.

Based on a recent report from external Valuers, the Council's land at Holgate (within the scope of this proposal) was advised to have a minimum value (see Appendix 1). The figure specified in Appendix 1 is a pro-rata rate, calculated from the Council's larger land holding. The land receipt that the Council will ultimately receive will take into account deductions for abnormal development costs, Section 106 contributions (including affordable housing contribution required by the Council), external highway works and planning costs. External Valuers will be appointed to work on behalf of the Council to ensure an "open book" approach and to confirm the exact land receipt.

A condition of the contract will require the land to be paid for 'upfront' once all conditions of completion have been met. Members will be advised of the final receipt due prior to the completion of any transaction with the appropriate approval being sought.

Recommendations:

That Cabinet:

- (i) Approve that Legal and Property and Facilities Management finalise Heads of Terms for the disposal of the Council's land, Plots B and C at Holgate Thornton – this will result in the developer partner entering into an Option Agreement so that they can commence technical due diligence work and working up a planning application;
- (ii) Approve that subsequent to the agreement of Heads of Terms that the Chief Legal and Democratic Officer be delegated authority to negotiate sale contracts for the disposal of Plots B and C at Holgate Thornton;
- (iii) Approve that when sale contracts and all financial issues have been resolved, a final report will be provided the Cabinet in order that approval can be obtained to conclude the proposed transaction.

Reasons for the Recommendations:

- (i) The disposal will enable a comprehensive scheme to be brought forward. This will avoid the sterilisation of the Council's land (Plot C – 3.29 acres) if Orchard Farm was redeveloped in isolation with highways access provided from Holgate Road;
- (ii) Disposal will ensure that an off-site highways solution is funded and delivered at Park View, which provides an appropriate access into the Council's land at Plot A. This site will be brought forward in future years and does not form part of the proposed land disposal in this report;
- (iii) The proposal will pass all costs associated with progressing ground investigations and technical surveys onto the developer – the Council will not have to fund these works.

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

- (i) Option 1 – “*Do nothing*”: the developer has successfully appealed their planning refusal and indicated that they will exercise their option and develop out their consented scheme, utilising Holgate for construction and residential access.

Risk: by redeveloping Orchard Farm in isolation, Holgate Road would be the main highways access into the site, but there would be insufficient capacity on this road to support the redevelopment of Plot C – this would likely remain as farmland. The impact would be the Council taking the remaining Plots A and B to market (see Option 2). The Council would incur costs associated with technical surveys, planning and marketing fees and lose the value of Plot C (see Appendix 2).

- (ii) Option 2 – “*Council bring forward Plots A and B in isolation*”: the Council would appoint consultants to progress desktop surveys (ecology, highways and ground conditions) and prepare a planning brief. The Council's remaining land would then be marketed to prospective partners – the deal to be conditional upon planning consent.

Risk: The Council would incur costs and staff resource to progress the upfront technical works and due diligence to take the site to market, including the appointment of Agents to market the land.

- (iii) Option 3 – “*Council buy out the Option Agreement*”: this would ensure that the Council had control of the whole site and would be free to take the site to the open market seeking a disposal or joint venture partner.

Risk: Option would mean that the Council would need to pay compensation for costs incurred to date in pursuing planning and loss of

Agenda Item 15

future development profit, in addition to a land value to reflect the 14-dwelling scheme proposed. This would not be financially viable.

What will it cost and how will it be financed?

(A) Revenue Costs

Not applicable – work streams to conclude the sale will be progressed by internal team resources. As part of the draft terms issued to the developer they are required to pay the Council’s legal costs and surveyors fees (capped at £25,000).

(B) Capital Costs

Not applicable – the Council’s contribution towards the off-site highways access from the A565 (Park View) will be calculated on a pro-rata basis according to the respective site areas, and be deducted from the land receipt for Plots B and C. There would be no cash flow implications arising

Implications of the Proposals:

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

Resource Implications (Financial, IT, Staffing and Assets): Property and Facilities Management to work alongside Corporate Legal Services to oversee the completion of the disposal.
Legal Implications: The Chief Legal and Democratic Officer will complete the legal documentation for the disposal in accordance with Section 123 of the Local Government Act 1972 (as amended).
Equality Implications: There are no equality implications.

Contribution to the Council’s Core Purpose:

Protect the most vulnerable: Not applicable.
Facilitate confident and resilient communities: The disposal will facilitate a comprehensive redevelopment that will provide a planning policy compliant scheme, providing on-site affordable housing for the benefit of the local community in Thornton.
Commission, broker and provide core services: The Local Plan sets out an indicative site capacity of 221 dwellings for Plots B and C, which will deliver additional Council Tax contributions to allow the Council to invest in key services.

