

CABINET

**MEETING HELD AT THE COMMITTEE ROOM, TOWN HALL, BOOTLE
ON THURSDAY 25TH JULY, 2019**

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

ALSO PRESENT: Councillor Sir Ron Watson

14. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Atkinson, Hardy and Veidman.

15. DECLARATIONS OF INTEREST

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

16. MINUTES OF THE PREVIOUS MEETING

Decision Made:

That the Minutes of the Meeting held on 20 June 2019 be approved as a correct record.

17. PROCUREMENT OF SEFTON STOP SMOKING SERVICE

The Cabinet considered the report of the Head of Health and Wellbeing in relation to the re-procurement of the Sefton Specialist Stop Smoking Service for Sefton scheduled to expire on 31 March 2020.

Decision Made:

That the Director of Public Health:

- (1) be authorised to conduct a procurement exercise for Sefton Stop Smoking Service, with a view to entering into a contract for a maximum of 5 years comprising an initial 3 year period with an option to extend for up to 2 periods of 12 months; and
- (2) in consultation with the Cabinet Member - Health and Wellbeing, be granted authority to award the Contract resulting from the procurement and to award any extension thereof.

Reasons for the Decision:

The current contract is due to expire in March 2020.

Public Health would like to develop the service model to be more responsive to the changing needs of local people in Sefton. This would include greater action around smoking in pregnancy, smoke free homes and an improved offer for young people who smoke or vape in Sefton.

The Stop Smoking service is fundamental to the overall Integrated Wellness Service (LWS).

Alternative Options Considered and Rejected:

To extend the contract for a further 1 year by exercising the additional option within the current contract. This option is rejected because of the continued review around smoking priorities, and the need to vary the contract to reflect those priorities.

18. LIVERPOOL CITY REGION 'STATEMENT OF COMMON GROUND'

The Cabinet considered the report of the Head of Economic Growth and Housing that sought approval of the Liverpool City Region 'Statement of Common Ground' in relation to development plans and the planning process. The report set out the time line for reporting across the Liverpool City Region and stated that it was scheduled to be considered by the Liverpool City Region Combined Authority and all the constituent local authorities between July and September 2019. The 'Statement of Common Ground' demonstrated effective and on-going joint working, cooperation and progress on cross-boundary strategic planning matters between the neighbouring strategic policy-making authorities, and that they met the statutory 'duty to co-operate'.

Decision Made: That:

- (1) the Liverpool City Region 'Statement of Common Ground' be approved subject to the Chief Planning Officer being granted delegated authority to agree minor wording changes to the Statement of Common Ground if proposed by other Liverpool City Region Districts or the Combined Authority;
- (2) the Leader of the Council be authorised to sign the final approved 'Statement of Common Ground' on behalf of Sefton Council once the document has been approved by the Combined Authority; and
- (3) the Cabinet Member - Planning and Building Control be authorised to approve and sign any future versions of the "Statement of Common Ground" in future years.

Reason for the Decision:

Under the Localism Act 2011 Sefton Council has a legal 'duty to co-operate' to engage constructively and actively, and to address strategic cross-boundary matters when preparing Local Plans. Paragraph 27 of the National Planning Policy Framework (2019) states that this should be demonstrated through joint preparation of statements of common ground. National planning guidance sets out more detailed information. While the Sefton Local Plan is relatively recently adopted (2017), on-going co-operation is required as this will feed into any future Local Plan review.

Alternative Options Considered and Rejected:

Not to participate in the preparation of a Statement of Common Ground or to approve one would make it difficult for Sefton Council to demonstrate, in any future Local Plan review, that it had met the statutory duty to co-operate.

19. SINGLE USE PLASTICS - UPDATE

The Cabinet considered the update report of the Head of Corporate Resources in relation to progress arising from Motions submitted to the Council on 19 July 2018 and 25 April 2019 in relation to both single use plastics and intentional balloon and lantern releases.

