

Public Document Pack

Sefton Council 

MEETING: CABINET
DATE: Thursday 4th February, 2021
TIME: 10.00 am
VENUE: Remote

DECISION MAKER: **CABINET**

Councillor Maher (Chair)
Councillor Atkinson
Councillor Cummins
Councillor Fairclough
Councillor Hardy
Councillor John Joseph Kelly
Councillor Lappin
Councillor Moncur
Councillor Veidman

COMMITTEE OFFICER: Ruth Harrison
Democratic Services Manager
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The Cabinet is responsible for making what are known as Key Decisions, which will be notified on the Forward Plan. Items marked with an * on the agenda involve Key Decisions

A key decision, as defined in the Council's Constitution, is: -

- any Executive decision that is not in the Annual Revenue Budget and Capital Programme approved by the Council and which requires a gross budget expenditure, saving or virement of more than £100,000 or more than 2% of a Departmental budget, whichever is the greater
- any Executive decision where the outcome will have a significant impact on a significant number of people living or working in two or more Wards

If you have any special needs that may require arrangements to facilitate your attendance at this meeting, please contact the Committee Officer named above, who will endeavour to assist.

We endeavour to provide a reasonable number of full agendas, including reports at the meeting. If you wish to ensure that you have a copy to refer to at the meeting, please can you print off your own copy of the agenda pack prior to the meeting.

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A G E N D A

Items marked with an * involve key decisions

<u>Item No.</u>	<u>Subject/Author(s)</u>	<u>Wards Affected</u>	
1	Apologies for Absence		
2	Declarations of Interest Members are requested at a meeting where a disclosable pecuniary interest or personal interest arises, which is not already included in their Register of Members' Interests, to declare any interests that relate to an item on the agenda. Where a Member discloses a Disclosable Pecuniary Interest, he/she must withdraw from the meeting room by switching their camera and microphone off during the whole consideration of any item of business in which he/she has an interest, except where he/she is permitted to remain as a result of a grant of a dispensation. Where a Member discloses a personal interest he/she must seek advice from the Monitoring Officer or staff member representing the Monitoring Officer to determine whether the Member should withdraw from the meeting room, including from the public gallery, during the whole consideration of any item of business in which he/she has an interest or whether the Member can remain in the meeting or remain in the meeting and vote on the relevant decision.		
3	Minutes of the Previous Meeting Minutes of the meeting held on 7 January 2021		(Pages 5 - 16)
* 4	Persistent Pupil Absence Working Group Final Report Report of the Chief Legal and Democratic Officer	All Wards	(Pages 17 - 42)
* 5	Adult Substance Use Community Assessment, Treatment & Recovery Service (Ambition Sefton) Report of the Head of Health and Wellbeing	All Wards	(Pages 43 - 52)

* 6	High Needs Funding Update Report of the Head of Education Excellence.	All Wards	(Pages 53 - 62)
* 7	Crosby Lakeside Adventure Centre - Business Case update Report of the Executive Director - Place	Church	(Pages 63 - 118)
8	Bootle Strand Shopping Centre – Interim Update on the Impacts of COVID-19 Report of the Executive Director - Place		(Pages 119 - 126)
* 9	Culture - Borough of Culture 2020, Legacy and Strategy Report of the Executive Director - Place	All Wards	(Pages 127 - 136)
* 10	Private Sector Housing Assistance Policy Update 2020 Report of the Executive Director Corporate Resources and Customer Services	All Wards	(Pages 137 - 152)
* 11	Digital Strategy Report of the Executive Director of Corporate Resources and Customer Services	All Wards	(Pages 153 - 172)
* 12	Financial Management 2020/21 to 2023/24 and Framework for Change 2020 - Revenue and Capital Budget Update 2020/21 including the Financial Impact of COVID-19 on the 2020/21 Budget - February Update Report of the Executive Director Corporate Resources and Customer Services	All Wards	(Pages 173 - 194)

THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON WEDNESDAY 20 JANUARY, 2021.

CABINET

REMOTE MEETING HELD ON THURSDAY 7TH JANUARY, 2021

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

ALSO PRESENT: Councillor Sir Ron Watson viewed this meeting
remotely

73. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Atkinson.

74. DECLARATIONS OF INTEREST

Councillor Veidman declared a personal interest in relation to Minute No. 79, Provision of Council (Social Rented) Housing at Buckley Hill Lane, Netherton. The nature of his interest was in relation to his capacity as Chair of the Planning Committee and as such Councillor Veidman left the meeting for consideration of the item.

75. MINUTES OF THE PREVIOUS MEETING

Decision Made:

That the Minutes of the Meeting held on 3 December 2020 be approved as a correct record.

76. INFECTION CONTROL FUND

The Cabinet considered the report of the Executive Director of Adult Social Care and Health in relation to the proposal of utilising the discretionary funding from the Department of Health and Social Care Infection Control Fund.

Decision Made: That:

- (1) the report be noted;
- (2) the proposals for the use of the 20% discretionary Infection Control Fund, as detailed in the report, be approved;
- (3) the Executive Director of Adult Social Care and Health, in consultation with the Cabinet Members for Adult Social Care and Health and Wellbeing be granted delegated authority to make decisions on specific amounts from the discretionary element of

Agenda Item 3

CABINET- THURSDAY 7TH JANUARY, 2021

the fund (and potentially any remaining funding from the initial 80% of the fund) to be allocated to each proposal, in accordance with the limits included in the Financial Procedure Rules, be approved; and

- (4) the Executive Director of Adult Social Care and Health, in consultation with the Cabinet Members for Adult Social Care and Health and Wellbeing be granted delegated authority to allocate any funding from the discretionary element of the fund (and potentially any remaining funding from the initial 80% of the fund), in accordance with the limits included in the Financial Procedure Rules, to any subsequently identified proposals arising following further engagement with Providers and Stakeholders, be approved.

Reason for the Decisions:

To agree initial proposals on the use of the remaining 20% of the Infection Control Fund and any amounts unallocated from the initial 80% of the fund.

Alternative Options Considered and Rejected:

The following option was considered and rejected;

Not utilising the 20% of the fund and also returning to DHSC and unallocated amounts from the initial 80% of the fund

This option was considered and rejected as the full use of allocation Sefton has received from the national Infection Control Fund should be used to deal with issues arising from the COVID-19 pandemic and to support Providers and other sectors in order to then ensure that they can continue to safely deliver services to vulnerable people in Sefton.

77. PARKHAVEN COURT MAGHULL - AWARD OF CONTRACT FOR THE PROVISION OF EXTRA CARE

The Cabinet considered the report of the Executive Director of Adult Social Care and Health in relation to approval of a Direct Award Contract for the provision of Care and Support at Parkhaven Court Extra Care Scheme.

Decisions Made: That:

- (1) it be noted that Parkhaven Trust were successful in their bid to access the Liverpool City Region (LCR) Pseudo Dynamic Purchasing System (PDPS) for the provision of care and support which members approved in March 2018;

CABINET- THURSDAY 7TH JANUARY, 2021

- (2) the award of a contract using the LCR PDPS Purchasing System which allows for the direct award of a contract in exceptional circumstances for the period of 2 years, with an option to extend for 1 further year, commencing on the 1st April 2021, to Parkhaven Trust for the provision of Care and Support at Parkhaven Court Extra Care Housing Scheme, be approved;
- (3) the Executive Director for Adult Social Care and Health in consultation with the Cabinet Member for Adult Social Care be granted delegated authority in relation to the making of decisions with regards to the specification, contract terms and referral processes, such decisions will be made prior to the award; and
- (4) the Executive Director for Adult Social Care and Health in consultation with the Cabinet Member for Adult Social Care be granted delegated authority in relation to the making of decisions with regards to the 1 year extension.

Reasons for the Decisions:

The land and buildings where the Parkhaven site sits are owned by the Parkhaven Trust, a charity going back many years in the area. Your Housing Group are the Landlord for the Extra Care Housing.

The site is dedicated to people living with Dementia and in addition to Extra Care housing the site has a day service, a brand-new nursing home, offices and a purpose-built respite unit. Parkhaven provide all the care and support across the whole site and provide the housing management function related to the Extra Care Scheme under an exclusive arrangement with the Landlord.

The LCR PDPS allows direct award of a contract to a provider on the PDPS in exceptional circumstances such as those described above, including “If the provider has a genuine existing exclusive arrangement with the landlord of the scheme” and “where the provider is already providing other services at the premises and it is impracticable / not commercially feasible for another provider to be appointed to the Individual Contract”. Parkhaven have a place on the LCR Extra Care PDPS and this was awarded through a competitive tendering exercise.

As part of the development of the Councils Strategic Approach to Extra Care Provision, the Cabinet Member for Adult Social Care and the Cabinet Member for Communities and Housing have approved an Extra Care Prospectus. This document will set the baseline and direction of travel for the development of Extra Care provision in the Borough and how we will seek to work with Extra Care Housing providers including any new schemes to be developed alongside existing schemes. This will ensure we enable consistency in our commissioning, alignment of specifications, contract terms, processes, pathways and utilise an agreed yet to be developed housing allocations policy. The Services at Parkhaven Court would be considered as part of this work and any future commissioning

Agenda Item 3

CABINET- THURSDAY 7TH JANUARY, 2021

and procurement needs developed in accordance with the strategy developed.

The Prospectus recognises however that there will be different models and provider configurations which will require different commissioning and procurement approaches to ensure that communities in Sefton benefit from the opportunities these provide.

Alternative Options Considered and Rejected:

An open procurement process was considered for the contract for Extra Care services at Parkhaven Court but was rejected due to the need to ensure stable provision on site whilst further consideration is given to the longer-term arrangements for the provision of Extra care in the borough.

78. KICKSTART JOBS SCHEME

The Cabinet considered the report of the Head of Economic Growth and Housing in relation to the Government's Kickstart job creation scheme for young benefit claimants.

The Head of Economic Growth and Housing reported that the Government had announced its job creation scheme for workless young people aged 16 – 24 during the summer of 2020, as part of the Plan for Jobs. The new scheme, called Kickstart, would provide wage subsidies to employers that create new work experience placements and forms a key part of the wider response to economic downturn and job losses resulting from the impact of COVID-19. The report detailed how the Kickstart scheme would work and who would be eligible to join the scheme.

Decision Made: That:

- (1) the Head of Economic Growth and Housing in consultation with Executive Director of Corporate Resources and Customer Services and associated Cabinet Members be granted delegated authority to enter into a contract with Department for Work and Pensions to act as a Kickstart Jobs Scheme Intermediary body on behalf of local employers, in order to best respond to local demand and maximise opportunities for local residents, be approved; and
- (2) the Head of Economic Growth and Housing in consultation with Executive Director of Corporate Resources and Customer Services and associated Cabinet Members be authorised to undertake further work to allow the Council to optimise future opportunities presented by the Scheme as a direct employer of Kickstart jobs, be approved.

Reasons for the Decisions:

Sefton@Work is the Council's well-known and trusted job brokerage service which has provided quality employment programmes in Sefton for

CABINET- THURSDAY 7TH JANUARY, 2021

many years. Involvement in the Kickstart Scheme will enable the Council to have assurance that the jobs created for Sefton residents are of good quality and offer possibilities to improve longer term sustainable progression and complementarity with other aspects of the service provision.

There is considerable demand from local companies seeking to enter the scheme who are not large enough to apply themselves directly. Many of these employers have already contacted the Sefton@Work service to request support to be able to create jobs for young people who are unemployed and claiming benefits, primarily Universal Credit. Given the corporate objectives on economic recovery, tackling worklessness and stimulating inclusive growth, this allows the Council to provide a very significant support to our employer base and our young people during very difficult times.

Sefton@Work funds its operations with a combination of external grants and contracts, with some additional Council revenue from the Growth budget. Acting as an intermediary for Kickstart offers the opportunity to generate an element of financial surplus which can potentially reduce the level of future funding requirements from Council budgets. The level of financial surplus for the Council will be a direct correlation with the number of places offered within each employer and each Council department, with £800 being retained for each external place and £500 for each internal place within the Council.

Alternative Options Considered and Rejected:

The alternative option would be for the Council not to be involved in this scheme.

This option was discounted for several reasons:

- Commitment to a job creation / wage subsidy scheme was proposed within the LCR CA Economic Recovery proposals recently submitted to Government and endorsed by Sefton Council. To avoid involvement in the Kickstart scheme, which is the national youth unemployment job creation scheme would be at odds with this endorsement.
- There are clear expectations of the Council to act as a broker in this scheme and an arbiter of quality. To opt not to play this role could potentially expose our young people to low quality provision.
- Youth unemployment in Sefton has climbed to unprecedented levels during the pandemic and the Council and local employers can act on this important issue through this Scheme. In March 2020 there were 1,190 16 -24 claimants looking for work. By August 2020 this number had increased to 2,410, a rise of just over 102%. The current claimant rate for young people is 12.7%, this is more than double the 6.2% rate in March 2020, higher than the north west average and the national average.

Agenda Item 3

CABINET- THURSDAY 7TH JANUARY, 2021

79. PROVISION OF COUNCIL (SOCIAL RENTED) HOUSING BUCKLEY HILL LANE, NETHERTON

The Cabinet considered the report of the Head of Economic Growth and Housing in relation to the proposal associated with Sefton Council re-entering the social housing market through the provision of Council housing for rent. The report set out the plan in achieving the proposal.

The Leader of the Council highlighted the milestone that had been achieved in the proposals of Sefton Council re-entering the social housing market and the benefits that this would create for both Sefton Council and its residents.

The Cabinet Member for Communities and Housing, Councillor Hardy referred to all the hard work that had been undertaken by Officers and Members to achieve the aspiration of Sefton Council in re-entering the social housing market and thanked Officers for all their hard work in what was an exciting and historical moment for Sefton Council.

Decision Made: That:

- (1) the strategic case for Sefton Council re-entering the social housing market through the provision of council housing for rent as set out in the report, be agreed;
- (2) authority be granted to negotiate the terms to acquire one block, comprising nine apartments, as the start of its future stock of council housing from Sandway Homes, as part of Sandway's development at Buckley Hill Lane Netherton, be agreed;
- (3) approval to register Sefton Council with the Regulator of Social Housing as a social housing provider, be agreed;
- (4) authority to apply to Homes England to become an Investment Partner, be agreed;
- (5) officers be instructed to develop a Business Plan for council housing provision which sets out greater detail for the operational requirements, including financial modelling and management arrangements, be agreed;
- (6) authority be granted to pursue the procurement of a suitable housing association to provide the required housing management services, and delegate authority to the Head of Economic Growth and Housing in consultation with the Cabinet Member for Communities & Housing to appoint a management agent;

CABINET- THURSDAY 7TH JANUARY, 2021

- (7) the procurement and appointment of suitable consultant(s) to assist undertake associated tasks set out in this report and arising from the recommendations in this report, be agreed. The costs will be met from within the existing budget for the Economic Growth and Housing Service. The appointment of the consultants be delegated to the Head of Economic Growth and Housing in consultation with the Cabinet Member for Communities and Housing, be agreed; and
- (8) note that a further report will be submitted to Cabinet setting out the terms to acquire the council housing stock from Sandway Homes, and which sets out the Business Plan and proposed operational arrangements.

Reason for the Decisions:

to pursue the actions and recommendations set out in this report to Cabinet approval.

Alternative Options Considered and Rejected:

The Council could opt not to provide council housing, but this would limit the opportunity to increase the pace and scale of (affordable) housing delivery. It would also rely on Housing Associations to be the primary provider of social housing. While the provision of HA Affordable Rent housing is generally welcomed, provision of council housing can offer a complimentary alternative which can maximise the use of available and ringfenced resources.

80. MICROSOFT OFFICE 365 & AZURE RENEWAL

The Cabinet considered the report of the Executive Director of Corporate Resources and Customer Services in relation to the provision of Microsoft Office 365 end user licences and the Council's cloud environment; Microsoft Azure. The report also details the associated procurement route(s) available to the authority to renew these licences and services due to the current contract expiring on 30 April 2021.

Decisions Made: That:

- (1) the Executive Director of Corporate Resources & Customer Services be authorised to select an appropriate procurement route and conduct a procurement exercise to renew Office 365 licences used by end users (staff) and also licences for the Council's cloud environment Microsoft Azure (which is used to store some Council data and also run a number of cloud migrated software applications) with a view to entering into a contract for a maximum period of 4 years comprising an initial 2 year period with an option to extend for up to 2 periods of 12 months; and

Agenda Item 3

CABINET- THURSDAY 7TH JANUARY, 2021

- (2) the Executive Director of Corporate Resources & Customer Services in consultation with the Cabinet Member for Regulatory, Compliance and Corporate Services be granted delegated authority to award the Contract resulting from the procurement exercise and any subsequent contract extensions.

Reason for the Decisions:

To ensure that end users can continue using Microsoft Office 365 applications and that software applications and data stored within the Councils cloud environment (Microsoft Azure) are still available for use upon the expiry of the current contract.

Alternative Options Considered and Rejected:

There are no alternative options being considered.

81. COUNCIL TAX REDUCTION SCHEME, COUNCIL TAX BASE 2021/22

The Cabinet considered the report of the Executive Director of Corporate Resources and Customer Services in relation to the review of the local Council Tax Reduction Scheme for 2020/21. The report also provided details of an updated Council Tax Base for Sefton Council and each Parish area for 2021/22.

Decision Made: That:

- (1) the contents of the review of the Council Tax Reduction Scheme for 2020/21, be noted;
- (2) Council be recommended that there are no changes to the existing Scheme for 2021/22 for working age claimants; and
- (3) Council be recommended to approve the relevant Council Tax Base for Sefton Council and each Parish Area as set out in Annex A to the report.

Reasons for the Decisions:

Council Tax Reduction Scheme

Each financial year, the Council must consider whether to revise or replace its local Council Tax Reduction Scheme. The Council must approve and adopt the 2021/22 Council Tax Reduction Scheme by 11 March 2021, as set out in the Council Tax Reduction Scheme (Amendment) (England) Regulations 2017.

The report provides an update on key aspects of the local Council Tax Reduction Scheme. After consideration of the factors outlined later in the

CABINET- THURSDAY 7TH JANUARY, 2021

report it is proposed that the local Council Tax Reduction Scheme for 2021/22 remains unchanged for working age claimants

Council Tax Base

In accordance with Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, as amended, the Council is required to set a tax base for both Sefton Council and each Parish Area for 2021/22 before 31st January 2021.

Alternative Options Considered and Rejected:

Council Tax Reduction Scheme

The Council Tax Reduction Scheme was last revised in 2018/19 following a public consultation process. The changes introduced then continue to address the Council's priorities to minimise the impact on vulnerable residents, by striking a balance between dealing with Council priorities. Ongoing monitoring and evaluation assess the impact of those changes to ensure that they remain fit for purpose. No alternative options have been considered for 2021/22.

82. FINANCIAL MANAGEMENT 2020/21 TO 2023/24 AND FRAMEWORK FOR CHANGE 2020 - REVENUE AND CAPITAL BUDGET UPDATE 2020/21 INCLUDING THE FINANCIAL IMPACT OF COVID-19 ON THE 2020/21 BUDGET JANUARY UPDATE

The Cabinet considered the report of the Executive Director for Corporate Resources and Customer Services and advised of:

- (1) the current estimated financial impact of COVID-19 on the 2020/21 Budget;
- (2) the current forecast revenue outturn position for the Council for 2020/21;
- (3) the current forecast on Council Tax and Business Rates collection for 2020/21; and
- (4) the monitoring position of the Council's capital programme to the end of November 2020:
 - 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.

Agenda Item 3

CABINET- THURSDAY 7TH JANUARY, 2021

The Executive Director of Corporate Resources and Customer Services referred to the recent Government Spending Review Announcement and reported that Officers were working through the detail in relation to the impact on the Council and as such would report back accordingly.

The Leader of the Council, Councillor Maher referred to the lack of Government Funding and the burden this has left on the Council in addressing the significant short fall from the impact of the Covid pandemic.

The Cabinet Member for Regulatory, Compliance and Corporate Services, Councillor Lappin referred to the un-even approach of taxation which has been applied across the board without any consideration of the less financially able.

Decisions Made: That:

(A) in respect of the Revenue Budget:

- (1) the current estimated impact of COVID-19 on the 2020/21 Budget together with the key issues that will influence the final position, be noted;
- (2) the financial risks associated with the delivery of the 2020/21 revenue budget and the material variations that are to be expected to the current estimates contained in this report be recognised, and it be agreed subsequent reports provide updates and where appropriate remedial actions plans as appropriate;
- (3) the current forecast revenue outturn position for 2020/21, be noted;
- (4) it be acknowledged that the forecast outturn position will continue to be reviewed to ensure a balanced forecast outturn position and financial sustainability can be achieved; and

(B) in respect of the Capital Programme:

- (1) the spending profiles across financial years for the approved capital programme (paragraph 6.1.1) be noted;
- (2) the latest capital expenditure position as at 30 November 2020 of £11.530m (paragraph 6.2.1) with the latest full year forecast of £31.147m (paragraph 6.3.1) be noted;
- (3) the explanations of variances to project budgets (paragraph 6.2.3) be noted;

CABINET- THURSDAY 7TH JANUARY, 2021

- (4) the additional School Condition Grant of £0.680m for inclusion in the capital programme (paragraph 6.4), be approved;
- (5) the additional Highways Active Travel Tranche 2 Grant of £0.700m and the School Streets allocation of £0.030m (section 6.5) for inclusion in the capital programme, be approved;
- (6) the additional Disabled Facilities Grant allocation of £0.572m for inclusion in the capital programme (paragraph 6.6), be approved; and
- (7) the Executive Director Corporate Resources and Customer Services will manage capital resources to ensure the capital programme remains fully funded and that capital funding arrangements secure the maximum financial benefit to the Council (paragraph 6.7.3), be noted.

Reasons for the Decisions:

To ensure Cabinet are informed of the forecast outturn position for the 2020/21 Revenue Budget as at the end of November 2020, including delivery of a remedial action plan, 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.

Alternative Options Considered and Rejected:

None

83. CHAIRS ANNOUNCEMENT

The Chair of the Cabinet, Councillor Maher reported that Agenda items 11. Exclusion of Press and Public, 12. Land at Grange Farm, Lunt, 13. Re-Admit Press and Public and 14. Land at Grange Farm Lunt be removed from the Agenda.

Agenda Item 3

CABINET- THURSDAY 7TH JANUARY, 2021

Decision Made:

That Agenda items 11. Exclusion of Press and Public, 12. Land at Grange Farm, Lunt, 13. Re-Admit Press and Public and 14. Land at Grange Farm Lunt be removed from the Agenda, be agreed.

Agenda Item 4

Report to:	Overview and Scrutiny Committee (Children's Services and Safeguarding) Cabinet Council	Date of Meeting:	26 January 2021 4 February 2021 4 March 2021
Subject:	Persistent Pupil Absence Working Group Final Report		
Report of:	Chief Legal and Democratic Officer	Wards Affected:	(All Wards);
Portfolio:	Cabinet Member – Children, Schools and Safeguarding		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

To present formally the final report of the Persistent Pupil Absence Working Group.

Recommendation(s):

The Overview and Scrutiny Committee (Children's Services and Safeguarding), Cabinet and Council are requested to support the contents of the Working Group Final Report and approve the recommendations, as follows:

1. That the good practice regarding school attendance currently undertaken by the Council and schools, as outlined in the findings of the Final Report, be acknowledged and noted.
2. That the Interim Head of Education be requested to explore the possibility of:
 - (a) a campaign to tackle school attendance across all key stages with a specific emphasis on the early years and foundation stage, the campaign to focus on conveying clear messages about how absence affects attainment, wellbeing and wider outcomes.
 - (b) delivering of clear messages about expectations, routines and consequences to new pupils and families through prospectus and admission/transition events.
 - (c) ensuring that the attendance of vulnerable children is monitored across the early years stage.
 - (d) an aspiration for a post of a dedicated worker for children who are

Agenda Item 4

supported by Education, Health and Care Plans, in order to address any barriers for children and young people attending school; this aspiration could be considered in the future as part of the on-going work on school attendance.

- (e) attendance being part of the enhanced transition and not just for children and young people on the Special Educational Needs and disability (SEND) register, as this will address the early identification of any school attendance issues.
 - (f) sanctions for non-attendance being applied consistently across primary and secondary schools.
 - (g) schools providing an adult mentor to those children who have contact with the school Special Educational Needs Co-ordinator (SENCO) but who are not on the SEND register, with whom the children can have regular access and build up a relationship.
 - (h) encouraging schools to provide training in SEND and Autism spectrum disorder (ASD) conditions to all teaching staff, to include office staff.
 - (i) Extending buddy schemes with older peers to all schools, pupils to be “matched up” to ensure they have something in common.
 - (j) Improving communication between primary and secondary schools at transition stage, to ensure children are “understood” by teaching staff in secondary schools and that any good practice is shared.
3. 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 Recommendations:

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.

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

No alternative options were considered. The Overview and Scrutiny Committee (Children’s Services and Safeguarding) established the Working Group to review persistent pupil absence and the Working Group has performed this task.

What will it cost and how will it be financed?

(A) Revenue Costs

There are no financial implications arising for the Council as a direct result of this report. In the event that future consideration is given to progressing recommendation 2 (d), any

necessary financial investment will be the subject of a separate report at the appropriate time.

(B) Capital Costs

There are no financial implications arising for the Council as a direct result of this report.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets): None directly.
Legal Implications: None.
Equality Implications: There are no equality implications.

Contribution to the Council's Core Purpose:

Protect the most vulnerable: The recommendations support on-going school attendance for the most vulnerable children.
Facilitate confident and resilient communities: The recommendations support on-going school attendance for all pupils.
Commission, broker and provide core services: The recommendations support the statutory requirement for pupils to attend school.
Place – leadership and influencer: None directly associated with this report.
Drivers of change and reform: The recommendations support the statutory requirement for pupils to attend school.
Facilitate sustainable economic prosperity: None directly associated with this report.
Greater income for social investment: None directly associated with this report.
Cleaner Greener None directly associated with this report.

What consultations have taken place on the proposals and when?

Agenda Item 4

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.6263/21) and the Chief Legal and Democratic Officer (LD.4464/21) have been consulted and any comments have been incorporated into the report.

The Interim Head of Education has been involved in Working Group meetings.

(B) External Consultations

Not applicable

Implementation Date for the Decision

Immediately following the Council meeting.

Contact Officer:	Debbie Campbell
Telephone Number:	Tel: 0151 934 2254
Email Address:	debbie.campbell@sefton.gov.uk

Appendices:

The following appendices are attached to this report:

- The Final Report of the Persistent Pupil Absence Working Group

Background Papers:

There are no background papers available for inspection.

1. Introduction/Background

1.1 At its meeting on 9 July 2019, the Committee established a Working Group to review the topic of persistent pupil absence in schools. Councillors Bennett, Carragher (Lead Member), Keith and Mrs. Sandra Cain, Independent Advisory Member, were appointed to the Working Group.

1.2 The Working Group agreed to the following definition in considering persistent pupil absence:

“Any pupil whose attendance falls below 90% will be classed as a Persistently Absent student. Therefore, if a student misses 19 or more days over an academic year they will be classed as Persistently Absent.”

1.3 The Working Group agreed the following terms of reference and objectives for the review:

“To review persistent pupil absence in primary schools within the Borough.

Focus will also be given to those pupils with SEN Support; with Education, Health and Care (EHC) Plans; and those pupils supported by Child Protection, Child in Need and Early Help Plans.”

1.4 Prior to lockdown in March 2020, the Working Group undertook site visits as follows:

- A visit to the Council’s Complimentary Education Service, Pinefield Centre, Formby, to meet with members of staff and hear about the services provided. Completed on 27/11/19.
- A visit to Jigsaw Primary Pupil Referral Unit, Thornton. Completed on 25/02/20.
- A visit to Newfield School, Thornton. Completed on 28/02/20.

1.5 Due to the Covid-19 pandemic the Working Group has not been able to meet since February 2020 for some time. It was October 2020 before Members were able to meet remotely to conclude their work.

1.6 The Working Group acknowledged and recognised much of the good work already taking place by both the Local authority and many of the Borough’s schools. It was considered that focus should be on continuous improvement.

1.7 The Overview and Scrutiny Committee (Children’s Services and Safeguarding), Cabinet and Council are requested to support the contents of the Working Group Final Report and approve the recommendations contained therein.

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**OVERVIEW AND SCRUTINY COMMITTEE
(CHILDREN'S SERVICES AND SAFEGUARDING)**



**PERSISTENT PUPIL ABSENCE
WORKING GROUP**

**FINAL REPORT
JANUARY 2021**

Overview
& Scrutiny



Overview & Scrutiny

**'Valuing
Improvement'**

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CONTENTS PAGE

PARAGRAPH AND TITLE	PAGE NO.
Lead Member's Introduction	2
Glossary of Terms Used	3-4
Background to the Review	5
Membership of Working Group / Lead Member	5
Terms of Reference and Objectives for the Review	5
Methods of Enquiry	6
Summary of Meetings / Site Visit	6-7
Background Documents	7
Interviewing Key Witnesses	8
Impact of Covid-19 on the Working Group Review	8
Key Findings	9-11
Conclusions	12-13
Acknowledgements and Thanks	14
Recommendations	15-16



Agenda Item 4

LEAD MEMBER'S INTRODUCTION

It gives me great pleasure to submit the findings in relation to the review on persistent pupil absence in schools.

We began this piece of work before Covid-19 had been heard of, at a time when there were some concerns regarding school attendance, particularly in our primary schools. The outbreak of the pandemic curtailed our work and prevented us from visiting mainstream schools to experience first-hand the excellent work already being undertaken in some of our schools. At the time of producing this final report the country is in another lockdown situation and once again most of our children are unable to attend school, much of the work being undertaken on-line. Hopefully, the vaccine will enable children to return to school in due course and it will never be so important to ensure that our children attend school, to try to make up the ground they have lost and to enable them to have greater life chances, particularly for those children who already face disadvantages in their lives.

I would like to express my gratitude to everyone who contributed towards this review and thank other Working Group Members for their commitment and dedication in looking at this matter. Finally, I would like to thank our support officers for their assistance and support during the course of the review and in producing this final report.



Councillor Claire Carragher, Lead Member of the Persistent Pupil Absence Working Group and Vice-Chair of the Overview and Scrutiny Committee (Children's Services and Safeguarding).

GLOSSARY OF TERMS USED

SEND	Special Educational Needs and Disability
MACE	Multi-Agency Child Exploitation
Sefton Virtual School	<p>The Virtual School exists as a collaborative endeavour, with different professionals and stakeholders across the Local Authority holding Corporate Parenting as a priority throughout.</p> <p>It promotes the progress and educational attainment of children and young people who are, or who have been, in care so that they achieve educational outcomes comparable to their peers. Ensuring that they receive a high-quality education is the foundation for improving their lives.</p> <p>The school does not exist in real terms, or as a building. Children do not attend it, rather they remain the responsibility of the school at which they are enrolled.</p>
Personalised Learning Plan	Personalised learning focuses on working with each student, in partnership with the student's parents or carers, to develop a plan that maps a pathway for students to achieve learning goals tailored to their developmental and motivational needs.
EHC Plan	Education, Health and Care Plan. The former Statement of SEN, setting out a child's Special Education Needs (educational) and any additional help a child should receive, was replaced by the Education, Health and Care Plan, which sets out educational, health and social needs for a child and also sets out the additional support required to meet those needs.

Agenda Item 4

SEN Register	<p>Schools have a SEN register which records all SEND pupils, and schools are expected to track the progress of these pupils closely.</p> <p>Children who need extra support when learning may be put on their school's SEN register. This is a record of children who have SEN and the kind of support they may require.</p>
Triangulation	<p>A process by which a teacher collects evidence about student learning and this evidence is collected from three different sources. These sources are conversations, observations, and products.</p>
Special Educational Needs Co-ordinator (SENCO)	<p>A teacher who co-ordinates the provision for children with SEND in schools.</p>
ASD	<p>Autism spectrum disorder is a developmental disorder that affects communication and behaviour.</p>



BACKGROUND TO THE REVIEW

1. At the meeting of the Overview and Scrutiny Committee (Children's Services and Safeguarding) held on 9 July 2019, the Committee considered potential topics for a scrutiny review to be undertaken by a Working Group appointed by the Committee.

MEMBERSHIP OF WORKING GROUP

1. At its meeting on 9 July 2019 the Committee agreed that:

“(5) a working group be established to review the topic of persistent pupil absence and Councillors Carragher, Keith and Mrs. Sandra Cain, Independent Advisory Member, be appointed to serve on the working group;” (Minute No. 11 (5) refers).

LEAD MEMBER

1. The first meeting of the Working Group took place on 9 October 2019, and Councillor Carragher was appointed as the Lead Member.

DEFINITION

1. The Working Group agreed to the following definition in considering persistent pupil absence:

“Any pupil whose attendance falls below 90% will be classed as a Persistently Absent student. Therefore, if a student misses 19 or more days over an academic year they will be classed as Persistently Absent.”

TERMS OF REFERENCE AND OBJECTIVES FOR THE REVIEW

1. The Working Group agreed the following terms of reference and objectives for the review:

“To review persistent pupil absence in primary schools within the Borough.

Focus will also be given to those pupils with SEN Support; with Education, Health and Care (EHC) Plans; and those pupils supported by Child Protection, Child in Need and Early Help Plans.”

Agenda Item 4

METHODS OF ENQUIRY

- Through the gathering and consideration of data, information and evidence, either from existing sources or through specific Working Group interviews.
- Through any necessary site visits:
 - A visit to be undertaken to the Council's Complimentary Education Service, Pinefield Centre, Formby, to meet with members of staff and hear about the services provided. Completed on 27/11/19.
 - A visit to be arranged to Jigsaw Primary Pupil Referral Unit, Thornton. Completed on 25/02/20.
 - A visit to be arranged to Newfield School, Thornton. Completed on 28/02/20.
- Interviewing of parents/carers/relevant officers, if deemed necessary/relevant.

SUMMARY OF MEETINGS OF THE WORKING GROUP HELD AND SITE VISITS UNDERTAKEN

A summary of Working Group meetings and activity is outlined as follows:

Meeting Date	Activity
9 October 2019	Councillor Carragher appointed Lead Member of Working Group and the Working Group scoped the review.
14 November 2019	Information on the attendance toolkit was considered, together with figures provided on exclusions during 2018/19 and 2019/20 to date.
22 January 2020	The site visit to the Council's Complimentary Education Service was considered, together with information on attendance figures; Sefton Education Cohort; what we know about SEND in Sefton; and information on SEND/referrals.
16 October 2020	Informal meeting to recap on previous findings and determine the way forward. Members requested additional information to be obtained on home schooling. Discussion on draft recommendations.
27 November 2020	Information on home schooling was considered, together with the draft recommendations.



17 December 2020	Lead Member met with officers to discuss the draft recommendations.
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In addition, Working Group Members undertook site visits, as follows:

Date	Site Visit
27 November 2019	Site visit to the Council's Complimentary Education Service based at the Pinefield Centre, Formby, to meet with members of staff and hear about the services provided at the Pinefield Centre, Formby.
25 February 2020	Site visit to Jigsaw Primary Pupil Referral Unit, Thornton.
28 February 2020	Site Visit to Newfield School, Edge Lane, Thornton.

BACKGROUND DOCUMENTS

Working Group Members considered the following documents during the course of their review:

1. School Attendance Toolkit.
2. Exclusion figures for 2018/19 and 2019/20.
3. MACE Attendance Figures
4. Sefton Education Cohort.
5. What we know about SEND in Sefton.
6. Information on SEND/Referrals.
7. Information received on home schooling via the Facebook page of the Sefton Parent Carers' Forum.
8. Report submitted by the Co-ordinator; Complementary Education Service, on home schooling.

Agenda Item 4

INTERVIEWING OF KEY WITNESSES

During the course of the review Working Group Members met with the following:

Executive Director of Children’s Social Care and Education

Team Manager Locality South, Attendance and Welfare Services

Interim Head of Education

Staff and pupils at the Complementary Education Service, Pinefield Centre, Formby

Staff and pupils at the Jigsaw Referral Unit, Thornton

Staff and pupils at Newfield School, Thornton

IMPACT OF COVID-19 ON THE WORKING GROUP REVIEW

Unfortunately, the outbreak of the Covid-19 pandemic and the first lockdown curtailed the activities of the Working Group for some considerable time during the spring and summer of 2020 and prevented further face to face meetings and the lack of opportunity for Members to access mainstream provision to see some of the good work currently undertaken.



