

**THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON WEDNESDAY 10 AUGUST 2022. MINUTE NO.S 28 AND 37 (9) AND (10) ARE NOT SUBJECT TO "CALL-IN"**

## **CABINET**

### **MEETING HELD AT THE COMMITTEE ROOM, TOWN HALL, BOOTLE ON THURSDAY 28TH JULY, 2022**

**PRESENT:** Councillor Ian Maher (in the Chair)  
Councillors Atkinson, Cummins, Doyle, Fairclough, Lappin, Moncur, Roscoe and Veidman

#### **24. APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor Hardy.

#### **25. DECLARATIONS OF INTEREST**

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

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

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

That the Minutes of the meeting held on 23 June 2022 be confirmed as a correct record.

#### **27. GOVERNANCE DOCUMENTATION FOR SANDWAY HOMES LIMITED**

The Cabinet considered the report of the Chief Legal and Democratic Officer that Sefton Council was the 100% shareholder in Sefton (ACS) Holding Company Limited which in turn was the sole shareholder in Sandway Homes Limited; that the Council and the companies had recently undertaken a review of the governance documentation determining the relationship between the Council and the companies and revised governance documentation was being presented to Cabinet for approval; and that in accordance with the Council's Constitution Cabinet performed the shareholder function for the Council.

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

That In capacity as shareholder for Sefton (ACS) Holding Company Limited:

- (1) Sefton Holding Company Limited be approved and adopted as the new name of Sefton (ACS) Holding Company Limited;
- (2) the amended Articles of Association be approved and adopted as the Articles of Association of Sefton Holding Company Limited as outlined in Appendix 1 to the report;

- (3) the amended Governance Agreement be approved and adopted as the Governance Agreement of Sefton Holding Company Limited as outlined in Appendix 2 to the report;
- (4) approval be granted to enter into an Intra-Group Agreement as outlined in Appendix 3 to the report; and
- (5) the company secretary for Sefton Holding Company Limited be authorised to undertake the necessary filing with Companies House; and

That In capacity as shareholder Sefton Holding Company Limited:

- (6) the amended Articles of Association be approved and adopted as the Articles of Association of Sandway Homes Limited as outlined in Appendix 4 to the report;
- (7) the company secretary for Sandway Homes limited be authorised to undertake the necessary filing with Companies House;
- (8) the amended Governance Agreement be approved and adopted as the Governance Agreement of Sefton Holding Company Limited as outline din Appendix 2 to the report; and
- (9) approval be granted to enter into the Intra-Group Agreement as outlined in Appendix 3 to the report.

**Reasons for the Decision:**

The formal governance arrangements determining the relationship between the Council and Sefton Holding Company and Sandway Homes Limited have not been reviewed since the creation of the companies and it is felt appropriate to do so now.

**Alternative Options Considered and Rejected:**

To remain with current governance documentation. This would not reflect good practice in the governance arrangements between the Council and the companies.

**28. IMPACT OF COVID 19 ON THE PRIMARY CURRICULUM WORKING GROUP - FINAL REPORT**

The Cabinet considered the report of the Chief Legal and Democratic Officer that presented formally the final report of the Impact of Covid 19 on the Primary Curriculum Working Group. The report would also be considered by Council at its meeting to be held on 15 September 2022.

**Decision Made:**

- (1) That, once data is available, the Head of Education Excellence be requested to submit a monitoring report to the Overview and Scrutiny Committee (Children's Services and Safeguarding), on primary school performance, to include school attendance and any available information on SATs results, and other performance indicators, in order to draw comparisons with 2019 performance and also with regional and national performance.
- (2) That the Council be requested to agree in writing to all Headteachers of schools throughout the Borough, to thank teaching staff for their on-going input throughout the pandemic and to raise the following matters:
  - (a) to remind schools of the continued support available from the Council.
  - (b) to remind schools of the various options available for securing additional teaching staff, such as:
    - the graduate teaching apprenticeship scheme
    - School Centred Initial Teacher Training (SCITT)
    - Teach First
    - Degree course in Bachelor of Education (B.Ed.) and
    - a Post Graduate Certificate in Education (PGCE)
  - (c) to remind schools of the availability of mental health support, including the Young People's Emotional Wellbeing Toolkit that can be accessed via the following link:  
  