Place – leadership and influencer: Not applicable.
Drivers of change and reform: Not applicable.
Facilitate sustainable economic prosperity: The terms to be agreed with the developer will require (as a condition of the land sale) for the developer to commit to providing local apprenticeships and use of local labour during the construction works.
Greater income for social investment: disposal of the land will secure a capital receipt that will directly contribute to funding of the Council’s Growth Programme.
Cleaner Greener: Redevelopment of the site will be expected to contribute to energy efficiency and other public transport provision in line with standard planning policy requirements.

What consultations have taken place on the proposals and when?

(A) Internal Consultations include:

- The Head of Corporate Resources has been consulted (FD 5839/ 19)
- The Chief Legal and Democratic Officer has been consulted (LD4073/19)
- These consultations have been incorporated into the report.

(B) External Consultations

- Not applicable.

Implementation Date for the Decision

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

Contact Officer:	Dominic Ellis and Stuart Barnes
Telephone Number:	0151 934 2751
Email Address:	dominic.ellis@sefton.gov.uk / stuart.barnes@sefton.gov.uk

Appendices:

(Appendices 1 and 2 of the report are not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended). The Public Interest Test has been applied and favours the information being treated as exempt).

Appendix 1 – Heads of Terms

Appendix 2 – Site C Land Value

Background Papers:

N/A

Agenda Item 15

Disposal of Freehold for Land at Holgate and Southport Old Road, L23 1TJ

Introduction

- 1.1** Land at Holgate and Southport Old Road (“Land at Holgate”) collectively forms three neighbouring sites located on the northern edge of the village of Thornton and is owned by the Council. Immediately to the East of the sites is the Thornton Garden of Rest, a 44.5 acres cemetery and crematorium. Agricultural and greenfield land lies to the north of the sites, which are separated by the road network. A site plan is provided in the Heads of Terms at Appendix 1.
- 1.2** Site B is more rectangular in shape and the largest of the three sites at 11.73 acres and is bounded by the A565 to the west and Holgate to the east. To the south are existing residential houses and to the north is a planned 14-unit residential development.
- 1.3** Site C is also rectangular in shape, 3.29 acres and is located to the east of Site B across Holgate with the A5758 to the north and Thornton Garden of Rest to the east.
- 1.4** Site A is a triangular parcel of land of 8.82 acres bounded by the A565 to the north and east and residential to the south.

Planning Policy Context

- 2.1** Land at Holgate is allocated in the Local Plan and forms a significant housing development opportunity. The Council’s land ownerships (Plots B and C) together with Orchard Farm (in private ownership) are identified as Site MN2.25. Plot A is a separate site allocation – MN2.24. The Local Plan sets out a policy requirement for the development of the sites to provide a proportional financial contribution towards the implementation of the A565 Route Management Strategy. All vehicular access to the sites is to be from a new signal-controlled junction onto Park View.
- 2.2** A planning application for 14 houses (DC/2018/01568) on Orchard Farm was refused in December 2018. This decision was appealed. The Planning Inspectorate recently allowed the Appeal and granted planning permission. This scheme can now be implemented in full. Furthermore, the developer partner submitted a revised pre-application proposal for an alternative scheme for 44 homes on the same site, but with a social/affordable housing emphasis. This was an attempt to deal with certain aspects of the original reasons for refusal, however most significantly, it failed to address the significant highway issues previously raised. The developer agreed to hold this proposal in abeyance, awaiting the outcome of the appeal and the concurrent discussions regarding the adjacent Council land assets.
- 2.3** The impact of the appeal decision is that – if implemented - it undermines the Local Plan requirement to deliver a comprehensive redevelopment of Plots B

and C which form the remainder of the Local Plan site allocation MN2.25. It also involves the development of this site taking sole construction and residential traffic from Holgate (contrary to the Local Plan requirements), which was a main concern raised by the community, ward Councillors, Parish Council and Planning Committee in refusing the original planning application. Redevelopment of Orchard Farm in isolation will also mean that the Council's land forming Plot C will be landlocked, as Holgate will unlikely to be able to accommodate the additional traffic associated with the 30-40 residential units that this particular site could accommodate, in addition to the 14 on Orchard Farm. Given the objections to the 14 units, irrespective of highway and junction capacity, this additional development would likely receive an even stronger level of opposition. The land value for Plot C would be lost if the disposal to the developer partner does not proceed.