Decision Made: That:

- (1) the approach taken to the Council Motions in respect of single use plastics and intentional balloon and lantern releases be noted;
- (2) the progress made to date and specifically the approach the Council will take to those single use plastics that are to be the subject of an EU ban in 2021 be noted; and
- (3) approval be granted to continue work across the council to further meet the requirements of the 2 council Motions.

Reasons for the Decision:

To address the actions set out in the Motions that have been agreed by the Council:

- Council Motion on single use plastics 19 July 2018;
- the Council Motion on Intentional balloon and Chinese/sky lantern releases 25 April 2019; and

To protect and enhance Sefton's unique environment

Alternative Options Considered and Rejected:

Do nothing - This was not considered an option as plastic waste in our oceans and waterways is a real threat to the unique coastal environment in Sefton. Balloon and lantern releases pose a threat to livestock and wildlife, as well as being a source of litter across our local habitats. The Council believes that the reduction of single-use plastic would benefit health in Sefton, reduce waste and ultimately help protect our coast.

20. REVENUES & BENEFITS - PROCUREMENT OF SOFTWARE SOLUTIONS

The Cabinet considered the report of the Head of Corporate Resources that set out the background to the Council's current arrangements for software and services for the Revenues and Benefits Service. It also sought authority to commence a procurement exercise for the provision of a new contract for the Revenues and Benefits software solution.

Decision Made: That the Head of Corporate Resources:

- (1) be authorised to conduct a procurement exercise for Software Solutions for the Revenues and Benefits Services, with a view to entering into a contract for a maximum of 7 years comprising of an initial 5-year period with an option to extend for up to 2 periods of 12 months; and
- (2) in consultation with the Cabinet Member - Regulatory, Compliance and Corporate Services be granted delegated authority to award the contract resulting from the procurement exercise and to award any extension thereof.

Reasons for the Decision:

- (1) To have appropriate and best value contractual arrangements in place for the Revenues and Benefits service;
- (2) The functional requirements for the Revenues and Benefits service are evolving due to channel shift and a move towards greater automation. The future software solution should deliver the highest level of self-service and achieve the Council's needs for service performance and cost reduction in line with the overall Customer Strategy;
- (3) Undertaking this process will comply with all procurement legislation and ICT contract management strategy; and
- (4) There is a risk that any transition to a new software solution would disrupt Revenues and Benefits service delivery. The Council must avoid interruption to service delivery and a key requirement for any proposed replacement or enhanced software solution would be a smooth transition. Suppliers will be asked to

confirm how a transition to new solutions will be achieved to minimise disruption to service delivery.

Alternative Options Considered and Rejected:

There is the option for the Council to continue to operate with the existing software solution in the Revenues and Benefits service. The current software systems have been in place for many years, although various software upgrades and new modules have been implemented to incorporate legislative changes or additions to functionality. Continuing with existing software systems would not allow the Council the opportunity to test the market for the most modern and cost-effective solutions for Revenues and Benefits.

21. REVENUE AND CAPITAL BUDGET UPDATE - TREASURY MANAGEMENT OUTTURN 2018/19

The Cabinet considered the report of the Head of Corporate Resources that provided Members with details of the treasury management activities undertaken to 31 March 2019. The outturn report allowed the Cabinet to review against the Treasury Management Policy and Strategy and Prudential Indicators. The report advised that the Audit and Governance Committee had considered the report and detailed that its role was to scrutinise the treasury management policies and practices.

The Leader of the Council thanked the Council workforce and Officers who had worked hard to ensure that the budget was properly managed and balanced.

Decision Made: That:

- (1) the Treasury Management position to 31 March 2019 and the update to 31 May 2019, be noted; and
- (2) the effects of decisions taken in pursuit of the Treasury Management Strategy, be reviewed and noted along with the implications of changes resulting from regulatory, economic and market factors affecting the Council's treasury management activities.