[Mental Health & Emotional Wellbeing \(sefton.gov.uk\)](https://www.sefton.gov.uk/mental-health-emotional-wellbeing)
  - (d) to encourage schools to try to re-engage with families as a source of support in schools **where possible and where practical**, particularly given covid concerns.
- (3) That the Mayor of Sefton be requested to consider hosting an event for representatives of all schools throughout the Borough, to thank them for their on-going input throughout the pandemic.
- (4) That the Council be requested to agree to writing to the Department for Education in the strongest terms, to request additional resources for Sefton schools, particularly in view of forthcoming literacy and numeracy expectations on primary schools by 2030.
- (5) That the Senior Democratic Services Officer be requested to liaise with relevant officers in order to ensure that the Overview and Scrutiny Committee (Children's Services and Safeguarding) receives a six-monthly monitoring report, setting out progress made against each of the recommendations outlined above.

**Reasons for the Decision:**

1. The Working Group has made a number of recommendations that require approval by the Overview and Scrutiny Committee (Children's Services and Safeguarding); the Cabinet; and the Council.
2. Chapter 6 – Overview and Scrutiny – of the Council's Constitution states that  
  
"7. All Overview and Scrutiny Working Group Final Reports should be reported to Cabinet and full Council for final approval."

**Alternative Options Considered and Rejected:**

No alternative options were considered. The Overview and Scrutiny Committee (Children's Services and Safeguarding) established the Working Group to review the impact of covid 19 on the primary curriculum and the Working Group has performed this task.

**29. APPOINTMENTS TO SEFTON NEW DIRECTIONS LIMITED BOARD; TO STANDING ADVISORY COMMITTEE FOR RELIGIOUS EDUCATION (SACRE); AND LIVERPOOL UNIVERSITY HOSPITAL NHS FOUNDATION TRUST - COUNCIL OF GOVERNORS**

The Cabinet considered the report of the Chief Legal and Democratic Officer that sought the appointment of two further elected Members to serve on the Sefton New Directions Limited Board; the appointment of elected Members as substitutes to the Standing Advisory Committee for Religious Education (SACRE); and to change the Council representative serving on the Liverpool University Hospital NHS Foundation Trust - Council of Governors.

**Decision Made:**

That:

- (1) Councillor Liz Dowd be appointed as a representative to serve on the Sefton New Directions Limited Board and that the term of office expire on 25 May, 2023;
- (2) Cabinet, at its next meeting to be held on 1 September 2022, appoint the second representatives to serve on the Sefton New Directions Limited Board and that the term of office expire on 25 May, 2023;
- (3) the following Members be appointed as substitutes to the representatives indicated to the Standing Advisory Committee for Religious Education (SACRE):

<b>Substitute</b>	<b>Representative</b>
Councillor Thomas	Councillor Roscoe (Chair)
Councillor Morris	Councillor Brough
Councillor Richards	Councillor Grace
Councillor Lloyd-Johnson	Councillor Pugh; and

- (4) Councillor James Hansen replace Councillor John Joseph Kelly to serve on Liverpool University Hospital NHS Foundation Trust - Council of Governors and that the term of office would expire on 24 June 2024.

**Reasons for the Decision:**

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.

The draft SACRE constitution states that "Elected members may appoint alternates to attend meetings on their behalf."

**Alternative Options Considered and Rejected:**

None.

**30. LOCAL GOVERNMENT ASSOCIATION PEER REVIEW REVISIT**

The Cabinet considered the report of the Head of Strategic Support that updated on the outcome of the Local Government Association Peer Review Revisit; advised of the intentions to action the areas identified; and informed of the intention to review and refresh the Vision 2030.

The LGA Corporate Peer Challenge – Re-visit Report was appended to the report.

Councillor Lappin, Cabinet Member – Regulatory, Compliance and Corporate Services referred to the Member Development section of the LGA Corporate Peer Challenge – Re-visit Report and stressed the importance of providing support for Chairs, Vice-Chairs and all other members of Overview and Scrutiny Committees.

**Decision Made:**

That:

- (1) the responses and actions to the recommendations contained in the Local Government Association Peer Review Revisit, as detailed in the report, be approved;
- (2) as part of the Member Development Programme all Overview and Scrutiny Committee Members be required to attend mandatory training; and

- (3) the timeline review and refresh of the Vision 2030 and the strengthened Core purpose as detailed in Appendix B to the report be noted.

**Reasons for the Decision:**

Peer Reviews are a proven tool for sector-led improvement and the Council has always been open to learning from others and sharing good practice.