KEY FINDINGS DURING THE REVIEW

1. At the commencement of the review, some of the good practice through the School Attendance Tool kit was shared with Members.
2. Concerns were raised regarding possible child exploitation and data was shared with Members. This is a priority area for Children's Services in relation to children missing school.
3. All schools in Sefton operate some form of a first day response scheme following up on absence and lateness with pupils to identify barriers and reasons for absence.
4. A significant number of schools undertake home visits to families where they are deemed to be vulnerable.
5. Looked after children's attendance is discussed at the personal education planning meeting.
6. The virtual school has a dedicated attendance worker.
7. Young people of school age who are discharged from custody are discussed at the monitoring and placements children missing education panel and a plan is put into place to enable those children to access an education package.
8. All schools attend the multi-agency child exploitation meetings (MACE) which looks at persistent absence and planning for children and young people to divert them away from risk taking behaviours.
9. Class teachers and form tutor groups identify issues, intervene early and help set targets.
10. Some schools gather feedback from pupils about their attendance and look at modifying the curriculum.
11. Some schools apply rewards and sanctions consistently.
12. School attendance forms part of some children's personalised learning plans.
13. The majority of schools analyse the data to identify patterns and trends to address any barriers that may be preventing children attending schools.
14. There has been an increase in the young carers' service being present in schools to address barriers for those children who have additional caring responsibilities.
15. Some schools recognise and celebrate small steps in improving attendance.



Agenda Item 4

16. Attendance is correlated with behaviour and attainment data as part of the school's triangulation.
17. Addressing persistent absence is included in early help and children's social care assessments.
18. The Council operates a school attendance panel which discusses expectations with parents about the child's attendance. The panel also considers the child's voice and addresses any barriers that may be preventing them from attending school. There are specific questions in relation to bullying asked at the panel to gather the parents and child's views.

KEY FINDINGS AND CONSIDERATIONS FOR THE WORKING GROUP

1. Members considered that there was statistical evidence of a "north/south divide" within the Borough in terms of school attendance and persistent pupil absence.
2. There is already plenty of good practice undertaken by schools in the Borough and by the Local Authority.
3. The importance of emphasising good school attendance habits during the early years' stage.
4. It is important to deliver clear messages regarding the importance of school messages at admission and transition events. The early years' stage is also important in identifying any children coming into school from nursery who may have additional needs.
5. Regarding the importance of monitoring the attendance of vulnerable children across the early years' stage, the Covid-19 pandemic has provided an opportunity for work in this area to commence and this needs to continue.
6. Although it is recognised that the Council is unable to support additional posts at this time, due to the financial situation of the Council, nevertheless, Members considered that it was important to recognise the aspiration for a dedicated worker to support those children on Education Health and Care Plans, in order that any barriers to school attendance can be recognised and addressed. There is currently a temporary post undertaking such work and as part of the on-going work on school attendance, consideration could be given at some point as to how this could be made into a permanent post.
7. School attendance should ideally be part of the enhanced transition and not just for children and young people on the SEND register, as this helps to address the early identification of any school attendance issues. Members considered that there were issues at transition from the primary to secondary stage and whilst children with more high-level SEND were identified, it could



sometimes be that lower levels of SEND were not always recognised as much as they might be.

8. Sanctions for non-attendance of school were not always applied as consistently across primary and secondary schools as they might be.
9. It was recognised that children who have contact with the school SENCO but who are not necessarily on the SEND register often form good, trusting relationships with teaching staff, support staff and/or office staff. This could provide an opportunity for an adult mentor to build up a positive relationship with the child and to be a good role model. This could be raised through both the Primary and Secondary Schools Association.
10. All schools provide training in SEND and ASD. Additional encouragement could be given for quality training, such as trauma training, to include school office staff.
11. Many schools have a “buddy scheme”, where younger pupils are “matched up” with older peers to ensure they have something in common. This can assist with school attendance.
12. The transition stage is vitally important in retaining and ensuring good school attendance. Communication, together with the sharing of good practice, is key.

Agenda Item 4

CONCLUSIONS

1. That the good practice regarding school attendance currently undertaken by the Council and schools, as outlined in the findings of the report, should be acknowledged and recognised.
2. A campaign to tackle school attendance across all key stages with a specific emphasis on the early years and foundation stage, should be considered, the campaign to focus on conveying clear messages about how absence affects attainment, wellbeing and wider outcomes.
3. Clear messages about expectations, routines and consequences to new pupils and families through prospectus and admission/transition events, should be delivered.
4. The school attendance of vulnerable children should be ensured and monitored across the early years stage.
5. There is an aspiration for a post of a dedicated worker for children who are supported by Education, Health and Care Plans, in order to address any barriers for children and young people attending school; this aspiration could be considered in the future as part of the on-going work on school attendance. It is recognised and acknowledged that this may not be possible at the current time.
6. Attendance should ideally be part of the enhanced transition and not just for children and young people on the SEND register, as this will address the early identification of any school attendance issues.
7. Sanctions for non-school attendance should be applied consistently across primary and secondary schools in the Borough.
8. Schools should be encouraged to provide an adult mentor to those children who have contact with the school SENCO but who are not on the SEND register, with whom the children can have regular access and build up a relationship.
9. Schools should be encouraged to provide training in SEND and ASD conditions to all teaching staff, to include office staff.
10. Buddy schemes with older peers should be extended to all schools, pupils to be “matched up” to ensure they have something in common.
11. Communication between primary and secondary schools could be improved at transition stage, to ensure children are “understood” by teaching staff in secondary schools and that any good practice is shared.



12. A six-monthly monitoring report, setting out progress made against each of the recommendations outlined above, will be required by the Overview and Scrutiny Committee (Children's Services and Safeguarding), as is standard practice with all working group reports.



Agenda Item 4

ACKNOWLEDGEMENTS AND THANKS

In producing this report on persistent pupil absence in education, acknowledgements and thanks are attributed to the individuals outlined below, for their time and input:

- *The following officers from the Council:*
- **Senior Democratic Services Officer**
- **Executive Director of Children’s Social Care and Education**
- **Team Manager Locality South, Attendance and Welfare Services**
- **Interim Head of Education**
- **Staff and pupils at the Complementary Education Service, Pinefield Centre, Formby**
- **Staff and pupils at the Jigsaw Referral Unit, Thornton**
- **Staff and pupils at Newfield School, Thornton**

Thanks must also go to the Members of the Working Group who have worked hard and dedicated a great deal of time to this review, namely:



***Councillor Claire Carragher
(Lead Member)***



Councillor Maria Bennett



Councillor Pat Keith

***Mrs. Sandra Cain
Independent Advisory Member***



RECOMMENDATIONS

1. That the good practice regarding school attendance currently undertaken by the Council and schools, as outlined in the findings of the Final Report, be acknowledged and noted.
2. That the Interim Head of Education be requested to explore the possibility of:
 - (a) a campaign to tackle school attendance across all key stages with a specific emphasis on the early years and foundation stage, the campaign to focus on conveying clear messages about how absence affects attainment, wellbeing and wider outcomes.
 - (b) delivering of clear messages about expectations, routines and consequences to new pupils and families through prospectus and admission/transition events.
 - (c) ensuring that the attendance of vulnerable children is monitored across the early years stage.
 - (d) an aspiration for a post of a dedicated worker for children who are supported by Education, Health and Care Plans, in order to address any barriers for children and young people attending school; this aspiration could be considered in the future as part of the on-going work on school attendance.
 - (e) attendance being part of the enhanced transition and not just for children and young people on the Special Educational Needs and disability (SEND) register, as this will address the early identification of any school attendance issues.
 - (f) sanctions for non-attendance being applied consistently across primary and secondary schools.
 - (g) schools providing an adult mentor to those children who have contact with the school Special Educational Needs Co-ordinator (SENCO) but who are not on the SEND register, with whom the children can have regular access and build up a relationship.
 - (h) encouraging schools to provide training in SEND and Autism spectrum disorder (ASD) conditions to all teaching staff, to include office staff.
 - (i) Extending buddy schemes with older peers to all schools, pupils to be “matched up” to ensure they have something in common.
 - (j) Improving communication between primary and secondary schools at transition stage, to ensure children are “understood” by teaching staff in secondary schools and that any good practice is shared.

Agenda Item 4

3. 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.



Overview & Scrutiny



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Sefton Council 



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Report to:	Cabinet	Date of Meeting:	4 February 2021
Subject:	Adult Substance Use Community Assessment, Treatment & Recovery Service (Ambition Sefton)		
Report of:	Head of Health and Wellbeing	Wards Affected:	(All Wards);
Portfolio:	Cabinet Member - Health and Wellbeing		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

Since the mid-1980s, substance use treatment services have been central to sustaining low rates of HIV, injecting related infections and other drug and alcohol related harm. Since then a strong body of evidence has emerged confirming that investment in drug and alcohol treatment is cost effective. While the health and social harms caused by substance use disproportionately affect the most disadvantaged in society, research continues to show a positive association between effective engagement with substance use treatment and a reduction in harm, crime and criminal activities associated with illicit substance use.

In June 2016, Mersey Care NHS Foundation Trust were awarded a contract to provide an Integrated Adult Substance Use: Assessment, treatment and recovery service with effect from 1st October 2016. The contract was awarded for three and a half years with an option to extend for up to a further two years. Quarterly performance and service reviews throughout the core contract period proved satisfactory and in June 2020 Cabinet approved a two-year contract extension to be exercised with effect from 1st April 2020.

Consideration is now required on re-procuring this service as the current extension term expires on the 31st March 2022.

Recommendation(s):

1. Authorise the Director of Public Health to conduct a Light-Touch Regime procurement exercise for an Integrated Adult Substance Use: Assessment, Treatment and Recovery Service to run for a period of five years from 1st April 2022 with the option of further extensions to be exercised up to a maximum of two-years. Bids will be evaluated on the basis of the most economically advantageous tender (MEAT).
2. Delegate authority to the Director of Public Health, in consultation with the Cabinet Member for Health and Wellbeing to award the contract to the highest scoring bidder(s) resulting from the procurement and to award any extension thereof.

Reasons for the Recommendation(s):

Agenda Item 5

Effective substance use treatment and recovery requires a range of referral pathways and services collaborating to optimise the effect of treatment interventions. Individual stability and progress in recovery is dependent on stability in the treatment system. In line with calls from National Advisory Councils, the recommendation provides scope for longer contract duration and a greater degree of stability and continuity.

The service is, and will continue to be provided from two sites, one in the North of Sefton and one in the South, ensuring geographical equity and ease of access. While the North Sefton site, based in Southport, continues to prove satisfactory, issues have emerged in relation to the suitability of the Canal Street site in Bootle. The current lease on the premises expires on 1st October 2021 and the current providers are exploring options including an extension on the lease to the 31st March 2022 and temporary alternative accommodation. Public Health Commissioners would expect to approve the suitability and location of any venue in relation to the new contract.

The recommendation includes a procurement timeline that provides any successful bidder with an eight-month period of mobilisation, sufficient time to identify and secure alternative and more suitable accommodation for the Bootle Service Hub.

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

1. To award a further twelve-months extension on the existing contract to enable the current provider to secure an alternative venue for the Bootle Service Hub. There is currently no provision within the existing procurement framework as existing contract extension options have already been exercised.

What will it cost and how will it be financed?

(A) Revenue Costs

The current cost of the service is £3,387,244 inclusive of NHS Salary Uplift (Agenda for Change) costs. The Adult Community Substance Use: Assessment, Treatment and Recovery Services will be funded from the Public Health budget.

(B) Capital Costs

There are no capital costs for the Council associated with this service

Implications of the Proposals:

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

Resource Implications (Financial, IT, Staffing and Assets):

The proposals aim to offer maximum value for money while ensuring stability in the drug and alcohol treatment system. The cost of the service will be met within the existing Public Health budget allocation

Legal Implications:

The proposals comply with Public Contract Regulations 2015

Equality Implications:

There are no equality implications.

Contribution to the Council's Core Purpose:

Protect the most vulnerable:

Community Substance Use: Assessment, treatment and recovery services provide care and support for the most vulnerable groups whose alcohol and other use problems compound physical and mental ill health and increase risk among disadvantaged sections of the community.

Facilitate confident and resilient communities:

Community Substance Use: Assessment, treatment and recovery services help individuals to live an independent and drug free life and help people to achieve meaningful integration within their community.

Commission, broker and provide core services:
Not applicable

Place – leadership and influencer:
Not applicable

Drivers of change and reform:
Not applicable

Facilitate sustainable economic prosperity:

Community Substance Use: Assessment, treatment and recovery services often provide the pathways and necessary motivation for individuals to realise employment, education and training opportunities.

Greater income for social investment:
Not applicable

Cleaner Greener
Not applicable

What consultations have taken place on the proposals and when?

Agenda Item 5

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.6251/21) and the Chief Legal and Democratic Officer (LD.4452/21) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

A proposal has been submitted to the Stakeholder Engagement Panel to approve external consultation with a range of stakeholders including service users, service provider and other partners e.g. Pharmacist and GPs within the treatment pathway

Implementation Date for the Decision

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

Contact Officer:	Alan McGee
Telephone Number:	0151 934 3178
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Appendices:

Appendix 1, Commissioning Timeline

Background Papers:

There are no background papers available for inspection.

1. Background

- 1.1. Specialist substance use assessment, treatment and recovery services are an integral part of any substance use treatment system and an essential element in the reduction of drug related harms including HIV and other blood borne viruses, overdose deaths and injecting related injuries as well as a range of alcohol related health harms.
- 1.2. Successful recovery from addiction and dependency on substances including alcohol requires sustained and co-ordinated care across services. Evidence points to effective and integrated treatment programmes as being central to enabling people with substance use problems to realise a drug and alcohol-free life style and sustain longer periods of abstinence. An integrated system increases efficiencies by reducing duplication between services, improves access to a range of services appropriate to the needs and requirements of service users, optimises treatment and recovery outcomes and improves the safety of individuals, their children and families and the communities in which they live.
- 1.3. Sefton’s integrated system includes referrals from a range of sources including; GPs and Primary Care, Adult Social Care, Community Mental Health Teams, Hospital and Specialist Secondary Care, Prison and Probation Services as well as

self-referrals. Treatment pathways include assessment, treatment, detoxification, stabilisation, relapse prevention and recovery support, and can be delivered in a variety of settings both community and residential.

- 1.4. Structured drug and alcohol treatment interventions (pharmacological and psychological) are determined by a combination of assessment of health and social care need. Validated assessment tools along with a comprehensive assessment of health history, home and social circumstances, as outlined in National Institute for Health and Care Excellence (NICE) guidance, informs the type of detoxification (medically or non-medically managed) and the environment where interventions should be undertaken.
- 1.5. Mersey Care NHS Foundation Trust provide integrated adult treatment services including assessment and care planning, opiate substitution treatment either on a reduction or maintenance basis, community detoxification (pharmacologically and non-pharmacologically) assisted, psychosocial interventions, recovery support and relapse prevention.
- 1.6. For clients requiring detoxification, the first-line offer is community detoxification within the adult treatment service. Where severe dependency, complex physical and / or mental health needs are indicated, seamless transfer to Mersey Cares' Medically Managed Residential Detoxification Service provides the most suitable clinical environment to manage risk and health needs.

2. Commissioning and the Impact on drug treatment

- 2.1. In its 2017 Report; *The Impact of Commissioning on Substance Use Treatment*, The Advisory Council on the Misuse of Drugs (ACMD) noted that the frequency of re-commissioning substance use treatment services was causing unnecessary 'churn' and destabilising the treatment system. The Advisory Council were unequivocal in their conclusions stating that *frequent re-procurement of substance use treatment is costly, disruptive and mitigates treatment recovery outcomes*. They called for Government and Local Authority Commissioners to ensure that re-commissioning drug and alcohol treatment services is normally undertaken in cycles of five to ten years, with longer contracts and careful consideration of the unintended consequences of re-commissioning.
- 2.2. A strong body of evidence supports the claims that investing in drug and alcohol treatment saves money. Estimates show that the social and economic costs of alcohol related harm amount to £21.5bn, while harm from illicit drug use costs £10.7bn. These include costs associated with deaths, the NHS, crime and, in the case of alcohol, lost productivity.
- 2.3. Providing well-funded drug and alcohol services is good value for money because it cuts crime, improves health, and can support individuals and families on the road to recovery.
- 2.4. The combined benefits of drug and alcohol treatment amount to £2.4billion every year, resulting in savings in areas such as crime, quality-adjusted life years (QALYs) improvements and health and social care. Quality-adjusted life years (QALYs) are measures of life expectancy and quality of life used in health economic evaluations and resource allocations.

Agenda Item 5

- 2.5. Alcohol treatment reflects a return on investment of £3 for every £1 invested, which increases to £26 over 10 years.
- 2.6. Drug treatment reflects a return on investment of £4 for every £1 invested, which increases to £21 over 10 years.
- 2.7. A similar case can be made for the impact of disinvestment in substance use treatment and the cumulative social cost of every £1 cut from treatment. In her 2020 review of Drug and Alcohol Treatment Services, Dame Carol Black noted that funding for drug and alcohol treatment had fallen by 14% between 2014/15 and 2017/18 with some Local Authorities cutting budgets by as much as 40%. In October 2017, the Guardian Newspaper ran a story citing Sefton as being one of worst hit Local Authorities for cuts to its drugs and alcohol treatment budget. Against this backdrop of financial challenges public health commissioners, Mersey Care NHS Foundation Trust Ambition Sefton, health and local authority partners have forged strong collaborations – pioneering innovative service provision while ensuring that any duplication is stripped out of the treatment and recovery system.

3. Integrating housing support and substance use treatment through strong collaboration

- 3.1. In its 2019 Report on drug related harms in homeless populations, the ACMD noted that: *“The needs of people who are homeless, particularly rough sleepers, are not well met by mainstream benefit, health and social care and some drug services”* The Advisory Council concluded that an integrated health, social care and community care approach to recovery and housing needs of people who are homeless would provide the optimal model of service delivery.
- 3.2. Collaboration between Sefton Council’s Housing Support Team, Mersey Care Foundation Trust Ambition Sefton and Public Health has resulted in improved support within local hostels and a pilot clinical outreach project working within rough sleeper services.
- 3.3. Weekly clinical in-reach sessions to hostels in Bootle have proved successful in engaging individuals with complex health care needs with substance use treatment and health care support while clinical outreach sessions in Southport have been working with rough sleepers and supporting the newly developed complex bed unit.
- 3.4. On-going dialogue with the Service Providers shows an encouraging appetite to progress this collaboration further formalising current arrangements and considering further developments including satellite needle and syringe programmes in hostels and provision to initiate prescriptions for opiate substitution treatment. Collaboration and integration between housing support, rough sleeper projects and the Adult Substance Use Assessment, treatment and recovery Service will be written into any future Service Specification and will become a requirement within the delivery of the new service.

4. Performance and Service Outcomes

- 4.1. Problematic substance use has been described as a ‘chronic relapsing condition’, dependent drug and alcohol users will typically present to services with a range of

complex physical, emotional, psychological and psychiatric health problems. Clients accessing Sefton's substance use treatment population are typical of this description with 34% of the treatment population having been in treatment for six or more years compared to the National average of 26%. In 2019/20 the number of individuals in structured drug and alcohol treatment (not including those who regularly access the service for advice and on-going recovery support) reached 1,679 and included an increase of 13% (815) new presentations receiving structured treatment since 2018/19.

- 4.2. 68% of clients who entered treatment with an opiate related problem in 2019/20 were identified as having a mental health treatment need compared the National average of 54% while the proportion of clients identified as having a mental health need and receiving treatment for it was 87% in Sefton compared to the National average 71%.
- 4.3. Sefton has an aging substance use treatment population with 23% being aged between 50 and 59 years compared to the National average of 14% of clients aged 50 – 59 years. This, along with higher proportion of physical and mental health care needs has resulted in challenges for successive treatment service providers in matching or exceeding the National average rates of treatment discharges.
- 4.4. However, Sefton has an above average rate of treatment engagement with levels of unmet treatment need for Sefton being 34% for males and 32% for females compared with the National average of 48% and 38% respectively. Moreover, 18% of clients 2019/20 who currently or have previously injected drugs have been referred for hepatitis C treatment compared to 9% Nationally and Naloxone, the medication to reverse the effects of overdose, has been issued to 37% of clients compared to the National rate of 27%.
- 4.5. The number of drug related deaths in Sefton have been reduced significantly between 2014 – 16 and 2017 – 19 with rates now comparable with National levels and lower than many areas across Cheshire and Merseyside.
- 4.6. Sefton Adult Substance Use: Assessment, treatment and recovery service was rated as good by the Care Quality Commission in 2019.

5. Conclusion

- 5.1. An effective substance use treatment and recovery system requires a range of services and interventions including; specialist clinical services offering opiate replacement treatment, stabilisation and reduction programmes, medically assisted withdrawal and detoxification programmes, psychosocial interventions and support, non-structured support including mutual aid, harm reduction services, including needle and syringe programmes and referral pathways to related health and social care services, housing and accommodation support and education, training and employment services.
- 5.2. Sefton has a strong record of collaboration and innovation in the development of substance use treatment and recovery system including being the first Local Authority in the North West of England to introduce a programme of 'take home' naloxone, an essential medication to reverse the effects of opiate overdose, the first Local Authority in Cheshire and Mersey to implement, in collaboration with John Moores University, an Independent Panel for reviewing drug related deaths and

Agenda Item 5

more recently the first Local Authority to introduce an on-line needle and syringe programme as part of a health protection response to the Covid-19 pandemic.

- 5.3. For the past four years, Adult Substance Use: Assessment, treatment and recovery services have been provided by Mersey Care NHS Foundation Trust who have made significant advances in service developments and collaborations with services including hostels and housing support, emergency accommodation providers and rough sleeper projects.

Consideration is now required on re-commissioning this service as the current contract including extension options are due to expire on 31st March 2022.

- 5.4. Public Health Commissioners will continue to work with any future service provider to address any performance deficits and support the transition to an alternative South Sefton Service venue. Commissioning a service for a period of five years will secure the long-term stability of the treatment system and the opportunity to continue to support service improvement while the proposed commissioning timeline will allow a sufficient service mobilisation period to enable any successful bidder to identify and secure alternative and more suitable accommodation for Bootle Service Hub.

Appendix 1 Commissioning Timeline

6 th March 2020 – 1 st April 2021	Re-design service specifications, carry out consultation, hold provider day(?), complete Invitation to Tender documentation, acquire current staffing information from existing contractor, finalise T's and C's.
December 2020	Put on Forward Plan.
4 th February 2021	Cabinet meeting
19 th February 2021	Call in expires
1 st April 2021	Advertise in Find a Tender and on The Chest
30 th April 2021	Tender response deadline (noon)
30 th April to 4 th May 2021	Mandatory checks(Procurement Officer)
4 th May – 4 th June 2021	Evaluation of bids (Evaluation Panel)
w/c 7 th June 2021	ITT Evaluation moderation (Procurement Officer/Evaluation Panel)
11 th June 2021	Preferred bidder selected
11 th June – 16 th June 2021	Prepare standstill letters
16 th June 2021	Head of Service (Director of Public Health) sign off award Letters to unsuccessful bidders Letter of intention to award followed by 10 day voluntary standstill period
29 th June 2021	Award contract and seal contract
29 th June 2021 – 31 st March 2022	Mobilisation / Implementation / TUPE etc.
1 st April 2022	Contract start date

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Agenda Item 6

To:	Cabinet	Date of Meeting:	04 February 2021
Subject:	High Needs Funding Update		
Report of:	Head of Education Excellence	Wards Affected:	(All Wards);
Portfolio:	Cabinet Member - Children, Schools and Families		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

The purpose of this report is to update Cabinet on:

- The financial position of the Dedicated Schools Grant (DSG) High Needs Block Budget;
- Actions to address ongoing in-year pressures; and
- Longer term sufficiency plans to meet increasing demand for specialist places, to improve processes and governance, and balance the budget.

Recommendations:

Cabinet is recommended:

- To note the latest High Needs forecast.
- To note the ongoing work to provide sufficiency of places over the medium term and bring the budget into a balanced position.
- To delegate authority to the Executive Director of Children Social Care and Education in consultation with Executive Director of Corporate Resources and Customer Services and the Cabinet Member Children's Services and Safeguarding to approve the recovery and improvement plan.

Reasons for the Recommendation(s):

To ensure Cabinet are informed of the forecast outturn position for the 2020/21 High Needs Budget.

To keep members informed of the progress of the sufficiency and improvement plan which aims to provide placements in Sefton for all children and young people with Special Educational Needs and Disabilities (SEND).

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

N/A

Agenda Item 6

What will it cost and how will it be financed?

(A) Revenue Costs

There are no implications on the Council's revenue budget. The Dedicated Schools Grant is a ring-fenced grant for the provision of education. At this stage any deficit that exists in respect of high needs funding cannot be met by the use of General Fund resources, however the size of the deficit held by the council poses a risk to future financial sustainability should this direction change. It is important therefore that plans are developed, implemented and delivered in order that provision is made within the budget on an annual basis and in turn contributions can be made on an annual basis to the repayment of the deficit.

(B) Capital Costs

None from this report although capital schemes are already in progress which will start to address expansion of in-borough places.

Implications of the Proposals:

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

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

Contribution to the Council's Core Purpose:

Providing improved outcomes for children and young people with SEND aged 0 – 25 is a key aim of the SEND Improvement Plan. Enabling this through effective place planning across the borough alongside good financial management and the development and delivery of sustainable high needs budget support each theme of the Council's Core Purpose.

<u>Protect the most vulnerable:</u> See comment above
<u>Facilitate confident and resilient communities:</u> See comment above
<u>Commission, broker and provide core services:</u> See comment above

<p><u>Place – leadership and influencer:</u> See comment above</p>
<p><u>Drivers of change and reform:</u> See comment above</p>
<p><u>Facilitate sustainable economic prosperity:</u> See comment above</p>
<p><u>Greater income for social investment:</u> See comment above</p>
<p><u>Cleaner Greener:</u> See comment above</p>

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources & Customer Services has been consulted and reviewed the report (FD 6252/20)

The Chief Legal and Democratic Officer has been consulted and has no comments on the report (LD 4453/20).

(B) External Consultations

N/A

Implementation Date for the Decision

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

Contact Officer:	Christopher Lee / Nick Carbonaro
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Appendices:

There are no appendices.

Background Papers:

There are no background papers.

Agenda Item 6

1 Introduction

1.1 The purpose of this report is to update Cabinet on:

- The financial position of the High Needs Block (HNB) Budget;
- Actions to address ongoing in-year pressures; and
- Longer term sufficiency plans to meet increasing demand for specialist places, to improve processes and governance, and balance the budget.

2 Background – DSG and High Needs Block

2.1 The Dedicated Schools Grant (DSG) is a ringfenced grant from the Department for Education (DfE) to fund education provision. It is made up of four main funding blocks:

- **Schools Block** – Individual mainstream schools and academies.
- **High Needs Block** – Funding for the education of pupils with an identified special educational need and normally subject to an Education, Health and Care Plan (EHCP). The funding is for pupils from ages 0-25 in a range of provision including special schools, mainstream schools, alternative provision and independent specialist provision. It also contributes to council expenditure for High Needs support services.
- **Early Years Block** – Two-Year old Funding; Early Years Funding in Schools and Private, Voluntary and Independent provision (PVI); and local authority retained expenditure for under five year olds.
- **Central School Services Block** – Funding for LAs to carry out central functions on behalf of pupils in state-funded maintained schools and academies.

2.2 At the end of the 2019/20 financial year Sefton's DSG balances were as follows:

Table 1: DSG balances at 31st March 2020

Centrally Retained DSG Balances	01-Apr-19 £m	2019/20 Outturn £m	31-Mar-20 £m
Schools Block	-0.375	-0.169	-0.544
Early Years Block	-0.338	-0.167	-0.505
High Needs Block	0.943	4.491	5.434
	0.230	4.155	4.385

2.3 The High Needs Block Budget pressure increased dramatically during 2019/20. Surplus balances across the other DSG blocks were not enough to avoid an overall DSG deficit outturn as at 31st March 2020. The Education and Skills Funding Agency (ESFA) require all local authorities with a DSG deficit to develop a recovery plan outlining how they will bring their budget back into balance in-year and repay the accumulated deficit.

2.4 In addition, without a robust action plan to address the deficit there is the risk of a qualified value for money assessment from the external auditor.

2.5 Each meeting of Schools Forum and the SEND Schools Forum has received regular updates – reports and presentations – regarding the latest high needs budget position. The SEND Forum is a sub-group of Schools Forum and has been tasked with bringing forward a High Needs Budget Recovery and Improvement Plan. Any necessary consultation will take place in the spring and summer terms with the aim to implement the improvement plan from September 2021. The SEND Forum own the plan and membership is made up of head teachers and school representatives from primary, secondary, special, nursery and academy settings; and council officers from the education, communities and finance services.

3 Sefton’s High Needs Budget Position 2020/21

3.1 The outturn for DSG Block balances at the end of 2019/20 was an overall DSG deficit of £4.385m. This represents a more than 2% of Sefton’s total DSG allocation. The High Needs accumulated deficit is £5.434m which is 17% of the High Needs Block annual allocation.

3.2 An analysis of expenditure over the last five years shows how high needs costs have increased each year. The increase in year-on-year spend was £1m - £1.5m in each year between 2015/15 and 2018/19. The increase in 2019/20 compared to 2018/19 was over £3m. Further analysis is ongoing to determine whether this is due to growth in demand (the number of EHCPs), an increase in the average unit costs of settings, or a combination of both factors.

Table 2: Comparison of High Needs spend in the last five years

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Early Years	498	675	557	665	712
Primary schools	4,059	4,136	4,394	4,463	5,356
Secondary schools	1,344	1,358	1,596	1,549	1,745
Special schools inc Independent (out of bor'gh)	11,535	12,188	12,922	14,106	16,043
Support Services inc PRUs	4,656	4,736	5,107	5,086	4,765
Post 16 Provision	2,836	3,049	3,228	3,420	3,671
SMBC service provision	1,079	1,009	736	736	736
Total Expenditure	26,005	27,151	28,541	30,026	33,028
<i>Increase in spend compared to previous year</i>	<i>N/A</i>	<i>1,145</i>	<i>1,390</i>	<i>1,485</i>	<i>3,002</i>
Annual Allocation - Budget	25,302	25,673	26,712	27,748	28,537
(Surplus) / Deficit	703	1,478	1,829	2,278	4,491

3.3 The High Needs Budget in 2020/21 is £32.314m which represents a £3.8m uplift compared to the budget in 2019/20. However, this is not sufficient to fund levels of expenditure in 2020/21.

3.4 The latest High Needs forecast, as at November 2020, is reporting an overspend of £3.074m this year which would mean an overall cumulative DSG deficit balance

Agenda Item 6

after netting off other block balances of over £7m. The key variations are shown below.

<u>High Needs Expenditure areas</u>	<u>Forecast 2020/21 Deficit / Underspend (-)</u>
Early Years – High Needs	-0.069m
Primary Resourced Unit Places	0.345m
Primary Mainstream School Top Ups	0.473m
Primary Resourced Unit Top Ups	0.101m
Primary Top Ups above – offset by Schools one-off contribution 2020/21	-0.226m
Secondary Mainstream School Top Ups	0.286m
Secondary Resourced Units Top Ups	0.038m
Secondary Top Ups above – offset by Schools one-off contribution 2020/21	-0.077m
Special provision - Non-Maintained Special Day Schools Out of Borough	1.242m
Maintained Special School Places	0.264m
Maintained Special Schools – Top Ups	0.406m
Post 16 (16-18) Top Up costs	0.317m
Post 16 (19-24) Top Up costs	0.195m
High Needs SEN Support Teams	-0.392m
Other net variations	0.171m
Total Forecast Overspending 2020/21	3.074m

4 SEND Sufficiency and High Needs Budget Recovery

4.1 The High Needs Budget Improvement Plan has focused on three key areas:

- Short-term mitigating measures to help to reduce in-year spend;
- Longer-term aims and objectives linked to improving process, consistency and transparency in the funding process; and
- Sufficiency planning to ensure that future provision meets the needs of children and young people whilst ensuring financial sustainability.

In-year mitigating actions

4.2 In this year, Schools agreed to a 0.5% transfer of funding from the Schools Block to High Needs, which amounted to additional resources of £0.824m; with a further contribution being made from the Early Years Block of £0.200m. In addition, in the Summer, mainstream schools agreed an Individual Schools Budget contribution, equivalent to the value of 10% of SEN support costs, towards High Needs budget pressures, which added a further £0.302m of resource into High Needs. Overall, additional resources of £1.326m have been made available to High Needs in 2020/21, above the basic DfE Block allocation for the year.

- 4.3 Every effort has been made to place children in local settings where this is appropriate, local settings are usually more cost effective and also ensure children aren't travelling significant distances to access their education. However, Special School places are full although the planned increase in Pupil Access Numbers is currently being progressed through the year groups in one of Sefton's special schools and additional resource base places have been made available since the start of the academic year.

Consistency and transparency

- 4.4 Work has been ongoing to share with Schools the review of High Needs through School Forum and representation of Headteachers and other practitioners at the sub-group of School Forum tasked with reviewing SEND funding. The SEND Forum has been meeting regularly to discuss improvements and address the funding shortfall.
- 4.5 This year will be a year of transition and consultation with all relevant stakeholders before a new system of governance across high needs funding is implemented for the 2021/22 academic year. As part of the transition process, interim measures have been agreed this year regarding children and young people in receipt of high needs funding, but who are not currently on an EHC plan. These children will continue to receive high needs funding support at current levels, and schools have also been able to apply for funding support for children in transitional year groups.
- 4.6 Governance improvements have been put in place which include new Service Level Agreements (SLA) between the local authority and Sefton's Schools with SEN Resourced Units. The SLAs outline the expectations in terms of placement outcomes and funding levels the schools should expect. This formal agreement provides clarity regarding the service provision on offer, how outcomes will be measured and gives certainty on the funding arrangements.

Sufficiency for Children and Young People who require additional education provision

- 4.7 The review of the SEN provision for children and young people has two strands:
- Placement sufficiency: this workstream will identify current gaps in provision, it will look at early years and primary age children who are coming through the education system and establish future provision requirements over the medium and longer term that will meet their needs. This will mean developing additional in-borough places – through mainstream inclusion and increasing specialist places – to replace reliance on out of borough options.
 - Creating a more fit for purpose system of funding children and young people with SEND, both with and without EHCPs, which will address the overspend in the High Needs Budget and seek to plan more efficient needs led funding systems going forward.
- 4.8 A Sufficiency Statement Review has been undertaken by the SEND service. It sets out the current picture of SEND school provision within the Local Authority whilst also outlining the current demand for specialist provision for children with an Education, Health and Care Plan.

Agenda Item 6

- 4.9 The review acknowledges the current challenge regarding available capacity. Special and resourced school numbers on roll are higher than Pupil Admittance Numbers (PAN) overall. As well as in-borough special school capacity, and the pressure that puts on approving out of borough (independent) placement alternatives, the fact is that now even independent places are close to being full.
- 4.10 Aligning the PAN of schools to actual numbers on roll will be addressed in time for the new financial year, to ensure that school budgets reflect the levels of support required for the pupils attending. In addition, there has been an encouraging start to address some of the provision capacity issues. Where possible there has been expansion of Sefton's special and resourced base school settings, which will avoid out of borough placements, keeping children closer to their communities, reducing travel time for children and proving benefits from a cost avoidance perspective.
- 4.11 It is recognised that further expansion will need some significant planning and capital investment. In the meantime, the SEN service is focusing on a refresh of the expectation around inclusion and the Graduated Approach, which has been updated in consultation with partners and rolled out to schools to help meet need through mainstream settings. It has also been shared with Sefton Parent Carers with a view to co-producing a parent's version.
- 4.12 A new system of funding and transparent governance will positively support children with SEND across mainstream, resourced and special school placements. Schools will be enabled to positively facilitate inclusion of children with SEND. Practitioners and schools want a clearer, consistent high needs funding framework that allows schools to be innovative in their approaches to supporting children with SEND and that can also take account of the many different situations that can face schools when looking at provision and funding.