Reasons for the Decision:

To ensure that Members are fully appraised of the treasury activity undertaken to 31 March 2019 and to 31 May 2019 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

22. REVENUE AND CAPITAL BUDGET UPDATE - REVENUE BUDGET OUTTURN 2018/19

The Cabinet considered the report of the Head of Corporate Resources that detailed the revenue outturn position in relation to the 2018/2019 financial year. In doing so the report outlined key variations and highlighted, where appropriate any impact on future years' financial performance.

Decision Made: That:

- (1) the General Fund net surplus of £0.330m for 2018/19 that will be added to the Council's General Balances, be noted;
- (2) the reduction in Schools' balances of £1.808m for 2018/19 and the net reduction of non-schools centrally retained Dedicated Schools' Grant balances of £0.745m, be noted; and
- (3) the approved increases to Earmarked Reserves in 2018/19, the release of reserves no longer required in order to contribute to the remedial plan to mitigate against the budget pressures being experienced in 2018/19, and the final position at the end of the year, be noted.

Reasons for the Decisions:

The production of a revenue 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.

Alternative Options Considered and Rejected:

None

23. REVENUE & CAPITAL BUDGET UPDATE - CAPITAL OUTTURN 2018/19

The Cabinet considered the report of the Head of Corporate Resources in relation to the capital outturn position for the financial year 2018/19.

Decision Made: That:

- (1) the capital outturn of £22.961m for the financial year 2019/20 be noted;
- (2) the successful delivery of a number of schemes that have supported the delivery of the core purpose as set out in section 3 to the report, be noted;

- (3) it be noted that, through investment in both ICT and building infrastructure the capital programme has enabled the delivery of significant savings that will contribute to the delivery of the medium term financial plan; and
- (4) It be noted that the previously approved grant funded schemes totalling £16.642m will have the funding carried forward into 2019/20.

Reason for the Decision:

The production of a 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.

Alternative Options Considered and Rejected:

None.

24. REVENUE AND CAPITAL BUDGET UPDATE 2019/20

The Cabinet considered the report of the Head of Corporate Resources that informed 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 June 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:

- (1) the current forecast revenue outturn position for 2019/20 and the current position relating to delivery of savings included in the 2019/20 revenue budget, be noted;
- (2) the potential mitigating actions that may be required should there still be a forecast deficit following the mid-year review in relation to the revenue budget, be noted;

- (3) the updates in relation to spending profiles across financial years of Capital Programmes, as detailed in paragraph 5.1.1 of the report, be noted;
- (4) the latest capital expenditure position as at 30 June 2019 of £1.7m (paragraph 5.2.2); and the latest full year forecast of £26.6m (paragraph 5.3.1), of the Capital Programmes, be noted;
- (5) the explanations of variances to project budgets (paragraph 5.3.2), be noted;
- (6) the additional and revised Transport allocations shown in paragraphs 5.4.1 to 5.4.4 of the report, be approved;
- (7) the additional Better Care Fund grant allocation (section 5.6), be approved;
- (8) the revised Schools capital budgets as detailed in paragraph 5.7 of the report, be noted;
- (9) the additional Special Educational Needs and Disabilities allocations as detailed in paragraph 5.8 of the report, be approved;
- (10) the additional Homes England grant as detailed in paragraph 5.9 of the report, be noted;
- (11) the Burials and Cremation capital programme plans as detailed in paragraph 5.10 of the report, be noted; and
- (12) it be noted that the 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 June 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 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:

None.

25. WATER UTILITY PROCUREMENT PLAN

The Cabinet considered the report of the Head of Corporate Resources that detailed the options available to Sefton Council in the procurement of water services, with a subsequent recommendation that the Council becomes "Self-Supply" in the water market and appoints a managing agent as partner for market entry, data collection and billing.