The peer challenge that took place in 2018 provided external recognition of the things it believes the Council was doing well, highlighted where the Council can learn from other councils considering best practice elsewhere and recommended several key actions.

The follow up revisit took place in April 2022 and the peers have made a number of recommendations.

Sefton Council is a listening Council and intends to review and refresh Vision 2030 as per the timeline presented in the report.

In the interim Council are asked to consider and note the strengthened Core Purpose at Annex A.

**Alternative Options Considered and Rejected:**

None.

**31. EXTERNAL GRANT FUNDING TO SUPPORT THE COST-OF-LIVING CRISIS**

The Cabinet considered the report of the Head of Communities that provided an overview of how the Council had allocated the various grants from the Department for Work and Pensions (DWP) to support residents with the cost-of-living crisis and to highlight the additional measures that had been introduced to in light of the emerging priorities.

**Decision Made:**

That the report be noted.

**Reasons for the Decision:**

To keep the Cabinet updated on actions taken.

**Alternative Options Considered and Rejected:**

None.

**32. HIGH NEEDS FUNDING 2022-23 QUARTERLY MONITORING UPDATE**

The Cabinet considered the report of the Executive Director of Children's Social Care and Education that advised of:

- (1) the current position relating to the 2021/22 High Needs Outturn forecast;
- (2) the monitoring position of the High Needs budget position at the 1st June 2022 as per previous agreement to provide update on a quarterly basis relating to:
  - the Dedicated Schools Grant – High Needs funding allocation for 2022/23
  - the forecast expenditure to year end based on current / anticipated Special Educational Needs and Disabilities support required during 2022/23; and
- (3) the 2022/23 Special Educational Needs Review / Sufficiency Programme aimed at bringing High Needs expenditure pressures back into a more manageable financial position in the future.

**Decision Made:**

That in respect of the Dedicated Schools Grant – High Needs Budget:

- (1) the current position relating to the High Needs Outturn forecast for 2021/22 be noted;
- (2) the current forecast position relating to the 2022/23 High Needs Budget be noted; and
- (3) the financial risks associated with the delivery of the 2022/23 High Needs budget be recognised and it be acknowledged that the forecast outturn position will continue to be reviewed / reported to Cabinet on a quarterly basis to ensure a more sustainable financial position can be achieved in the future.

That in respect of the update on the 2022/23 Special Educational Needs Review / Sufficiency Programme:

- (4) the work undertaken in the implementation of the new High Needs Funding Model for Special Educational Needs and Disabilities placements in Special Schools and Alternative Provision Schools from April 2022 be noted;
- (5) the changes to Special Educational Needs and Disabilities placements for September 2022, both in Sefton and out of Borough be noted;

- (6) the Capital Funding Plan (Section 7) for 2022 - 2024 and the work being undertaken to ensure future Special Educational Needs and Disabilities placements and support can be delivered effectively, in-house where possible, within future High Needs budget allocations be endorsed; and
- (7) the proposal to reinstate the previous High Needs Funding system whilst the Delivering Better Value (DBV) programme is ongoing be approved.

**Reasons for the Decision:**

- (1) to ensure Cabinet are informed of the forecast outturn position in relation to the 2021/22 High Needs budget and the accumulative deficit position being carried forward against the Dedicated Schools Grant budget;
- (2) to provide an updated forecast financial position of the 2022/23 High Needs budget;
- (3) to ensure that the Special Educational Needs and Disabilities Review / Sufficiency programme can progress to provide sustainable and effective Special Educational Needs and Disabilities support for Sefton pupils within the available resources allocated through the Dedicated Schools Grant – High Needs Block; and
- (4) to give settings more support through high needs funding which will likely reduce the requests for Education, Health and Care needs assessments.

**Alternative Options Considered and Rejected:**

None.