Early Years

- 4.13 Early Years funding support for young children with SEN, currently channels through the High Needs budgets, with an annual funding contribution from the Early Years Block since 2018/19, of £200k.
- 4.14 Under the High Needs review, a special representative group from across the Early Years sector has been brought together, led by the Senior Educational Psychologist, who supports Early Years High Needs children, with a view to developing a separate SEN Inclusion Fund (SENIF) which would sit within Early Years, leaving just the budgets needed for managing support for more complex SEN children within High Needs.
- 4.15 This is a system that is in place and works well in a number of other local authorities. The working group has met twice in the autumn and scenarios are being discussed for establishing a properly managed SENIF from the next academic year. SENIFs are essentially established to support children with low level/emerging SEN needs and the definition of this will be important to the future funding criteria. Funding between Early Years and High Needs will also need to be carefully determined when the new SENIF is established.

Post-16

- 4.16 Post-16 provision is one of the main areas in the budget which has seen costs rise over the last five years. Since 2015/16 there has been a 33% increase in the number of approvals for Post 16 “Element 3” top up funding, resulting in a significant rise in expenditure. Providers across the Liverpool City Region have consistently exceeded their number of allocated places, leading to increased levels of funding requests. The issue of parental preference has led to an increase in applications for a number of Providers, including Independent Specialist provision. This is in line with the SEND code of practice as parents are able to state their preference for the school of their choice.
- 4.17 The current strategy and approach to post-16 and further education (FE) provision for managing the demand pressures are:
- All young people with Special Educational Needs and/or Disabilities (SEND) achieve their potential. High quality provision should be in place to enable young people to progress in learning, with the long-term aim of achieving paid employment where possible.
 - We have partnered with our two local FE Colleges to deliver a Supported Internship programme to provide suitable opportunities for young people.
 - Prior to leaving school, each young person should have a preferred option for their post-16 pathway, aided by support from the school and where suitable Career Connect, the Authority’s commissioned Information, Advice or Guidance (IAG) and Not in Education, Employment or Training (NEET) reduction service.
 - From Year 9 onwards, EHCP Reviews increase the focus on potential progression routes and effective transition to the next stage.
 - The aim is for young people to participate in mainstream education wherever possible – with support if required. Young people not ready to enter mainstream Colleges may be able to attend Thornton College (a partnership with Hugh Baird College) prior to moving to their longer-term destination.
 - Developing more flexible provision – Thornton College has evolved to now offer 1 to 3 year programmes to support young people to progress to mainstream provision at college. There has been a pilot scheme to expand the Thornton College cohort to include Autistic Spectrum Disorder (ASD) students following consultation with local colleges, Special Schools and parents/carers.
- 4.18 Other initiatives being trialled in Post-16 should see further cost reduction and include:
- A targeted early intervention support aimed at 14-16 year olds who have been identified as being at risk of becoming NEET.
 - There has been a greater emphasis placed on an enhanced transition process, involving the local FE Providers at a much earlier stage. Sefton has produced a Guide focusing on Preparation for Adulthood (PfA) which includes key information regarding transitions:
<https://www.seftondirectory.com/kb5/sefton/directory/advice.page?id=qBHbJ6Vn4Es&localofferchannel=0>
 - Work with Career Connect is ongoing to make better use of data to ensure that the service is better equipped to meet the needs of the post-16 cohort.
 - The Sefton Post-16 High Needs Funding and Placement Panel has, for 2021/22, refined the decision making process to Thornton College placements

Agenda Item 6

by adopting a 'whole cohort' approach to approvals to ensure that the most appropriate students are placed at Thornton rather than the traditional model that has been used which could run the risk of Thornton reaching full capacity before all applications had been received.

4.19 All the initiatives outlined have been developed in consultation with partners ranging from education providers to the local Parent Carer Forum and have been designed to challenge/improve traditional methods of working.

4.20 While all are in early/pilot stages, initial indications are that the changes have produced positive developments. The new ASD cohort at Thornton have settled well, both Southport and Hugh Baird Colleges have worked with local Special Schools to attend Reviews, where possible, to improve the transition process and the PfA Guide provides young people and their families with important information as they approach adulthood.

5 Risk and Financial Implications

5.1 The workstreams underway across school age, early years and post-16 are all designed to: achieve increased inclusion in mainstream provision; review and confirm the necessary specialist provision needed now and going forward to support children to access their education in their community; and to reduce reliance on more expensive out of borough and independent provision.

5.2 From a financial perspective the measures need to address the existing in-year funding shortfall, i.e. annual spend exceeding the annual high needs funding allocation. The provision of specialist education needs to be provided within the available budget envelope from 2021/22 and from there a strategy to payback the accumulated deficit will need to be developed.

5.3 The DfE permit local authorities to carry forward a deficit on their DSG Centrally retained balances without any obligation, currently, to support a deficit position out of core Council balances. However, the council cannot continue to oversee the growth in this deficit in future years. External auditors are required to audit value for money and a continuing overspend will risk a qualified opinion. In addition there is no guarantee that permission from Government to carry forward DSG balances will continue indefinitely.

5.4 Regular progress is reported to each meeting of the SEND Forum and the main School Forum. In addition a quarterly report will be brought to Cabinet to update on progress regarding the improvement plan and latest budget position.

Agenda Item 7

Report to:	Cabinet	Date of Meeting:	4 February 2021
Subject:	Crosby Lakeside Adventure Centre - Business Case update		
Report of:	Executive Director (Place)	Wards Affected:	Church;
Portfolio:	Cabinet Member - Regeneration and Skills		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

The purpose of this project is to provide a sustainable future for, and to optimise the benefits from, the Crosby Lakeside Adventure Centre (CLAC). This report and its appendices provide the revised full business case (FBC) for this project, following a further review of the proposed operating models in the context of the COVID-19 pandemic.

Recommendation(s):

1. The Full Business Case is agreed and option 2 within the Full Business Case is approved.
2. The Executive Director (Place) is authorised 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. In alignment with option 2, the new operating company is to be incorporated, with board members nominated and appointed in accordance with the Council's Constitution.
4. That £500,000 working capital is loaned from Sefton Council to the new hospitality company to cover the launch and the first 18 months of operation. After this time the loan will be paid back to the council over the 10 years of the business plan and as the first financial commitment from profits generated.

Reasons for the Recommendation(s):

To ensure readiness for the completion of the construction project and prompt reopening of the asset, and to ensure that the facility and the operating model deliver economic, social and environmental outcomes to the benefit of the local community and the borough of Sefton.

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

Agenda Item 7

This review reassessed options for operation of the facility in the context of the COVID-19 pandemic, which are summarised in the table below.

The assessment of these options identified the Preferred Option to be Option 2: a Sefton Council wholly owned hospitality company 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</p> <p>Changes to management, in-house council delivery</p> <p>New JV and operating model</p>	<p>Partner with hospitality operator to run facility using a new operating model and new team. Also invest in the refurbishment and reconfiguration of the facility.</p> <p>Financial outcome: current c.£217k 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 (c. £100k pa average over 10 years) and paying profit share to operator partner.</p> <p>Backlog maintenance requirements covered in full refurbishment.</p> <p>£3.4m benefit to the Council (improvement on current position) over 10 years.</p> <p>Overall assessment: could be financially sustainable, but concerns about ability to attract and retain appropriate partner.</p>
<p>Option 2</p> <p>New wholly-owned operating company</p>	<p>Recruit new team, including MD, with hospitality experience to run facility. Work to new operating model. Also invest in the refurbishment and reconfiguration of the facility.</p> <p>Financial outcome: current c.£217 pa subsidy fully removed and a surplus generated for the Council of c. £81k pa average per annum (beginning after year 5 of operations) after fully funding on-going maintenance (c. £100k pa average over 10 years).</p> <p>£3.4m benefit to the Council (improvement on current position) over 10 years.</p> <p>Overall assessment: financially sustainable, also delivering positive social outcomes; recommended option.</p>
<p>Option 3</p> <p>Changes to management, in-</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>

OPTION	VALUE AND RISK ASSESSMENT
house council delivery	<p>Financial outcome: current c.£217k subsidy not removed with insufficient new income to fully fund on-going maintenance requirements.</p> <p>(Backlog maintenance requirements will be covered in full refurbishment).</p> <p>Overall assessment: not a financially sustainable option.</p>

More details of this assessment are provided in **Appendix A – Full Business Case** to this report.

What will it cost and how will it be financed?

(A) Revenue Costs

Following a high-level review in the context of the COVID-19 pandemic, the Business Case is forecast to deliver the following revenue cost improvements over 10 years:

£3,393k total improvement over 10 years comprising: -

	£'m
Removal of current council subsidy	2.170
Council Dividend	0.409
On-going maintenance costs	0.503
Interest Repayment Benefits	0.311
Total	3.393

The business case provides the detailed information to support decision making and it outlines the increase in income and assumptions that have been made by service officers having been advised by a commissioned industry expert that result in the income figures for the new operation. This is the most important element of the business case that will drive financial performance and reflects both the opportunity and the key risk to the council.

The report outlines that under the preferred option and with the estimates provided by the industry expert and evaluated by the service, that the council's current subsidy to the existing facility can be removed and that after a short initial period, an annual surplus will be generated which will be delivered to the council as a dividend at the end of each financial year. As a result of this, the £0.217m subsidy will be removed as part of the 2021/22 budget setting process (half year effect in 21/22).

Similarly, the need for the Council to identify £0.503m of maintenance funding in the next MTFP period will not be required- at this stage there is no budget for this therefore this does not represent a saving on current budget plans but does mean that additional funding is not required.

The £0.409m represents the estimated distributable profits over the 10 years of the business plan (payable from year 5 onwards).

Agenda Item 7

The business case also references that working capital of £0.5m will be required for initial costs and to support the business for the first 18 months of operations. This will be provided via a loan agreement on commercial terms to the new company and will be paid back to the council over the 10 years of the business plan. The £0.5m represents the total value of support that will be provided to the company. This will be charged at a commercial rate for compliance with relevant UK state aid equivalent legislation and will generate an additional return of £0.311m.

As stated the key issue for the delivery of this business case is the financial forecast and most specifically the income forecast. The recommended option outlines that annual income will rise from £0.9m presently to £1.6m following investment. This increase in income is facilitated by the significant investment in the asset and the new operating model. These assumptions follow review with industry specialists, albeit with greater prudence than the business forecasts proposed by those third parties.

With such a significant growth in income forecast and this being the key driver of financial performance a number of income scenarios are presented within the business case as part of the sensitivity analysis, that outline the impact that both over and under achievement will have on the company's annual outturn and in turn any dividend that will be returned to the council or losses that would be experienced by the company for that period.

It will be inevitable that the income forecasts contained within the business case will be the subject of change and as these represent such a significant increase compared to the current levels being generated, any material change will be notified to the council immediately. In the event that this changes the financial assumptions for the council then a further report will be presented to Cabinet for consideration. It is expected that a revision to the business case will take place during 2021/22, and a three-year business plan for the new company will be delivered during that period.

These income forecasts will be further influenced, certainly in the medium-term, by the current global pandemic. The impact on the leisure and hospitality sector has been far reaching and the true impact on the long term viability of the sector and individual businesses is not yet clear. An allowance in the business case has been made for this following advice from industry specialists.

Following inception, the company will provide monthly and quarterly financial monitoring and risk management information to the council for review and an annual business plan will be reported to cabinet each year together with any further reports that are required should financial assumptions materially change. The annual outturn position for the company will be reported as part of the council's year end process, with financial performance being reported to Audit and Governance committee.

Whilst the removal of the current subsidy and the generation of annual dividend is positive, in the event that the company makes losses, the council will be fully liable for these if and when they are realised.

(B) Capital Costs

The Business Case includes £3.1m capital investment in major refurbishment, reconfiguration and improvement of the hospitality facilities at the CLAC.

This includes both the professional fees for project management and all construction costs. Unfunded back-log maintenance is also included in this total.

The capital funding of the business case, £3.1m, is funded through the LCR Combined Authority through its SIF funding.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):

Details of the resource implications are contained within the Full Business Case.

Legal Implications:

Pursuant to the General Power of Competence under sections 1 to 4 of the Localism Act 2011 the Council has the power to set up and participate in a company.

Section 95 Local Government Act 2003 and the Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009 provide that the Council must establish a company through which to trade.

Equality Implications:

The equality Implications have been identified and mitigated.

Contribution to the Council's Core Purpose:

Protect the most vulnerable: Not Applicable

Facilitate confident and resilient communities: Development of Crosby Lakeside to maximise its potential for visitors to the region and the local community, to enjoy all the current uses within this facility now and for years to come, including water sports, fitness, hospitality and accommodation. The operating company will create sustainable, quality employment and career opportunities for local people.

Commission, broker and provide core services: Not Applicable.

Place – leadership and influencer: For the Council to be seen to directly contribute to an improved and sustainable visitor offer for the Crosby Coastal area in accordance with the Sefton Coast Plan 2017.

Drivers of change and reform: To provide a sustainable future for an important asset in a key coastal gateway that supports long term benefits for the health and wellbeing of the local community, users and visitors to this coastal location.

Facilitate sustainable economic prosperity: To provide a financially viable operating model for Crosby Lakeside which will provide a revenue generating position for the Council and sustainability for the centre. The operating company will create sustainable, quality employment and career opportunities for local people.

Agenda Item 7

Greater income for social investment: To provide a financially viable operating model for Crosby Lakeside which will provides a revenue generating position for the Council.
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Cleaner Greener: For the Council to be seen to directly contribute to an improved and sustainable visitor offer for Crosby Coastal area in accordance with the Sefton Coast Plan 2017.
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What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD 6273/21) and the Chief Legal and Democratic Officer (LD 4474/21) have been consulted and any comments have been incorporated into the report. Other Directors and Heads of Service in relevant service or support function areas have also been consulted, and comments have been incorporated into the report.

(B) External Consultations

Not applicable.

Implementation Date for the Decision

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

Contact Officer:	Stephen Watson
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Appendices:

Appendix A: Full Business Case

Background Papers:

1.0 Introduction/Background

1.1 The Crosby Lakeside Adventure Centre is an important council asset in a key coastal gateway that is now 12 years old. There is a significant backlog of maintenance work required and a need to provide for planned maintenance year on year, none of which is currently funded. The hospitality functions provided from the Centre currently require a substantial council subsidy each year.

1.2 The purpose of this project is to provide a sustainable future for the Centre.

1.3 This Full Business Case is a revision to the FBC completed in November 2019 and reflects changes in the market due to the impact of the COVID-19 pandemic. These impacts have affected many sectors, but hospitality has been particularly hard hit. The FBC provides an options appraisal of the previous preferred option against alternative options, as well as a Recommended Option and seeks approval from Cabinet to progress to the next stage in delivering a hospitality operation at CLAC. If the FBC is approved legal advice on the proposals will be taken. The document provides a Transition to Delivery (T2D) plan for that Recommended Option. The FBC also provides an update on the building enhancement and refurbishment works at the Centre. The T2D would include the following key activities:

- (a) the completion of a refurbishment and enhancement of the hospitality facilities within the Crosby Lakeside
- (b) the formation of a new hospitality company, which will be wholly owned by the Council, managed by a suitably experienced hospitality managing director and delivered from the enhanced CLAC facility.

Following the completion of the T2D, the new venture would move to the on-going delivery stage. The company would also be intended to grow into the management of other assets elsewhere in the borough.

1.4 Crosby Lakeside Adventure Centre is a fully inclusive Water Sports and Visitor Centre located in the heart of Crosby Coastal Park, Waterloo in an ideal location. Part of the gateway to the Mersey Estuary, sitting alongside the internationally renowned Antony Gormley's Another Place Iron Men statues, CLAC is in an area of outstanding natural beauty. Just 10 minutes out of Liverpool, CLAC is easily accessed with Waterloo train station on the bustling South Road just five minutes' walk away.

1.5 Previously the Centre provided the following to visitors:

- A bistro, serving food and alcoholic and non-alcoholic drinks.
- 14 hotel rooms.
- A selection of event suites available to hire.
- A fitness suite and group fitness studio.
- Wet side changing rooms and offices for access to the lake.
- Lake activities.

1.6 The building is now circa 12 years old and has had little investment in maintenance. As a result, there is a back-log of maintenance required in the hospitality facilities estimated at c. £1m, with some parts of the hospitality facility now at end of life.

1.7 The existing design of the interior of the hospitality side of the Centre does not well support efficient, flexible use of the space or the provision of a compelling, quality offer to customers.

Agenda Item 7

- 1.8 As part of the Council's Framework for Change programme, a strategic review has been undertaken of the Council's assets. As part of that review the strategic importance of the CLAC as part of a key coastal gateway was confirmed as well as the potential for the asset to deliver a revenue saving and possibly a net surplus for the Council.
- 1.9 The potential investment in the CLAC has been confirmed as one of the priority projects in the Growth and Strategic Investment Programme.
- 1.10 The Council intends that the CLAC continues to contribute in the long-term to the strategic priorities it currently supports. To provide a sustainable future the Centre requires investment in:
- Enhancing the declining physical infrastructure to keep the building in good repair and reconfigure it to support an enhanced hospitality offer.
 - Transforming the hospitality offer and operations within this new fit for purpose facility to:
 - Provide a high-quality visitor experience.
 - Attract more visitors and manage all visitors more effectively (including mitigating the impact on the ecological environment).
 - Provide a financially viable business to underpin the sustainability of the centre in the medium to long-term.
- 1.11 The Full Business Case (FBC) attached at Appendix A to this report provides the detailed justification and plans for the transformation of the Hospitality Operating Model and related building enhancements at the Centre.
- 1.12 This FBC provides an options appraisal and seeks approval from Cabinet to progress to the next stage, Transition to Delivery (T2D) for the Preferred Option. The T2D would include the following key activities:
- (a) The refurbishment and enhancement of the hospitality facilities within the Crosby Lakeside Centre.
- (b) The formation of a new hospitality company, which will be wholly owned by the Council, managed by a suitably experienced hospitality managing director and delivered from the enhanced CLAC facility.
- 1.13 The FBC document is attached to this report:
- Appendix A – detailing the 5-case justification for the project and the plans.
- 1.14 If this Business Case is approved, the officers will work with staff and unions to ensure full consultation about any changes to employment that may arise. In

developing the options, the Council has sought to avoid solutions based on outsourcing (e.g. granting a concession to a 3rd party). The Council has also endeavoured to avoid compulsory redundancy, and no existing employees at the venue are affected by the recommendation. As per the updated FBC, the new business will focus on the offer of career opportunities for staff in the sector, via the CLAC project, other areas of operation for the business, and the wider industry.

2.0 Summary of Amendments from November 2019 Report:

- The construction project is now being funded through a grant of £3.1m from the LCR Combined Authority SIF Fund.
- Option 2 – New Wholly-owned hospitality company is now the recommended option due to changes in the hospitality market and the ability to deliver financial sustainability and positive social outcomes.
- Additional prudence has been built into the financial data to reflect the current hospitality sector position and the on-going impact of COVID-19 pandemic.
- The sum of £500,000 working capital is loaned from Sefton Council to the new hospitality company to cover the launch and the first 18 months of operation. After this time the loan will be paid back to the council over the 10 years of the business plan and as the first financial commitment from profits generated.

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APPENDIX A
Crosby Lakeside
Adventure Centre
Improvements
Full Business Case –
New Hospitality
Operating Model and
Building
Enhancement



Agenda Item 7

Full Business Case

Introduction

This Full Business Case is for the transformation of the Hospitality Operating Model and related building enhancements at Crosby Lakeside Adventure Centre (CLAC).

This Full Business Case is a revision to the FBC completed in November 2019 and reflects changes in the market due to the impact of the COVID-19 pandemic. These impacts have affected all sectors in the market – however, hospitality has been particularly hard hit. Businesses that had discussions as part of the soft-market testing have indicated that forming a JVCo with Sefton Council is not something that they would be interested in at this time due to the current market conditions. The FBC provides an options appraisal of the previous preferred option against the current option, as well as a Recommended Option and seeks approval from Cabinet to progress to the next stage in delivering a hospitality operation at CLAC. If the FBC is approved legal advice on the proposals will be taken. The document provides a Transition to Delivery (T2D) plan for that Recommended Option. The FBC also provides an update on the building enhancement and refurbishment works at the Centre. The T2D would include the following key activities:

- (a) the completion of a refurbishment and enhancement of the hospitality facilities within the Crosby Lakeside
- (b) the formation of a new hospitality company, which will be wholly owned by the Council, managed by a suitably experienced hospitality managing director and delivered from the enhanced CLAC facility.

Following the completion of the T2D, the new venture would move to the on-going delivery stage.

A detailed business plan for the new hospitality company will be produced once the new model has been agreed and incorporated.

The Council has the relevant powers to undertake this project under the following provisions:

- The general power of competence under the Localism Act 2011 section 4.
- The Local Government Act 2003 section 12.
- The Local Government Act 1972 sections 95 and 111. The Full Business

Contents of CLAC Full Business Case

1. Executive Summary
 - 1.1. The importance of CLAC as a key asset
 - 1.2. The need for investment
 - 1.3. The requirements for a revised business case
 - 1.4. The strategic objectives for the project
 - 1.5. The specific objectives for the project
 - 1.6. Headline financials
 - 1.7. Key assumptions
 - 1.8. Hospitality operations
2. Full Business Case – Structure and Content
 - 2.1. Structure and content
3. Strategic Case
 - 3.1. Purpose, importance and objectives relating to CLAC
 - 3.2. Current arrangements and the case for change
 - 3.3. Scope of change and improvements required
 - 3.4. Key constraints and dependencies
4. Economic Case
 - 4.1. Critical success factors
 - 4.2. Options
 - 4.3. Options appraisal
 - 4.4. Key considerations for the recommended option
5. Commercial Case (Recommended Option)
 - 5.1. Procurement approach
 - 5.2. Procurement of contractor(s)
 - 5.3. Delivery of hospitality operations
 - 5.4. The proposed contractual arrangements for contractor(s)
6. Financial Case (Recommended Option)
 - 6.1. Development of financial cash flow forecast model
 - 6.2. Financial forecast overview and assumptions
 - 6.3. Net Present Value (NPV)
 - 6.4. Sensitivity analysis
 - 6.5. Cost of construction
 - 6.6. Income
7. Management Case (Recommended Option)
 - 7.1. Project management and plans
 - 7.2. Stage 2 – Transition to Delivery
 - 7.3. Stage 3 – Operational Delivery
 - 7.4. Lease management

Agenda Item 7

7.5. Council oversight of the hospitality company and on-going operations

7.6. Stage 3 risk management

7.7. Stage 3 contingency arrangements

8. Hospitality company ethos

9. HR matters

10. Covid-19

1. Executive Summary

1.1 The importance of CLAC as a key asset

1.1.1. Crosby Lakeside Adventure Centre (CLAC) is an important Council asset.

1.1.2. Located at the southern end of the Crosby Coastal Park the Centre supports a range of key council priorities, including:

- a) Providing visitor facilities at a key coastal gateway, with an important role in helping both to attract visitors who contribute to the Sefton visitor economy as well as helping to manage visitors in the most sustainable way (in-line with the provisions of the Coastal Plan).
- b) Providing facilities that help support and promote the Council's Health and Well-being priorities, including indoor and outdoor activities with a membership gymnasium and water-based activities.
- c) Providing residential, activity and education facilities for community groups including Sea Cadets, Guides, Scouts and Schools.
- d) Increasing accessibility to leisure and recreational services, including for those with disabilities.
- e) Providing quality local employment opportunities.

1.2 The need for investment

1.2.1. This important asset is now 12 years old and in need of significant investment in improvements to secure its long-term future.

1.2.2. The main areas requiring investment are:

- a) To refurbish and enhance the declining physical infrastructure of parts of the building in a way that keeps it in good repair and reconfigures it to support an enhanced hospitality offer.
- b) To transform the hospitality operations and offer within a fit for purpose facility to provide:
 - a high-quality visitor experience;
 - attract more visitors;
 - manage visitors effectively and sustainably (environmental impact)
 - establish a viable business to underpin performance of the centre in the long-term.

Agenda Item 7

1.3 The requirement for a revised business case

- 1.3.1 The original full business case for this project was taken to Cabinet in November 2019. The FBC addressed the transformation of the Hospitality Operating Model and related building enhancements at Crosby Lakeside Adventure Centre (CLAC).
- 1.3.2 Since this FBC was completed there has been a change in the source of funding for the construction work. Originally the project was to be funded through Capital Receipts. However, in February 2020 the Liverpool City Region Combined Authority agreed to provide £3.1million grant funding for this project.
- 1.3.3 There have also been significant changes in the economy as a result of the COVID-19 pandemic. All sectors of the market have struggled as a result of the pandemic, but hospitality has been particularly hard hit. According to recent research the UK hotel industry could take 4 years to return to 2019 levels even with effective vaccines. Occupancy in 2021 is estimated to be 45% (1). A recent survey of pubs, bars and other food and beverage venues indicated that 76% of businesses are currently loss-making, with 1 in 4 businesses expected to fail by the end of 2020. The same survey also suggested 750,000 job losses by February 2021 compared with February 2020 without further Government support. (2) This is across the UK. Businesses that had discussions as part of the soft-market testing have indicated that forming a JVCo with Sefton Council is not something that they would be interested in at this time due to the current market conditions. Wider engagement suggests that the appropriate partner, with the ability to bring the contribution to working capital that is required, will not be accessible in the medium-term.
- 1.3.4 A range of options for delivering these objectives was assessed in the November 2019 FBC and a Recommended Option developed. Given the changes to the hospitality sector as a result of the pandemic an external review of the original FBC has also been carried out. This review, along with the engagement with potential partners, have informed the revisions to the Full Business Case, and support a revision to the Recommended Option. The Recommended Option is:
- for the Council to form a wholly Council owned new hospitality company with a Managing Director, reporting to a board of directors, appointed.
- 1.3.5 Due to the agreement from the LCR CA to fund the project, the original FBC recommendation to Cabinet regarding project funding indicatively through Sefton's capital receipts is no longer valid.
- 1.3.6 The key features and benefits of the Recommended Option are as follows:
- a) The required capital funding will be provided by the LCR CA;
 - b) Refurbishment to address c. £1m of back-log maintenance for end of life parts of the hospitality facilities;

Agenda Item 7

- c) Refurbishment and reconfiguration of the hospitality facilities to provide more flexible, fit for purpose spaces for hospitality services;
- d) Creation of a self-contained, purpose-built 'bunk barn' accommodation with self-catering and efficient space utilisation able to host young people of different genders with better safeguarding;
- e) New Hospitality Company MD input to the detailed interior design of the enhanced facilities to maximise the value of the new hospitality offer.
- f) Transformation of hospitality operations by the new hospitality company with an operating model that can be easily adapted to drive transformation to best practice business processes and a compelling hospitality offer.
- g) Step-change improvement in financial viability of the hospitality operations with the removal of the Council subsidy, full funding for on-going maintenance and delivery of a surplus for the Council.
- h) Council continued control of its priorities for the Centre, including: minimum levels of Business Plan performance; nature of the offer delivered by the new hospitality company; ensuring continued support to the Council's community and health and well-being objectives; and quality of employment opportunity created by the new company.

(1) *The Guardian 27th October 2020*

(2) *UKHospitality News November 2020*

1.4 The strategic objectives for the project

1.4.1 The strategic objectives for Crosby Lakeside are:

- To help deliver the Council's strategic vision and ambitions as set out within the Sefton Vision 2030;
- To implement a hospitality operating model for Crosby Lakeside which will provide a revenue neutral or revenue surplus position for the Council;
- For the Council to be seen to directly contribute to an improved and sustainable visitor offer for Crosby Coastal area in accordance with the Sefton Coast Plan 2017.
- To provide long-term benefits for the health and wellbeing of the local community and visitors to the Sefton Coast.

1.5 The specific objectives for this project

1.5.1 The specific objectives for Crosby Lakeside are to:

Agenda Item 7

- address a 12-year maintenance back-log (c. £1m) and on-going maintenance (c. £100k pa) needs currently unfunded;
- address the Council provided subsidy currently required to maintain hospitality operations amounting to c. £250k p.a.;
- remodel the layout of the hospitality facilities, which is too inflexible and restricts the ability to run concurrent hospitality activities and functions;
- provide alternative accommodation arrangements for the community groups

1.6 Headline financials

1.6.1 The high-level headline financials of this Full Business Case are summarised in the table below:

Previous operation	Nov. 2019	Feb. 2021
<p>c.£1m back-log maintenance requirement – unfunded</p> <p>Requirement for replacement of end-of life hospitality facilities with no allocated funding.</p>	<p>c. £1m investment in replacing end of life hospitality facilities.</p> <p>Back-log maintenance included within scope of the c.£3m capital investment.</p>	<p>c. £1m investment in replacing end of life hospitality facilities.</p> <p>Back-log maintenance included within scope of the c.£3m capital investment.</p>
<p>£0 - no investment in making the facility fit for purpose for hospitality operations.</p>	<p>c.£3m investment in enhancing the hospitality facilities (incl. maintenance) Extend and make more flexible the bistro, bar and events spaces; add a ‘bunk barn’; and refurbish the hotel rooms.</p>	<p>c.£3m investment in enhancing the hospitality facilities (incl. maintenance) Extend and make more flexible the bistro, bar and events spaces; add a ‘bunk barn’; and refurbish the hotel rooms.</p>
<p>c. £67k provision for on-going maintenance.</p> <p>Only covers reactive maintenance – no provision for replacement of FFE.</p>	<p>c. £102k provision for on-going maintenance.</p> <p>Includes sinking fund for replacement of fixtures, fittings and equipment (FFE).</p>	<p>c. £102k provision for on-going maintenance.</p> <p>Includes sinking fund for replacement of fixtures, fittings and equipment (FFE).</p>
<p>c. £250k pa Council subsidy.</p> <p>Hospitality functions currently operate at a loss, requiring a c. £250k per annum Council subsidy with insufficient funding for on-going maintenance.</p>	<p>c. £250k pa Council subsidy recovered plus c. £65k pa Council surplus achieved Recovery of subsidy and provision of £65k subsidy after provision for on-going maintenance.</p>	<p>c. £250k pa Council subsidy recovered plus c. £81k pa Council dividend achieved from year 5 onwards Working capital/subsidy required of c.£500k within the first 18 months of operations.</p>

1.7 Key assumptions

1.7.1 This Business Case is based on the following key assumptions and is subject to several risks (for which mitigation management provision has been made).

1.7.2 **Capital costs** - the construction work is being delivered as a fixed price project.

1.7.3 **Electricity capacity required.** The increase in activity forecast for the new venture is assumed to be within the capacity of the existing electrical supply to the Centre. (Adding additional capacity would incur a further cost of c. £250k).

1.7.4 **Added value from contractor.** The procurement process for the building contractor included requirements to deliver added value in terms of social benefits, including:

- a) Social benefits such as local employment and skills and training;
- b) Environmental sustainability provisions;
- c) Wider community benefits.

1.7.5 **Income growth.** The success of the new Hospitality Company is dependent on increased income for the venue and a sustained shortfall in this could put the viability of the Company at risk. This risk has been mitigated in the following ways:

- a) An industry specialist was commissioned to support the development of the forecasts in the following ways:
 - Undertaking local market research.
 - Designing an optimum hospitality Target Operating Model (TOM) tailored for the venue and its location, including menus, pricing schedules, and advertising plans.
 - Input to the designs for the redevelopment of the building to ensure it directly supports the proposed new operating model.
 - Developing an income generator model based on the market research and benchmarking other similar operations from the advisor's experience.
 - Producing a detailed Profit and Loss (P&L) account and Cash Flow forecast over 10 years based on the above.
- b) The information provided by the specialist has been recently reviewed (September 2020) by another hospitality expert to reflect the current position of the hospitality market, in light of the COVID-19 pandemic.
- c) The project team have reviewed the previous figures produced for the original FBC and have taken into account and modeled a high-level estimate of the potential effect of COVID-19 on the sector. These figures are summarised in section 6. The impact of COVID is subject to significant levels of uncertainty and so sensitivity analysis has been carried out and included in section 6.4 of this document. Note that this has been modelled

Agenda Item 7

at a similar level to the approved Southport Market FBC, with a greater degree of prudence than that taken by the external reviewers and also with more prudence than the 2019 business case to reflect current conditions.

1.8 Hospitality Operations

There 3 key stages to this project:

- Stage 1: Project Development – Full Business Case
- Stage 2: Transition to Delivery – Formation of the new hospitality company/launch of new venture
- Stage 3: On-going Company Operations

This FBC covers stages 1 and 2 only. A more detailed business plan for the new company will be developed as part of the formation of the new hospitality company.

2 Full Business Case – Structure and Content

2.1. Structure and Content

This Full Business Case follows the structure of the Treasury Green Book template for business cases, which comprises 5 separate sections as follows:

CASE	CONTENT
[A] Strategic Case	The case for change and strategic fit: <ul style="list-style-type: none">- Clarification of the purpose, objectives and importance of the Centre.- Assessment of the current performance and why change is required.- The scope of change required.- The key benefits.- Key constraints and dependencies.
[B] Economic case	The Economic Case considers: <ul style="list-style-type: none">- The options available to the Council to deliver its objectives.- The critical success factors.- The recommended option.
[C] Commercial case	The viability of the procurement approach: <ul style="list-style-type: none">- Contractual arrangements.- Risk management/allocation.- Personnel implications.
[D] Financial case	Affordability and funding.
[E] Management case	Demonstrating that the preferred option can be successfully delivered: <ul style="list-style-type: none">- Best practice management.- Independent assurance of arrangements for change and contract management, benefits realisation and risk management.

3 Strategic Case

The Strategic Case details the case for change and the strategic fit of the project with the Council's priority objectives. The key components of the Strategic Case for investing in improvements to the building and the hospitality operating model of the CLAC are detailed below.

3.1 Purpose, importance and objectives relating to CLAC

3.1.1 The CLAC is an important Council asset that supports a range of key council priorities, including:

- Providing visitor facilities at a key coastal gateway, with an important role in helping both to attract visitors and contribute to the local visitor economy as well as helping to manage visitors in the most sustainable way (in-line with the Coastal Plan).
- Providing facilities that help support and promote the Council's Health and Well-being priorities, including indoor and outdoor activities with a membership gymnasium and water-based activities.
- Providing residential, activity and education facilities for community groups including Sea Cadets, Guides, Scouts and Schools.
- Increasing accessibility to leisure and recreational services, including for those with disabilities.
- Providing quality local employment and career opportunities.

3.1.2 Sefton's coastline is an extensive natural asset which contributes to the unique character of the borough. This needs to be carefully managed and a balance achieved between the requirement for resident and visitor use with the need to protect the natural habitat.

3.1.3 The Sefton Coast Plan has been developed which identifies those areas most capable of managing visitor use – known as key coastal gateways – which can help to protect from further damage the more vulnerable areas and those of high natural habitat quality.

3.1.4 Crosby Coastal Park has been identified as one of those key coastal gateways.

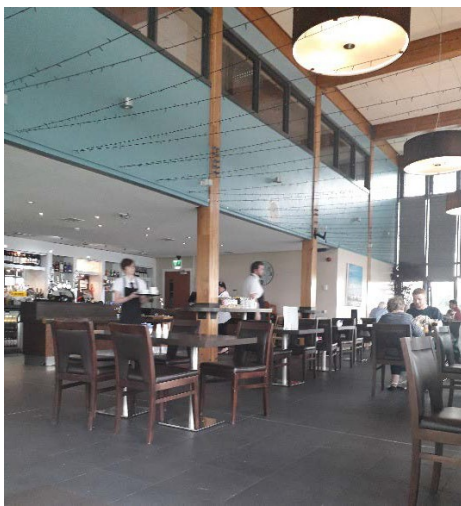
3.1.5 Crosby Lakeside already makes a significant contribution to a number of key council priorities. It addresses the health and well-being agenda by providing gym, fitness and watersport opportunities for Sefton residents. It contributes to the climate change emergency by providing bike racks and EV charging points on site as well as having solar panels. The Centre is fully accessible with facilities available for people with a range of disabilities and health issues.

Agenda Item 7

- 3.1.6 As part of this project there are opportunities to increase this contribution. The gym, fitness and watersports accommodation will be improved and will include a better 'meet and greet' space. The new bunkbarn will enable groups to stay overnight to increase the range of activities they can participate in. New bike racks and EV charging points will be installed and information about the Centre will include more detail of public transport, walking and cycle access. Centre information will also include details about the important habitats in the area and how visitors can minimise the effect that they have on these. Inclusivity will be further improved with the installation of a changing places unit, to help people with severe disabilities.
- 3.1.7 The new hospitality operation could work with local organisations such as Sefton@Work, Hugh Baird College and Sefton Adult Education Service to provide training and employment opportunities for local residents. The aim of the operation is to provide a route into career opportunities in the sector, with training and development planning to be implemented by management to ensure continued professional development opportunities for employees.