Decision Made: That:

- (1) the purchase of Water and Wastewater Wholesale services directly from United Utilities as the sole wholesale provider for all Council buildings, including all Local Authority supported schools, and that this service be made available to partners (New Directions and Academies) currently included in existing utility supply contracts, be approved;
- (2) an advanced request for a quotation exercise to appoint a management agent, that will be published in the Governments Contracts Finder and on the chest portal, for a contract duration of 2 years, be approved;
- (3) authority be delegated to the Head of Corporate Resources in consultation with the Cabinet Member - Regulatory, Compliance and Corporate Services to award the contract for a managing agent resulting from the procurement, be approved;
- (4) authority be delegated to Head of Corporate Resources and the Head of Strategic Support for the review, approval and signature of the Water Supply and Sewerage Licence Application and Wholesale Contract for a 2-year period, be approved; and
- (5) the pilot project be reviewed and the results reported to the Cabinet

Member for Regulatory, Compliance and Corporate Services six months prior to its end date, be approved.

Reasons for the Decision:

These recommendations will allow the Council to move away from its current 'deemed' contract rates and comply with Public Contracts Regulations (2015), achieve the largest potential savings from the options examined and have maximum control over cost saving activities that rely on accurate billing. In addition the Council will have:

- voting rights as a market participant, allowing Sefton Council to directly influence the market;
- a direct relationship with the wholesaler for quicker issue rectification;
- more regular water meter readings and improved provision of water consumption data; and
- access to specialist software to allow Sefton Council and site managers to more efficiently and effectively manage water consumption.

Alternative Options Considered and Rejected:

Do nothing

Remaining on deemed retailer rates currently does not provide best value for Sefton. Remaining on deemed rates also conflicts with our requirements under the Public Contracts Regulations (2015).

Switch retailer

Not considered cost effective and unlikely to yield significantly large saving for retail services due to OJEU procurement costs.

Sefton MBC access the retail market via a framework

Although this method would avoid OJEU costs and could improve benefits secured as part of a group procurement cost savings are still likely to be marginal.

Access the CCS framework as part of a larger procurement group in the Liverpool City Region

Potentially higher savings possible than Sefton MBC accessing a framework alone, however, there are no plans currently to progress. Results of this pilot will be relayed to the LCR group to aid progress.

26. 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 two items on the grounds that they involve 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.

27. SEFTON COUNCIL HOUSING DEVELOPMENT COMPANY- SANDWAY HOMES LIMITED APPENDICES

The Cabinet considered the Annexes 1 to 3 to the joint report of the Chief Executive and the Head of Corporate Resources in relation to Sefton Council Housing Company – Sandway Homes Limited, namely:

- Annex 1 – Detailed analysis of the revised development appraisals from Sandway Homes Limited
- Annex 2 – Sandway Homes Limited Development Appraisals
- Annex 3 – Proposed loan agreement between Sefton MBC and Sandway Homes Limited

Decision Made:

That the Cabinet note the appendices in relation to Sefton Council Housing Company – Sandway Homes Limited.

Reason for the Decision:

The annexes are required to be considered along with the joint report of the Chief Executive and the Head of Corporate Resources elsewhere on the agenda (Minute No: 30 refers).

Alternative Options Considered and Rejected:

None

28. FINANCE MONITORING REPORT STRAND SHOPPING CENTRE, BOOTLE APPENDICES

The Cabinet considered the Appendices to the report of the Executive Director in relation to the Finance Monitoring of the Strand Shopping Centre, Bootle.

Decision Made:

That the Cabinet note the appendices in relation to the Finance Monitoring of the Strand Shopping Centre, Bootle.

Reason for the Decision:

The appendices are required to be considered along with the report of the Executive Director elsewhere on the agenda (Minute No: 31 refers)

Alternative Options Considered and Rejected:

None

29. RE-ADMIT PRESS AND PUBLIC

The press and public were re-admitted to the meeting.