**33. OUTCOME OF THE OUTLINE BUSINESS CASE (OBC) FOR A SEFTON CLEAN AIR ZONE (CAZ)**

The Cabinet considered the report of the Head of Highways and Public Protection that:

- advise Cabinet on the outcomes of the Clean Air Plan Outline Business Case, which presented the preferred option for potentially progressing a Clean Air Zone as part of the Clean Air Plan
- sought approval of the Outline Business Case findings and recommendations
- provided recommendations on next steps / pathways for further progression of the Clean Air Plan Outline Business Case - for later determination by Cabinet



**Decision Made:**

That:

- (1) the conclusions and recommendations from the Clean Air Plan Outline Business Case (CAP OBC) be noted;
- (2) the risks, issues, dependencies/interdependencies and anticipated costs associated with progression to a Full Business Case and subsequent implementation of a Clean Air Zone be noted;
- (3) the next steps and stated pathway options contained in Section 5.0 of the report be noted;
- (4) the Head of Highways and Public Protection be authorised to publish the CAP OBC Executive Summary (attached at Appendix A to the report), and other technical information from the CAP (once it has been finalised and checked) on the Council's website and advise residents through a media release and updated Your Sefton Your Say Clean Air Plan public engagement page;
- (5) the Head of Highways and Public Protection be authorised to undertake further engagement with the key stakeholders identified in this report, to inform Cabinet's decision regarding the next steps and pathway options; and
- (6) a further report be submitted to Cabinet following completion of (5) above for a decision on the next steps.

**Reasons for the Decision:**

Sefton Council has statutory Local Air Quality Management duties and public health responsibilities and has also declared a Climate Emergency.

The Clean Air Plan Outline Business Case (CAP OBC) has been prepared to enable the Council to improve local air quality, enhance public health and to help reduce carbon emissions.

The business case for the Clean Air Plan (CAP) has been developed in accordance with the appropriate guidance and needs to be approved to facilitate the next stage of the process. The issues associated with the proposed CAP and the options for the next steps need to be considered in deciding whether and how to proceed.

There is a need for Cabinet to consider the outcomes of the OBC, specifically the next steps/pathway for the CAP and to consider the implications of proceeding to a Full Business Case (FBC) for the CAP.

**Alternative Options Considered and Rejected:**

A range of different air quality interventions were considered as part of an initial feasibility report and different options for a Clean Air Zone were

appraised in detail as part of the business case process. The alternative options were rejected as they were less effective in meeting the strategic objectives of the CAP and less readily deliverable.

#### **34. PROCUREMENT FOR THE PROVISION OF ENFORCEMENT AGENT SERVICES**

The Cabinet considered the report of the Executive Director of Corporate Resources and Customer Services that advised that the Council had, for many years, used the services of external enforcement agent companies as a last resort to recover various debts it was owed, such as for Council Tax, Business Rates, Housing Benefit overpayments, Sundry Debts and other income from fees and charges including penalty charge notices for parking fines. The report also advised that most people paid the Council on time, but some simply tried to delay payment. However, the Council recognised that people and businesses in the community were facing challenges in the current economic climate, particularly in the light of rises in the cost of living, post COVID economic recovery and the Government's welfare reform changes; and that to help mitigate these issues support procedures remained under constant review within the debt collection process.

The report continued that before a debt was passed to an enforcement agent company to collect, the Council attempted to engage with the debtor to offer help and assistance at each stage in the collection and recovery process and, where possible, supported them to make affordable arrangements based on their individual circumstances together with providing information about voluntary sector or business advice organisations that could give further practical support with debt and welfare advice. Regrettably for some, the refusal to engage or to seek independent advice could leave the Council with limited alternatives and sometimes it became necessary to pass the debt to an enforcement agent company to enforce a Liability Order which had been obtained from the Magistrates Courts.

The Council complied with all relevant Government legislation that governed the collection of debt and applied best practice to Council Tax debt collection, as recommended by the Local Government Association; and the Council worked in partnership with Sefton Citizens' Advice and contracted enforcement agents to ensure that people with Council Tax arrears were treated fairly.

The report concluded that the Council's existing contract which was entered into under the Rotherham Enforcement and Debt Collection Services Framework was due to expire on the 31 March 2023.; and that therefore, to ensure enforcement action could continue a procurement process for enforcement agent services was required. The report sought approval to commence a mini competition under the YPO Enforcement Agency Services Framework 953.

**Decision Made:**

That:

- (1) the procurement process of a mini competition under the YPO Enforcement Agency Services Framework 953 be approved;
- (2) the decision on which enforcement agent companies to award contracts to be delegated to the Executive Director of Corporate Resources and Customer Services in consultation with the Cabinet Member - Regulatory, Compliance and Corporate Services;
- (3) approval be granted for contracts to be drawn up for a period of three years with effect from 1st April 2023, with the option to extend for one further year; and
- (4) the preferred Lots as detailed below be noted:
  - Lot 1 – Enforcement Agent contracts for Parking Fines. This will include recycled cases (Phase 2). A maximum of three suppliers to be appointed.
  - Lot 2 - Enforcement Agent contracts for Council Tax and Business Rates Collection. This will include recycled cases (Phase 2). A maximum of three suppliers to be appointed. This Lot will also include collection of debt for the Southport Town Centre Business Improvement District.
  - Lot 3 – Debt Collection Services for Sundry Income, Housing Benefit Overpayments and Council Tax and Business Rates debts that have proved uncollectable by other means. This will be a separate Lot from the enforcement agents although suppliers may come from the same companies. A maximum of three suppliers to be appointed with a commission rate expected on collections. A zero commission was paid during the current contract.