3.2 Current arrangements and the case for change

- 3.2.1 Crosby Lakeside Adventure Centre is a fully inclusive Water Sports and Visitor Centre located in the heart of Crosby Coastal Park, Waterloo, in an ideal location.
- 3.2.2 Part of the gateway to the Mersey Estuary, sitting alongside the internationally renowned Antony Gormley's Another Place Iron Men statues, CLAC is in an area of outstanding natural beauty. Just 10 minutes out of Liverpool, CLAC is easily accessed with Waterloo train station on the bustling South Road just five minutes' walk away.
- 3.2.3 When the Centre was fully operational it provided the following to visitors:
- A bistro, serving food and alcoholic and non-alcoholic drinks.
 - 14 hotel rooms.
 - A selection of event suites available to hire.
 - A fitness suite and group fitness studio.
 - Wet side changing rooms and offices for access to the lake.
 - Lake activities.
- 3.2.4 The building is now c. 12 years old and has had little investment in maintenance. As a result, there is a significant back-log of maintenance required, with significant parts of the hospitality facilities now at end of life.
- 3.2.5 The current layout of the hospitality parts of the Centre do not efficiently support the objective to increase customer numbers, spend per head and thus overall annual income.



3.2.6 Strategic Review – value of maintaining the Centre.

As part of the Council's Framework for Change programme, a strategic review has been undertaken of the Council's assets. As part of that review the strategic importance of the CLAC as part of a key coastal gateway was confirmed as well as the potential for the asset to deliver a revenue saving and possibly a net surplus for the Council.

3.2.7 Growth and Strategic Investment programme priority.

The case for investment in the CLAC has been identified by Members as one of the Priority Projects in the Council's Growth and Strategic Investment Programme.

The Council intends that the CLAC continues to contribute to the strategic priorities it currently supports in the medium to long-term. This objective requires investment to provide a sustainable future for the Centre. Investment is required in:

- a) Enhancing the declining physical infrastructure in a way that keeps the

Agenda Item 7

building in good repair and reconfigures it to support an enhanced hospitality offer.

- b) Transforming the hospitality offer and operations within a fit for purpose facility to:
- Provide a high-quality visitor experience.
 - Attract more visitors and manage all visitors more effectively (including mitigating the impact on the ecological environment).
 - Provide a financially viable business to underpin the sustainability of the Centre in the medium to long-term.

The LCR CA have agreed to provide £3.1m grant funding to pay for the work at the Centre. These works are due to start on site in February 2021, running through to Autumn 2021.

3.3 Scope of change and improvements required

3.3.1 The review of the current hospitality arrangements conducted at CLAC has identified the following improvement requirements and the scope of change required.

Current improvement needs	Scope of change required
Need to address a 10-year maintenance back-log (c. £1m) and on-going maintenance (c. £100k pa) needs, which are currently unfunded.	<p>Undertake refurbishment and enhancement of the hospitality facilities incorporating the backlog maintenance requirements.</p> <p>Transform profitability of operations to enable self-funding of on-going maintenance.</p>
Need to address the subsidy currently required to maintain hospitality operations amounting to c. £250k p.a.	Transform hospitality operations and overhaul interior design to be fully integrated with the food, drink, events and hotel to enable delivery of a high quality, profitable offer that can remove the subsidy, deliver a surplus after funding on-going maintenance.
Need to achieve more consistent levels of customer satisfaction and reputation for the hospitality offer.	Implement high design quality interiors along with excellent customer service and a quality food and beverage offer.

Agenda Item 7

<p>Need to remodel the building's layout, to be more fit for purpose in provision of high-quality hospitality services (e.g. bistro closes during events such as weddings; only able to host a single event at a time; leisure and wet-side users mixed with diners and guests including groups of children)).</p>	<p>Refurbish and reconfigure the hospitality facilities to provide more flexible, fit for purpose restaurant, bar and events spaces and residential accommodation that provide high quality and efficient spaces in which to provide hospitality services.</p>
<p>Need to provide alternative accommodation arrangements for sea-cadets as these are currently unsustainable (unaffordable for them yet still must be subsidised by the Council).</p>	<p>Create self-contained, purpose-built accommodation with self-catering and efficient space utilisation able to host young people of different genders and providing better safeguarding.</p>
<p>Need to make a step change increase in operational efficiency and productivity.</p>	<p>The hospitality company MD, with the company Board, will drive transformation of the hospitality operations and customer offer embedding:</p> <ul style="list-style-type: none"> • a complete redesign of the hospitality operating model; • best practice business processes and systems including Point of Sale (POS) and Management Information (MI); • new compelling offers and 'up- selling and cross-selling to increase customer spend per head and profit levels; • more effective and efficient management arrangements and fit for purpose roles, responsibilities and skills; • hospitality expertise with credibility and respect able to lead and embed transformation and continuous improvement. <p>Form new Council wholly owned Hospitality Company, led by an MD with a proven track record in the industry. Develop a hospitality offer that can be readily tailored to the specific potential of the Crosby Lakeside venue and local market.</p>
<p>Need to reconfigure space to allow an increase in the number of covers provided within the bistro.</p>	
<p>Need to increase current spend per head per lunchtime visit.</p>	
<p>Need to achieve hospitality industry levels for quality and profitability on food and beverage sales.</p>	
<p>Need to increase average bedroom occupation and yield.</p>	
<p>Need to create a new evening dining offer.</p>	
<p>Need to create stronger non-summer season revenue receipts.</p>	

Agenda Item 7

3.3.2 Specifics of the deliverables needed for these improvements are provided below.

1. Transformation of the hospitality model – quality and sustainability.
2. Major enhancement to the hospitality facilities.
3. Address backlog and on-going maintenance needs.
4. Provide new and better facilities for community groups.
5. Actively promote the venue to support financial sustainability.
6. Engage proactively with stakeholders.
7. Support wider strategic benefits for the borough.

Each of the above factors is described in more detail in the tables below.

1. Transformation of the hospitality model – quality and sustainability

Transform business processes to hospitality industry best practice:

- Further improvement requires transformation not incremental improvements to the current model, which is not fit for purpose.
- Need to introduce new compelling offers and 'up-sell and cross-sell across services to increase customer spend per head and profit levels on transactions.
- Need to improve effectiveness and efficiency of staff management arrangements with fit for purpose roles and responsibilities and relevant skills and experience.
- Need to provide effective business leadership including hospitality management expertise with extensive skills to design compelling offers and act as credible leaders of change able to gain support and respect from the workforce.

2. Major enhancement to the hospitality facilities.

Reconfigure spaces for hospitality, accommodation and events to create efficiency and flexibility and enhance the customer journey and experience:

- New bar and coffee area with discrete entrance and capacity for 120 seated and standing.
- Dedicated access to upstairs hospitality facilities.
- New separate, dedicated entrance for restaurant.
- Permanent restaurant extension located on lakeside terrace, fully glazed.
- Increase cover capacity within restaurant.
- Refurbished lakeside terrace decking outside restaurant.
- New decking on lakeside providing usable outside space for new events facility.
- 4 new events spaces fully configurable with dividers
- Work to improve the facilities for leisure users (gym and 'wet-side' facilities) including improved reception and 'meet & greet' space.
- Refurbished 1st floor kitchen.
- New staff facilities: changing area, common room and toilets.
- Significant refresh of all 14 existing bedrooms.
- New security facilities for accommodation areas.
- New rooftop decking to allow use of the space on the rooftop terrace.
- Rooftop power supply for potential summer 'pop-up bar'
- Financial provision for regular replacement of fixtures, fittings and equipment including new furniture in the bistro, bar and events spaces.

These images are for illustrative purposes only, detailed designs will be completed in due course.



Agenda Item 7

3. Address back-log and on-going maintenance needs	
Feature	Benefit
<p>Replacement of 10-year-old FF&E (fixtures, fittings, equipment) and finishes, including:</p> <ul style="list-style-type: none"> • new floor finishes; • re-covered/painted walls/ceilings; • replacement of aging sanitary facilities; • general updating of other (FF&E) including kitchen equipment and furniture. 	<p>Addresses part of an unfunded and reactive maintenance requirement.</p> <p>Enables the transfer of liability for future maintenance to the new hospitality company.</p>
<p>Refurbishment of some M&E (mechanical and electrical) end of life infrastructure.</p>	<p>Addresses part of an unfunded and reactive maintenance requirement.</p>
<p>Replacement of existing decking (lakeside in front of existing bistro space).</p>	<p>Addresses part of an unfunded and reactive maintenance requirement.</p>
<p>Maintenance and part replacement of existing kitchen facilities.</p>	<p>Addresses part of an unfunded and reactive maintenance requirement.</p>

4. Provide new and better facilities for community groups	
Feature	Benefit
<p>Addition of a new rooftop 'bunk-barn' facility on part of the grass roof incorporating:</p> <ul style="list-style-type: none"> • Separation of genders and adults from young people. • Beds for 36 young people and 4 adults. • More accessible rooms in total. • Own common room with kitchen for self-catering. • Secure separation from other parts of the centre. • Dedicated access to leisure facilities. 	<p>Purpose built for community groups especially youngsters (e.g. sea cadets, scouts, guides and schools):</p> <ul style="list-style-type: none"> • More effective child safeguarding. • Reduced overall costs for groups. • Increased capacity/revenue • Provides self-catering facility making stays more affordable for users and removing Council subsidy on meals. • Frees up existing hotel rooms for additional revenue generation. • Overflow for hotel and eventsguests for additional revenue.

5. Actively promote the venue to support financial sustainability	
Feature	Benefit
<p>Exceptional location in a key coastal gateway yet current reputation and customer satisfaction is mixed.</p> <p>Refurbishment will address current issues with quality and availability falling short of some customers' expectations, e.g.</p> <ul style="list-style-type: none"> • complete closure of the bar and bistro when events (such as weddings) are hosted; • closure of the bistro early due to a lack of staff availability; • customer expectations require improvements to some areas. <p>The new interiors, improved customer service and enhanced quality offers for food, drink and accommodation will directly address gaps in the current quality of the customer experience.</p>	<p>Increased customer satisfaction and customer loyalty with repeat business and new business through recommendation.</p> <p>Increased revenues as a result of longer dwell times and spend per head per visit.</p> <p>Reputational benefit for Sefton Council in terms of quality of visitor infrastructure at a key coastal gateway.</p> <p>Recognition of Sefton's commitment to accessibility for all and investment in the health and well-being agenda as well as providing educational opportunities for young people.</p>
<p>Full funding for backlog and on-going maintenance and removal of council subsidy including potential for a surplus contribution to help relieve pressure on Council revenue cost budget.</p>	<p>Sustainable solution to assure the future of the centre and continuation of the health and well-being and social and community offer in the leisure and wet-side activities. Reduction in the pressure on council budgets and the level of cuts needed. Improved stewardship of public finance and resources.</p>

6. Stakeholder Engagement		
Previous engagement	Current engagement	Future engagement
<p>Had meetings with existing user groups to share proposals. Amended designs to reflect needs.</p>		<p>Will keep user groups updated on progress of project.</p>
<p>Held a drop-in session with local resident/community groups to share proposals.</p>		<p>Will keep local groups updated on progress of project.</p>
<p>Held meetings with staff to share proposals.</p>	<p>The Leisure Team/Project Team meeting has been</p>	<p>The Leisure Team will continue to meet with</p>

Agenda Item 7

	re-established to provide updates on project progress.	project staff and there will be a weekly meeting between the construction project manager and the Leisure Team.
Information about the project was displayed in the Centre and put on the Centre web pages. There was also a formal opportunity to comment through the Planning Application process.		The information on the website will be updated and press releases will be sent out as the project progresses.

7. Support wider benefits for the borough.	
Feature	Benefit
High quality offer and facility attracting additional visitors to the area.	Increased contribution to the visitor economy.
Provision of a high-quality visitor facility at a key coastal gateway.	Direct support for the objectives of the coastal plan. Attraction of more visitors. Reduced pressure on environment through better management of visitors
Coordination with wider plans for investment in the Coastal Park on: <ul style="list-style-type: none"> • public toilets; • wayfinding and access; • lighting improvements. 	Improved facilities for Coastal Park users New facilities for the park at South Road will allow toilets at the centre to be dedicated for customers. A Changing Places unit is part of the centre refurb and advances the objectives for better access for those with high level additional needs. Improved signage to and around the Centre Lighting improvements along the route from Great Georges Road and South Road (funded through the cycle path scheme) will give increased safety to users of the Crosby Lakeside Centre.

3.4 Key constraints and dependencies

3.4.1 The key constraints and dependencies on the existing arrangements in achieving these target improvements are listed below.

- The performance of the hospitality operations at CLAC is constrained by its layout and facilities, which are not fit for purpose.
- The level of financial subsidy required to maintain the current hospitality operations at CLAC, which is expected to rise over 10 years as a result of the need to do unavoidable minimum maintenance of the aging facility, may not be sustainable in the medium to longer term.

4. Economic Case

The Economic Case considers:

- The options available to the Council for delivering the project.
- The critical success factors for assessing the options.
- The recommended option.

4.1 Critical success factors

In developing and assessing the options available to the Council to deliver the target improvements and changes detailed in the Strategic Case, several critical success factors have been identified.

4.1.1 Methodology

These critical success factors have been used to undertake a qualitative and quantitative options appraisal to identify the most appropriate operating and delivery model. This approach is in line with Government's guidance for informed decision making: identifying the options available; designing relevant evaluation criteria; and analysing the monetary and non-monetary costs and benefits of each option to identify a recommendation.

4.1.2 Identified evaluation criteria

The critical success factors developed for assessing the different options are listed below. These have been informed by discussions with key stakeholders, including Members and the main regular users of the CLAC.

Each option has been assessed in terms of its likely effectiveness in terms of the level to which it would:

- a) Retain council control for Member's priorities for the Centre, including, for example, Business Plan performance; the character and nature of the offer delivered by the JV; ensuring continued support to the Council's community and health and well-being objectives
- b) Transform operations in terms of achieving best practice and a strong quality offer, efficient operations capable of delivering the improved

Agenda Item 7

financial returns needed to provide a sustainable future for the Centre.

- c) Fully provide for both the back-log and on-going building maintenance requirements of the hospitality facility.
- d) Remove the existing subsidy (which is expected to rise over 10 years as a result of the need to provide for unavoidable maintenance requirements).
- e) Deliver a financial surplus to the Council in the form of a dividend from year 5 onwards (over and above removing the subsidy, after recovering the project implementation costs and providing for all hospitality facility maintenance costs). Remove some of the existing Council subsidy plus provision for maintenance.
- f) Advance and support the Council's strategic objectives, including providing a sustainable quality visitor facility at a key coastal gateway.
- g) Improve customer satisfaction with and the reputation of the hospitality offer delivered by the CLAC.
- h) Improve the Council's stewardship of its public finances (in terms of ensuring council funding its directed to its priorities for funding).

4.2 Options

4.2.1 The options considered against these evaluation criteria were as follows:

Option	Approach
<p>1. JV Company. Transformed ops model. Full refurb (Capital).</p>	<p>Enter into a JV arrangement with a hospitality specialist partner to transform operations to a completely new hospitality industry best practice operating model with full refurbishment of the facilities. Refurbishment funded through the LCR CA (Council owns asset with peppercorn JV rent as no borrowing to fund and commercial rent reduces profit levels to less than market expects). Industry expertise, more flexibility, different culture. This has been adjusted to include a high level 20% COVID impact (for the first 12 months) and a 5% prudence factor based on gross profit levels.</p>
<p>2. New Sefton Wholly Owned Hospitality Company. Transformed ops model. Full refurb (Capital).</p>	<p>Sefton forms a new wholly owned hospitality company to deliver the hospitality operation at Crosby Lakeside. Industry specialist recruited to manage company. Refurbishment funded through the LCR CA. (Council owns asset with lease to new company). Industry expertise, more flexibility, different culture. A 20% COVID impact (for the first 12 months) and a 5% prudence factor on gross profit levels have been included. A full consideration of the impact of the performance of the hospitality company management has not been undertaken. An estimate of the impact on performance of 2.5% has been assumed. However, it is unknown at this stage what the full impact will be. Sensitivity analysis has been undertaken and has been included within section 6.4 of</p>

	this document.
3. Sefton In-house delivery. Changes to ops model. Full refurb (Capital).	Sefton delivers the hospitality operations in-house. Recruits staff with industry expertise. Refurbishment funded through the LCR CA. Less flexibility, smaller cultural change. A 20% COVID impact (for first 12 months) and a 5% prudence factor on gross profit levels have been included. A full consideration of the impact of the In-House model has not been undertaken. An estimate of the impact on performance of 5% has been assumed.

4.3 Options appraisal

4.3.1 Assessment of effectiveness of delivery – individual options

The tables below provide the details of the assessment of the three options identified in terms of how effective they would be against the primary objectives of addressing the maintenance requirements and transforming operations:

1. JV Company. Transformed ops model. Full refurb (Capital).	
Strengths and opportunities	Weaknesses and risks
<ul style="list-style-type: none"> • No council borrowing / debt repayment costs. • Hospitality specialist partner input to interior design to max value for new offer. • Expert partner takes responsibility for operations with proven model to drive transformation to best practice business processes and most compelling hospitality offer. • Will remove all the Council subsidy (c. £250k pa) and deliver a surplus (c. £70k pa) after funding maintenance (c. £100k pa) • Council retains ability to input to the offer ensuring support for strategic objectives. • Council retains freehold ownership of the asset and lets to JV via a peppercorn rent lease (as no borrowing repayments to fund). • Provides a replicable platform that can be used to bring other council assets back in to use. 	<ul style="list-style-type: none"> • Although JV liabilities are limited to the value of the shares (nominal value, c. £1 each) and these are shared between the partners, the ultimate risk of failure still sits with the Council. • Failure to achieve the income growth targets could result not only in the loss of any potential dividend to the Council but insufficient returns to fully fund on-going maintenance or possibly insufficient returns to fully remove the existing subsidy. • Current hospitality market makes it extremely difficult to recruit a hospitality expert partner in the timeframe for the project.

Agenda Item 7

- | | |
|---|--|
| <ul style="list-style-type: none">• New culture of working and increased flexibility. | |
|---|--|

Overall assessment: this option is sustainable and was the strongest option in November 2019. Concerns relate to the ability to attract a suitable partner with the right culture and financial capacity.

Agenda Item 7

2. Sefton Wholly Owned Company. Transformed ops model. Full refurb (Capital).

Strengths and opportunities	Weaknesses and risks
<ul style="list-style-type: none"> • No council borrowing / debt repayment costs. • Hospitality Company MD input to interior design to max value for new offer. • Hospitality Company MD takes responsibility for operations to drive transformation to best practice business processes and most compelling hospitality offer. • Will remove all the Council subsidy (c. £250k pa) and deliver a dividend from year 5 of operation (c. £81k pa) after funding maintenance (c. £100k pa) • Council retains ability to input to the offer ensuring support for strategic objectives. • Council retains freehold ownership of the asset. • Provides a replicable platform that can be used to bring other council assets back in to use. • New culture of working and increased flexibility. • Does not require the recruitment of a hospitality partner in a challenging environment. 	<ul style="list-style-type: none"> • The ultimate risk of failure still sits with the Council. • Failure to achieve the income growth targets could result not only in the loss of any potential profit to the Council but insufficient returns to fully fund on-going maintenance or possibly insufficient returns to fully remove the existing subsidy. • Unlike JVCo where the partner provides the working capital the Council will need to find this. A high-level estimate of c.£500k has been estimated. This has increased from approved FBC due to high level COVID, prudence and performance factor impacts on income.

Overall assessment: this option is sustainable and strongest option.

3. Sefton In-House Model.

Strengths and opportunities	Weaknesses and risk
<ul style="list-style-type: none"> • No council borrowing / debt repayment costs. • Recruited Venue Manager input to interior design to max value for new offer. • Recruited Venue Manager takes responsibility for operations to drive transformation to best practice business processes and most compelling hospitality offer. • Council retains freehold ownership of the asset. 	<ul style="list-style-type: none"> • No new culture of working and reduced flexibility. • The ultimate risk of failure still sits with the Council. • Failure to achieve the income growth targets could result not only in the loss of any potential profit to the Council but insufficient returns to fully fund on-going maintenance or possibly insufficient returns to fully remove the existing subsidy. • Council subsidy will increase by c.£10k pa and

Agenda Item 7

	deliver a loss of c.£250k pa after funding maintenance (c. £100k pa)
Overall assessment: this option is not sustainable and is weakest option.	

- 4.3.2 Assessment of effectiveness of delivery – overall summary
- 4.3.3 Option 3 retains full control for the Council but is unlikely to deliver the required level of transformation in operations to achieve hospitality industry best practice and thus to ensure the facility is financially sustainable in the long-term.
- 4.3.4 The option based on a hospitality specialist partner (1) is likely to provide that level of transformation and thus the removal of the Council subsidy after providing for on-going maintenance requirements. However, it is expected to prove difficult to identify a suitable specialist partner in the current climate, with an alignment of values to the Council's and with the ability to bring significant financial capacity to the partnership (for working capital and short-term resilience).
- 4.3.5 The recommended option is 2 – a wholly-owned company. The new management team, to be appointed, will take responsibility for operations to drive transformation. The Council will retain ability to input to the offer, ensuring support for strategic objectives, via a board of directors and as the shareholder.
- 4.3.6 The facility needs a full refurbishment to deal with the back-log maintenance and to deliver the wider strategic objectives for a key coastal gateway facility as well as to underpin transformation to a level capable of reversing the subsidy or delivering a surplus.
- 4.3.7 The required capital is part of the council's investment programme, which has been approved by council. As part of that programme this scheme will be funded by the LCR CA.
- 4.3.8 Only option 2 is likely to remove the subsidy and deliver a surplus whilst meeting the Councils social requirements.
- 4.3.9 Summary of the assessment of options in terms of financial performance

The table below summarises for each of the options the forecast financial performance of operations ('profit and loss' / 'P&L') and the overall financial benefits to the council taking account of wider business case financial costs and benefits ('Total Net (Benefits) / Subsidy for the Council').

Agenda Item 7

Option 1
JVCO

Option 2
NEWCo Ind TC's

Option 3
In House

		10 Year Term £000s	10 Year Term £000s	10 Year Term £000s
COUNCIL INVESTMENT	CAPEX TOTAL	3,100	3,100	3,100
P&L	INCOME TOTAL	(16,430)	(16,094)	(15,758)
	COST TOTAL (INCL. Cost of Sale)	14,785	15,254	18,206
	EBITDA TOTAL ((RETURN)/COST)	(1,645)	(840)	2,448
COUNCIL WIDER BUSINESS CASE	TOTAL COSTS/(BENEFITS)			
	REMOVAL OF MAINTENANCE LIABILITY	(504)	(504)	(504)
	(REMOVAL)/ADDITIONAL SUBSIDY REQUIRED	(2,170)	(2,170)	86
	DIVIDEND (AFTER TAX)/RETURNS	(719)	(410)	2,448
	INTEREST REPAYMENT BENEFITS	0	(311)	0
	TOTAL COSTS/(BENEFITS)	(3,393)	(3,394)	2,031
TOTAL NET COSTS/(BENEFITS) FOR THE COUNCIL		(3,393)	(3,394)	2,031

- Option 1 JVCo with full refurbishment will deliver a total net benefit to the Council (including removal of maintenance liability, removal of subsidy and dividend), amounting to an average of £339k per annum over 10 years. However, it would be difficult to secure a JV partner with the required working capital in the current economic climate.
- The next best option has been identified as the 100% Council owned company (option 2). This will also generate a total net financial benefit of £339k.
- Option 3 would generate substantial losses.
- Option 2 remains the preferred option due to the issues of appointing a suitable specialist partner for option 1.

4.3.10 Summary of the assessment of options against all evaluation criteria

Incorporating the assessment of the delivery effectiveness and financial performance of each option detailed in the tables above, the table below summarises the strength of the options against all the chosen evaluation criteria.

Option	Retain Council Control	Transform Operations	Provide for Maintenance	Remove Subsidy	Deliver Surplus	Quality of Employment	Advance Strategic Objectives	Improve Customer Satisfaction / Reputation
1. JVCo. Full refurb.	Yellow	Green	Green	Yellow	Yellow	Red	Yellow	Green
2. Sefton Wholly owned Hospitality Company. Full refurb	Green	Green	Green	Green	Yellow	Green	Green	Green
3. Sefton In-house Model	Green	Yellow	Red	Red	Red	Green	Green	Yellow

The best option that has emerged through this process is Option 2: Sefton Wholly Owned Hospitality Company.

Therefore, Option 2: Sefton Wholly Owned Hospitality Company with full refurbishment funded through the LCR CA is the Recommended Option.

Agenda Item 7

4.4 Key considerations for the recommended option:

- 4.4.1 **Timescales:** the construction work has been tendered and a contract is expected to be signed by the end of January 2021. Completion is expected in Autumn 2021, although logistical and resource issues arising from the COVID-19 pandemic and EU Exit may impact programme. Project management will monitor such impacts, as well as delivery against the considerations below.
- 4.4.2 **Quality (Outputs and Outcomes):** the design has been based on the advice of an industry specialist, commissioned early on in the process.
- 4.4.3 **Cost (Financial implications):** detailed cost planning has been undertaken for the construction works and, likewise, detailed cost estimating for the target operating model.
- 4.4.4 **Value for Money:** The Recommended Option will contribute towards the economic growth of the area and will support the objectives of the 2030 Vision and Framework for Change Public Sector Reform (PSR) programme.
- 4.4.5 **Social Value:** The Recommended Option provides potential for realising social value over and above the provisions of the Social Value Act 2012 by including a c.5% weighting for social value in the procurement evaluation criteria. Bidders were asked to commit to a number for each of the following criteria, with the highest commitment contributing to the evaluation:
- The number of sub-contractors that will be based within a 25mile radius.
 - The number of employees being Sefton based residents.
 - The number of builders' merchants who are Sefton based
 - The number of suppliers who are Sefton based.
 - The number of apprenticeships being created via the main contract.
- 4.4.6 **Accessibility:** Improving access for persons with disabilities.

5. Commercial Case (Recommended Option)

The Commercial Case considers procurement and contractual issues in respect of the Recommend Option including the viability of the procurement approach and the proposed contractual arrangements.

5.1. Procurement approach

5.1.1 The Recommended Option requires:

- a) Procurement of contractor(s) for the building works.

5.1.2 All tenders have been sought in full compliance of Sefton Council's contract procedure rules and assessed bidders' financial standing in the evaluation criteria

5.1.3 Procurement evaluation criteria ensured that only those companies that could demonstrate appropriate capability, systems, expertise, evidence of ability to deliver to scope and timescales and recognition of desired social value were considered.

5.2. Procurement of contractor(s)

- 5.2.1 To enable the most economically advantageous tender to be returned whilst maintaining control of time, cost and programme building works were procured through competitively tendering the works using the following mechanisms:
- a) JCT Design & Build Contract.
 - b) Fully detailed drawings and specifications.

Separately tendering for specialist packages of work, such as bar installation.

- 5.2.2 The procurement undertaken for the appointment of a building works contractor was a two-stage design & build procurement.

5.3 Delivery of hospitality operations

- 5.3.1 In the original FBC, written in November 2019, the recommended and agreed option for this was to enter into a JV arrangement with a hospitality specialist partner to transform hospitality operations.

Since the FBC was written the hospitality market has changed dramatically as a result of the COVID-19 pandemic. A 3rd party industry specialist was asked to look at the original recommendation in response to the current position of the hospitality market and financial information has also been reviewed to reflect existing market research. The recommended option for the delivery of the hospitality operations at CLAC is to develop a wholly Council owned company to deliver this service.

- 5.3.2 The new hospitality company will:
- run day-to-day operations
 - be responsible for maintenance of fixtures, fittings and hospitality equipment

The Council would continue to be responsible for maintenance of the core fabric of the building as a whole.

5.4 The proposed contractual arrangements for contractor(s)

- 5.4.1 The contractual arrangements for the procurement of contractor(s) were as follows.
- The building works contractor appointment is a JCT Standard Form of Building Contract commonly used in the construction industry amended for any Sefton Council specific requirements.
 - Sefton Council are named as the Employer for the purposes of the contract with the Contractor(s) for the works. Sefton will act as the Contract Administrator for the construction project.

6. Financial Case (Recommended Option)

This section sets out the forecast financial implications of the Recommended Option 2 as set out in the Economic Case ^{above}

6.1 Development of financial cashflow forecast model

Agenda Item 7

- 6.1.1 Third-party specialist hospitality support: Expert advice was commissioned to support the production of a financial cash flow forecast model for the proposed hospitality operations. This identified:
- the removal of historic and future maintenance liabilities for the Centre
 - recovery of the Council subsidy
 - potential income generation for the Council
 - the above are subject to the risks identified earlier in the report.
- 6.1.2 The expert has supported the development of a detailed income generator model which underpins the cash flow forecast with market intelligence and assumptions about volumes, costs and prices including:
- a) Bistro covers;
 - b) Spend per head for each cover;
 - c) Number and size of weddings;
 - d) Number and size of events;
 - e) Rack rates for accommodation.
 - f) Impacts of seasonality
 - g) Level of new business market growth.
- 6.1.3 This model has been revisited by both a 3rd party specialist and by Sefton's Project Team and it has been revised to reflect the current position of the hospitality sector as a result of the COVID-19 pandemic. The review has suggested a more cautious approach is required to the income generated than was originally reflected in the 2019 FBC to take into account the on-going impact of COVID-19 on the hospitality sector.
- 6.1.4 A summary of the key assumptions has been included below.
- a) *Launch Date* – October 2021 (albeit subject to external factors that may impact the construction project).
 - b) *Pre-Opening and Design*: Final detailed design will be completed after the appointment of the building contractor(s). An investment of c.£250k is included for this mobilisation, which is amortised in the model over 10 years – this has been included as part of the working capital amount of c.£500k which will need to be funded up front.
 - c) *Revenue Streams for bistro, bar and coffee lounge*: Forecast revenue per day benchmarks closely to comparable operations assessed by the expert advisor. These have been adjusted for COVID impact (for the first 12 months), performance factor and prudence factor as stated in this Business Case.
 - d) *Functions, Weddings, Celebrations and Banqueting*: The forecast combined income level per day also benchmarks closely to comparable operations assessed by the

Agenda Item 7

expert advisor. The income for this area is underpinned by the ability to split the rooms and reduce the space to provide an atmospheric event but more importantly to allow separate events to run concurrently on the same day/evening if required. These have been adjusted for COVID impact (for the first 12 months), performance factor and prudence factor as stated in this Business Case.

- e) *Roof Terrace*: power supply will be provided to enable potential use as a 'pop-up' bar facility.
- f) *Bedrooms*: The Investment in the building includes refurbishment of all 14 rooms as ensuite doubles, with high specification finishes and comfort, with a flexible room layout model.
- g) *Bunk Barn*: The rate of £25pp per night has been forecast flat all year for all years on a weighted average basis against funded school trips etc. Therefore, forecast occupancy starts at only 39.25% in year 1. This will be reviewed as part of the new company Business Case.
- h) *Spend per head and gross profits (GP)*: This has been forecast as a weighted average based on the proposed offering being high-quality freshly prepared quality food using local ingredients at realistic prices. Some provision has been included for increased food costs because of BREXIT.
- i) *Target demographic*: CLAC will provide an offer significantly better aligned to the demographic within a 10-minute drive than the existing offers the research indicates are currently available.
- j) *The immediate local economy*: On the basis that most existing restaurant / bar facilities in the area were all trading successfully prior to COVID, being sustained by the local community and are within a short distance of the CLAC (5-minute walk), it is believed that the local economy can support the required customer growth for the new venture.

6.16 There is confidence in these assumptions and the forecasts that are based on them for the following reasons:

- a) There was extensive support throughout the development of the forecasts from an industry specialist with a proven track record in setting up and successfully operating similar operations. For the revised analysis, the initial returns from the hospitality specialist have been subject to a high-level review and an application of 20% COVID Impact year 1, a 5% prudence factor and 2.5% performance factor (all based on gross profits). These are high-level assumptions and further sensitivity analysis has been carried out and included later in this Business Case.
- b) The key assumptions underpinning the forecasts are based on objective evidence of data collected about the market and benchmarks from the expert advisor's own experience.
- c) The Council's project team had audited the previous P&L, cash flow forecasts and Income Generator model produced by the hospitality specialist, including extensive sensitivity analysis, to underpin confidence including confirmation of the use of benchmarks or other evidence and data underpinning all key assumptions. These have been subject to high level review to estimate the potential impact of COVID and structural changes in the market as a result on initial and ongoing performance.

Agenda Item 7

- 6.1.7 A step-change growth in income that has been forecast (from c.£900k in the original in house offer to c. £1.6m per annum in the 100% Council owned offer). The previous Business Case was supported by a strong evidence base including the items listed below. A further high-level review has been carried out by the Council Project Team to understand the high-level impact of COVID and the ongoing structural changes on the market.
- 6.1.8 Detailed analysis of the performance of the original in-house operation suggests impacts of:
- An absence of business processes and systems (including stock taking and detailed profit and loss accounting; forward workload planning with appropriate resourcing).
 - A lack of data and analysis about the market (including potential customers and actual competition) in terms of developing and evolving an attractive, competitive offer.
 - Uncompetitive pricing structures (given lack of industry and supplier relationships).
 - Constraints on the optimum use of the hospitality space as a result of the current layout of the building and the tired and some cases end of life fixtures, fittings and equipment.
- 6.1.9 The previous Business Case was supported by:
- A robust process over many months of developing a new target operating model tailored for the strengths of the venue.
 - Very detailed profit and loss and cash-flow modelling, which has been subject to extensive sensitivity analysis to identify and mitigate risks of underperformance on forecasts.

6.2 Financial forecast overview and assumptions

- 6.2.1 A summary of the 10-year financial forecast for the recommended option is shown in the table below:

		10 Year Term £000s
COUNCIL INVESTMENT	CAPEX TOTAL	3,100
P&L	INCOME TOTAL	(16,094)
	Cost of sale	3,895
	GROSS (PROFIT)	(12,199)
	COSTS	
	- cost staff incl expenses	6,549
	- property / repairs	3,400
	- all other	1,160
	- launch costs	250
	COST TOTAL (INCL. Cost of Sale)	15,254
	EBITDA TOTAL ((RETURN)/COST)	(840)
COUNCIL WIDER BUSINESS CASE	TOTAL COSTS/(BENEFITS)	

Agenda Item 7

	REMOVAL OF MAINTENANCE LIABILITY*	(504)
	(REMOVAL)/ADDITIONAL SUBSIDY REQUIRED	(2,170)
	DIVIDEND (AFTER TAX)/RETURNS	(410)
	INTEREST REPAYMENT BENEFITS	(311)
	TOTAL COSTS/(BENEFITS)	(3,394)

TOTAL NET COSTS/(BENEFITS) FOR THE COUNCIL	(3,394)
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*Note that the maintenance liability benefit is not budgeted for and would be a cash saving and not a budget saving to the Council

6.2.2 The key features of this model are:

- £3.1m capital investment in major refurbishment:
- c.£2.2m on reconfiguring the layout of the building and addressing unfunded maintenance.
- c.£0.6m on refurbishing and replacing FF&E and finishes (including addressing unfunded maintenance).
- The project is fully funded through SIF funding from the LCR CA.
- Refurbishment addresses c.£1m of unfunded backlog maintenance.
- Hospitality operator involved in final designs of refurbishment.
- Operating costs include provision for on-going maintenance (before profit).
- A transformed operating model with best practice business processes and enhanced hospitality offer delivering increased revenues and profitability.
- Revenue increased from c.£0.9m (original in-house offer) to c. £1.6m pa when fully implemented. (Over 10 years = c.£9m original in-house offer increased to c.£16m).
- Earnings Before Tax over 10 years increased: c.£0.8m profit from
- £2.7m subsidy:
- Council benefits from full c. £2.7m* subsidy removal. (* Future subsidy will be higher than c.£250k pa as will need to include additional provision for on-going maintenance not currently built into the Medium-Term Financial Plan).
- Council gets c. £1m on-going maintenance requirements fully funded before profits. (c.£1m of backlog maintenance also provided for through refurb).

