

CABINET

**MEETING HELD AT THE BIRKDALE ROOM, TOWN HALL,
SOUTHPORT
ON THURSDAY 7TH NOVEMBER, 2019**

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

59. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Cummins.

60. DECLARATIONS OF INTEREST

Councillor Veidman declared an Interest in Agenda Items 12, 13, 15 and 16, Minute No's: 70, 71, 73 and 74 refers, Revenue and Capital Budget 2019/20 – Public Sector Reform Maximisation Disposal and Crosby Lakeside Redevelopment Project, by virtue of his position as Chair of the Planning Committee and he left the room during consideration of the items.

61. MINUTES OF THE PREVIOUS MEETING

Decision Made:

That the minutes of the Meeting held on 3 October 2019 be approved as a correct record.

62. PROPOSAL TO DEVELOP AN OUTLINE BUSINESS CASE FOR A SEFTON CLEAN AIR ZONE

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

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

Decisions Made: That the Cabinet:

- (1) noted the conclusions and recommendations from the Clean Air

Zone (CAZ) Feasibility Study;

- (2) approved the proposal 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) noted the Revenue & Capital Budget Update 2019/20 report, Minute no: X refers, Agenda Item 9, containing a recommendation to approve a supplementary revenue estimate of £0.530M to fund the development of the Business Case;
- (4) granted authority 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) noted the risks, assumptions and uncertainties associated with this key decision; and
- (6) noted future key decisions that result from the completion of an OBC.

Reasons for the Decisions:

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:

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.

63. SUPPORTED LIVING AND COMMUNITY SUPPORT SERVICES

The Cabinet considered the report of the Interim Director for Adult Social Care in relation to the proposal 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.

Decisions Made: That:

- (1) the Interim Director for Adult Social Care be authorised 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) the Interim Director for Social Care in consultation with the Cabinet Member - Adult Social Care be granted delegated authority to the making of any decisions regarding the tender evaluation and the development of a new outcome-based service specification, such decisions will be made in advance of the procurement exercise commencing; and
- (3) the Interim Director for Adult Social Care in consultation with Cabinet Member - Adult Social Care be granted delegated authority to award the contracts from each of the individual PDPS's, as detailed in paragraph 3 to the report.

Reasons for the Decisions:

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:

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.

64. MAKING THE FORMBY AND LITTLE ALT CAR NEIGHBOURHOOD PLAN

The Cabinet considered the report of the Chief Planning Officer in relation to the making of Formby and Little Altcar Neighbourhood Plan. The report is also scheduled to be considered by the Council at its meeting on 21 November 2019.

Decision Made:

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.

Reasons for the Decision:

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:

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.

65. APPOINTMENT TO LIVERPOOL UNIVERSITY HOSPITAL COUNCIL OF GOVERNORS

The Cabinet considered the report of the Chief Legal and Democratic Officer in relation to the appointment of a Council representative to the Council of Governors of the newly formed Liverpool University Hospital NHS Foundation Trust, an amalgamation of both the Aintree University Hospital NHS Foundation Trust (AUH) and Royal Liverpool & Broadgreed

University Hospitals NHS Trust (RLB).

Decisions Made: That the Cabinet:

- (1) noted 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) appointed 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 Decisions:

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

66. ANNUAL HEALTH AND SAFETY REPORT

The Cabinet considered the report of the Head of Corporate Resources in relation to the progress made towards the implementation of the Council's Health and Safety policy for 2018/19.

Decision Made:

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

Reasons for the Decision:

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:

None.

67. 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 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.

Decisions Made: That the Cabinet:

- (1) noted 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) noted the mitigating measures being used to ensure a balanced forecast outturn position excluding a forecast deficit on Housing Benefits due to be considered at the end of the financial year should it materialise;
- (3) approved a supplementary revenue estimate of £0.53m funded from earmarked reserves to support the development of an outline business case for a Sefton Clean Air Zone;
- (4) noted updates to spending profiles across the financial year, as detailed in paragraph 5.1.1 to the report;
- (5) noted the new schemes added to the Capital Programme under delegated authority for 2019/20 as detailed in paragraph 5.1.3 to the report;
- (6) noted the updates to spending profiles across financial years as detailed in paragraph 5.1.1 to the report;
- (7) noted the latest capital expenditure position as at 30 September 2019 to date of £7.397m with the latest full year forecast being £26.107m as detailed in paragraphs 5.2.2 and 5.3.1 to the report;
- (8) noted the explanations of variances to project budgets as detailed in paragraph 5.3.2 to the report;
- (9) noted the capital programme outputs to the end of September as

detailed in paragraph 1.4 to the report; and

- (10) 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 Decisions:

To ensure that the Cabinet is 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:

None.

68. REVENUE AND CAPITAL BUDGET UPDATE – MEDIUM TERM FINANCIAL PLAN 2020/21 TO 2022/23

The Cabinet considered the report of the Head of Corporate Resources that detailed the latest position with regard to Government funding announcements for 2020/21; the update to the Medium Term Financial Plan (MTFP) for 2020/21 to 2022/23 taking account of all currently

available information and the funding issues being faced by High Needs and Secondary Schools.

Decision Made: That the Cabinet:

- (1) approved the updated Medium Term Financial Plan for 2020/21 to 2022/23 and any assumptions made;
- (2) noted the funding pressures being faced by the Council within High Needs and Secondary Schools and the actions being taken to address these;
- (3) noted the Council's position in relation to its financial resilience; and
- (4) approved 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:

None

69. 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.

70. REVENUE AND CAPITAL BUDGET 2019/20 - PUBLIC SECTOR REFORM MAXIMISATION DISPOSAL

The Cabinet considered the joint report of the Head of Corporate Resources and Head of Economic Growth and Housing in relation to the Asset Maximisation Project that sits within the Framework for Change, Public Sector Reform Programme.