**Reasons for the Decision:**

The YPO Enforcement Agency Services Framework 953 has been reviewed and assessed by the Procurement Team as the most suitable framework for this exercise and is fully compliant with the Public Contract Regulations 2015.

Existing contracts will expire on 31 March 2023. Enforcement agents are a vital additional resource for the collection of unpaid debt due to the Council. The amount collected on behalf of the Council between 1 April 2019 to 31 May 2022 was £4,407,112.93.

The contract period recommended is consistent with previous contracts, allows time for officers and new suppliers to establish efficient working arrangements, and for performance to be monitored effectively. Due to the nature of the debts being collected performance can only be effectively measured in years rather than weeks or months.

The total value of fees collected by enforcement agents in the same period was £1,520,520,63. Although the fees are statutory amounts paid directly to the enforcement agents by debtors, for procurement purposes the value of fees collected is considered to be the value of the contract.

The debt collection suppliers appointed on the current contract also provide enforcement agent services. It is considered that a zero commission does not provide sufficient incentive to maximise collections whereas the suppliers receive statutory fees on Council Tax, Business Rates and Parking Fine collections. It is considered that by separating the debt collection into a separate Lot, alternative suppliers that specialise in debt collection may bid for that element. This may in turn present opportunities to explore alternative debt collection options for Council Tax debt, in particular old debt that may otherwise be written off.

**Alternative Options Considered and Rejected:**

- (1) The option of not appointing a contractor was considered but dismissed. This was because the authority cannot risk not collecting a sizeable percentage of its annual income without the support of enforcement agents.
- (2) The Council could conduct a compliant procurement exercise, approaching the whole market directly. This option however would require a longer timescale as the tender opportunity would need to be advertised on the UK's e-notification service, Find a Tender (FTS). Further, the volume of bids submitted is unpredictable and so in addition to managing a longer advertising period, officers could easily find that evaluation of bids also takes a much longer period. This could prove problematic as the existing contracts expire on 31 March 2023 and would be an inefficient use of the Council's resources. Therefore, this option has been rejected.
- (3) Contracts can also be awarded under a concession agreement with direct awards to successful bidders. However, there is a limit to the value of the contracts that can be awarded as a concession based on the value over the lifetime of the contracts. It has been assessed that the potential value of the contracts would exceed the FTS threshold. A tender process would still be required by way of advertisement via FTS that would open the process to unlimited competition and would be inefficient use of Council's resources. This is also likely to extend the timescale to procure services which could negatively impact on the collections process.

**35. TREASURY MANAGEMENT OUTTURN 2021/22**

The Cabinet considered the report of the Executive Director of Corporate Resources and Customer Services that provided a review of the Treasury Management activities undertaken during 2021/22; and advised that Cabinet received this outturn report to allow monitoring against the Treasury Management Policy and Strategy and Prudential Indicators approved by Cabinet and Council in March 2021.

**Decision Made:**

That the Treasury Management position during 2021/22 and the update to 31st May 2022, the effects of decisions taken in pursuit of the Treasury Management Strategy and the implications of changes resulting from regulatory, economic and market factors affecting the Council's treasury management activities be noted.

**Reasons for the Decision:**

To ensure that Members are fully apprised of the treasury activity undertaken during 2021/22 and also to 31st May 2022 in order to meet the reporting requirements set out in Sefton's Treasury Management Practices and those recommended by the CIPFA code.

**Alternative Options Considered and Rejected:**

None.

**36. FINANCIAL AND CORPORATE PERFORMANCE 2021/2022**

The Cabinet considered the report of the Executive Director of Corporate Resources and Customer Services that advised of the revenue and capital outturn position in relation to the 2021/22 financial year; and in doing so the report outlined any key variations and where appropriate any impact on future years' financial performance. In addition, the report provided details of the Council Corporate Performance for 2021/22.