Agenda Item 7

- 6.3.1 The Net Present Value (NPV) appraisal technique has been used to assess the financial viability of the proposal. NPV represents the return / gain on initial investment in present day terms in line with the Treasury Green Book appraisal methodology using a standard discount factor of 3.5%. A positive NPV indicates that a project is worth undertaking from a financial point of view.
- 6.3.2 For financial appraisal purposes, the initial investment excludes the £1m backlog maintenance liability as this will be required irrespective of which option is approved and therefore has been excluded from the NPV analysis.
- 6.3.3 The recommended Option 2 results in a positive NPV of £0.64m indicating that the project is worth undertaking from a financial point of view. This represents a gain of 30% on the initial investment of £2.1m. This aligns closely with the NPV of the FBC reviewed in November 2019, with the identified impacts mitigated by the retention of 100% of income under the revised recommendation.
- 6.3.4 It should be noted that the total construction cost of £3.1m (including £1m backlog maintenance) has been derived from a RIBA Stage 2+ cost plan. As design development with the contractor continues, and the fit-out is delivered, costs will be refined and the NPV reassessed.

6.4 Sensitivity analysis

- 6.4.1 With a project of this nature, whilst a base case can be developed to enable informed decision making, there will inevitably be several variations to this over time.
- 6.4.2 As a result, in developing this business case extensive sensitivity analysis has been undertaken that aims to outline the impact in financial performance that could be experienced should there be changes to:
- Gross Income
 - Cost of Sales
- 6.4.3 It is important to note that these changes will not take place in isolation e.g. over 10 years a number changes could take place concurrently over the life cycle of the project. A number of combinations could impact on financial performance. A summary of this analysis is provided at the end of this section.
- 6.4.4 In considering a range of outcomes, it is evident that the 2 major financial risks are in respect of: -
- The cost of construction; and
 - Achieving the income growth from £0.900m (from the original in house offer) to £1.6m that is in the base case.

6.5 Cost of construction

- 6.5.1 From the base case the positive annual return to the council is based upon the cost of construction of the new facility being £3.1m. This is a fixed cost for the project as

no additional funding is available from the LCR CA.

- 6.5.2 In addition to the risk that costs change as a result of the design process, construction costs are susceptible to market conditions, which could be influenced by a change in government, BREXIT and a potential UK recession. The COVID-19 pandemic has also led to changes in the construction market.
- 6.5.3 As the project is now being delivered as a design & build contract the stage 4 design will not be finalised until after the construction contractor is appointed. Due to the fixed project cost value engineering will be required if the costs rise above £3.1m. The JCT contract will also be developed on a fixed price basis to mitigate against the risk of project costs being higher than project budget.

6.6 Income

- 6.6.1 If the construction of the asset progresses as set out, the other key feature of this business case is the increase in income from £0.900m (from the original in house offer) to £1.6m per annum by year 3 of the new business. This increase depends on increased visitor numbers, including additional new visitors with increased spend per head. This is reflected in the base case assuming changes from the original in-house offer to the JVCo:-
- Spend per head for lunch increases from below £10 to £12.50 and spend per head for dinner increasing from below £16 to £24.25
 - Total number of customers per year, for both dinner & lunch combined, increasing from 39,055 to 44,252
 - The number of weddings/events assumed to be 24 with an average spend of £5,206 per wedding
 - The cost per night stay increasing from between £85 and £95 to £100 for the hotel accommodation. The overall number of nights stayed per year increases from 6,205 to 11,349 inclusive of the bunk barn.
 - The value of bar sales increasing to £602k

Note that for the 100% Council owned company these figures, when used in the modelling, have been subject to the high-level 20% COVID impact, 5% prudence factor and 2.5% performance factor.

- 6.6.2 The management of the cost base for these activities and the growth in income are critical to the success of this project and this is discussed within this business case. This sensitivity analysis models the impact that variations in these factors could have on annual performance and the council's financial position.

- 6.6.3 A summary of a number of scenarios is provided below:

Agenda Item 7

	Net Present Value for the project £'m (A positive NPV indicates a project is worth undertaking from a financial point of view)	Average Annual Dividend Available for Distribution £'m
Recommended Option 2 – income of £1.61m per annum	0.643	(0.081)*
Income levels reduce to £1.56m (Prudence factor increased to 9%) – Nil Dividend	0.088	0
Income levels reduce to £1.54m (Prudence factor increase to 10%)	(0.046)	0
Income levels reduce to £1.47m (prudence factor increased to 15%)	(0.593)	0
Income levels reduce to £1.41m (prudence factor increased to 20%)	(1.141)	0

*Dividend payable after year 5 of operation.

- 6.6.4 As has been stated in the base case, following a high-level review, if income reaches £1.6m then the council will achieve a dividend of £0.081m per annum after year 5 whilst removing the current subsidy of c.£0.250m immediately. If approved this financial gain will be built into the councils Medium Term Financial Plan. Whilst this is favourable it is important to recognise the negative impact that would result if the £1.6m income target is not achieved, either due to demand not being at the forecast level or spend per head being less than anticipated.
- 6.6.5 For example, if income drops below £1.55m (a 3% decrease compared to the recommended option), this would mean that a negative NPV is produced and a small financial loss would be delivered for the year.
- 6.6.6 The point from which the Net Present Value for the project is zero is when the annual income drops to £1.5m. This would equate to a reduction of £0.2m per annum compared to the base case and does not leave a significant margin for variation from this key forecast when the level of the annual dividend forecast is also considered. Such an income level is 77% higher than that currently received.

Agenda Item 7

6.6.7 A summary of the outputs from the full sensitivity analysis are in the table below

Sensitivity Group	Sensitivity Description	Projected Net Present Value (NPV)	% Discounted Return / (- Loss) on Initial Investment
		£s	%
Recommended Option 2		643,613	30.65%
Prudence Factor Sensitivity	Increased to 10%	(46,055)	-2.19%
	Increased to 15%	(593,475)	-28.26%
	Increased to 20%	(1,140,895)	-54.33%
Cost of Sales Sensitivity	Cost of Sales increased by 10%	279,407	13.31%
	Cost of Sales increased by 15%	24,983	1.19%
	Cost of Sales increased by 20%	(133,811)	-6.37%

(1)*Please note there is an additional requirement of £1m to cover backlog maintenance of the building included within the capital ask which is over and above the build costs and fees included in this analysis. This will be required regardless of the chosen option and has been excluded from this analysis.

6.6.8 The key points from this sensitivity analysis are:

- **Increase in construction costs (including associated fees)** – any increase to construction costs would have to be Value Engineered down to £3.1m as this is being delivered to fixed price contract.
- **Decrease in gross income** – this would need to decrease by a further 3% on average per year over a 10-year period to produce a negative NPV (after factoring in the 20% COVID impact, 2.5% performance impact and 5% prudence factor). This equates to an average reduction in gross income of c£100k per annum from £1.6m to £1.55m.
- **Increase in direct costs of sale** - costs of sale would need to increase by more than 15% to produce a negative NPV.

7. Management Case (Recommended Option)

This section addresses the ‘achievability’ of the Recommended Option including the actions required to ensure the successful delivery of the scheme in accordance with best practice.

7.1 Project management and plans

7.1.1 Project structure and governance arrangements

Agenda Item 7

There 3 key stages to this project:

b) Stage 1: Project Development – Full Business Case

c) Stage 2: Transition to Delivery – Formation of the new hospitality company/launch of new venture

d) Stage 3: On-going Company Operations

7.1.2 The project's Transition to Delivery (if approved by Cabinet) will be governed through the Council's established Framework for Change, Growth and Strategic Investment (GSI) pillar.

7.1.3 The governance arrangements for ongoing operations will be managed through the new Sefton wholly owned hospitality company.

7.1.4 The indicative timetable for the project is shown in the table below:

Key Activity	Dates		Comments
	Start	End	
Cabinet approval of Full Business Case (SCIG/IPC to Formal Cabinet Approval).	Dec 20	Feb 21	Stage 1
Construction works	Feb 21	Oct 21	Stage 2
Formation of Sefton wholly owned hospitality company	Feb 21	Jun 21	Stage 2
Fit out works	Jul 21	Oct 21	Stage 2
Mobilisation launch of the new business.	Jun 21	Oct 21	Stage 3

7.2. Stage 2 transition to delivery

7.2.1 Project Management - Construction

a) Governance - Framework for Change:

The construction project will continue to be managed as part of Framework for Change (F4C) programme through the Growth and Strategic Investment (GSI) Board.

Regular reports will be brought to the GSI Board from the Project Manager and the Construction Project Sponsor. These will include commentary on progress and programme, quality and design outputs and cost together with relevant risks and issues arising.

Any changes to the project in scope, cost, quality or time will be reported through a variance report and agreed at next available GSI Board. Should the variance be significant then it will be reported to F4C Programme Board.

Agenda Item 7

b) Project manager and plan:

A Project Manager (PM) is in place. Lessons learnt workshops will be organised by the PM at key gateways for continuous improvement purposes at project and programme level. There is a project Team in place.

The project will be managed through a Project Plan for timescale management and risk register, identifying risks specific to the project. This data will be aggregated at a Programme level to produce at Programme level risks to be recorded and potentially escalated.

c) Build project – Contract Administrator:

Sefton is acting as the contract administrator for this project. This will ensure the council is able to effectively monitor progress through the technical design, procurement, construction and 12 months defects period (which will overlap with the procurement, implementation and first 12 months of operation of the new hospitality company).

d) Build project - change and contract management:

The building works will be managed using the processes, contractual arrangements and conditions described in the JCT Standard Form of Building Contract.

The Contract Administrator engaged by Sefton Council would monitor the performance of the Contractor and administer the contract on behalf of the Council (the Employer).

Any potential changes arising during the works would be communicated to the Project Sponsor and agreement sought should there be any financial implications.

Contract variations would be agreed, rejected or negotiated with the Contractor but only if prior approval has been given by Sefton Council authorised representatives.

Change control procedures and financial limits for officers will need to be agreed in due course and ahead of any contract agreement.

7.2.2 Project Management – Hospitality Operations

a) Governance

The hospitality company will be managed through a Board. The exact make-up of this is still to be agreed but it is likely to have several members including elected members, council officers and non-executive director(s), plus a shareholder representative. Structure and composition will be developed and approved in line with the Council's constitution.

Company operations and the MD recruitment will be overseen by the GSI programme and Cabinet Members until the board is in place.

The formal setting up of the hospitality company will provide the detail on company governance arrangements, operating procedures, etc.

Agenda Item 7

b) Project manager and plan:

A Project Manager (PM) is in place. Lessons learnt workshops will be organised by the PM at key gateways for continuous improvement purposes at project and programme level. There is a project Team in place.

The project will be managed through a Project Plan for timescale management and risk register, identifying risks specific to the project. This data will be aggregated at a Programme level to produce at Programme level risks to be recorded and potentially escalated.

7.2.3 Stage 2: risk management

The key risks for Stage 2 of the project and the mitigating actions are detailed in the table below.

Key assumptions/risks	Mitigating actions
<ul style="list-style-type: none"> Unexpected significant construction costs arise after commencement of works. 	<ul style="list-style-type: none"> JCT contract to include provision to pause construction at minimal cost to allow time for revaluation of the financial case for continuing the project on the current scope or identifying required changes to scope. JCT contract to include provisions to allow for reduction in scope to reduce the overall construction spend if required.
<ul style="list-style-type: none"> No interest in role of new hospitality company MD. 	<ul style="list-style-type: none"> Hospitality industry standard job description, pay and terms & conditions Potential to use hospitality specialist recruitment company Allow enough time for recruitment process
<ul style="list-style-type: none"> Cost overruns on build programme. 	<ul style="list-style-type: none"> Fixed project cost so value engineering will be used to remain in budget. Adopt JCT Design and Build contract model to obtain fixed price.
<ul style="list-style-type: none"> Further downturn in the hospitality market due to COVID-19, Brexit or other external factors causing reduction in visitor footfall and spend in the Centre 	<ul style="list-style-type: none"> Additional 3rd party advice commissioned to review original modelling. Re-modelled more cautious financial information to reflect market data.

7.2.4 Stage 2: contingency arrangements.

The following contingency plans have been developed for Stage 2.

a) Building works failure

If the building works cannot be used, the following arrangements have been considered for continued delivery of the required services and outputs.

Agenda Item 7

- Scenario A – inability to secure an affordable tender
 - Redesign the proposals and undertake value engineering.
 - Withdraw the business plan and alternative approaches would be considered to seek a way forward.
- Scenario B – failure of the building contractor during construction
 - Secure the property by Sefton Council property services team
 - Procure new contractors and / or consultants to manage the completion of the works
 - Negotiate financial redress with administrators.

7.3 Stage 3 operational delivery

7.3.1 Stage 3: On-going operations

Following completion of Stage 2, the construction phase, and the formation of the new hospitality company, on-going operations would commence.

7.3.2 Mobilisation of the new venture

Stage 3 would commence with the mobilisation of the new venture including:

- Recruitment and training of staff
- Set-up of new business processes and systems
- Marketing and promotion for the opening of the venue
- Commencement of hospitality services

7.4 Lease Management

The Council will continue to hold the freehold interest for the whole Centre, letting a lease for the hospitality areas to the hospitality company. This lease would:

- be a 10-year full repairing lease at a peppercorn rent; and
- specify the terms for any further works to the interior or exterior of the venue.

7.4.1 At the end of the lease, the Council would be able to introduce a commercial rent for the venue in any new lease (if it was felt that the hospitality company profits were sufficient to support this).

7.4.2 There would be no assumption that any other Council venue would be managed through the hospitality company. If further venues were managed through the hospitality company each would be subject to a separate Business Case requiring member approval in line with the Council's obligations to achieve Best Consideration in the use of its assets, which could require charging a commercial rent for those assets.

7.5 Council oversight of the hospitality company and on-going operations

7.5.1 The hospitality company will be managed through a Board. The exact make-up of this is

Agenda Item 7

still to be agreed but it is likely to have 7 members including elected members, council officers and non-executive directors, plus a shareholder representative.

7.5.2 Company operations and the MD recruitment will be overseen by the GSI programme and Cabinet Members until the board is in place.

7.5.3 The Board would meet at least monthly and receive reports from the Executive Management team including as a minimum:

- A profit and loss account showing actuals and forward forecast against business plan
- A cash flow statement
- A balance sheet statement
- A risk register
- A forward delivery programme for the coming 12 months

7.5.4 Change management would be managed as part of the function of the board of directors in line with the Memorandum and Articles of the Company.

7.5.5 Day to day delivery management would be the responsibility of the new company's Managing Director.

7.5.6 The formal setting up of the new hospitality company will provide the detail on company governance arrangements, including Board make-up.

7.6 Stage 3: risk management

The key risks for Stage 3 of the project and the mitigating actions are detailed in the table below.

Key assumptions/risks	Mitigating actions
Business case returns fall short of forecast to reverse council subsidy.	<ul style="list-style-type: none"> • Maintain political mandate for minimum acceptable return: <ul style="list-style-type: none"> - 100% funding of backlog maintenance; - 100% funding of on-going maintenance; - 0% increase in current council subsidy; - 100% of wider strategic objectives.
Project delays - set up of new hospitality company takes longer than planned; construction work takes longer than planned, delaying site opening	<ul style="list-style-type: none"> • Allow enough time for company set-up • Use 3rd party resource • Actively manage and monitor construction project
Governance arrangements for new company	<ul style="list-style-type: none"> • Use specialist 3rd party resource to advise • Look at existing best practice

Agenda Item 7

Failure to recruit a suitable Managing Director for the new hospitality company	<ul style="list-style-type: none">• Attractive package offered• Ensure job description includes information around culture of company and company position within Council• Use 3rd party resource and existing sector contacts and relationships• Ensure enough time allowed to complete recruitment
COVID-19 and other external factors continue to impact on hospitality sector	<ul style="list-style-type: none">• Prudence in assumptions made in Full Business Case• Continual monitoring of market• Adaption of hospitality company business plan to reflect market conditions, e.g. provision of take-away service

7.7 Stage 3: contingency arrangements

- 7.7.1 The following contingency plans have been developed for Stage 3 in the event of failure of the hospitality company to ensure continuity of operation of hospitality services:
- a) Scenario A – inability to recruit a suitably qualified MD for the new hospitality company.
 - Use of specialist 3rd party services, e.g. hospitality recruitment company
 - Short-term consultancy appointment to get hospitality operation established
 - b) Scenario B – failure of the new hospitality company to reverse the existing subsidy
 - Prudence in assumptions made in Full Business Case
 - Strong Governance arrangements through company board
 - Early identification through monthly monitoring of performance

8. Hospitality Company Ethos

- 8.1 The ethos of the hospitality company should reflect the vision and values of the borough and the Council. It will strive to be a successful commercial business that does much more than make a financial return. It will be socially, environmentally and economically sustainable.
- The hospitality company will be an employer of choice in the sector, offering quality employment opportunities and routes to long-term careers in the sector.
 - The company will deliver a first-class experience for employees, who in turn will deliver a first-class experience for our customers.
 - The company will work collaboratively and fairly with suppliers and other stakeholders.
 - Environmental focus will be a priority relating to operations, procurement, etc.
 - The company will be a partner to the communities in which it operates.

Agenda Item 7

- This ethos will underpin the market positioning and commercial success of the organisation, rather than undermine it.

- 8.2 The hospitality company will focus on looking after its people, who will in turn look after its customers. The company will aim to be the employer of choice locally in the sector. This will mean treating employees as customers and focusing on their experience with the company. The company will in turn attract, develop and retain the best talent available in the sector. These employees will then deliver the same positive experience to customers. The quality of customer service and experience will be the foundation of the company's offer and market positioning. This people-oriented strategy of "look after your employees, and they'll look after your customers" is well-established in such organisations as John Lewis.
- 8.3 The company will explore engagement with Adult Community Learning, and other potential partner organisations offering paths into employment into the sector for the most vulnerable. The company will be a key partner to the communities in which it operates in every respect. This will include existing partner organisations and community groups.
- 8.4 Supplier relationships will be managed in a way that makes the new company the preferred partner to key suppliers.
- 8.5 Environmental policies and practices will be established and embedded, capturing best practice from the sector and from other industries and areas of the council, taking account of the climate change emergency declared by the council.

9. HR matters

- 9.1 The hospitality company will be an employer of choice in the sector, offering quality employment opportunities and routes to long-term careers in the sector. The company will deliver a first-class experience for employees, who in turn will deliver a first-class experience for customers.
- 9.2 This offer needs to include industry-leading terms and conditions, plus training, development and career progression opportunity. It will provide permanent employment contracts starting at real living wage, with annual leave entitlement, pension, etc.
- 9.3 The hospitality company will have the culture, structures and processes in place for personal and professional development. There will be opportunities to work across a range of roles and (as the company grows) across a range of assets. Partnerships with colleges, other private sector operators, etc, will be established as part of this.

10. Covid-19

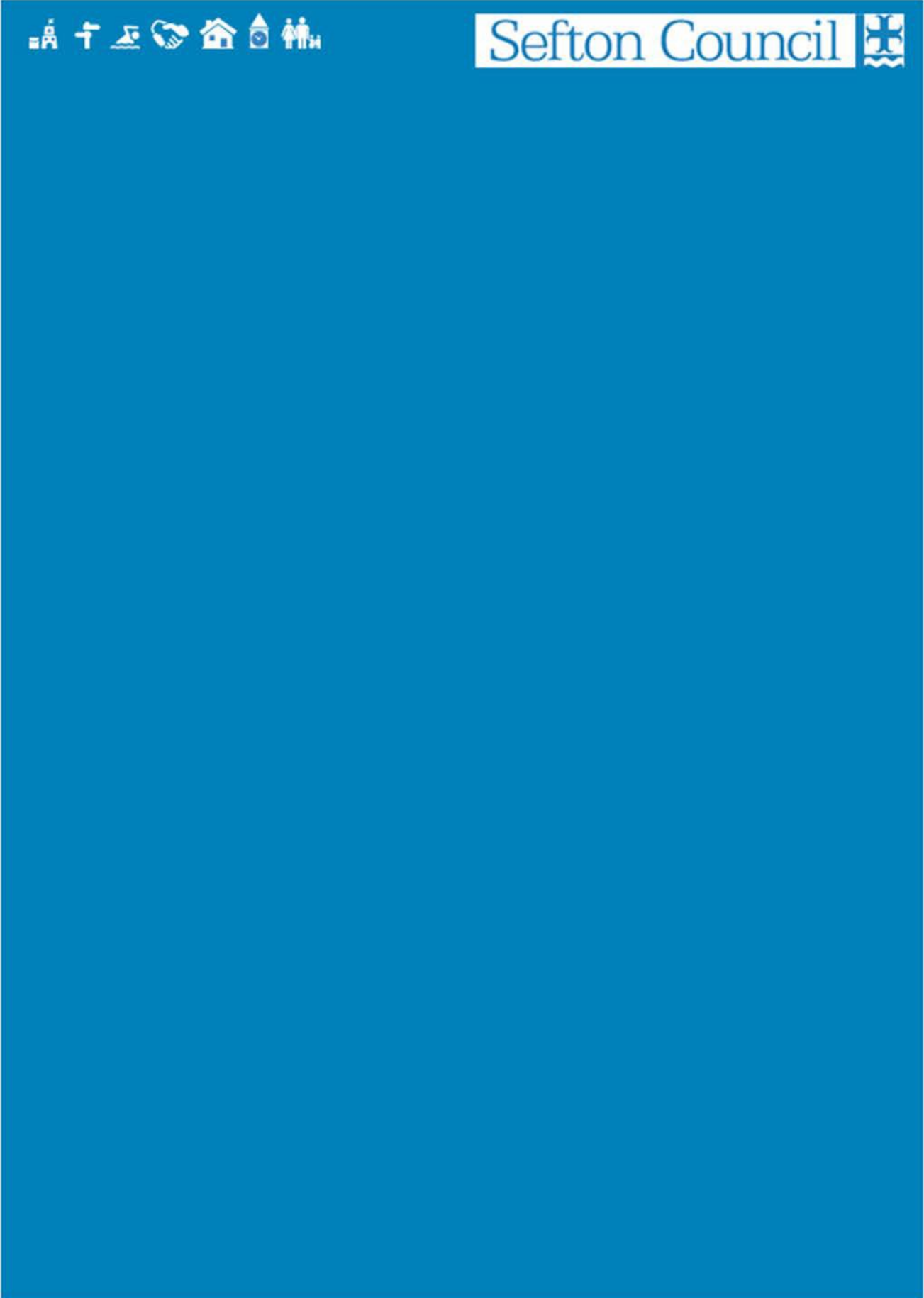
- 10.1 This business case was initially completed before the outbreak of Covid-19. Due to the impact of the pandemic on the hospitality sector the November 2019 business case has been reviewed and the findings are reflected within the report and final forecasts.
- 10.2 The current trading environment is significantly different to the one in which the business case was developed. Significant changes and once fully reopen, venues will be operating to a very different set of Covid Secure guidelines which will

Agenda Item 7

significantly affect capacities across many venues. The impact of this will be felt more on busier trading periods such as the evenings when capacity is likely to be met.

- 10.3 It is hard to predict exactly what will happen to the hospitality industry once venues are permitted to reopen fully however it is anticipated that normal trading is not likely to resume until the end of 2021 or early 2022.
- 10.4 Covid Secure social distancing measures will need to be in place for a significant period of time once hospitality venues reopen, which is likely to have a lasting effect on the industry. This will also impact on customer preferences and venues with increased outdoor provisions are likely to perform better. Given the flexibility of both external and internal space at Crosby Lakeside the venue could be well placed to take advantage of new customer behaviour and preferences.

Agenda Item 7



Agenda Item 8

Report to:	Cabinet	Date of Meeting:	4 February 2021
Subject:	Bootle Strand Shopping Centre – Interim Update on the Impacts of COVID-19		
Report of:	Executive Director (Place)	Wards Affected:	Linacre Ward
Portfolio:	Cabinet Members: Regeneration and Skills; and Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	No	Included in Forward Plan:	No
Exempt / Confidential Report:	No		

Summary:

As has been widely reported, COVID-19 has had a significant impact on the financial performance of shopping centres across the UK and the financial returns in year to landlords and owners. As a result, the financial position of Bootle Strand (The Strand) shopping centre, owned by Sefton Council, will be impacted in the current year, 2020/21.

This impact has also created market uncertainty, which continues at the time of writing and which has delayed the production of a robust three-year forward forecast as required to inform a detailed update to the Business Plan for The Strand.

This report provides an update on the current financial position and potential financial scenarios for the financial year 2020-2021, in advance of the three-year Business Plan update (which will include outline strategy and short-term action plans).

Recommendation(s):

It is recommended that Cabinet:

- Note the content of the report, and the factors that could influence and impact upon the financial returns to the Council from The Strand, and the action plans proposed to manage and mitigate these.

Reasons for the Recommendation(s):

The council's objectives for the acquisition of The Strand in 2017 were to ensure that it was supported to continue its role in the local community, as a key asset at the heart of Bootle critical to the town's physical, economic and social regeneration.

Since the start of the spread of COVID-19 in the UK in March 2020, the regular weekly and monthly monitoring of the operations of The Strand have indicated increasingly severe impacts of the pandemic and associated government restrictions on the operations of and

Agenda Item 8

financial returns from The Strand. Despite continued uncertainty, this report provides an update on impacts and potential scenarios for the current financial year.

Alternative Options Considered and Rejected:

Continue as-is - this was discounted as it would have resulted in more severe impacts than implementing the proposed Action Plan.

Publish a three-year Business Plan now – this was discounted due to continued uncertainty on the economic and regulatory impacts of the pandemic and governmental and sectoral response, and continued impacts on The Strand.

What will it cost and how will it be financed?

(A) Revenue Costs

All revenue implications are addressed in the report. As the report outlines there is still uncertainty as to the year end position for the reasons that are detailed. When this position is confirmed it will be reported as part of the year end outturn process as in previous years.

The latest updated position received in mid-January 2021 will be included in the budget monitoring position as at the end of that month and that in turn will be reported to cabinet as part of the monthly monitoring report. An initial estimate for financial planning purposes had been made within previous monitoring reports pending a full review as set out in this report, and this will be increased based on this updated forecast.

At this stage a deficit would not be covered under central governments cost sharing proposal around loss of income from fees and charges, therefore this will be part of the council's outturn figures and will be funded either through the normal general fund budget and / or one off sums provided for the council to support its financial position in response the issues caused by the pandemic.

(B) Capital Costs

None.

Implications of the Proposals:

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

Resource Implications (Financial, IT, Staffing and Assets):
All resource implications are addressed within the subsequent annexes to this summary.
Legal Implications:
There are no legal implication arising from this report.

Equality Implications:

There are no equality implications arising from this report.

Contribution to the Council's Core Purpose:**Protect the most vulnerable:**

The Strand provides essential amenities that are accessible for local people including the most vulnerable.

Facilitate confident and resilient communities:

The Strand provides essential amenities that are accessible for local people.

Commission, broker and provide core services:

Financial returns to the Council, as owner of The Strand, can provide revenue to contribute towards service provision.

Place – leadership and influencer:

The Strand is a key asset at the heart of Bootle critical to the town's physical, economic and social regeneration.

Drivers of change and reform:

Physical infrastructure (retail and other amenities) is a significant contributor to and enabler/catalyst for change.

Facilitate sustainable economic prosperity:

The continued success of The Strand is essential to maintain and increase its significant contribution to the local economy, including in terms of creating local employment and providing essential facilities required to help attract inward investment.

Greater income for social investment:

The Action Plan includes the provision of opportunities and support for local people to launch and sustain micro enterprise within and around The Strand.

Cleaner Greener:

All development proposals will be compliant with the Building Regulations and other Planning and Habitat regulations meaning Sefton builds cleaner and greener.

What consultations have taken place on the proposals and when?**(A) Internal Consultations**

The Executive Director of Corporate Resources and Customer Services (FD6274/21) and Chief Legal and Democratic Officer (LD4475/21) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Agenda Item 8

There have been no external consultations.

Implementation Date for the Decision

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

Contact Officer:	Stephen Watson
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Appendices:

There are no appendices available for inspection.

Background Papers:

There are no background papers available for inspection.

1.0 Introduction and Background

- 1.1 In April 2017, Sefton Council acquired The Strand Shopping Centre to secure its future and support its continued role as a cornerstone asset at the heart of Bootle, critical to the town's physical, economic and social regeneration.
- 1.2 The Council remains fully committed to supporting and securing investment in The Strand for the short, medium and long terms to reverse the decline it was suffering in the hands of private ownership and to respond proactively to the challenges of a changing retail market that have been accelerated and increased by the impacts of COVID-19.
- 1.3 Therefore, the Council has been working on a long-term strategy for investing in and improving The Strand to: help address the challenges to trading that it (along with all similar centres across the UK) is facing; to help support the economic recovery of Bootle after the impacts of COVID-19; and to enhance its value to Bootle Town Centre.
- 1.4 The detailed plans for The Strand (and Bootle Town Centre more widely) will be developed in full consultation with local people and other local stakeholders.
- 1.5 Prior to the start of the spread of COVID-19 in the UK in March 2020, The Strand's operations and financial returns were performing as expected- a positive financial return had been achieved in each year and had allowed £1m to be allocated to support the councils budget.
- 1.6 As would be expected and as experienced worldwide, since the start of the spread of the pandemic, the regular weekly and monthly monitoring of the operations of The Strand have indicated increasingly severe impacts of the pandemic and associated government restrictions on the operations of and financial returns from The Strand. This has made clear the need for proactive management and mitigation measures in the immediate and short terms, along-side the more proactive improvements outlined above.
- 1.7 There is continued uncertainty in respect of the pandemic, the length and depth of its impact and implications for the economy and the sector, and government policy in respect of enforcement powers for landlords. It is therefore appropriate to delay the finalisation and publication of the full three-year business plan until the medium-term outlook is clearer.

2.0 Potential Financial Scenarios

Agenda Item 8

- 2.1 Nevertheless, focus remains on immediate financial impacts and scenarios. Regular detailed monitoring remains in place, with analysis and assessment arrangements to ensure the Council is fully informed of the issues, risks and requirements for intervention arising as a result of the impacts of the COVID-19 pandemic. This analysis is conducted at both an individual tenant level and for the overall asset.
- 2.2 Tenants are charged rent and a service charge based on the terms of a lease agreement. As a result of the pandemic, there is a significant proportion of businesses who have not paid these sums due. Government advice since the start of the pandemic is that landlords are not permitted to initiate recovery action for sums owed at this time.
- 2.3 An analysis of the potential impacts of the pandemic on operations for the remainder of the current financial year (to March 2021) has been produced. The extension of the embargo and the introduction of a second national lockdown will have a major impact on the council's ability to collect rent and services charges (and business rates); on the trading conditions for tenants; the levels of arrears; the number of vacancies and the number of insolvencies and Company Voluntary Arrangements (requiring rent and service charge reductions and holidays). These factors affect the whole sector, including the Strand. As can be seen, taking into account these factors present both an uncertain and ever-changing scenario and developing an informed estimate of the financial impact of the pandemic in the current year has not been possible until this point. This position changes, and will continue to do so between now and year end, as national and local restrictions change, with a clear example being the new national restrictions announced on 5 January 2021 by the Prime Minister having a further impact on retail across the country. This includes the Strand where the forecast outturn position has changed on the rise of that decision.
- 2.4 The impact of the embargo and the challenging trading conditions resulting from government restrictions affect different types of tenants differently. These two factors will also affect the value that can be achieved from potential new tenants in the short- and medium-term future. Tenant business model types include open for essential shopping (open even during lockdown); open for click and collect; open for take-away; and those closed during lockdown if non-essential shopping/business. Tenant business strength levels also vary according such factors as size, ownership, and ability to adapt business models as restrictions change.
- 2.5 The Council will continue to invoice for rent and service charges as normal, and would pursue all outstanding sums at the appropriate time. It will engage and aim to work collaboratively where possible with smaller affected tenants, on a case-by-case basis.

- 2.6 The potential outturn deficit for the financial year 2020-21, as a consequence of the impacts of the COVID-19 pandemic, is expected to be between -£2.65m and -£3.18m. However, there remain factors that will influence this outcome for the financial year, including uncertainty on the end of the current lockdown and the nature of any reopening of retail; the continued uncertainty on the moratorium on landlords' ability to pursue enforcement; and the ongoing pursuit of rent and service charge arrears.
- 2.7 The final position for the financial year will be addressed as part of the council's year end outturn process and will be reported as has been the case in previous years. At this stage it is not considered that any deficit will be covered by central governments cost sharing mechanism for the loss of fees and charges experienced by local authorities. As a result, this will be funded either through the council's general fund budget and / or via one off funding provided by government to support the council and the financial impact of the pandemic.
- 2.8 As an updated position on the potential year end position has been established as at mid-January 2021, this will be reported in the end of January budget monitoring report that will in turn be considered by Cabinet.

3.0 Mitigation Action Planning

- 3.1 A COVID-19 impacts mitigation plan has been developed and implemented to manage and minimise the adverse effects of the pandemic on The Strand, which includes:
- 3.2 Immediate initiatives focused on: -
- 3.2.1 Maximising operating cost savings.
 - 3.2.2 Minimising vacancies to cover some costs when commercial tenants are not available.
 - 3.2.3 Reducing discretionary spend whilst returns on that investment are depressed.
 - 3.2.4 Proactive management of tenant arrears (in lieu of the ability to take enforcement action).
 - 3.2.5 Proactive initiatives to explore opportunities for lease extensions combined with re-gearing and relocations for key and anchor tenants.

Agenda Item 8

3.2.6 Ongoing monitoring of operations and risks, including via the Council's risk register and associated risk management processes.

3.3 Medium-term plans may include (but not be limited to):

3.3.1 Enforcement action (when permitted) against 'non-struggling' tenants refusing to pay.

3.3.2 Consideration of consolidation of the utilised space (including offering advantageous relocations within the centre) and 'mothballing' unoccupied areas.

4 Vision and Strategy for the future of The Strand

4.1 Work continues developing the vision and strategy for the future of The Strand. This will be progressed in partnership with key stakeholders and communities, and will include wider engagement on Bootle town centre. A Bootle Task Group comprising key organisations from across the region has been convened to support with progression of that wider action plan for the town and its future.

4.2 Demolition is underway on the recently-acquired assets adjacent to the shopping centre. This is being progressed with financial support from the Liverpool City Region Combined Authority, from whom pre-development funding has also been secured to support strategy, masterplanning and consultation work from 2021.

4.3 Despite the impact of current circumstances, Sefton Council has worked in partnership with Make CIC to deliver the Bootle Festival of Ideas in 2020, from which a number of ideas and opportunities for The Strand and the wider Bootle town centre have emerged. The event is intended to provide a platform for continued engagement with communities and with current and prospective entrepreneurs in Bootle.

4.4 Work is also underway to ensure that meanwhile uses are in place for the Summer of 2021 in the areas where demolition works are taking place, adjacent to the canal. This will bring new uses and a new offer to the area in advance of the development of the longer-term vision. More information on this process will be provided as part of the Business Plan update, and as and when available.

Agenda Item 9

Report to:	Cabinet	Date of Meeting:	4 th February 2021
Subject:	Culture – Borough of Culture 2020, Legacy and Strategy		
Report of:	Executive Director - Place	Wards Affected:	All wards
Cabinet Portfolio:	Communities and Housing		
Is this a Key Decision?	No	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

Report to update Cabinet on Sefton's programme for the Liverpool City Region's Borough of Culture 2020, including its outcomes and legacy, and to seek approval for the procurement of a provider to support with development of a Culture Strategy for the borough of Sefton for 2021 and beyond.

Recommendation(s):

Cabinet is recommended to:

- (1) Note the outputs and outcomes of the Borough of Culture 2020 programme;
- (2) Agree to the development and implementation of a Culture Strategy, in collaboration with key stakeholders across the borough, for 2021 and beyond; and
- (3) Approve the procurement of a provider to lead the Culture Strategy development process, to be progressed in line with contract procedure rules, led by the Communities service in consultation with the Cabinet Member for Communities and Housing.

Reasons for the Recommendation(s):

A Culture Strategy is proposed for progression in collaboration with stakeholders across the borough, in order to sustain momentum built by the programme and by other organisations working effectively in this area across Sefton. This will also help to maximise the impact of current cultural activity across the borough, add value to existing cultural organisations and their activity, alongside showcasing Sefton as a cultural leader within the Liverpool City Region.

The strategy development process would be led by the Communities service, with input from service areas across the organisation and from external stakeholders and partners. Oversight will be from the Cabinet Member for Communities and Housing.