Decision Made:

That the exempt information be considered as part of the public report in relation to this matter, reference Minute No: 73 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.

71. CROSBY LAKESIDE REDEVELOPMENT PROJECT

The Cabinet considered the report of the Head of Commercial Development in relation to the Crosby Lakeside Adventure Centre Redevelopment Project.

Decision Made:

That the exempt information be considered as part of the public report in relation to this matter, reference Minute No: 74 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.

72. RE-ADMIT PRESS AND PUBLIC

Decision Made:

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

73. REVENUE AND CAPITAL BUDGET 2019/20 - PUBLIC SECTOR REFORM MAXIMISATION DISPOSAL

The Cabinet considered the joint report of the Head of Corporate Resources and Head of Economic Growth and Housing in relation to the Asset Maximisation Project that sits within the Framework for Change, Public Sector Reform Programme.

Decisions Made: That the Cabinet:

- (1) approved 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;
- (2) approved that subsequent to the agreement of Heads of Terms that the Chief Legal and Democratic Officer be granted delegated authority to negotiate sale contracts for the disposal of Plots B and C at Holgate Thornton; and
- (3) approved that when sale contracts and all financial issues have been resolved, a final report will be submitted to the Cabinet in order that approval can be obtained to conclude the proposed transaction.

Reasons for the Decisions:

- (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:

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

74. CROSBY LAKESIDE REDEVELOPMENT PROJECT

The Cabinet considered the report of the Head of Commercial Development in relation to the Crosby Lakeside Adventure Centre Redevelopment Project.

Decisions Made: That the Cabinet:

- (1) approved the Full Business Case and option 5 within the Full Business Case;
- (2) authorised the Head of Commercial Development to implement the delivery plan outlined within the Full Business Case in consultation with: the Cabinet Member – Regeneration and Skills; the Cabinet Member – Regulatory, Compliance and Corporate Services; and the Cabinet Member – Health and Wellbeing;
- (3) authorised the Head of Commercial Development to conduct a procurement exercise for the appointment of a contractor to undertake the capital works outlined in the Full Business Case in consultation with the Portfolio Cabinet Members and granted delegated authority to award the contract resulting from the procurement.
- (4) authorised the Head of Commercial Development to conduct a procurement exercise to procure a partner in line with the requirements outlined within the Full Business Case in consultation

with the Cabinet Members and granted delegated authority to award the contract resulting from the procurement.

- (5) authorised Officers to engage in appropriate consultation with employees and trade unions in terms of employment matters following the Council's normal procedures; and
- (6) noted that the capital cost of this project and refurbishment will be £3.1m and will be funded from a direct grant by the Combined Authority. A subsequent supplementary capital estimate for this sum will be provided for Cabinet to recommend to Council for approval.

Reasons for the Decisions:

To enable the project to progress from the Development Stage (Stage 1) onto Transition to Delivery Stage (Stage 2) then to on-going Operations (Stage 3).

Alternative Options Considered and Rejected:

Five options for delivery of the objectives of this project were considered, which are detailed in the table below.

The assessment of these options identified the Preferred Option to be Option 5: a JVCo to deliver operational transformation within a fully refurbished hospitality facility.

The summary of the outcome of the assessment is shown in the table below:

OPTION	VALUE AND RISK ASSESSMENT
<p>Option 1. No ops changes. No refurbishment.</p>	<p>Retain the existing operating model and team; no investment in the hospitality facilities. No change – continue ‘as-is’.</p> <p>Financial outcome: no reduction in current c.£250k pa subsidy (likely to rise over next 10 years, average of c. £290k pa).</p> <p>(Backlog maintenance requirements not addressed).</p> <p>Overall assessment: not a sustainable option.</p>
<p>Option 2 New management. No refurbishment.</p>	<p>Retain the existing operating model and team and hire new management with hospitality experience; no investment in the facilities.</p> <p>Financial outcome: only marginal reduction in current c.£250k pa subsidy to an average of c.£220k</p>

OPTION	VALUE AND RISK ASSESSMENT
	<p>pa subsidy over 10 years).</p> <p>(Backlog maintenance requirements not addressed).</p> <p>Overall assessment: not a sustainable option.</p>
<p>Option 3. No ops changes. Full refurbishment.</p>	<p>Retain the existing operating model and team; and invest in refurbishment and reconfiguration of the facility.</p> <p>Financial outcome: increase in current c.£250k pa subsidy after funding on-going maintenance to c. £420k pa average over 10 years.</p> <p>(Backlog maintenance requirements covered in full refurbishment).</p> <p>Overall assessment: not a sustainable option.</p>
<p>Option 4. New management. Full refurbishment.</p>	<p>Retain the existing operating model and team and hire new management with hospitality experience. Also invest in the refurbishment and reconfiguration of the facility.</p> <p>Financial outcome: current c.£250k subsidy not removed with insufficient new income to fully fund on-going maintenance requirements: average £265k pa over 10 years.</p> <p>(Backlog maintenance requirements will be covered in full refurbishment).</p> <p>Overall assessment: not a sustainable option.</p>
<p>Option 5. New JV and operating model Full refurbishment.</p>	<p>Financial outcome: current c.£250k pa subsidy fully removed and a surplus generated for the Council of c. £70k pa average over 10 years (total c. £320k pa average) after fully funding on-going maintenance and paying profit share to operator partner (c. £100k pa average over 10 years).</p> <p>Backlog maintenance requirements covered in full refurbishment.</p> <p>£3.53m benefit to the Council (improvement on</p>

OPTION	VALUE AND RISK ASSESSMENT
	current position) over 10 years. Overall assessment: sustainable and Preferred Option.