Councillor Lappin, Cabinet Member – Regulatory, Compliance and Corporate Services indicated that the production of an executive summary, on a quarterly basis, would be helpful to monitor corporate performance.

**Decision Made:**

That in respect of the Revenue Outturn

- (1) the General Fund net surplus of £3.462m for 2021/22 that will increase the Council's General Balances by £1.962m more than was budgeted for be noted;
- (2) the increase in Schools' balances of £2.613m for 2021/22 and the

net reduction of non-schools centrally retained DSG balances of £4.482m be noted;

- (3) the deficit on the High Needs Budget of £12.4m be noted;
- (4) the changes to Earmarked Reserves in 2021/22 be noted; and
- (5) the addition to the Earmarked Reserve detailed in paragraph 6.4.(f) be approved;

That in respect of the Capital Outturn

- (6) the total capital outturn of £30.531m for the financial year 2021/22 be noted; and
- (7) the successful delivery of a number of schemes as set out in section 12 that have supported the delivery of the Council's core purpose be noted; and

That in respect of Corporate Performance:

- (8) the Council's Corporate Performance Report for 2021/22 be noted; and
- (9) the Executive Director of Corporate Resources and Customer Services be requested to produce a quarterly performance report alongside that for financial reporting to help in the monitoring of corporate performance

#### **Reasons for the Decision:**

The production of a revenue and capital outturn report is a key feature of effective financial management and will allow Members to make informed decisions that will support service delivery and medium-term financial sustainability.

This report should be read in conjunction with the Treasury Management Outturn report for 2021/22 and the High Needs Funding report which are also on the agenda for this meeting.

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

None.

### **37. FINANCIAL MANAGEMENT 2022/23 TO 2024/25 AND FRAMEWORK FOR CHANGE 2020 - REVENUE AND CAPITAL BUDGET UPDATE 2022/23 – JULY UPDATE**

The Cabinet considered the report of the Executive Director of Corporate Resources and Customer Services that informed of:

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- (1) the current position relating to the 2022/23 revenue budget;
- (2) the current forecast on Council Tax and Business Rates collection for 2022/23; and
- (3) the monitoring position of the Council's capital programme to the end of June 2023 in respect of:
  - 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 in respect of the Revenue Budget:

- (1) the current position relating to the 2022/23 revenue budget be noted;
- (2) the financial risks associated with the delivery of the 2022/23 revenue budget be recognised and it be acknowledged that the forecast outturn position will continue to be reviewed, and remedial actions put in place, to ensure a balanced forecast outturn position and financial sustainability can be achieved; and that the remedial actions required to address this financial forecast will be reported to Cabinet in September 2022;
- (3) the creation of the post 'Assistant Director - Help and Protection' within Children's Services with the post being funded via the deletion of vacant posts to the value required be approved; and that the appointment to this follow the Council's normal process for jobs of this grade;
- (4) that due to the potential changes to the treatment of high needs balances / deficits it be agreed that the financial position be reported as part of each monthly budget monitoring report during the year; and
- (5) the reporting cycle for the Council's Wholly Owned Companies be approved.

That in respect of the Capital Programme:

- (6) the spending profiles across financial years for the approved capital programme (paragraph 7.1) be noted;
- (7) the latest capital expenditure position as at 30 June 2022 of £5.198m (paragraph 7.4); and the latest full year forecast is

£42.426m (paragraph 7.6) be noted;

- (8) it be noted that capital resources will be managed by the Executive Director of Corporate Resources and Customer Services to ensure the capital programme remains fully funded and that capital funding arrangements secure the maximum financial benefit to the Council (paragraph 7.9);
- (9) Council be recommended to approve a supplementary capital estimate of £0.700m for Phase 1 of the Strand Repurposing project funded from the Economic Recovery Earmarked Reserve; and
- (10) Council be recommended to approve a supplementary capital estimate of £0.171m for the completion of the Crosby Lakeside Adventure Centre improvements, funded from the Economic Recovery Earmarked Reserve.

**Reasons for the Decision:**

To ensure Cabinet are informed of the current position in relation to the 2022/23 revenue budget.

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 2022/23 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.

**Alternative Options Considered and Rejected:**

None.

**38. 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 in private for the reasons set out below.

**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 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.

**39. MARINE LAKE EVENT CENTRE - EXEMPT APPENDICES**

The Cabinet considered exempt information relating to the Marine Lake Event Centre business report and appendices.