Agenda Item 9

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

The alternative of not developing a Culture Strategy is rejected. Although this would enable the allocation of the remaining £10,000 of funding to other culture-related activity, the lack of a strategy will limit the legacy of the programme and negate the impact and momentum that the Borough of Culture programme has helped to build.

What will it cost and how will it be financed?

(A) Revenue Costs

The revenue implications of delivering the Borough of Culture programme, and of developing the proposed Culture Strategy, are met by the £200,000 core funding received from the Liverpool City Region Combined Authority. Additional funding of up to £4,000 may be required for the strategy development process, and will be met via existing service budgets.

(B) Capital Costs

No capital costs are anticipated.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):

Currently resource (people) implications are being managed within the current Council resource envelope and prioritising work as required to deliver all on time activities.

Legal Implications:

There are no legal implications.

Equality Implications:

There are no equality implications.

Contribution to the Council's Core Purpose:

Protect the most vulnerable: The programme has been focused on inclusion and accessibility to all, for example through interaction during lockdown for those isolated during those periods.

Facilitate confident and resilient communities: The programme has been, and the strategy would be, community-led to ensure continued engagement and collaboration.

Commission, broker and provide core services: Not applicable

Place – leadership and influencer: The programme has been distinct to our place and our people, and the strategy would be the same.
Drivers of change and reform: The strategy would support enhanced engagement in, and benefit from, cultural activity.
Facilitate sustainable economic prosperity: The strategy should align with Sefton’s Economic Growth strategy and key projects, supporting achievement of the objectives therein.
Greater income for social investment: Not applicable
Cleaner Greener: Focus on Sefton’s environment would be a core component of the developed strategy.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director Corporate Resources & Customer Services (FD 6265/21) and the Chief Legal & Democratic Officer (LD4466/21) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Extensive external consultation and engagement has taken place throughout the Borough of Culture 2020 programme, and would be progressed as part of the strategy development process.

Implementation Date for the Decision

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

Contact Officer:	Stephen Watson
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Appendices:

There are no appendices to this report

Background Papers:

There are no background papers available for inspection.

Agenda Item 9

1. Introduction

1.1 Sefton was delighted to be named as the Liverpool City Region's Borough of Culture for 2020, with the focus for the Borough of Culture (BoC) programme being on **Sefton people and stories – stories about us, stories by us, and stories for us – all of us**. This was intended to be broad enough to support a wider range of ideas and opportunities, and align with the prioritisation of Sefton's communities in the development of ideas, initiatives and events. It also resonated with communities and partners in engagement on the BoC opportunity.

1.2 In addition to the five elements identified by the Liverpool City Region Combined Authority for the programme, Sefton identified what would be additional Core Principles for Sefton's Borough of Culture 2020 programme, using "four Ps" which were to support discussion and prioritisation regarding opportunities for the BoC programme:

- Participation – initiatives that maximise opportunity for participation; not just event attendance, but in the cultural activities themselves (arts, music, writing, etc); and ensuring inclusivity – reflective of a borough for everyone (irrespective of gender, age, ethnicity, geography, ability, demography, etc).
- Partnerships – working with partners to deliver 2020 and beyond together; this is the borough's year of culture, not the council's.
- Permanence – ideas, installations, events and relationships that will remain in place beyond 2020.
- Pride – opportunities that help engender pride in our community and the communities within Sefton

1.3 The theme of the year was proposed to be stories, using the tagline "Myths and Realities" to support this. The shape of the year was to be focused on much of the storytelling across the earlier parts of the year – relating to local heritage, and recognising the nature of history and stories and how myth, memory, perspective and subjectivity influence such stories over time. The programme was to become increasingly focused on the environmental theme over the second half of the year, culminating in the notable events and initiatives to be developed for November 2020, hopefully to coincide with the UN Climate Change Summit (which London was scheduled to host). Whereas a story such as Napoleon III in Southport could border on "myth", the climate change emergency would be the "reality".

1.4 The nature of the challenges involved in storytelling and myths were recognised. It was therefore critical that evidence was used where it exists to support such stories, or that there was transparency on where such evidence may not exist. This would not hinder the BoC opportunity given the wealth of stories, ideas and opportunities emerging, but would require management in the appropriate manner. The shape of the year outlined above reflects the key themes identified by our communities and our partners through feedback, engagement, and the Sefton CVS event held in July 2019. This was

consolidated and captured as well to support engagement with potential funding partners.

1.5 Local History was consistently identified as a key area of opportunity, with the stories people want to tell, or that people want to celebrate, being identified through the engagement with stakeholders. Environmental sustainability was the other key theme identified by partners and communities. It was therefore intended that the shape of the year reflect these focus areas and demonstrate that the council has listened to communities and partners in maximising the BoC opportunity.

1.6 The above identifies the basis for the stories to be told across the year (the “what”), and there were a range of means through which these stories could be told (the “how”). By way of example, the story of Isaac Roberts is one that resonates with communities in Maghull, and this could have been progressed through such means as blue plaques, events, performances, creative writing and photography.

1.7 While there were to be some major new events across the borough, across the year, the foundation of Sefton’s programme for BoC 2020 was a large number of community-led initiatives and events, in all areas of the borough, celebrating stories of our people and our place.

2. Impact of COVID-19 on the BoC 2020 Programme

2.1 The Cabinet Member briefing paper of 8th April 2020 recommended a scaled-back Borough of Culture programme that delivered as many of the projects as the Council could do in a safe manner, within the budgetary constraints provided by the loss of private sector sponsorship and funding routes such as Arts Council England.

2.2 This approach was approved by the Cabinet Member sponsoring the Borough of Culture programme, as per the approach to governance that was agreed by Cabinet in 2019 to governance of the programme. This paper provides an update on the balance of 2020, and aims to support a discussion on legacy planning.

3. Projects and Events 2020

3.1 **November 2019** - A series of launch events kickstarted our year of Culture in November 2019. A small handover ceremony during the **Constellations event at Crosby Marina** saw the Mayor of Wirral handover the Borough of Culture baton to the Mayor of Sefton. Thousands of residents and visitors came together to view the spectacular parabolic light cloud and enjoy some talented Sefton artists performing over the three-day event. **The Bootle**

Agenda Item 9

Children's Literature Festival was launched to celebrate the opening of Kingsley & Co in Bootle Strand, and Wirral also held a small formal handover at the 2019 Culture Awards.

- 3.2 **Sefton Stories** – the public vote on Sefton stories saw more than 850 votes cast to identify local stories aligned to our local history and heritage; the winners (including Frank Hornby, Kenny Everett and Christiana Hartley) form part of the comic strip trail that will be finalised by the end of the year.
- 3.3 **Schools planting programme** - More than 44,000 spring flowering bulbs have been planted by primary school children across Sefton. Crocus and daffodil bulbs were planted during November and December 2019 in preparation for our Borough of Culture year in many of our beautiful greenspaces throughout the borough.
- 3.4 **February and March 2020** - in February, we kickstarted the We Love Sefton project, which seen a series of posts on social media displaying the many wonderful and unique qualities we love about our borough. March welcomed the spectacular **Nightingale's Song**, a spectacular show by Illuminos to portray the history of the borough on three civic buildings throughout the borough, over three nights. The story followed the Birkdale Nightingale on their journey through Sefton's history and heritage, flora and fauna and the unique creatures that reside in our borough.
- 3.5 **Red Rum** - March also saw the unveiling of a huge mural of the legendary racehorse Red Rum in Southport by artist Paul Curtis. The artwork, located on Scarisbrick Avenue, has been enjoyed by thousands of residents and visitors alike and will continue to do so throughout and beyond our 2020 year.
- 3.6 **Libraries team** - the Beyond The War Memorial project aims to tell stories of the heroes and heroines of conflict who are listed on memorials across the borough, uploaded to a dedicated website by volunteers; the Sefton Saga was also launched earlier this year, which is a living story. Each month budding authors from all ages across the borough had a chance for their story to be chosen as the next chapter of the book. Once complete, the story will be turned into a booklet with the contributors listed as co-authors.
- 3.7 **Community-led projects** such as the red squirrel origami project still went ahead, albeit remotely online, via post, etc. Community by Nature and Rule of Three's Arts launched their playing out packs, dedicated to the local area's history of play. Three artistic activity packs have been providing vulnerable children in Bootle with activities throughout the lockdown period and summer holidays. The Birkdale Hub's Photography competition became **The In Isolation Lockdown Photography Competition** where residents of all ages uploaded pictures that they think summed up their time in isolation. **SING Plus** adapted their project to support the older generation through the lockdown

period by providing them with memory boxes and instruments to map out their memories of Sefton. They also provided diaries to the younger people across Sefton and have captured videos of how they feel about their time in isolation. All of the information captured will be kept and stored in the Sefton Archive. **The Sefton Comedy Hub** was set up so that people could submit clips of themselves telling their favourite joke, recalling amusing anecdotes and humorous stories and reciting funny poems and comedy impressions with prizes awarded for the video of the week. The Hub Facebook page has 850 followers and 1000's views each week. **The Sefton Comedy Bingo** via Zoom was a huge success with 48 Zoom windows for each show, entertaining up to 100 people at a time. The shows ran twice weekly for 6 weeks throughout the lockdown period.

3.8 **The Sefton Time Capsule packs** were sent out to families across Sefton as an initiative to keep children occupied throughout the lockdown period by capturing young people's views of their time in isolation through this wonderful keepsake. The Sefton Time Capsule which will contain entries from all our Borough of Culture projects, newspaper clippings, cabinet papers, etc, and will be buried in Derby Park (for their 125th anniversary) with a blossom tree to mark the spot.

3.9 **Bootle Festival of Ideas** is ongoing at the time of writing, inspiring local people to share ideas related to five themes – making and selling; food and growing; music and culture; health and wellbeing and spaces for change.

3.10 **The Atkinson** have made it accessible for people by providing digital platforms for various projects such as The Sefton Open, which provides the opportunity to view 190 artworks online in The Atkinson's annual Sefton Open exhibition, celebrating the creativity and artistic talent across the borough; The Young Artist of The Year – encouraging people aged 11-18 living in the Sefton Borough to submit artwork to their annual competition which will be displayed online; The Festival of Hope - pioneering festival that places young people at the heart of design, making, programming & production. The most popular exhibition at The Atkinson was undoubtedly Brick Wonders, a recreation of the seven wonders of the world in LEGO, attracting 10,000 visitors in the few short weeks that it was open. The Atkinson began the Borough of Culture celebrations with the 'Vivienne Westwood' exhibition, developed with students and staff at Manchester Metropolitan University and giving us the chance to work with Sefton New Beginnings and Open Eye Gallery to explore the role of fashion as a form of protest. <https://uncoverliverpool.com/community/fashion-forms-protest/> Other highlights of the year included 'Cats on the Page' a touring exhibition from the British Library, and Fatal Attraction, examining the changing perception of the femme fatale in art, with key loans from National Museums Liverpool, The Williamson in Birkenhead and the British Museum. As The Atkinson went into lockdown the exhibitions were digitised and have

Agenda Item 9

become a popular online attraction, alongside participatory online art exhibitions, webinars and local history courses.

4. Balance of the BoC 2020 programme

4.1 **Words of Wisdom** – this project commenced with schoolchildren across the borough interviewing older people on life lessons, or “words of wisdom”. Many were fed into the Illuminos Show, but the work continued through lockdown as a “pen pal” project, supported by a programme of acts of kindness for older citizens. The Windmills Foundation is collating the outcomes of this project and proposes to publish their book, titled “Words of Wisdom”, by early 2021.

4.2 **Time capsule** – as above, the Sefton Time Capsule was planted in Derby Park, with a blossom tree to mark the spot, linked to the park’s 125th anniversary. The community event and handover ceremony envisaged originally was not scheduled during 2020, but the planting and placing of the capsule were still completed.

4.3 **Comic strip boards** – the series of comic strip boards is being finalised, telling stories aligned to the Sefton Stories vote at the start of the year. These will be installed early in 2021, telling the stories (identified as priorities by our communities through the vote referred to in 3.2) below:

- Isaac Roberts
- Red Rum
- Christiana Hartley
- The Bootle Blitz
- Kenny Everett
- Frank Hornby

4.4 **Measurement and reporting** – at the time of writing work is ongoing in partnership with the LCR CA and Liverpool John Moores University on measurement of success of the year, to inform future strategy development.

5. 2021 and Beyond

5.1 **Halton Handover** – it is proposed to undertake a handover event with Halton in early 2021, subject to safety and circumstances in the coming months.

5.2 **Return of Illuminos** – the incredible Nightingale’s Song show was delivered at the start of lockdown, so visitor numbers were not enough to make the most of the opportunity. When safe to do so it would be proposed for Illuminos to return to play the show again, hopefully in 2021. This would be much more cost effective now that the creative work is completed.

5.3 **Unveiling for Red Rum wall mural** – the mural was completed at the very start of lockdown, so no ceremony or formal unveiling has been completed. It would be proposed to undertake an event of sorts to show appreciation to the artist and to publicise the mural nationally, perhaps at the time of the 2021 Grand National (subject to the situation at that time).

6. Legacy and Culture Strategy

6.1 COVID-19 meant that the intended pursuit of additional funding from external organisations (such as Arts Council England) and from private sector sponsorship did not take place. This limited the capacity of the programme to the core funding of £200,000 received from the Liverpool City Region Combined Authority. The intent originally was to pursue funding from Arts Council England for environmentally-focused events at the end of 2020, and this was to include resource to support development of a Culture Strategy for the borough. This funding route is no longer accessible.

6.2 However, a sum of £10,000 has been retained from the core funding which is proposed to be used to procure a partner to facilitate the development of a Culture Strategy for 2021 and beyond for the borough of Sefton. This would be progressed in collaboration with stakeholders across the borough, and would be intended to sustain momentum built by the programme and by other organisations working effectively in this area across Sefton.

6.3 In addition £4,000 of further funding has been identified from related service budgets, with a budget of £14,000 identified for the work based on similar undertakings elsewhere.

6.4 The management of the process would be via the Communities team, reporting to the Cabinet Member for Communities and Housing. As with the development and delivery of the Borough of Culture programme, input and perspective will be sought from across the organisation, and from stakeholders and communities across the borough. The strategy will be brought back to Cabinet for approval.

6.5 The Strategy would create an agreed 5-year action plan taking Sefton through to borough of culture year 2025. It would improve communication and awareness across the borough in the realm of creative / digital / cultural activity and create an inclusive Sefton-wide infrastructure for our cultural ambitions. A strategy is required:

- To attract inward investment and support economic growth – many strands of external funding require us to have a Cultural Strategy
- As an advocacy tool for the role of culture in the borough demonstrating the positive impact of cultural engagement on health and wellbeing, tourism and the development of resilient communities
- To attract and retain creative industries in Sefton

Agenda Item 9

- 6.6 Our Cultural Strategy will involve an extensive consultation exercise with as wide a range of partners as possible, building on the relationships developed during our Borough of Culture year and helping us to align Sefton's cultural ambitions with the Liverpool City Region.
- 6.7 It will be vital that the strategy development process and the consultant supporting its delivery are biased towards action, and management and oversight of the process will be delivered with this focus on action in mind.

Agenda Item 10

Report to:	Cabinet	Date of Meeting:	4 February 2021
Subject:	Private Sector Housing Assistance Policy Update 2020		
Report of:	Executive Director of Corporate Resources and Customer Services	Wards Affected:	All
Cabinet Portfolio:	Communities and Housing		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

To present an updated Private Sector Housing Assistance Policy for approval by Cabinet.

Recommendation(s):

That the updated Private Sector Housing Assistance Policy 2020 be approved by Cabinet.

Reasons for the Recommendation(s):

An updated Private Sector Housing Assistance Policy has been drawn up as the current policy was last reviewed in 2014. Many of the aspects of the existing policy are now out of date. The revised policy would provide greater clarity to others.

Recently the 'Discretionary Assistance Loan Policy' was approved for implementation. This 'Discretionary Assistance Loan Policy' is an additional funding mechanism which is considered in cases where Disabled Facilities Grant adaptation costs are likely to exceed the £30k threshold and where clients are not in a financial position enabling them to meet these additional required costs. This policy will help ensure that adaptations may still proceed, in such cases, and client's needs are met as deemed necessary by the Occupational Therapist. Details of this policy have been included within the revised Private Sector Housing Assistance Policy Update 2020

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

Agenda Item 10

What will it cost and how will it be financed?

(A) Revenue Costs

No additional costs arising from the revised policy

(B) Capital Costs

No additional costs arising from the revised policy

Implications of the Proposals:

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

Resource Implications (Financial, IT, Staffing and Assets): N/A
Legal Implications: <ul style="list-style-type: none">• Housing Grants, Construction and Regeneration Act 1996• The Regulatory Reform 2002 (Housing Assistance England & Wales) order 2002
Equality Implications: The equality Implications have been identified and risk remains, as detailed in the report.

Contribution to the Council's Core Purpose:

Protect the most vulnerable: Provide positive outcomes
Facilitate confident and resilient communities: Neutral impact
Commission, broker and provide core services: Ensure mandatory adaptations are provided.
Place – leadership and influencer: Neutral impact
Drivers of change and reform: Positive impact
Facilitate sustainable economic prosperity: Neutral impact
Greater income for social investment: Neutral impact
Cleaner Greener; Neutral impact

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources & Customer Services is the author of the report (FD6245/21)

The Chief Legal and Democratic Officer has been consulted and any comments have been incorporated within the report. (LD4446/21).

In addition, the Executive Director of Adult Social Care (February 20) and the Head of Economic Growth and Housing Service (February 20) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

None

Implementation Date for the Decision

Following expiration of the call-in period for the minutes of the meeting

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Appendices:

Private Sector Housing Policy

Background Papers:

There are no background papers available for inspection.

1. Introduction/Background

- 1.1 It is important that the Council provide clear up to date policies which helps avoid misinterpretation so that residents within Sefton have a good understanding of what assistance the Council can provide in relation to adaptation and general housing improvements.
- 1.2 Powers provided through the Regulatory Reform Order 2002, (RRO) allow the Council to develop specific policies aimed at addressing local need and in supporting residents to sustain home ownership where they may be affected by age, disability or combination of both.
- 1.3 Since the introduction of the RRO the Council produced and has continually revised a Private Sector Housing assistance policy, which outlines a range of

Agenda Item 10

assistance in support of residents with an emphasis on sustaining home ownership.

- 1.4 The previous policy was produced in 2014 and since that time several changes have been considered which have subsequently been incorporated into the revised 2020 policy (appended).

2. Recent changes

- 2.1 Disabled Facilities Grant, funded through the Governments Better Care Fund, provides an allocation of resources to the Council to adapt the homes of disabled and elderly residents. This a mandatory Grant which has not changed since 2008. In recent times the Council has found that we are not able to meet the needs of some of the more complex cases within the mandatory grant limits (£30k).
- 2.2 Historically cases exceeding this limit rely upon either the scheme being curtailed, the applicant funding the excess, or an application being made for charitable resources in order to continue.
- 2.3 This can lead to essential needs (adaptation) not being addressed due to resource limitations. This can present both a risk to the disabled person where all their needs are not met and may result in them spending time either in hospital due to Injury, or alternatively, them having to move into more costly support / care accommodation. Clearly, this is not in the best interest of the disabled person or the Council.
- 2.4 The 'Discretionary Assistance Loan policy', which was recently approved, is one of the main changes introduced in the revised policy and this clearly evidences where Sefton may assist the most vulnerable, disabled and older residents beyond the mandatory Disabled Facilities Grant limit, currently £30k.
- 2.5 The introduction of this discretionary assistance helps ensure the Council can provide necessary adaptations which are not limited or reduced, therefore helping to further ensure clients safety and wellbeing, along with that of their families and carers whilst enabling them to continue living in their own homes as independently as possible for as long as is possible.
- 2.6 It is important to ensure this discretionary assistance is made known and utilised where appropriate and therefore the revised policy has been introduced to reflect the additional flexibility and support on offer.

3. Conclusions

- 3.1 The Introduction of a revised Private Sector Housing Assistance policy will enable the Council to support its residents in accessing essential adaptations which are not limited by mandatory limits. This will further enable resident with complex needs with the ability to remain living Independently in their own home.
- 3.2 The updated Private Sector Housing Assistance Policy 2020 is presented to cabinet for approval, with immediate adoption following the mandatory call in period.

DRAFT

SEFTON METROPOLITAN BOROUGH COUNCIL

PRIVATE SECTOR HOUSING ASSISTANCE POLICY

(revised February 2020)

PRIVATE SECTOR HOUSING ASSISTANCE POLICY

2020

CONTENTS PAGE

- 1) Aim
- 2) Introduction
 - Current population of older people
 - Future change in the population of older people and people with disabilities
 - Health & Disability related projections
- 3) Core Purpose
- 4) Landlords and Tenants
- 5) Forms of assistance
 - Disabled Facilities Grants
 - Minor Works
- 6) Resources
 - Home Repair
 - Empty Homes Assistance
 - Group Repair
 - Facelift Schemes
 - Discretionary Assistance Loans
- 7) Applying for financial assistance
- 8) Appeals
- 9) Policy Monitoring and review

1.Aim

The aim of this Housing Assistance Policy is to assist all private home owners, disabled people with the implementation of adaptations to facilitate their movement in and around their home and where possible direct help towards the most economically vulnerable people living in the most deprived housing neighbourhoods where the combination of these conditions exist.

2.Introduction

This Housing Assistance Policy sets out how Sefton Metropolitan Borough Council (SMBC) intends to use its powers under the Regulatory Reform (Housing Assistance England and Wales) Order 2002 to improve the quality of privately owned homes for those in need. The 2002 Regulatory Reform Order gives local authorities the power to adopt a Housing Assistance Policy to provide financial and other assistance within the constraints of their financial resources available. This 2020 Policy update is intended to provide clarity on the Councils current approach and identify forms of financial and other assistance which may be available to assist vulnerable homeowners, owners of private rented properties, disabled people by providing adaptations, the eligibility criteria and terms upon which assistance may be provided.

Sefton MBC will deliver this policy in a fair and inclusive manner and ensure that our performance is continually monitored, reviewed and amended where applicable. The Council will work in partnership with other agencies to deliver improvements.

The Council will look to provide advice to owners who are excluded from receiving financial assistance. Advice such as information on property maintenance, accessing finances and energy efficiency. Information may be given to any person who makes an enquiry regardless of their tenure.

Sefton MBC has an ageing population along with high levels of disability. This increase in the ageing of the local population will likely lead to an increase in the number of older people who will have long term health problems and complex needs. Without successful intervention and adequate preventative steps this is likely to increase demands on Social Care Services and increase the risk that older people will be unable to live independently.

The link between housing and wellbeing is increasingly acknowledged. 'The right home environment is essential to health and wellbeing, throughout life' (Improving Health and Care through the home; A National Memorandum of Understanding, February 2018).

The following summarises and evidences the increasing demand for services offered;

The table below provides baseline population data about older persons and compares this with other areas. The data for this has been taken from the published ONS (Office For National Statistics) mid-year population estimates and is provided for age groups from 65 and upwards; the data is for 2017 to reflect the latest published data for local

Agenda Item 10

authority areas and above. The data shows, when compared with data for other areas, that Sefton MBC has a notably higher proportion of older persons residing. In 2017, it was estimated that 23% of the population of the Borough was aged 65 or over.

Current Population of Older People

Older Person Population (2017)				
	Sefton		North West	England
	Population	% of popn	% of popn	% of popn
Under 65	211,282	76.9%	81.6%	82.0%
65-74	32,506	11.8%	10.2%	9.9%
75-84	21,614	7.9%	5.9%	5.7%
85+	9,187	3.3%	2.3%	2.4%
Total	274,589	100.0%	100.0%	100.0%
Total 65+	63,307	23.1%	18.4%	18.0%

Source: ONS 2017 mid-year population estimates

Future Change in the Population of Older People

Projected Change in Population of Older Persons (2017 to 2036) – 2016-based SNPP			
	Sefton	North West	England
Under 65	-5.8%	-1.9%	2.1%
65-74	20.2%	22.1%	27.9%
75-84	38.1%	43.2%	50.4%
85+	65.1%	82.1%	86.7%
Total	3.0%	5.2%	9.5%
Total 65+	32.8%	36.4%	43.0%

Source: ONS subnational population projections (2016-based)

The above data shows that the Borough is expected to see a notable increase in the older person population with the total number of people aged 65 and over projected to increase by 33% over the 19-years from 2017;

Health & Disability related projections

In addition to providing projections about how the number and proportion of older people is expected to change in the future an analysis, taken from the Projecting Older People Population Information System (POPPI), has looked at the likely impact on the number of people with specific illnesses or disabilities. The figures below relate to the population aged 65 and over.

The table below shows that disabilities are expected to increase significantly in the future, although this would be expected given the increasing ageing population. There is projected to be a large rise in the number of people with mobility problems, with a 40% increase in the number projected. When related back to the total projected change to the population, the increase of 4,800 people with a mobility problem represents 53%-57% of all population growth.

Estimated Population Change for range of disability issues (2017 to 2036) – Sefton					
	Disability	2017	2036	Change	% increase
2016-based SNPP	Mobility problems	11,988	16,795	4,807	40.1%

Source: Data from POPPI and demographic projections

The Communities & Local Government Disability data guide provides data about households with a long-term illness or disability from the English Housing Survey. This is given at a national level, and does not provide more localised data. The data suggests that across the Borough, some 40% of households contain someone with a LTHPD. This figure is notably higher to that seen in other areas; North West 36.6% and England 32.7%.

3. Sefton Council’s Core Purpose

Below is a summary of the Councils Core Purpose. This sets out the Councils approach and we need to ensure this Private Sector Housing Policy supports this.

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

Agenda Item 10

4. Landlords and Tenants

Responsibility for property maintenance rests with the property owner. Therefore Sefton MBC will not normally agree to offer assistance to a Tenant as the Council believes that their Landlords are responsible for resourcing the repair and improvement of their properties. Exceptions to this rule will be assistance of Disabled Facilities Grants for the purpose of adaptations.

Failure by any landlord to adequately maintain their property may result in enforcement action. Advice and assistance for tenants who live in poorly maintained properties can be found at;

<https://www.sefton.gov.uk/housing/private-housing/standards-and-conditions.aspx>

(At the foot of this web page is the Council's Housing Enforcement Policy document.)

In an attempt to try to improve living conditions in the private rented sector the Council approved the designation of a Selective Licensing scheme for all privately rented properties within Bootle, and additional HMO Licensing schemes in central Southport and parts of Waterloo & Crosby.

The Council has proved that there is a link between the private rented properties in the designated areas and deprivation, poor property conditions, anti-social behaviour and crime. The designation of the selective licensing and additional (HMO) licensing schemes were subject to developing a robust business case and extensive consultation, which can be viewed at;

<https://www.sefton.gov.uk/housing/private-housing/licensing-background-documents.aspx>

Along with evidence of the poor management of a significant number of privately rented properties that has led to problems for both their tenants, local communities and other members of the public. Sefton has considered whether there are any courses of action, other than Selective Licensing, that might achieve the same objectives in the area, however, has come to the conclusion that designating its Licensing areas is the most appropriate course of action in the circumstances.

The designation came into effect on 1 March 2018 and will last for a period of 5 years up until 28 February 2023. If a property is within the Licensing areas landlords will need to apply for a Housing Licence. Landlords will be required to meet a range of licence conditions, and show that they have appropriate management arrangements in place.

The benefits of the licensing of privately rented homes include:

- Creating a clear set of rules that all landlords must follow
- Ensuring private landlords are managing and maintaining their properties to a reasonable standard
- Encouraging those landlords who are inexperienced or live outside of the area to use reputable managing agents
- Responsible landlords will receive information and support to help tackle antisocial behaviour
- Poor performing landlords will receive support and training to help them improve
- Improving the image of the designated areas with licensing as places where people want to live
- Helping landlords to protect their investment in their property leading to an increase of property value

- Improvement in the reputation of private landlords
- Greater ability for the landlord and authority to deal with rogue tenants
- Reduced crime, ASB and other environmental problems, such as graffiti, litter and fly-tipping
- Shorter void periods
- Reduced number of empty properties
- Reduced risk of homelessness and increased length of stay
- Preventing 'rogue landlords' from letting substandard accommodation at lower rents
- Reassuring tenants that landlords with licensed accommodation are providing housing of a decent quality that is managed to a reasonable standard

The need to continue with licensing schemes will be reviewed toward the end of the current five year licensing period.

5. Forms of Assistance

Disabled Facilities Grants

Due to a relaxation of the ringfence for DFG funding Local Authorities have the discretion to develop a more flexible grant package to assist clients, utilising powers available under the Regulatory Reform Order 2002 (England and Wales).

(See also, Housing Grants, Construction and Regeneration Act 1996 Sections 19-24)

The aim of providing Disabled Facilities Grants is to assist disabled people with adaptations to facilitate their movement in and around their home. The provision of Disabled Facilities Grants (DFG'S) is a mandatory obligation which must be met by all Local Authorities. Sefton MBC delivers this obligation through its capital programme.

There is a clear framework established which determines if an applicant is eligible for a DFG, the applicant must be:

- An owner occupier with an accompanying owners certificate which states that the applicant has or proposes to acquire a qualifying owners interest and intends that the disabled occupant will live in the qualifying property (dwelling, flat, houseboat or park home) as his/her only or main residence throughout the grant condition period of 10 years or for such shorter period as his/her health and other relevant circumstances permit.
- A private tenant with a tenants certificate stating that the applicant intends to live in the property as his/her main residence throughout the grant condition period of 10 years or for such shorter period as his/her health and other relevant circumstances permit.
- A private landlord on behalf of the disabled tenant

The Council must be satisfied that the proposed works are:

- Both necessary and appropriate to meet the needs of the disabled person

Agenda Item 10

- Reasonable and practical taking in account the age, condition and location of the property

DFGs are designed for the following circumstances:

- Facilitating access to and from a dwelling or the building in which the dwelling is situated and making the dwelling safe for the disabled person or any other person residing with them
- Facilitating access to a room used as the principal family room
- Facilitating access to or providing a room used for sleeping
- Facilitating access to or providing a room in which there is a lavatory, bath or shower and hand wash basins or facilitating the use of any of these
- Facilitating the preparation and cooking of food by the disabled person, improving the heating system to meet the disabled persons needs or providing a suitable heating system
- Facilitating the use of a source of power, light or heat
- Facilitating access and movement around the home to enable the disabled person to care for someone dependant on him or her who also lives there

The Council has a duty to carry out a test of the financial resources of the grant applicant to assess how much they may have to contribute towards the cost of the works. This is a prescriptive test carried out using documentary evidence of income, savings and capital. If the means test results in a contribution towards the adaptation being required to be made by the applicant, these monies should be paid prior to works starting on site. Child applicants are not means tested neither are applicants who are in receipt of an income related benefit (evidence of benefit required). The grant covers all reasonable costs in excess of the applicants contribution subject to a mandatory maximum limit of £30,000

The Council has the option to apply discretion to increase the assistance above £30,000, when and where sufficient financial resources are available. In cases where expenditure is in excess of £30,000 (*see other forms of assistance*)

Repayment of Disabled Facilities Grant - Any part of the grant awarded which is above £5,000 is repayable within 10 years of the certified date of completion, up to a maximum repayment of £10,000, upon the sale, disposal or transfer of the property.

In the case of applicants who are tenants there will be no requirement to pay back any of the assistance. This is because they have no financial interest in the property and any such interest rests with the owner.

Where the costs of adapting an existing home is likely to be economically excessive the Council may consider the use of a Disabled Facilities Grant to permit the applicant to move to more suitable accommodation. The Council may also consider providing assistance to a Registered Social Landlord (RSL) to adapt an alternative property to meet the needs of the applicant.

Those applicants who have previously received a DFG to meet their needs may not receive assistance to replace like for like adaptations within the 10 year grant condition period.

Minor Works

Minor adaptations work (works costing less than £1,000) for provision of items of equipment such as grab rails, banister rails, shower seats, changing tables, modular ramps, mobile hoists and sensory equipment will be funded directly from the Health and Social Care budget and will be excluded from the DFG process. Privately rented property requests will require written landlord permission prior to works being carried out. Where there is an assessed need for a minor works provision under £500 then this will be managed by the Council's Minor Works Team. Orders between £500 - £1,000 require an application to Sefton Community Equipment Service, Specials Panel for consideration and if agreed will be actioned by the Minor Works Team.

Minor adaptation work within RSL properties will be referred directly to the RSL for their consideration / provision. The Council would normally expect RSL's to meet these requirements.

6.Resources

The projected further increase in the number of people over 65 years of age will inevitably result in additional demand for DFG funding.

The resources available to the local authority to implement this strategy are reliant on the capital funding allocated from Government. Over the last few years the total spend on financial assistance within Sefton has been around £2.0m per annum.

The Better Care Fund, of which the DFG funding is only a small part, is in effect a budget for health and social care services. Disabled facilities Grants (for works within the £30K threshold) are a mandatory provision, therefore this reduces the availability for other forms of activity and assistance.

As other types of home maintenance and improvement financial assistance are discretionary and subject to availability of funding, currently the Council does not have sufficient funding to provide any forms of discretionary assistance. Should the Council receive additional capital funding in the future to support private home owners and improve housing conditions this policy will be reviewed and other forms of assistance may be considered such as:

Home Repairs Assistance (currently unavailable)

Applications for a Home Repairs Assistance will be considered for works up to £5,000 (excl VAT & fees) maximum. The cost of works being considered for loan assistance must be greater than £300.

To qualify for the loan the applicant must be an owner occupier who:

- Has owned and lived in the property for at least 3 years
- Be aged 18 or over
- Be in receipt of qualifying benefits
- Live in the dwelling as the main residence

Agenda Item 10

- Has an owner's interest
- Has a duty to carry out the works

Applications for Home Repairs Assistance will only be considered via a referral from: The Housing Standards Team for emergency referrals in relation to life threatening or potentially dangerous situations, which would be classified as a Category 1 Hazard.

The availability of loan assistance is subject to the Council having sufficient resources available. On completion of the works, to the satisfaction of the Council the loan will be registered as a Land Charge by the Council's Legal Department. The loan will have to be repaid on disposal or transfer of the property.

A referral in connection with an Excess Cold Category 1 Hazard will be referred to the Energy Efficiency Team in the first instance. Warm Front Resources may be more appropriate in these cases.

Empty Homes Assistance (currently unavailable)

In Sefton our aim is to target action at Long Term vacant premises (empty for 6 months or more). Such properties can blight an area due to a variety of anti-social and environmental problems. The highest concentrations of such properties are in Southport and Bootle.

In general the Council will target its efforts at the empty properties in these areas, although we do offer help to owners of Empty Homes all over the borough. We are currently unable to offer any financial assistance, however we do make contact with empty home owners through letters and newsletters, offering advice about some possible solutions to bringing their property back into use.

Group Repair (currently unavailable)

Group Repair involves major external renovation and improvement to a terrace or street of houses with the aim of ensuring that the external facade of the terrace is improved to a high degree and is aesthetically pleasing. The extent of works is dependent on existing property condition and available resources but would normally include roof replacement/major repairs, new windows/doors, new front garden/rear house walls, new rainwater goods, external painting and re-pointing/rendering. This type of scheme has a dramatic visual impact on the street scene.

Works to the inside of the property will be restricted to making good internal surfaces affected by external works.

Facelift Schemes (currently unavailable)

These schemes usually target the front facade or street of houses and are not as expansive or expensive as the Group Repair Scheme. Nevertheless the improvement to the front of the terrace/street can be very effective. Typically works would include painting windows, rainwater goods, and repairs to rendering, pointing, roofs and boundary walls etc.

Discretionary Assistance Loans

This type of assistance may only be considered in exceptional circumstances where costs of Disabled Facilities Grant adaptation works exceed the £30K grant threshold and where all other funding options have been exhausted. These loans are registered against the property as an additional local charge and are repayable, on sale or transfer of the property (this does not apply to Tenants). This local Land Charge is in addition to the local Land Charge registered against the property for works carried out which fall within the £30K grant threshold.

Each application will be considered by the Home Improvements Service Manager and dealt with on its own merits and all rewards are at the discretion of the Council. There is a clear framework (Policy) established which determines if an applicant is eligible for a Discretionary Assistance Loan. These loans are only available if the below criteria is met and there are sufficient resources available. It is recognised however that it may not always be feasible to consider all of the below criteria due to restrictions or other circumstances;

- Works/Costs must relate solely to requirements identified by the Occupational Therapist as being necessary to meet mandatory needs.
- Consideration of possible changes to the scheme, can the scheme be altered to provide the necessary provision in a more cost effective way.
- Consideration as to whether the applicant can fund the costs themselves, by means of personal savings or bank loan
- Explore whether the Home Improvement Service Team Caseworker can secure charitable funding.