30. SEFTON COUNCIL HOUSING DEVELOPMENT COMPANY- SANDWAY HOMES LIMITED

The Cabinet considered the joint report of the Chief Executive and the Head of Corporate Resources in relation to the Housing Development Company, Sandway Homes Limited (SHL) and the work that had been undertaken to update the Company's Business Plan for the Phase 1 programme that included a full re-cast of all financial information.

The Cabinet also took into consideration the information contained in annexes 1 to 3 of the exempt agenda item No.14 (Minute No. 27 refers).

Decision Made: That:

- (1) the Updated development appraisals for Sandway Homes Limited be approved and authority be granted to proceed to the delivery of Phase 1;
- (2) the updated financial return that is due to the Council from the company through Phase 1 be noted and authority be granted to include this within the Council's 3-year Medium Term Financial Plan (2020/21 to 2022/23);
- (3) the basis for the transfer of land to the Company as set out in the report be approved;
- (4) the Company's approach to risk management and financial control as set out in the report be approved and the internal and external factors that could influence and impact upon the final financial return to the Council be noted;
- (5) the level and principles that will underpin the peak debt that can be accessed to the Company as set out in the report be approved;
- (6) the loan agreement included at Annex 3 between the Council and Sandway Homes Limited be approved;
- (7) the accounting treatment of Sandway Homes Limited within the Council's Statement of Accounts as set out in the report be noted;
- (8) the Council's governance arrangements in relation to Sandway

Homes Limited as set out in the report be approved; and

- (9) the request to Sandway Homes Limited to identify up to 5 affordable homes for purchase by the Council for the purpose of providing Council Housing and that a subsequent report, detailing the exact assets to be purchased and the financial implications be provided to support the decision in accordance with the Council's Constitution and Financial Procedure Rules be approved.

Reasons for the Decision:

Since 2016 the Council has been considering its role in the provision of housing throughout the Borough to complement an active third and private sector market. There is significant demand for housing sites and housing development within Sefton, with over 11,000 housing units being required, over the Local Plan period, in order to meet with the local housing demand.

There is a national shortfall of circa 1m homes (of which 400,000 fall into affordable homes) whilst across the Liverpool City Region a total of circa 50,000 housing units will be required in the medium term. The creation of a Housing Development Company will be able to increase housing completions and the availability of choice for residents and those whom wish to live in Sefton.

Alternative Options Considered and Rejected:

The Council set out its evaluation criteria in October 2017 that led to the decision to establish a wholly owned Housing Development Company.

31. FINANCE MONITORING REPORT STRAND SHOPPING CENTRE, BOOTLE

The Cabinet considered the report of the Executive Director that detailed an update for Members on the financial performance of Bootle Strand Shopping Centre and the presentation of a revised Business Plan including:

- (i) the revised Business Plan for 2019/20 – 2021/22;
- (ii) the projected impact on the Strand Reserve; and
- (iii) details of short to medium term proposals that would further enhance the Centre both operationally and financially.

The Cabinet also took into consideration the information contained in the exempt agenda item No.15 (Minute No. 28 refers)

Decision Made: That:

- (1) the revised Business Plan in relation to the Strand Shopping Centre be approved;
- (2) the contents of the report including the revised business plan projections for the years 2019/20 to 2021/22 be noted; and
- (3) It be noted that the proposal was 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) had 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 September in order that targets within the business plan could be achieved.

Reasons for the Decision:

Prevailing market conditions have adversely impacted on the current approved Business Plan for the Strand. A full analysis of those market conditions, tenancy schedule and anticipated costs and receipts for the next 3 years, has led to a re-cast of the Business Plan. Operational decision-making cannot be made outside of an approved Business Plan and Members are asked to consider the current position and tactical actions to improve that position and approve the re-cast of the Business Plan.

Alternative Options Considered and Rejected:

Not taking any action is likely to lead to further vulnerability in the financial performance of the centre.