**Decision Made:**

That the exempt information be considered as part of the public report in relation to the Marine Lake Event Centre (Minute No. 41 below 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.

**40. PUBLIC SESSION**

**Decision Made:**

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

**41. MARINE LAKE EVENT CENTRE**

The Cabinet considered the report of the Executive Director – Place that updated on the Marine Lake Events Centre (incorporating The Light Fantastic) and presented the preferred option for progressing the commitment of Southport Town Deal funding for the project. The report also included the business case for the project for required submission by the Council, as accountable body, to Government on behalf of the Town Deal Board; and set out the next steps required in relation to the appointment of a main contractor and Operator.

**Decision Made:**

That:

- (1) the full business case for the Marine Lake Events Centre project be approved and submitted to Government on behalf of the Town Deal Board;

- (2) the agreement and return of all project documentation to the Department for Levelling Up, Housing and Communities be delegated to the Chief Executive and the Executive Director of Corporate Resources and Customer Services, in consultation with the Executive Director - Place and the Cabinet Member - Regeneration and Skills and Cabinet Member - Regulatory, Compliance and Corporate Services, on behalf of the Town Deal Board and in line with Town Deal funding deadlines;
- (3) the Executive Director - Place in consultation with the Cabinet Member - Regeneration and Skills be authorised to exercise delegated authority to procure a suitable contractor for the capital works via a fully compliant framework;
- (4) the Heads of Terms for the operation and management of the Marine Lake Events Centre as set out in the report and Full Business Case be approved and that the Executive Director - Place in consultation with the Cabinet Member - Regeneration and Skills be authorised to exercise delegated authority to agree the detailed terms;
- (5) it be noted that the Liverpool City Region Combined Authority continue to support the principle of allocating up to £20m to the new Events Centre, from which the first £2.3m has been released to support pre-development work;
- (6) it be noted that a request for a supplementary capital estimate to enable the scheme to be included within the Council's Capital Programme will be submitted to Cabinet and Council following on from the Liverpool City Region Combined Authority final approval and agreements from the Department for Levelling Up, Housing and Communities;
- (7) the key risks identified within this report be noted; and
- (8) it be noted that the proposal was a Key Decision but had not been included in the Council's Forward Plan of Key Decisions. Consequently, the Deputy Leader of the Council and the Chair of the Overview and Scrutiny Committee (Regeneration and Skills) had been consulted under Rule 27 of the Access to Information Procedure Rules of the Constitution, to the decision being made by Cabinet as a matter of urgency on the basis that it was impracticable to defer the decision until the commencement of the next Forward Plan.

**Reasons for the Decision:**

Cabinet has previously approved to progress with a new Marine Lake Events Centre in Southport as part of the successful Southport Town Deal.

Under the Town Deal Heads of Terms, Sefton Council is required to submit a full business case by 8th August 2022. The business case for the Marine Lake Events Centre (incorporating The Light Fantastic) has been developed in accordance with the guidance provided for Town Deal projects. The business case needs to be approved for the submission to be made to Government to facilitate the provision of the grant funding.

As per Cabinet on 29th July 2021 a Competitive Dialogue procedure to procure an operator for the MLEC site is underway, and as this process concludes it is necessary to agree the final terms to allow appointment.

It is also now required to start the process of appointing a suitable build contractor, with early engagement and input increasing cost certainty and reducing risk on the project.

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

The Outline Business Case presented to Cabinet on 24th June 2021 considered several alternative options ranging from do minimum, to refurbishment, to major redevelopment. The preferred option was major redevelopment with the other options being rejected as they did not meet the project aims and objectives.

The preferred way forward identified at the Outline Business Case stage was subject to further review in early 2022 focused on the re-examination of the scheme given capital affordability constraints alongside a review of the funding strategy. This review led to the confirmation of the preferred way forward scheme as set out at the Outline Business Case stage.

The shortlisted intervention options examined as part of the Full Business Case include the Outline Business Case preferred option requiring £73m of funding and a reduced scheme requiring £61.8m capital investment.

These two intervention options were considered against a revised reference case that considers that the STCC did not re-open after COVID-19 and has been mothballed by the Council. Therefore, the Do Minimum option, examined as part of the Outline Business Case, was no longer considered.

The preferred option from the Outline Business Case scored the highest in the Full Business Case and therefore the circa £73m major redevelopment remains the preferred option.