- 2.4** The developer has engaged positively and proactively with the Council since the original refusal of planning permission and also since their positive appeal decision. They have made their intentions clear that they intend to honour their deal with the landowner and develop their Orchard Farm scheme, if there is no other realistic option available. A proposal involving the adjacent land parcels and a requirement to ensure both the closure of Holgate to vehicular traffic beyond a specified point (so it cannot be used for construction traffic nor to serve the new residential properties), and the creation of a new vehicular access onto Park View to serve both Local Plan allocations at Holgate and Southport Old Road offers that opportunity.
- 2.5** To resolve the situation and secure an agreeable way forward for both parties, a proposed off-market transaction has been offered on an open-book basis to ensure transparency. These proposals would therefore be structured with the necessary financial checks and protocols in place to ensure that the Council receives "best consideration" in accordance with Section 123 of the Local Government Act 1972 (as amended).

Land Disposal – Basis of a potential transaction

- 3.1** An independent valuation for Holgate plots B and C has been commissioned by the Council and is due for completion by mid-November. The valuation will establish a Gross Land Value, based on a policy compliant scheme. External valuers will then be appointed to work on behalf of the Council to ensure an open-book approach and to confirm the exact land receipt. The land receipt to the Council will take into account deductions for abnormal development costs, S106 contributions (including affordable housing contribution required by the Council), external highway works and planning costs. Members will be advised of the final receipt due prior to the completion of any transaction with the appropriate approval being sought towards.
- 3.2** On completion of the independent valuation, the Council and its' development partner will enter into an Option Agreement.

Agenda Item 15

- 3.3** The Option Agreement will give the developer the right to acquire the Council's land subject to strict conditions being achieved within agreed timescales. The developer will progress all necessary technical surveys and submit a planning application for Plots B and C (to include Orchard Farm land). Timescales: 12 months for progressing works and planning submission.
- 3.4** As part of the technical due diligence works, Civil Engineers/Highway Consultants will be appointed to fully cost and design a solution to provide the necessary off-site highways access off Park View into Plots B and C and to the adjacent Council land (Plot A). This will be independently verified by a cost consultant. The Council's contribution towards the capital cost of these highway works will be calculated on a pro-rata basis according to the respective site areas shown at Appendix A. The Council's contribution of 37% will be reflected in the agreed Purchase Price and as would be expected this will form a reduction on the land value and final receipt.
- 3.5** Following the completion of technical due diligence, abnormal development costs will be independently verified and be deducted from gross value. The Council shall appoint an external Valuer to negotiate an agreed Net Land Value – this will be the actual Purchase Price (capital receipt) that the Council will receive. It will be this value that will be presented to Cabinet for final decision.

Timescales

- 4.1** Having entered into the Option Agreement in January/ February 2020, the developer will then have twelve months to progress all necessary technical surveys and submit a planning application for the site.
- 4.2** On submission of planning application and LPA verification, Exchange of Contracts will take place. This is anticipated to take place in December 2020/ January 2021.
- 4.2** The conditions of completion will include obtaining Cabinet approval as set out in this report and the expiry of the Judicial Review period. The longstop date for Completion will be four months from Exchange. On completion of Contracts the developer will pay the full balance of the agreed Purchase Price (less 10% deposit on Exchange) and it is expected that the purchase price will be paid in full by July 2021.

Best Consideration

- 5.1** The Council is under an obligation to ensure that any offers for properties represent "best consideration" in accordance with Section 123 of the Local Government Act 1972 (as amended). The approach set out in the preceding sections and detailed in Appendix 1 for the disposal complies with such an obligation. Market value will be established by the procurement of independent valuation advice.

- 5.2** The proposed approach also takes account of the Council agreed Asset Disposal Policy which enables sales by way of private treaty or negotiated disposal where there are compelling reasons to treat with a purchaser such as the nature of the sites and the identified parties' status as a special or unique purchaser.
- 5.3** The sale contract will include an Overage Deed lasting for a period of 21 years from completion. This will ensure that the Council receives an additional payment should either of the following scenarios take place within this period:
- Future land sales of undeveloped land parcels forming part of Plots B and C: the Council to receive 50% of any receipt (to be independently verified) over and above the agreed Purchase Price, reflected on a pro-rata basis per acre. Any undeveloped land sale will be sold subject to the overage deed and the Buyer will enter a direct covenant with the Council;
 - On completion of individual development phases brought forward by the developer, the Council to receive 50% of any "windfall profit return", over and above an agreed benchmark of 17.5% profit on GDV, (each development phase to be independently verified).

This page is intentionally left blank