Discretionary Assistance Loans are not available to assist clients in their financing of a means tested contribution, if applicable.

Due to possible future funding limitations whereby the Council is not able to offer any additional forms of discretionary financial assistance for housing improvement, repair or adaptation, the Council will try to exploit any external funding opportunities as may become available.

This repayment agreement is in addition to the DFG repayment agreement. The Discretionary Assistance Loan is outside of the DFG threshold, terms and conditions. Where an applicant does not wish to be bound by the Discretionary Assistance Loan conditions and refuses to sign the repayment agreement, discretionary assistance will not be approved.

This form of funding does not apply to Registered Social Landlord applications, any funding over the £30,000 threshold is the responsibility of the Landlord to fund.

7. Applying for Financial Assistance

If you would like to know more about applying for a Disabled Facilities Grant, please contact our Home Improvement Service Team on 0151 934 4155/4120 or complete the enquiry form available on the Council's web-site, at:

<http://www.sefton.gov.uk/housing/adapting-your-home.aspx>

Agenda Item 10

Before we would consider an application for DFG, a Sefton Council Occupational Therapist (OT) will need to complete an assessment of need. If this identifies that a major adaptation is required then they will make a referral to the Home Improvement Service Team. The Occupational Therapy Team can be contacted on Tel 0151 934 3737 to request an OT assessment or for enquiries regarding the assessment procedure.

For further information regarding Minor Works assistance please contact the Minor Works Team on 0151 934 4450. Or to apply for assistance The Occupational Therapy Team can be contacted on Tel 0151 934 3737 to request an OT assessment.

8.Appeals

The Council welcomes any comments and suggestions about changes or improvements to the policy. Such comments or suggestions will be carefully considered and where appropriate they will be incorporated into any future revisions of the policy.

An appeal against a decision made under this policy in respect of an individual case will be considered by the appropriate Head of Service/Service Director.

Appeals must be in writing and include the specific grounds on which the appeal is based. Appeals will only be considered on the following grounds:

- The policy has not been applied correctly
- A particular case is exceptional and justifies further consideration for assistance by the local authority

An appeal will not be considered where the applicant disagrees with the policy.

The appropriate Head of Service/Service Director will provide a written response to the applicant within 28 days of receipt of the appeal. If the Head of Service/Service Director finds that neither of the above grounds of the appeal has been satisfied then the appeal will be refused with no further appeal allowed. Where the Head of Service/Service Director finds that one of the grounds of appeal is satisfied then he / she will make the decision, which may authorise a discretionary loan or other assistance as an exception to the policy.

Decisions to authorise assistance on the grounds of 'exceptional circumstance' will be made by the appropriate Head of Service/Service Director only.

All appeals must be in writing and should be addressed to the Head of Corporate Services, 2nd Floor, Magdalen House, Trinity Road, Bootle, L20 3NJ. or emailed to Housing.Improvements@sefton.gov.uk

9.Policy Monitoring and Review

This policy will be reviewed on an annual basis with ongoing monitoring of working procedures and customer service.

Report to:	Cabinet	Date of Meeting:	4 February 2021
Subject:	Digital Strategy		
Report of:	Executive Director of Corporate Resources and Customer Services	Wards Affected:	(All Wards);
Portfolio:	Cabinet Member - Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

This report seeks to present to Cabinet the Digital Strategy 2021 -2023 for Sefton. It will set out how it has been developed, and the proposed next steps in terms of programme development.

Recommendation(s):

That Cabinet approve the Digital Strategy 2021 - 2023

Reasons for the Recommendation(s):

To ensure that the priorities of ICT service delivery and wider digital initiatives are aligned to the delivery of Sefton’s 2030 vision and clearly articulated to residents of the Borough.

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

Not Applicable

What will it cost and how will it be financed?

No direct cost implications due to the delivery of the Strategic Documentation, where costs are to be incurred for specific programmes of work the appropriate decision-making process will be followed to obtain approval for any associated spend.

Implications of the Proposals:

<p>Resource Implications (Financial, IT, Staffing and Assets):</p> <p>Financial:</p> <p>No direct cost implications due to the delivery of the Strategic Documentation, where costs are to be incurred for the delivery of specific projects the appropriate decision-</p>
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Agenda Item 11

making process will be followed to obtain approval for any associated spend.

IT:

The strategy will ensure alignment of ICT service delivery priorities to the strategic direction of the authority.

Staffing:

Not applicable

Assets:

Not applicable

Legal Implications:

There are no legal implications

Equality Implications:

There are no equality implications.

Contribution to the Council's Core Purpose:

Protect the most vulnerable:

This strategy will ensure the delivery of digital services to support all residents across the borough, and ensure that the Council is able to deliver services to the most vulnerable members of our communities, whilst supporting staff to work in an agile way

Facilitate confident and resilient communities:

This strategy aims to further develop a partnership approach to service delivery in conjunction with our communities, ensuring alignment to key principles of inclusion as well as recognising the role of voluntary organisations.

Commission, broker and provide core services:

The strategy sets out a strategic direction and clear priorities for ICT and wider digital services over the next two years

Place – leadership and influencer:

The strategy supports the wider 2030 vision for Sefton

Drivers of change and reform:

This project supports the delivery of the Council's ambitious change programme and 2030 vision.

Facilitate sustainable economic prosperity:

The strategy is designed to support the wider Growth priorities of the Council

Greater income for social investment: The potential for added Social Value will be included within the underpinning work programmes where appropriate
Cleaner Greener Many of the core deliverables within the strategy, such as Cloud Migration and Cloud Telephony will reduce carbon emissions associated with the operation of the local infrastructure.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources & Customer Services (FD6253/21) and the Chief Legal & Democratic Officer (LD4454/21) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

To ensure alignment of the strategy to the wider Liverpool City Region, (LCR) the author has reviewed associated strategies from LCR colleagues as well as local and regional strategic documentation.

Implementation Date for the Decision

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

Contact Officer:	Helen Spreadbury
Telephone Number:	07583 057822
Email Address:	helen.spreadbury@sefton.gov.uk

Appendices:

The following appendices are attached to this report:

Digital Strategy 2021 -2023

Background Papers:

There are no background papers available for inspection.

1. Introduction/Background

1.1 The exponential growth of digital technology over the last few years has resulted in a significant change in customer expectations. The Council is now operating in a digital world which provides opportunities to not only change the way we work

Agenda Item 11

as a local authority but how businesses operate, how residents can live independent lives and how we connect and educate our young people.

1.2 The Digital Strategy for Sefton is intended to be an overarching plan which articulates the council's ambitions, and is based on key priorities identified within the 2030 Vision for Sefton.

1.3 This high level strategic document is split into three themes

- Connected Council
- Empowered Communities
- Business Growth

1.4 These themes each have priorities within them which seek to

- Use digital technology and solutions to transform and improve the way that the Council operates
- Transform the relationship between the Council and its residents so that our residents have better access to online services and benefit from improved digital inclusion
- Ensure that local businesses benefit from high speed internet connectivity, access to digital skills and can leverage the opportunities afforded by digital technologies

Process of Development

2.1 Significant engagement activity has been undertaken to ensure alignment of the key priorities within the strategy to core business deliverables and the priorities within the 2030 vision for Sefton. However, the digital strategy is deliberately a two-year document, due to the rapid pace of change in this area.

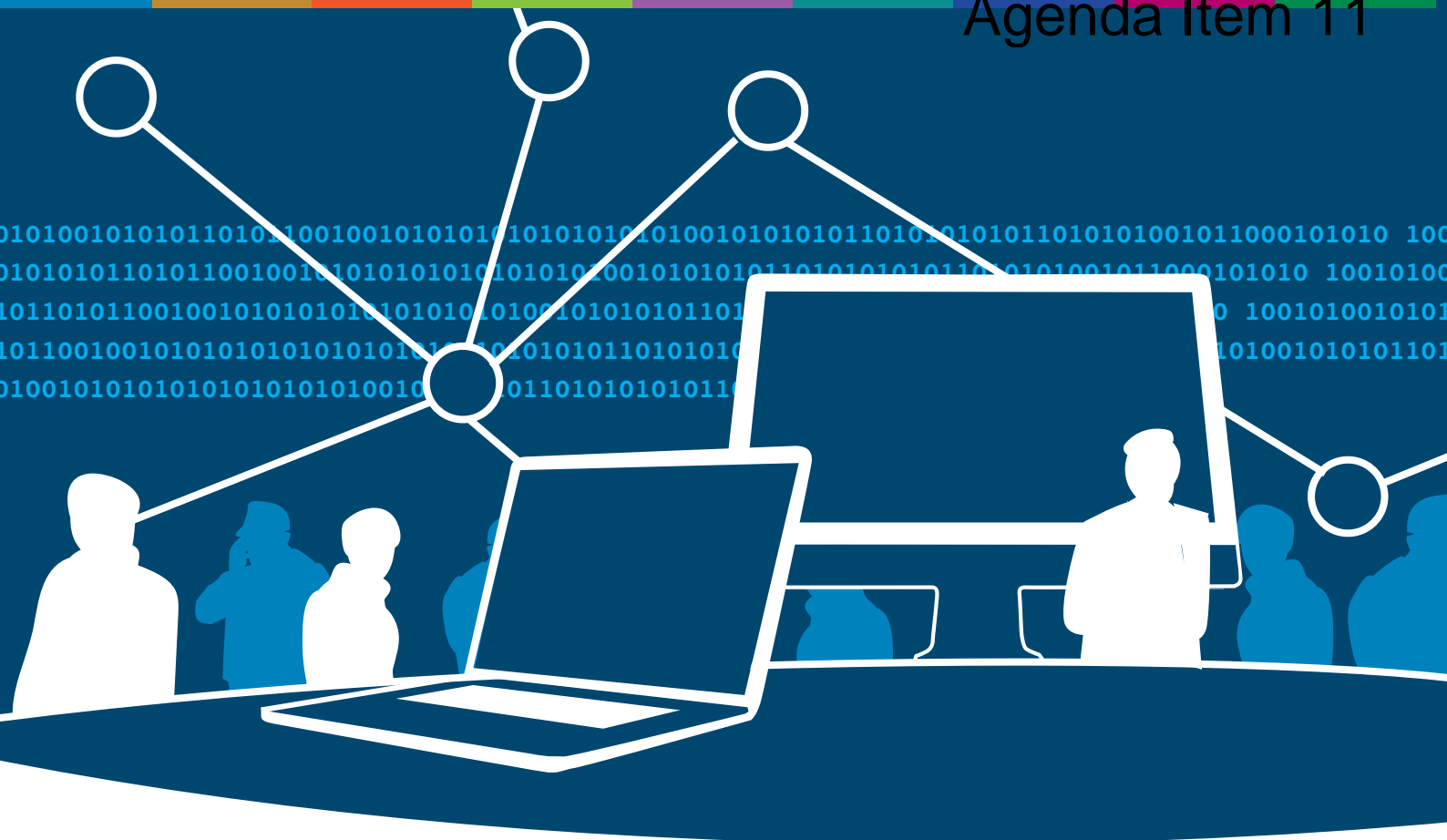
2.2 To ensure alignment to regional and national strategies significant work has been undertaken to ensure that the ambitions within the digital strategy align to work underway across the Liverpool City Region, including work being undertaken by Health Partners such as Clinical informatics groups. Finally, links have been made to national strategies and guidance where these exist for example: the UK Digital Strategy and the NHS Digital Strategy.

2.3 Over the next two years the delivery of the Strategy will be reflected in the development of key programmes of work and associated governance structures. The progress and impact of the strategy will be driven through a Digital Programme board, which will be accountable for the delivery of the key programmes and projects documented with the strategy. The board will be chaired at Executive Director level and will report directly into the Senior Leadership team, with regular progress monitoring via the ICT Strategic Partnership Board chaired by Cllr Lappin, Cabinet Member - Regulatory, Compliance and Corporate Services. It is intended to provide an annual report, outlining progress and benefits, to Cabinet in February 2022.

3 Conclusion

- 3.1 As highlighted, digital supports many projects within Sefton's 2030 vision, given the many interdependencies and priorities it is essential for the Council to have a clear strategy and plan, to ensure the delivery of both the technology and cultural changes needed. Thereby ensuring that services can be delivered more efficiently, residents are enabled to take advantage of the potential digital brings both at home and in work and that local businesses are empowered to take advantage of new markets to grow and thrive.
- 3.2 Following strategy approval each priority will have a programme of work and associated action plan developed, which will include measurable outcomes to evidence impact and improvement. These programmes of work will link to the overarching Liverpool City Region's Digital Strategy, thus removing any duplication of effort and ensuring the efficient deployment of local capacity.
- 3.4 The Strategy is therefore presented to Cabinet for approval, with immediate adoption following the mandated call in period.

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Digital Strategy

2021-2023

Contents

Overview	1
Guiding objectives and vision.....	2
Guiding objectives.....	2
Vision	2
Alignment to Core Principles and strategies	2
Theme 1: Connected Council.....	4
Desired outcomes	4
Where we are now.....	4
What we will do.....	4
Theme 2: Empowered Residents	7
Desired outcomes	7
Where we are now.....	7
What we will do.....	7
Theme 3: Business Growth	9
Desired outcomes	9
Where we are now.....	9
What we will do.....	9

Overview

Sefton’s Digital Strategy has been developed in the context of our partnership 2030 vision of Sefton as a borough connected by people, supported by technology and the Council’s Core Purpose. Working with our partners the Council will develop approaches that will see our communities and businesses benefit from new digital technologies that keep people informed and connected.

This strategy outlines our vision to become a place connected by people, supported by technology, with connected communities that thrive; with support for local people and businesses that are empowered to take advantage of the opportunities afforded by digital technology.

Digital and technology is recognised as a key enabler to deliver a step change in the way that local services are accessed, delivered and consumed. We are all living in a time of unprecedented change; the growth of consumer technology is changing the way we all live, work and play and as a local authority we must ensure that local people and business are empowered to take advantage of innovative technology to support both personal and economic growth.

Digital spans all generations and many aspects of life; from supporting our children to have the best start, enabling them to learn and grow, ensuring that they are ready for work to our older people, again enabling them to learn, work and stay connected. As well as protecting our most vulnerable residents and helping all residents to live healthy fulfilled and independent lives.

The COVID 19 pandemic will have a material impact on what the Council does over the forthcoming 2 years and beyond. The Council has undergone operational transformation in

a matter of days when, before COVID-19, it would potentially have taken years. The council will retain some of the excellent activity and new ways of working that have been required to respond to the pandemic, which will benefit residents, businesses, partners and staff. The vision, activities and outcomes articulated in this Digital Strategy will underpin the Council’s initiatives in this regard.

Sefton’s Digital Strategy is based around three core themes;

This strategy document will outline all three themes in detail.



Guiding objectives and vision

This Digital Strategy outlines the direction of travel for the Council’s digital services provision for the period 2021 to 2023, with the intention of supporting council services and officers delivering quality services to the citizens and businesses within the borough of Sefton.

Guiding objectives

Its guiding objectives are as follows:

- An offer that supports the Council’s overarching Digital ambitions and emergent customer access/ channel shift/digital inclusion strategy
- A strong ICT strategy and architecture focusing on the Council’s medium-term corporate objectives
- Information architecture and governance that supports data sharing and the systematic use of business intelligence to improve service delivery
- A clear focus on enabling cost savings across the Council, in line with the Framework for Change programme, Council of 2023 programme, 2030 Vision agenda and the Council’s savings targets

Vision

The above guiding objectives will be the core drivers behind the following high-level vision for the Council’s Digital Strategy:

Theme	Vision statement
Connected Council	We will use digital technology and solutions to transform and improve how the Council operates
Empowered Residents	We will use digital technology to consolidate and transform the relationship between the Council and its residents so that residents have better access to online services and benefit from improved digital inclusion.
Business Growth	We will ensure that Sefton businesses benefit from high-speed internet connectivity, access to digital skills learning and can leverage the opportunities afforded from digital technologies

Alignment to Core Principles and strategies

This vision will support Sefton Council’s 2030 Vision and Core Principles:

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

It will also support the following Council programmes:

- Council of 2023
- Growth and Strategic Investment
- Demand Management programme

This strategy is supported by the following Council strategies:

- Customer Interface Strategy
- Digital Inclusion Strategy
- Business Intelligence Strategy
- Web & Social Media Strategy

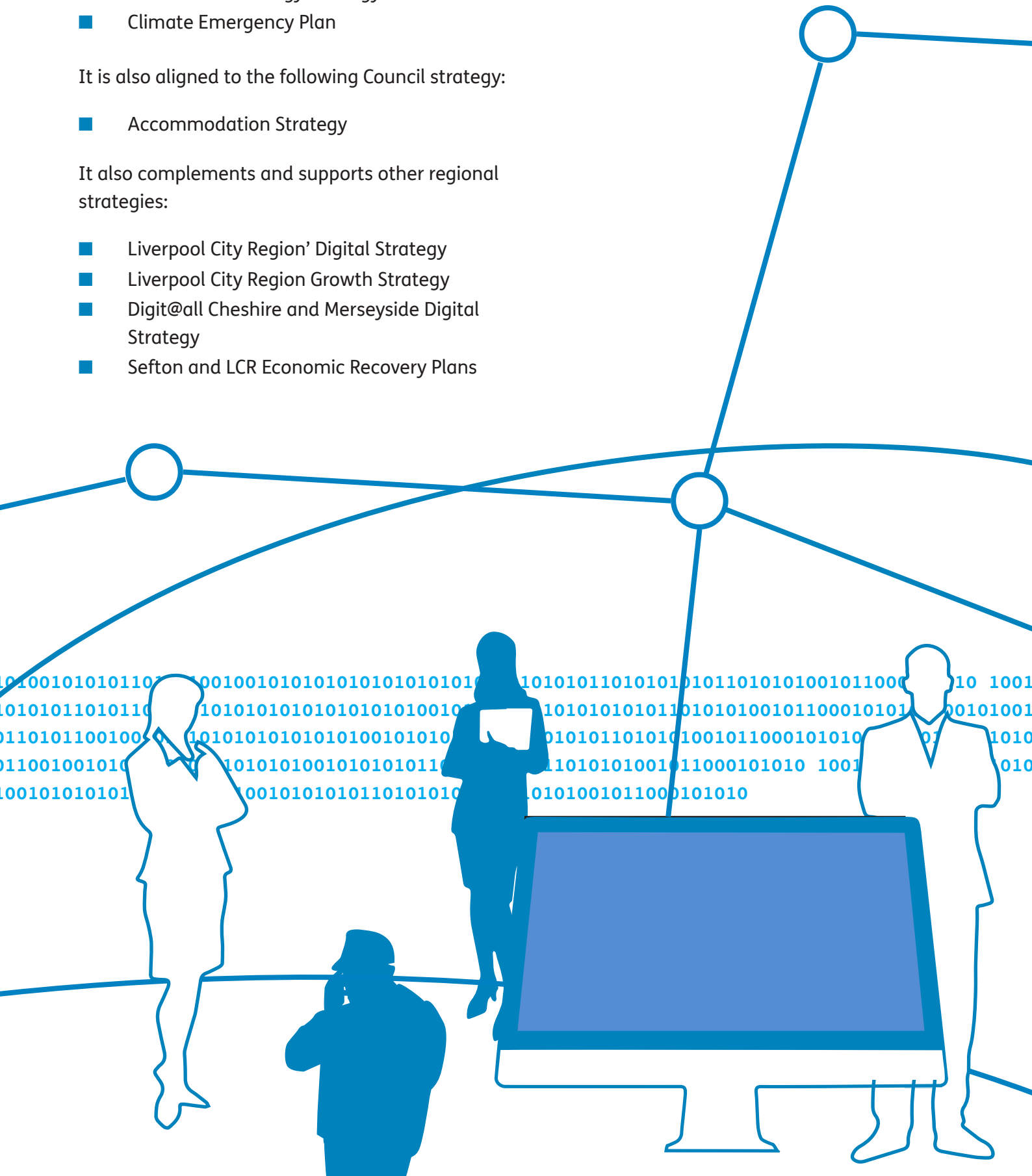
- Print Reduction Strategy
- Assistive Technology Strategy
- Climate Emergency Plan

It is also aligned to the following Council strategy:

- Accommodation Strategy

It also complements and supports other regional strategies:

- Liverpool City Region’ Digital Strategy
- Liverpool City Region Growth Strategy
- Digit@all Cheshire and Merseyside Digital Strategy
- Sefton and LCR Economic Recovery Plans



Theme 1: Connected Council

We will use digital technology and solutions to transform and improve how the Council operates

Desired outcomes

- Council staff have access to appropriate end user devices and systems, which will enable them to work smarter and more efficiently.
- Council staff can work in an agile way, which means they can work from multiple locations and achieve a healthy work-life balance
- The Council's use of technology will allow us to rationalise buildings
- All digital projects implemented by the Council provide value for money and have clearly defined outcomes
- Council staff have access to data intelligence tools to inform decision-making, service design and manage demand
- The Council can take preventative action in the management of its assets due to the use of smart sensor technology
- The Council's use of technology supports delivery of an improved customer experience.

Where we are now

Sefton Council is now in the second year of a five-year partnership agreement with Agilisys Ltd for the provision of IT services to the Council. This agreement has enabled the Council to reduce the annual costs of ICT services, and it will also allow the Council to benefit from the innovation and best practice which Agilisys has implemented for other local authorities.

Between 2018 and 2020, Sefton Council has implemented an ambitious ICT Transformation

Programme, which has seen the deployment of new and upgraded end user devices to officers, the introduction of collaboration software such as Office 365, SharePoint and Skype for Business, and the initial migration of several systems and data to cloud hosting. This programme supports the Council's plans for agile working, and the reduction and rationalisation of the Council's office accommodation.

Councillors have been issued with new mobile devices and technology which allows them to conduct their duties more efficiently by granting access to key information and electronic communication with citizens whilst on the move. This has resulted in a reduction in the use of paper and printing for Council meeting documentation.

What we will do

Business Requirements

- ICT and technology developments will be led by the requirements of the business
- It is accepted that the business needs to understand the art of the possible afforded by new and emerging technology to define their requirements, and as such, there must be a symbiotic approach between business requirements and ICT solutions

Information Management

- The Council must make better use of its data and information for the benefit of its customers and of the organisation
- ICT must support the efficient collation,

compilation and re-appropriation of data in line with the Business Intelligence Strategy, supporting continuous improvements in efficiency and consistency

- This will include provision of data between Council systems, and where appropriate, the systems of partner organisations to enable a shared approach to service delivery
- Support the ongoing development of the Council's data warehouse to enable better use of data for better decision making, demand management and service delivery

Applications

- The authority will adopt a Cloud First approach to the provisioning of all applications deploying multi-cloud solutions as appropriate.
- The Council will continue to choose proprietary systems above in-house development where appropriate
- The authority will look to lever the functionality of existing solutions prior to any procurement or development activity
- All ICT development will be linked to a business process review to generate efficiencies
- The authority will adopt Government Digital Standards to ensure interoperability and integration as appropriate
- All solutions will be device agnostic
- The authority will seek to ensure best value, making use of government procurement frameworks where possible

Infrastructure

- The Council will look to implement a multi-cloud model, whereby greater use of cloud technology and services is made (where appropriate)
- The multi-cloud model will enable a scalable and resilient infrastructure that can flex in line with business requirements

and provide resilience to ensure business continuity

- Where appropriate network segregation will be implemented to support commercial operations.
- Infrastructure development will factor in collaboration with partner organisations, and any connectivity required as part of the Liverpool City Region devolution agenda

End user computing & agile working

- A standard range of devices will be provided to meet different business requirements
- A fully managed desktop provision will be in place, which is locked down, fully packaged, with roaming profiles enabled and standardisation of software versions where possible
- VPN access will be available to enable remote access to Council systems and data via Council-issue devices

Operating system & collaboration software

- The Microsoft Windows 10 operating system will be upgraded and updated in line with the Microsoft release schedule
- Microsoft Office 365 will continue to be the Council's core productivity and collaboration tool, with rollout of additional elements of the Office 365 suite to be explored
- Colleagues across the organisation will be empowered to take advantage of technology deployed by the provision of appropriate training and support
- The ICT Client team will work in partnership with wider colleagues to ensure that digital tools are embedded within normal operating procedures of all teams and that users are engaged and empowered to support the transformation of service delivery

Network and connectivity

- The upgraded IPVPN wide-area network provides wide-ranging and robust connectivity between Council sites
- Consideration will be given as to how the wide-area network can be joined up with neighbouring local authorities if required to support the Liverpool City Region devolution agenda
- Use of GovRoam will allow Sefton staff to directly access the Council network from partner sites (where these partners also participate in the GovRoam scheme)
- Enterprise mobility management solution will allow staff secure remote access to Council systems and data via Council-issue devices
- Public, guest and corporate Wi-Fi to be available in key Council buildings

Voice and telecoms

- A modern telephony solution will be implemented to enable unified communications and enhance agile working
- Mobile phones will only be issued subject to business need

Information Governance & Security

- ICT will continue to work with the Council's Information Management Group and Business Intelligence Team to ensure a joined-up approach to data security
- The Council's Security Incident and Event Management (SIEM) service will continue to monitor and protect the Council network to prevent or mitigate any suspicious activity
- Access to up-to-date, expert cybersecurity resource will be available
- Reliable patch management processes in place ensuring that security compliance is maintained

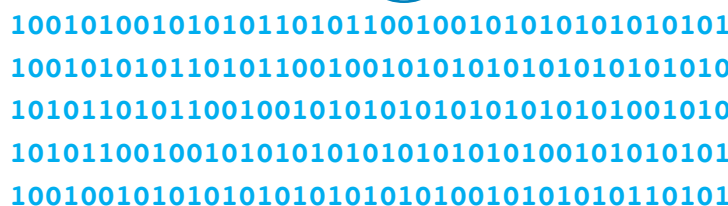
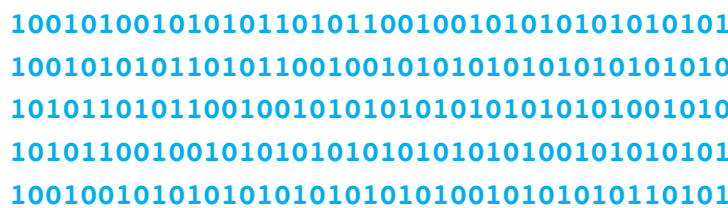
- The Council will remain fully compliant with PSN, PCI-DSS and other such requirements

Automation

- The authority will look to implement and support automation technology to enable the business to automate high-volume repeatable processing tasks.

Partnership Working

- Sefton will with partner organisations such as other local authorities, health bodies, schools, faith, charity and voluntary organisations to ensure that technologies are aligned to facilitate data sharing to aid service provision



Theme 2: Empowered Residents

We will use digital technology to consolidate and transform the relationship between the Council and its residents so that residents have better access to online services and benefit from improved digital inclusion

Desired outcomes

- Customers are empowered to manage their own interactions with the Council for all services, using the Council’s digital Customer Experience Platform
- The Council’s website is easy to use, easy to read and easy to understand, offering a consistent user experience and meeting all accessibility standards
- Customers can receive notifications and alerts on topics they find relevant
- Internet of Things technology is used to keep residents safe, healthy and able to live independently
- Council residents have increased access to digital, so they can benefit from the consumer, learning and social opportunities available via the internet
- Council residents can develop their digital skills to enhance their social and employment status

Where we are now

The Council is implementing a new digital Customer Experience Platform, which will enable greater and improved self-serve options for residents and businesses.

Sefton Council is finalising the upgrade of its public website, which will include a redesign of its look and feel, improvements to accessibility and revised content.

The Council has implemented a virtual contact centre solution, which allows contact centre advisors to work in an agile fashion.

The Council has conducted a digital inclusion scoping exercise, to understand digital exclusion in the borough and the initiatives in place to reduce this. This scoping exercise will inform a Council digital inclusion strategy, as well as facilitating a partnership approach with other public-sector partners, commissioned providers, schools and voluntary organisations across the wider borough.

The Council is refreshing its public use IT kit in libraries and One Stop Shops.

The Council is scoping requirements regarding the introduction of digital assisted living technology to support residents in living independently, with a focus on older and/or vulnerable adults.

What we will do

Digital Inclusion

- Form a digital inclusion partnership with relevant partner organisations to develop a joint digital inclusion strategy for the borough
- Work with faith/voluntary/charity sectors to ensure that Sefton Council’s digital offer meets the needs of different groups.
- Ensure that participation in digital skills training is monitored to identify and shape the offer too hard to reach groups
- Improve the end user devices and software available for public use in Libraries
- Ensure that Libraries staff are suitably trained to support customers

Theme 3: Business Growth

We will ensure that Sefton residents and businesses benefit from high-speed internet connectivity, access to digital skills learning and the ability to leverage the opportunities afforded by digital technologies.

Desired outcomes

- Sefton has robust digital connectivity infrastructure, including high-speed broadband internet and mobile network connectivity, to support businesses, residents and the public sector
- Sefton harnesses the opportunities afforded by Open Data to drive economic growth and innovation
- Local businesses are empowered to exploit the economic opportunities provided by digital technology and take advantage of wider markets outside the boundaries of the Borough.
- Sefton residents have the right digital skills to prosper in the employment market, with local businesses having access to suitability skilled local candidates
- Sefton is an attractive location for businesses large and small, and an attractive location in which to live and work, with emphasis on the digital and creative sector
- Sefton’s visitor and tourism strategy takes advantage of the opportunities afforded by digital to attract new visitors and improve the customer experience.

Over 99% of Sefton already has access to Superfast Broadband providing a firm foundation to future growth into Ultrafast Broadband. In addition, Sefton is a partner within the wider Liverpool City Region Digital Connectivity Programme which aims to enable gigabit connectivity across the entire Liverpool City Region and exploit the potential of key strategic assets to facilitate business growth and increased business exports.

Sefton Council is open to working with partners regarding potential deployment of digital infrastructure across public land, buildings and assets in the borough of Sefton and is at an early stage in its engagement with private sector delivery partners to explore opportunities to improve connectivity across Sefton including the possibility of hosting of small cell technology on council owned assets, such as street furniture including street lights and CCTV columns to facilitate the large scale rollout of 5G.

The recommendations of the Area Based Review for a single Sefton College and the merger of the existing four institutions through a two-stage process will help to shape the future curriculum to meet priorities for growth, higher level skills, and encourage greater specialisation. The plans in place to grow Level 3 participation in support of skills for priority sectors including the visitor economy, engineering, IT and digital, and health and social care will support the economic priorities of the Borough.

Where we are now

Sefton’s Economic Strategy Action Plan outlines the authorities’ priorities to deliver Sefton’s Vision 2030 Partnership ambitions for sustainable economic prosperity, including priorities for digital investment.

In addition to the above Sefton has a strong Sefton@Work programme which delivers advice and guidance to residents aged 16+, including advice, guidance, digital access and skills and paid work experience. Furthermore, Sefton's libraries offer a range of IT and digital support courses and staff and volunteers provide bookable one to one support for residents that require assistance. This is in addition to the following provision from private sector partners including:

- Basic IT course provision from Include IT Mersey and Barclays Digital Eagles
- Coding course and job clubs
- Scam Awareness Courses (online safety and security) from Natwest

What we will do

Connectivity

- Capitalise on the GTT Atlantic high-speed internet cable located in Southport Business Park to accelerate the rollout of ultra-fast broadband to help local businesses trade and innovate.
- Influence and support the delivery of the Liverpool City Region Digital Connectivity Programme, ensuring that maximum benefit is realised for both residents and businesses
- Work in partnership with the private sector to ensure that Sefton is 5g ready
- Exploit opportunities for the provision of improved connectivity, free WIFI and hotspots in Bootle and Southport Town Centres.
- Ensure alignment of all Sefton growth projects with the digital strategy

Digital Skills

- Develop the digital skills offer across schools and all training providers in partnership with active employer

involvement to ensure that digital skills match employer aspirations and inspire young people from primary school.

- Link to existing forums with local businesses to identify the skills needed by local organisations and the best means of developing them, including providing targeted digital skills training to facilitate business growth, mentoring support, apprenticeships and work experience opportunities.
- Ensure that Sefton businesses are aware of and linked into the training available the Liverpool City Region such as the Test and Learn pilots on Basic Skills and Business Ready Digital Skills

Digital Businesses

- Ensure that all Sefton's businesses are fit for the future and aware of the potential opportunities presented by new and transformative technologies. Digital requirements and opportunities should form a key component when supporting any business.
- Explore options to develop a digital accelerator hub to foster digital and creative start-ups and small businesses to create a new digital economy
- Exploit the opportunities afforded by digital to attract new visitors to Sefton with an enhanced customer journey supported by data and intelligence to shape future investments.
- Ensure that digital innovation is part of the bi-annual Sefton Economic Forum
- Work in partnership to further develop an Open data framework and platform

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Report to:	Cabinet	Date of Meeting:	4 February 2021
Subject:	Financial Management 2020/21 to 2023/24 and Framework for Change 2020 - Revenue and Capital Budget Update 2020/21 including the Financial Impact of COVID-19 on the 2020/21 Budget - February Update		
Report of:	Executive Director of Corporate Resources and Customer Services	Wards Affected:	(All Wards);
Portfolio:	Cabinet Member - Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

To inform **Cabinet** of:

1. The current estimated financial impact of COVID-19 on the 2020/21 Budget;
2. The current forecast revenue outturn position for the Council for 2020/21;
3. The current forecast on Council Tax and Business Rates collection for 2020/21;
4. The monitoring position of the Council's capital programme to the end of December 2020:
 - The forecast expenditure to year end;
 - Variations against the approved budgets and an explanation of those variations for consideration by Members;
 - Updates to spending profiles and proposed amendments to capital budgets necessary to ensure the efficient delivery of capital projects are also presented for approval.

Recommendation(s):

Cabinet is recommended to:

Revenue Budget

- 1) Note the current estimated impact of COVID-19 on the 2020/21 Budget together with the key issues that will influence the final position.
- 2) Recognise the financial risks associated with the delivery of the 2020/21 revenue budget and the material variations that are to be expected to the current estimates contained in this report, and agree that subsequent reports provide updates and where appropriate remedial actions plans as appropriate;
- 3) Note the current forecast revenue outturn position for 2020/21;
- 4) Acknowledge that the forecast outturn position will continue to be reviewed to

Agenda Item 12

ensure a balanced forecast outturn position and financial sustainability can be achieved;

- 5) Note the Government Rapid Testing Fund grant that has been received to support Lateral Flow Device testing at care homes and which will be distributed in accordance with central government guidance;
- 6) Approve that decisions on the use of 20% of the Rapid Testing Fund are delegated to the Executive Director of Adult Social Care and Health in consultation with the Cabinet Members for Adult Social Care and Health and Wellbeing;
- 7) Note the Council's successful bid for £0.500m from the Community Champions Fund to enable the Council and VCF sector to support people shown to be most at risk from COVID-19 to follow safer behaviours and reduce the impact of the virus on themselves and those around them;
- 8) Note the transfer of £0.500m from the Redundancy Reserve to the Transforming Sefton Reserve in order to fund the Cost of Change budget. This transfer has been approved by the Section 151 officer in consultation with the Chief Executive in line with the Council's Financial Procedure Rules.

Capital Programme

- 9) Note the spending profiles across financial years for the approved capital programme (paragraph 6.1.1);
- 10) Note the latest capital expenditure position as at 31 December 2020 of £13.466m (paragraph 6.2.1) with the latest full year forecast of £29.713m (paragraph 6.3.1);
- 11) Note explanations of variances to project budgets (paragraph 6.2.3);
- 12) Recommend to Council the approval of a supplementary capital estimate for £0.155m for phase one of the scheme at Crosby Marine Lake (paragraph 6.4);
- 13) Recommend to Council the approval of a supplementary capital estimate for £0.250m for Litherland Sports Park Improvements (paragraph 6.5);
- 14) Recommend to Council the approval of a supplementary capital estimate for £0.164m for Bootle Golf Driving Range (paragraph 6.6); and,
- 15) Note that capital resources will be managed by the Executive Director 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 6.7.3).

Reasons for the Recommendation(s):

To ensure Cabinet are informed of the forecast outturn position for the 2020/21 Revenue Budget as at the end of December 2020, including delivery of a remedial action plan, 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.

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

N/A

What will it cost and how will it be financed?

(A) Revenue Costs

The report indicates that for 2020/21 there is currently a forecast deficit of £0.683m. Mitigating measures have been identified in order to arrive at this deficit. It should be noted that this assumes a break-even position for Adult Social Care. Due to current lower occupancy rates it is anticipated that the service will underspend. However, this won't be known until the outturn position is finalised. Should a deficit remain at the end of the financial year this will be a call on the Council's General Balances.

(B) Capital Costs

The Council's capital budget in 2020/21 is £29.842m. As at the end of December 2020 expenditure of £13.466m has been incurred and a full year outturn of £29.713m is currently forecast.

Implications of the Proposals:

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

<p>Resource Implications (Financial, IT, Staffing and Assets):</p> <p>There is currently a budget deficit of £0.683m forecast for 2020/21. However, it should be noted that significant pressure and risk remains in five key business areas, namely Children's Social Care, Children with Disabilities, Education Excellence, Locality Services and Winter Maintenance. These budgets may experience further demand pressure during the remainder of the year in which case corresponding savings will need to be identified. If this cannot take place there will be a call on the Council's General Balances.</p>
<p>Legal Implications:</p> <p>None</p>
<p>Equality Implications:</p> <p>None</p>

Contribution to the Council's Core Purpose:

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

<p><u>Protect the most vulnerable:</u></p> <p>See comment above</p>
<p><u>Facilitate confident and resilient communities:</u></p> <p>See comment above</p>

Agenda Item 12

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

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources & Customer Services is the author of the report (FD 6272/21)

The Chief Legal and Democratic Officer has been consulted and has no comments on the report (LD 4473/20).

(B) External Consultations

N/A

Implementation Date for the Decision

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

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

Appendices:

The following appendix is attached to this report:

APPENDIX A – Capital Programme 2020/21 to 2022/23

Background Papers:

There are no background papers available for inspection.

1. Introduction

- 1.1 In February 2020, Council approved the budget for 2020/21. This report provides an update on the forecast revenue outturn position for 2020/21, including the significant impact of COVID-19 on the Council's 2020/21 budget.
- 1.2 The report also outlines the current position regarding key income streams for the Authority, namely Council Tax and Business Rates. Variations against expected receipts in these two areas will also affect the Council's financial position in future years.
- 1.3 The capital section of the report informs Members of the latest estimate of capital expenditure for 2020/21 and forecast expenditure for 2021/22 and 2022/23. The capital budget to date is presented in section 6.1. Sections 6.2 and 6.3 review progress of the capital programme. Finally, Section 6.7 confirms that there are adequate levels of resources available to finance the capital programme.

2. Impact of COVID 19 on 2020/21 Budget

- 2.1 At the Cabinet meeting on 30 July 2020, Members received a comprehensive report that outlined the full range of financial issues that were being faced by the Council (and all other councils within the country) arising from the pandemic.
- 2.2 At the Cabinet meeting on 7 January 2020, Members were provided with an update that based on an update to the monthly return to central government (MHCLG) the Council would have a net shortfall of £20.4m in 2020/21 when these issues had been taken into account and the use of the £23.7m emergency fund from central government had been applied. These figures reflected actual expenditure and receipts as at the end of November and estimates until the end of the year. It was acknowledged that these figures could be the subject of material change depending on the impact of local and national restriction measures, social behaviour and the conditions within the local economy that drive employment and business activity.

Latest Submission to MHCLG – January 2021

- 2.3 As Members will be aware each month the Council has been required to outline its cost pressures in its return to MHCLG. The latest submission relating to December is due to be provided on 29 January 2021. The latest estimates of the figures to be included on the return are detailed below along with the figures included in the return for November:

	November 2020 £'m	December 2020 £'m
Forecast cost of responding the pandemic	17.0	17.0
Loss of income from fees and charges	14.9	16.1
Reduced Council Tax receipts	5.2	5.1
Reduced Business Rates receipts	7.0	4.7
Sub Total	44.1	42.9
Government Funding Received	(23.7)	(23.7)
Current Shortfall	20.4	19.2

Agenda Item 12

- 2.4 The forecast loss of income from sales, fees and charges has increased due to the reinstatement of the national lockdown. The current forecast for reduced Business Rates receipts has improved due to an assessment of the current levels of collection and the potential impact of appeals; further work will be undertaken to refine the assessment.

Central Government Advice and Guidance

- 2.5 As outlined in previous reports to Cabinet, the government has introduced a scheme to cost share the income losses being incurred by the Council from sales, fees and charges.

The Council will make three claims relating to 2020/2021. The first claim was submitted in September 2020 and covered losses incurred between April and July. It is estimated that £10.7m of the overall losses shown in 2.3 fall under the remit and the conditions set out by central government for the scheme. Under the cost sharing arrangement, the Council is estimated to receive £6.8m. Therefore, the Council will need to fund £3.9m of these losses.

Those losses for which the Council is not entitled to any support is estimated to be £5.4m. Therefore, total losses of £9.3m will need to be funded by the Council during the current year.

In addition, in the Spending Review for 2020, the government announced a further scheme to support 75% of irrecoverable losses in 2020/2021 for Council Tax and Business Rates. More details of the scheme were announced in the Provisional Local Government Finance Settlement. Based on the figures reported to the MHCLG, the Council is estimating losses of £9.8m. However, not all of this amount is eligible for support, e.g. losses due to non-collection of Council Tax. It is estimated that the Council would need to fund £4.8m of the estimated losses. However, under regulations this sum would need to be funded in future years. This will need to be funded from the emergency funding received by the Council and other temporary measures.

Potential Impact for Sefton

2020/21

- 2.6 As stated, there are two primary issues that need to be addressed in the current year for the Council:-
- The Council has a statutory responsibility to balance its budget, therefore needs to meet the net loss of fees and charges of £9.3m after government support (this assumes that the approved budget for the year is balanced); and
 - The Council needs to have sufficient cash within its bank account to meet its ongoing costs throughout the year, i.e. cashflow.
- 2.7 The proposed approach to balancing this year's budget was set out in the previous Cabinet report and this remains the Council's preferred approach but will be dependent on the potential cost of responding further to the pandemic and the receipt of any further government support. As previously stated, it is estimated that the Council's share of this loss of income from fees and charges will be £9.3m and will be met from emergency funding.

- 2.8 In respect of cashflow, the current analysis suggests that the Council will not need to borrow funds before the end of 2020/21 in order to support its expenditure plans. However, if any borrowing is required later in the year the approved Treasury Management Strategy and prudential indicators for 2020/21 can accommodate this.
- 2.9 As Members have discussed in recent months this position will inevitably be the subject of change between now and the end of the financial year and both the approved budget and the impact of the pandemic will require forensic monitoring and cost and income control as the risk to the financial sustainability of the Council has been significantly escalated.

Cost of responding to the pandemic

- 2.10 It can be seen from the table presented earlier in this report that the current forecast is that the Council has potential commitments totalling £17.0m from its emergency fund budget (this includes the contingency sum previously agreed by members).
- 2.11 When the cost of responding to the pandemic to date and the loss of income that needs to be funded are taken into account then the preferred approach to meeting the cost of the pandemic can be delivered. However, there would be little room for any further expenditure or income losses to be funded. It is clear that the current wave of the pandemic and the restrictions that are being applied will require the Council to support residents as it did in the first wave and will see further pressure being placed upon income streams. Therefore, due to the increase in cases of COVID-19 and national and local restrictions, it is anticipated that the fourth tranche of emergency funding will be fully utilised in directly supporting the Council's response to the pandemic and the further loss of income that is anticipated between now and the end of the year.

2021/22

- 2.12 The Government announced a one-year Spending Review for 2021/2022 on 25 November 2020. This provided some details of the overall funding available for local government and what additional support will be provided to address the ongoing impact of COVID into next year. Some of the main announcements were:
- An additional £300m of Social Care Grant would be paid to local authorities in 2021/22
 - The core principle for Council Tax increases will remain at 2%.
 - Local authorities have been given the power raise Council Tax by a further 3% on top of the core principle as an Adult Social Care Precept
 - Additional emergency funding of £1.55bn nationally will be made available to support the ongoing financial implications of COVID-19 in 2021/22.
 - An additional £670m to support reductions in Council Tax receipts due to increases in the number of Council Tax Reduction Scheme claimants.
 - Extending the existing Covid-19 sales, fees and charges reimbursement scheme for a further 3 months until the end of June 2021.
- 2.13 The Local Government Finance Settlement for 2021/22 was announced on 17 December 2020 and included more detail on the exact implications of the above

Agenda Item 12

announcements on Sefton. These implications will be included in the Council's budget report to be published at the beginning of February 2021.

- 2.14 A report to Cabinet in October 2020 presented an updated Medium-Term Financial Plan (MTFP) for 2021/2022 – 2023/2024 which included an assessment of the ongoing financial implications of the pandemic. Work is ongoing within the Council to update the MTFP and evaluate the potential impact of COVID-19 and the additional pressure that is being, and will continue to be, experienced on key demand led services, e.g. Adults and Children's Social Care, as well as the implications of the Settlement. A Budget Plan for 2021/22 will be presented to Budget Cabinet on 11 February 2021 that will allow the Council to set and then deliver a sustainable budget for the year.

Central Government Grant Programmes in Response to COVID-19

- 2.15 As part of its role in responding to the pandemic, Central Government has requested that all councils administer a number of grant programmes that have been designed to support residents and businesses.

Rapid Testing Fund

- 2.16 On 23 December 2020, the government announced an extra £149 million Rapid Testing Fund to support the rollout of Lateral Flow Device (LFD) testing in care homes. The main purpose of this funding is to support additional rapid testing of staff in care homes, and to support visiting professionals and enable indoors, close contact visiting where possible. This includes adult social care providers with whom the local authority does not have a contract.
- 2.17 Sefton's allocation is £1.184m. Local Authorities are required to pass 80% of this funding to care homes within the local authority's geographical area on a 'per beds' basis. This includes residential drug and alcohol services.
- 2.18 The remaining 20% of the funding must be used to support the care sector to implement increased LFD testing but can be allocated at the local authority's discretion. It is proposed that decisions on the use of the 20% are delegated to the Executive Director of Adult Social Care and Health in consultation with the Cabinet Members for Adult Social Care and Health and Wellbeing.

Community Champions Fund

- 2.19 In December 2020 the government invited councils to bid for an allocation from the Community Champions Fund, a Fund to support people shown to be most at risk from COVID-19 to follow safer behaviours and reduce the impact of the virus on themselves and those around them.
- 2.20 Sefton submitted a bid for £0.500m, to be split equally between the Council and the VCF sector, to build a joined-up approach and galvanise the response between now and March 2021. The actions to be put in place will support the Borough's recovery post March. The proposed activities include:

- **Recruiting Community Champions** to connect with residents and support them to follow safer behaviours and navigate people towards available support and services;
- In conjunction with **our SMART pilot scheme**, we will galvanise the VCF to make it easy for people to understand and comply with the guidelines, so that an easy to

navigate process is readily available to support individuals undergoing self-isolation by supporting their practical needs following positive COVID-19 diagnosis.

- **Recruiting from local communities** who will act as ‘natural partners’ working with individuals and focusing on ‘what matters to me’. They will take a holistic approach to support and improve people’s health and wellbeing.
- **Supporting the VCF to expand and build resilience** into their infrastructure offering a broad understanding of the cultural diversity within vulnerable communities, increasing trust and engagement and being sensitive to cultural norms
- **Extending the current community programme**, building capacity by recruiting specific BAME and LD Champions, to work with our most vulnerable people, including our travelling communities, providing a wide range of social, emotional or practical needs.
- **Improving mental health and physical well-being support** tailored and targeted for people with mild or long-term mental health problems, people with learning difficulties, vulnerable groups, BAME communities, people who are socially isolated, and those who frequently attend either primary or secondary health care.

2.21 On 25 January 2021 the government announced that Sefton was one of 60 bids that had been accepted as part of £23m being made available.

3. Summary of the Forecast Outturn Position as at the end of December 2020

3.1 Members are provided with updates of the Council’s forecast financial position each month during the financial year from June onwards.

3.2 Given the unprecedented financial challenges faced by the Council in relation to COVID-19, it is vital that the Council is able to achieve a balanced forecast outturn position for its normal activities, ignoring the impact of COVID-19 pressures. Therefore, the Council undertook initial budget monitoring during April and May to get an earlier indication on the likely pressures to be incurred.

3.3 As in previous years, significant pressures have been identified in several service areas at this early stage of the year, particularly Children’s Social Care, Communities (Children with Disabilities) Education Excellence (Home to School Transport) and Locality Services. Initial indications of the budget pressures are shown below:

<u>Service</u>	<u>Budget Pressure</u>
	£m
Children's Social Care – Placements & Packages	4.100
Communities – Children with Disabilities / PSR2	1.050
Education Excellence – Home to School Transport	0.200
Locality Services – Security Force	0.350
	5.700

Agenda Item 12

- 3.4 Given the uncertainty around COVID-19 it is vital that the Council ensures the 2020/21 budget does not overspend. Therefore, following the April monitoring position being determined, it was identified that a remedial plan needed to be developed. This has initially focussed on vacancy management with external recruitment being prioritised in Children's Services, Family and Well Being Centres/Early Help and SEND, stopping all non-essential expenditure within the Council, with the exceptions of Children's Social Care (due to the budget issues in that service) and Public Health (due to the current pandemic) and as per the Budget Report of February 2020, bringing through savings from the Framework for Change programme - these will be developed and shared with Members as per the Council's established governance processes. A budget shortfall of £5.7m equates to needing to identify savings to the value of 3.5% of the Council's remaining budget and as this pressure is permanent long-term savings to this value are required moving into next year.
- 3.5 As a result of this work undertaken, the latest forecast of service expenditure indicates an overspend of **£0.683m**, an increase of £0.078m from the November position. However, this represents the forecast with three months of the financial year remaining which encompasses the winter period which can have a material impact on the budget in a number of areas hence the outturn forecast will vary in value over the next three months (there is a specific risk that should the recent cold weather continue into February and March that the winter maintenance budget will be under significant pressure). It is however critical that in the event that budget pressure increases, corresponding savings are identified within the Council's existing budget. The table below highlights the variations:

	Budget	Forecast Outturn	Variance	Variance to October Position
	£m	£m	£m	£m
<u>Services</u>				
Strategic Management	3.136	2.936	-0.200	-0.017
Adult Social Care	94.800	94.800	0.000	0.000
Children's Social Care	34.977	39.791	4.814	-0.085
Communities	18.359	19.464	1.105	-0.051
Corporate Resources	7.605	7.337	-0.268	-0.043
Economic Growth & Housing	5.659	5.747	0.088	-0.011
Education Excellence	9.783	10.208	0.425	0.077
Health & Wellbeing	18.498	18.198	-0.300	-0.190
Highways & Public Protection	10.553	10.572	0.019	0.015
Locality Services	12.240	12.579	0.339	0.144
Total Service Net Expenditure	215.610	221.632	6.022	-0.161
Budget Pressure Fund	1.000	0.000	-1.000	0.000
In year savings	5.411	0.000	-5.411	0.000
Council Wide Budgets	14.360	15.632	1.272	0.239

Levies	34.701	34.701	0.000	0.000
General Government Grants	(46.376)	(46.576)	-0.200	0.000
Total Net Expenditure	224.706	225.389		
<u>Forecast Year-End Deficit</u>			<u>0.683</u>	<u>0.078</u>

3.6 The key areas relating to the outturn position are as follows:

- Adult Social Care (forecast nil variance)** – The current forecast assumes that the Adult Social Care budget will break-even during 2020/2021. However, there are a number of significant assumptions and uncertainties relating to COVID-19 that could impact on this position before the year-end. It is currently assumed that expenditure relating to hospital discharges due to COVID-19 will be funded by the CCGs from the allocations of funding they have received for this purpose from the Government, the CCGs have now been invoiced for this funding and have paid an initial sum; there are also ongoing discussions with the CCGs relating to other ongoing costs that need to be funded. Similarly, detailed work continues to be undertaken to evaluate and then estimate the financial impact of the pandemic on the services residential and day care services budgets. This will impact not only this year’s budget but also that for 2021/22. Due to current lower occupancy rates it is anticipated that the service will underspend. However, this won’t be known until the outturn position is finalised.
- Children’s Social Care (£4.814m net overspend)** – Based on the current numbers of Looked After Children (612 at the time of writing), and assuming a further increase in line with the increase seen in 2019/20, the Placement and Packages budget is forecast to overspend by £4.427m in 2020/21.

In addition, there is a forecast overspend on staffing costs of £0.387m. This relates to the cost of additional social workers that have been required to deal with increased caseloads, and agency staff. Levels of staffing and this budget are kept under constant review and relate directly to the level of service that is required.

The pressure in this area of the Council will continue to be evaluated during the remainder of the year and the current and potential final financial position will inevitably be further impacted by the current COVID restrictions. As a result, work will be undertaken to determine to what extent central government support via the emergency fund will contribute to this pressure.

As has been regularly reported over the last two years, the cost of Placements and Packages is the largest risk to the Council’s budget position. The Council is currently working on developing a range of options to address the inherent demand and costs of Looked After Children whilst supporting the most vulnerable residents, but this budget remains under pressure and purely from a financial point of view this is likely to continue during this year and into the next financial year.

- Communities – (£1.105m overspend)** – The cost of placements and packages for Children with Disabilities is forecast to overspend by £0.917m (excluding the estimated additional costs relating to COVID-19). This budget has been under

Agenda Item 12

increasing pressure in recent years but overspends have previously been offset by underspends elsewhere on the service.

In addition, there is a residual savings target from PSR2 of £0.584m for which specific savings have yet to be identified. In 2019/20 these were achieved by vacancy savings and a number of one-off measures which are only partially contributing to achieving the target in 2020/21.

- **Education Excellence (£0.425m overspend)** - Home to School transport external provision has a projected overspend of £0.767m due to an increase in the number of children being transported plus an increase in the number of children in receipt of personal travel budgets. These demand pressures have meant the budget has overspent for a number of years, despite increases being made to the budget, including £0.200m in 2020/21.
- **Locality Services (£0.339m overspend)** – Some of the service pressures experienced in 2019/20 have continued into 2020/21.
 - Security Service (£0.680m overspend) – The forecast deficit is a reflection of an under recovery of income to support the cost base. The forecast overspend is based on a prudent view of the income due. The Service is to undertake a full review as part of the saving proposals below.
 - Cleansing (£0.384m underspend) – The underspend is mainly due to the reduced costs of vehicles as the purchase of the new fleet will occur later than originally anticipated, resulting in lower prudential borrowing costs.

Measures to close the residual gap in 2020/2021

3.7 The forecast budget deficit as at December 2020 is **£0.683m**. This reflects the risks that are inherent in the Council's financial position, particularly around demand for Children's Social Care and other demand led services. With a budget deficit being forecast and further pressure likely based on experience in previous years and the need to manage the impact of COVID on the Council's financial sustainability, financial principles utilised over the last decade will once again be maintained:

- All Heads of service as a minimum should contain expenditure within the budget forecast that had been made at the end of June - if there is to be any budget pressure above this, remedial measures will be required to meet the pressure or further savings being required across all services.
- To that end expenditure should only be incurred on essential activities during the year and a targeted approach to vacancy management as set out.
- Heads of Service and senior managers to place an increased emphasis on budget monitoring throughout the year to ensure all financial forecasts are robust and can be substantiated.
- The remedial action plan and mitigations proposed by Services be tracked for the remainder of the financial year to ensure they are being achieved.

Cost of Change Budget

- 3.8 Budget Council on 27 February 2020 approved the extension of a Cost of Change budget (first approved in March 2017) to deliver the Framework for Change 2020 Programme and future years' budget packages. The report stated that in order to access this funding the Chief Executive and s151 officer would evaluate any proposed expenditure. The Chief Executive is then required to consult the Leader prior to any spend being authorised.
- 3.9 As the Framework for Change Programme has developed the funding identified has now been fully committed. To ensure the Programme can be fully delivered it is estimated that a further £0.500m needs to be added to the Cost of Change budget.
- 3.10 A review of the Council's Redundancy Reserve has identified that £0.500m can be released from this reserve. It is proposed that this will be added to the Transforming Sefton Reserve in order to fund the increase in the Cost of Change budget. This transfer has been approved by the Section 151 officer in consultation with the Chief Executive in line with the Council's Financial Procedure Rules.

4. Council Tax Income – Update

- 4.1 Council Tax income is shared between the billing authority (Sefton Council) and the three major precepting authorities (the Fire and Rescue Authority, the Police and Crime Commissioner and the Combined Authority – Mayoral Precept) pro-rata to their demand on the Collection Fund. The Council's Budget included a Council Tax Requirement of £139.830m for 2020/21 (including Parish Precepts), which represents 84.1% of the net Council Tax income of £166.267m.
- 4.2 The forecast outturn for the Council at the end of December 2020 is a deficit of +£4.355m. This variation is primarily due to: -
- The deficit on the fund at the end of 2019/20 being higher than estimated (+£0.047m);
 - Gross Council Tax Charges in 2020/21 being higher than estimated (-£0.405m);
 - Exemptions and Discounts (including a forecasting adjustment) being higher than estimated (+£1.300m). This is mainly as a result of a significant increase in the number of claimants for the Council Tax Reduction Scheme (CTRS).
 - An increase in the amounts assumed for debt at risk both in the current year and previous years (+£3.413m).
- 4.3 Due to Collection Fund regulations, the Council Tax deficit will not be transferred to the General Fund in 2020/21 but will be carried forward to be recovered in future years.
- 4.4 A forecast deficit of £2.348m was declared on the 23 January 2020 of which Sefton's share is £1.975m (84.1%). This is the amount that will be recovered from the Collection Fund in 2020/21. Any additional surplus or deficit will be distributed in 2021/22 and future years.

Agenda Item 12

5. **Business Rates Income – Update**

5.1 Since 1 April 2017, Business Rates income has been shared between the Council (99%) and the Fire and Rescue Authority (1%). The Council's Budget included retained Business Rates income of £66.169m for 2020/21, which represents 99% of the net Business Rates income of £66.838m. Business Rates income has historically been very volatile making it difficult to forecast accurately.

5.2 The forecast outturn for the Council at the end of December 2020 is a deficit of £37.823m on Business Rates income. This is due to:

- The surplus on the fund at the end of 2020/21 being higher than estimated (-£1.119m);
- Reduction in the gross charge on rateable properties (£0.601m);
- A number of additional reliefs were announced after January 2020 to support businesses during the COVID-19 pandemic. These include expanded retail discount, pub relief, newspaper relief, and private nursery relief. The loss of income as a result of these reliefs will be covered by Section 31 grant payments. Due to the timing of these announcements the impact of these reliefs could not be incorporated into the budget figures reported in the NNDR1 return (+£38.341m).

5.3 When taking into account the additional Section 31 grants due on the additional reliefs, a net surplus of £0.807m is forecast. However, it should be noted that this doesn't take account of the impact of the number of appeals being registered by businesses in response to the pandemic or the reduction in the amount of Business Rates being collected. A significant forecast deficit is therefore anticipated with the current estimate being a £4.7m deficit.

5.4 Due to Collection Fund regulations, a Business Rates deficit will not be transferred to the General Fund in 2020/21 but will be carried forward to be recovered in future years.

5.5 A forecast surplus of £0.622m was declared in January 2020. Sefton's share of this is £0.616m. This is the amount that will be distributed from the Collection Fund in 2020/21 and any additional surplus or deficit will be distributed in future years.

6. **Capital Programme 2020/21 – 2022/23**

6.1 **Capital Budget**

6.1.1 The Capital Budget and profile of expenditure for the three years 2020/21 to 2022/23 is as follows:

2020/21	£29.842m
2021/22	£37.211m
2022/23	£1.452m

6.1.2 The following updates have been made to the Capital Programme since the last report to Cabinet:

- Adult Social Care:

- £0.572m has been added to the 2021/22 programme for additional Disabled Facilities Grant following approval by Cabinet on 7 January 2021.

- Communities:

The following projects funded from Section 106 contributions have been added to the capital programme under delegated authority:

- £0.015m – Victoria Park Play Equipment
- £0.050m – North Park Play Equipment
- £0.017m – Moorhey Shops Parking Scheme.

- Economic Growth and Housing:

- £0.131m has been phased from 2020/21 to 2021/22 for the final phase of Southport Pier Project.
- £0.200m has been phased from 2020/21 to 2021/22 for Crosby Lakeside Redevelopment Project.

- Education Excellence:

- £0.681m has been added to the 2021/22 programme for an additional Schools Maintenance Grant allocation from DfE following approval by Cabinet on 7 January 2021.

- Highways & Public Protection

- £0.700m has been added to 2021/22 for Active Travel Trance Two funding from the Combined Authority following approval by Cabinet on 7 January 2021.
- £0.030m has been added to 2021/22 for Schools Streets Schemes funding from the Combined Authority following approval by Cabinet on 7 January 2021.
- £0.025m has been added to Strategic Planning budgets in 2020/21, under delegated authority, following confirmation of new grant funding from the Combined Authority.

- Locality Services

- £1.230m has been phased from 2020/21 to 2021/22 for delivery of new wheeled bins now anticipated next financial year.
- £0.200m has been phased from 2020/21 to 2021/22 for work on golf driving range developments now anticipated next financial year.

6.2 Budget Monitoring Position to December 2020

6.2.1 The current position of expenditure against the budget profile to the end of December 2020 is shown in the table below. It should be noted that budgets are profiled dependent upon the timing of when works are to be carried out and the anticipated spend over the financial year. For example, Education Excellence will

Agenda Item 12

typically carry out most of its capital works during key school's holiday periods such as the summer recess (quarter two), whilst Highways and Public Protection will complete most of its programmed works during quarters two and four. The budget to date in the table below reflects the profiles of each individual scheme.

Service Area	Budget to Dec-20	Actual Expenditure to Dec-20	Variance to Dec-20
	£m	£m	£m
Adult Social Care	1.206	1.167	-0.039
Communities	0.106	0.094	-0.012
Corporate Resources	0.359	0.335	-0.024
Economic Growth & Housing	1.079	1.081	0.002
Education Excellence	2.911	2.888	-0.023
Highways & Public Protection	7.150	7.061	-0.089
Locality Services	0.906	0.840	-0.066
Total Programme	13.717	13.466	-0.251

6.2.2 Due to the impact of the COVID-19 crisis, delivery of schemes during the first six months (April to September) was relatively low and the budget has been profiled accordingly, similarly the opportunity to conduct large elements of the schools' programme during summer 2020 will also have been lost. Spending has increased since the end of quarter two as contractors returned on site to complete scheduled works. The budgets will therefore reflect increases in activity later in the year. It may also be necessary to reprofile allocations to future years where schemes have been delayed and cannot be completed in the current year. These schemes will be kept under review and any adjustments to the budgets will be reported to Cabinet on subsequent monitoring reports.

6.3 Capital Programme Forecast Outturn 2020/21

6.3.1 The current forecast of expenditure against the budget profile to the end of 2020/21 and the profile of budgets for future years is shown in the table below:

Service Area	Full Year Budget 2020/21	Forecast Out-turn	Variance to Budget	Full Year Budget for Ongoing Schemes 2021/22	Full Year Budget for Ongoing Schemes 2022/23
	£m	£m	£m	£m	£m
Adult Social Care	2.923	2.869	-0.054	8.255	-
Communities	0.339	0.323	-0.016	0.265	-
Corporate Resources	1.244	1.241	-0.003	4.147	-
Economic Growth & Housing	5.098	5.098	-	4.250	-
Education Excellence	3.617	3.562	-0.055	6.059	0.426
Highways & Public Protection	13.756	13.756	-	4.231	-

Locality Services	2.865	2.864	-0.001	10.004	1.026
Total Programme	29.842	29.713	-0.129	37.211	1.452

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

6.3.2 Analysis of significant spend variations over budget profile in 2020/21:

Education Excellence

Scheme	Variation	Reason	Action Plan
Linaker Primary – Additional 1 Form Entry Classroom	-£59,631	Project is now complete and a saving on the scheme has been identified.	Surplus resources will be used to fund essential works on the Schools General Planned Maintenance budget.

6.3.3 Schemes will be kept under review, but it is anticipated that due to the limited amount of resource available to complete delivery, plus the impact of COVID-19, some schemes may have to be rescheduled into 2021/22 financial year. An update will be provided on subsequent monitoring reports. With only four months of the financial year remaining, achieving the current forecast for the year will be challenging hence the comprehensive review each quarter. This estimate is the best available at this time but will be dependent on a number of factors including local restrictions.

6.4 Crosby Marine Lake – Phase One

6.4.1 The Marine Lake was constructed in the 1970s following a land reclamation exercise when the seawall was built. The lake had a sluice gate in the seawall to exchange water with the sea for water quality and level management, but this is unusable due to the beach burying the outfall. A pumping station was therefore constructed in 2009 to exchange water instead.

6.4.2 Since 2012 the pumping system has suffered from multiple failures. Investigations into the system have identified that it wasn't built to the original design which led to several of the failures. Consequentially the operation of the lake has suffered disruption reducing the ability generate income from leisure activities. Windblown sand is filling in the western side of the lake rendering it unusable and has led to the pump chamber becoming clogged with sand.

6.4.3 The Crosby Marine Lake Management Group has been established to develop a management plan for the operation of the lake and to develop options for the restoration of the lake to a suitable standard.

6.4.4 Phase one of proposals to restore the lake will be to repair and upgrade the existing pumping station and accommodating works to remove wind-blown sand from adjacent footpaths and areas. Cabinet is therefore recommended to recommend to Council the approval of a supplementary capital estimate of £0.155m for this project to be funded from Council resources.

Agenda Item 12

6.5 Litherland Sports Park – Improvement to Facilities

- 6.5.1 Litherland Sports Park is an important part of the Council's playing pitch strategy and at present needs some major investment. A scheme has been developed to resurface and upgrade the pitch, as well as upgrade the existing lighting to LED.
- 6.5.2 The estimated cost of this scheme is £0.250m to be funded from previously released earmarked reserves. This allocation of reserves has been approved, under delegated authority, following the identification of reserves no longer required for their intended purpose. This review of earmarked reserves was reported to Cabinet on 5 December 2019.
- 6.5.3 Cabinet is now recommended to recommend to Council the approval of a supplementary capital estimate of £0.250m for inclusion in the capital programme so that this project may proceed.

6.6 Bootle Golf Driving Range

- 6.6.1 In February 2020 £0.256m of capital funding was approved by Council on an invest to save basis for the construction of a new golf driving range at Bootle Golf Course. This was based on a business case developed for the two municipal golf courses in Sefton. Following this approval, work has been ongoing during 2020 developing the design of the first range at Bootle Golf Course. Site surveys have been undertaken and planning has been approved.
- 6.6.2 The overall project costs have now increased since the original business case was submitted due to unforeseen site survey and outfield remediation costs. Building costs in 2020 have also increased significantly due to the effects of Covid-19 and increased building material costs. These were unforeseen circumstances and the design has been revised to minimise these additional costs as much as possible through value engineering.
- 6.6.3 To take this project forward however, will require an additional £164,346 of funding to complete the driving range in 2021. Cabinet is therefore recommended to recommend to Council to approve a supplementary capital estimate funded from borrowing on an invest to save basis. Provision for the repayment costs for this capital investment will be contained within the business model for the driving ranges.

6.7 Programme Funding

- 6.7.1 The table below shows how the capital programme will be funded in 2020/21:

Source	£m
Grants	22.677
Contributions (incl. Section 106)	0.420
Capital Receipts	1.475
Prudential Borrowing	5.270
Total Programme Funding	29.842

- 6.7.2 The programme is reviewed on an ongoing basis to confirm the capital resources required to finance capital expenditure are in place, the future years programme is fully funded, and the level of prudential borrowing remains affordable.
- 6.7.3 The Executive Director Corporate Resources and Customer Services will continue to manage the financing of the programme to ensure the final capital funding arrangements secure the maximum financial benefit to the Council.

Agenda Item 12

APPENDIX A – Capital Programme 2020/21 to 2022/23

Capital Project	Budget		
	2020/21 £	2021/22 £	2022/23 £
Adult Social Care			
Care Homes - Fire Alarms & Emergency Lighting	102,000	-	-
Core DFG Programme	975,000	1,421,407	-
Wider Social Care Programme	1,846,439	6,833,271	-
Communities			
Crosby Lakeside Watersports	2,217	-	-
Libraries - Centres of Excellence	83,623	265,088	-
Bootle Library	38,749	-	-
S106 - Derby – South Park Hut Extension	50,614	-	-
S106 - St Oswalds – Marion Gardens Play Equipment	3,022	-	-
S106 - Netherton & Orrell – Abbeyfield Park Play Area	11,942	-	-
S106 - Cambridge – Hesketh Park Improvement Works	15,016	-	-
S106 - Netherton & Orrell – Zebra Crossing, Park Ln West	19,540	-	-
S106 - Linacre - Strand Living Wall	33,000	-	-
S106 – Victoria – Victoria Park Play Equip & Surfacing	14,871	-	-
S106 – Linacre – North Park Play Equipment	50,000	-	-
S106 – Sudell – Moorhey Shops Parking Scheme	16,625	-	-
Corporate Resources			
Corporate Maintenance	20,000	2,480,082	-
STCC Essential Maintenance	100,000	1,298,634	-
Victoria Baths Essential Works	393,873	147,374	-
St John Stone Site - Infrastructure Works	623,210	-	-
Public Sector Reform – Cost of Change	106,914	220,738	-
Economic Growth & Housing			
Housing Investment (HMRI)	4,500	49,758	-
Next Steps Accommodation Programme	90,000	-	-
Southport Pier Project	48,993	130,927	-
Southport Tree Lights	100,000	-	-
Strategic Acquisitions - Land at Bootle	1,398,500	149,000	-
Town Centre Fund	-	250,000	-
Southport Market Redevelopment	900,000	500,000	-
Cambridge Road Centre Development	1,253,717	70,000	-
Crosby Lakeside (CLAC) Development	1,000,000	2,100,000	-
Strategic Acquisitions – Ainsdale	301,859	1,000,000	-
Education Excellence			
Healthy Pupils Fund	26,241	-	-
Schools Programme	2,596,248	4,543,581	401,625
Planned Maintenance	400,831	681,186	-
Special Educational Needs & Disabilities	593,075	834,662	25,000
Highways and Public Protection			
Accessibility	107,320	180,000	-
Completing Schemes/Retentions	20,000	-	-

Agenda Item 12

	2020/21 £	2021/22 £	2022/23 £
Healthy Lifestyles	2,500,000	560,200	-
Road Safety	15,000	125,000	-
A565 Route Management and Parking	780,000	1,280,000	-
Strategic Planning	328,000	45,000	-
Traffic Management and Parking	815,000	289,550	-
Emergency Active Travel Fund	610,457	730,000	-
Port Access	179,000	-	
Highway Maintenance	4,005,433	820,000	-
Bridges & Structures	232,670	1,000	-
Drainage	50,000	-	-
Street Lighting Maintenance	300,000	-	-
UTC Maintenance	193,660	-	-
Winter Service Facility	2,632,000	-	-
Major Transport Schemes	987,500	200,000	-
Locality Services			
Burials & Cremation Insourcing - Vehicles & Equipment	45,000	90,210	-
Formby Strategic Flood Risk Management Programme	-	43,851	-
Merseyside Groundwater Study	-	31,508	-
Four Acres Multi Agency Flood Options	-	1,570	-
CERMS	458,213	220,000	-
Natural Flood Risk Management	10,000	-	-
The Pool & Nile Watercourses	38,179	-	-
Crosby Flood & Coastal Scheme	56,439	48,561	785,839
Seaforth & Litherland Strategic Flood Risk	-	30,000	-
Hall Road & Alt Training Bank – Rock Armour	6,000	44,000	-
Ainsdale & Birkdale Land Drainage Scheme	4,000	25,340	-
Surface Water Management Plan	46,847	87,631	-
Surface Water Modelling & Mapping	15,020	5,000	-
Small Watercourse Works	15,000	-	-
Water Level Monitoring Pilot	13,000	5,000	-
Hightown Coastal Protection Interim Options	10,000	-	-
Parks Schemes	64,420	218,147	-
Tree Planting Programme	85,750	38,600	126,783
Golf Driving Range Developments	56,080	480,280	-
Green Sefton – Plant & Machinery	177,000	123,000	-
Vehicle Replacement Programme	1,344,000	7,281,905	113,000
Wheeled Bins	420,000	1,230,000	-
TOTAL PROGRAMME	29,841,607	37,211,061	1,452,247

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