

CABINET

**MEETING HELD AT THE BIRKDALE ROOM, TOWN HALL,
SOUTHPORT
ON THURSDAY 1ST SEPTEMBER, 2022**

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

42. APOLOGIES FOR ABSENCE

An apology for absence was submitted from Councillor Veidman.

43. DECLARATIONS OF INTEREST

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

44. MINUTES OF THE PREVIOUS MEETING

Decision Made:

That the Minutes of the meeting held on 28 July 2022 be confirmed as a correct record.

45. COST OF LIVING CRISIS

The Cabinet considered the report of the Chief Executive that summarised the impact of the escalating Cost of Living Crisis on local people and outlined the support available and proposed in Sefton; and which sought consideration of the Indices of Deprivation (2019) at Appendix A, Sefton Children and Young People Living in Low Income and Poverty at Appendix B, a factsheet at Appendix C and the Equalities Impact Assessment at Appendix D.

Decision Made:

That:

- (1) the support currently provided as set out in paragraph 2.3 of the report in respect of the Cost of Living Crisis be noted; and
- (2) the additional assistance proposed to support those struggling families and individuals with practical support to assist in this cost of

living crisis be supported.

Reasons for the Decision:

For Cabinet to consider the impact of the escalating Cost of Living Crisis on local people and to note the support available and approve plans proposed in Sefton.

Alternative Options Considered and Rejected:

None.

46. MARKET SUSTAINABILITY AND FAIR COST OF CARE

The Cabinet considered the report of the Executive Director of Adult Social Care and Health that updated on work taking place on the Market Sustainability and Fair Cost of Care exercises for Adult Social Care and to seek approval of the governance and approval arrangements for the associated infrastructure costs to drive the programme forward and the required submissions to the Department of Health and Social Care.

Decision Made:

That:

- (1) the work taking place on meeting the Department of Health and Social Care Market Sustainability and Fair Cost of Care requirements, associated allocations of 2022/23 funding provided to the Council and risks identified to date be noted;
- (2) authority be delegated to the Executive Director Adult Social Care and Health (DASS) / Place Director Sefton, in consultation with the Cabinet Member – Adult Social Care, the Cabinet Member – Regulatory, Compliance and Corporate Services and the Executive Director of Corporate Resources and Customer Services to formulate, approve and submit the required provisional and final Market Sustainability Plans, spend reports and cost of care reports to the Department of Health and Social Care;
- (3) authority be delegated to the Executive Director Adult Social Care and Health (DASS)/ Place Director Sefton, in consultation with the Cabinet Member for Adult Social Care, the Cabinet Member – Regulatory, Compliance and Corporate Services and the Executive Director of Corporate Resources and Customer Services, to agree the use of any further funding received for infrastructure costs required to drive forward the programme; and
- (4) it be noted that further reports will be submitted to Cabinet detailing the outcomes of these work programmes and to seek any required approval for the use of further additional funding the Council

receives from the Department of Health and Social Care.

Reasons for the Decision:

To update Cabinet on the work taking place on meeting the Department of Health and Social Care requirements relating to Market Sustainability and Fair Cost of Care in relation to Adult Social Care, to seek approval of arrangements for submission of the required plans and reports, to provide details of risks identified to date and to seek approval of arrangements for the infrastructure required to drive forward the programme.

Alternative Options Considered and Rejected:

None

47. SEXUAL HEALTH SERVICE CONTRACT

The Cabinet considered the report of the Director of Public Health advising that the Integrated Sexual Health Service was currently provided by Southport & Ormskirk NHS Hospital Trust; that the Service was procured in 2018 through an OJEU light touch open procedure; that the contract started 1st July 2018 and had a four-year nine-month core contract ending on 31st March 2023 with three, one-year built in extension options; and that consideration was now required for activating the first of the 12-month extensions.

The report indicated that the available options were:

- (1) to activate the first of x 12month contact extension clauses within the contract and the further 2 extension options available as required; and
- (2) to re-procure the service with a start date of 1 April 2023.

Decision Made:

That the Director of Public Health in consultation with the Cabinet Member for Health and Wellbeing, be granted delegated authority to activate the first of the 12-month contract extension clauses to the Integrated Sexual Health Service contract and the 2 further 12-month extensions as required; and that the first contract extension be activated on the 1st of April 2023.

Reasons for the Decision:

The Integrated Sexual Health Service is a nationally mandated service which all local authorities are required to provide. The Service continues to deliver against the priorities identified in the service specification to a satisfactory level.

The service has been impacted during the covid pandemic and is still in a period of recovery. The service is reviewing the effectiveness of new

models of working introduced in response to Covid 19 including a digital offer and telephone triage, to assess how far they meet the needs of the population post pandemic. This will require time for a period of review.

A procurement exercise has the potential to destabilise current service delivery and create uncertainty at a time when it is important to fully re-establish provision. The service is currently the testing site for Monkeypox within the borough and there are national NHS England plans for sexual health services to become local vaccination centres. The stability of the service is important for implementation of local service delivery. Public Health have recently completed a sexual health needs assessment which is intended to inform service developments which will require time to implement across the wider system and will need to be considered within the context of the new Integrated Care Board.

It is expected that a new national sexual health strategy will be launched in 2022/23 and it is advisable to wait and assess any new requirements before entering into a procurement exercise for a new service.

Alternative Options Considered and Rejected:

The alternative option is not to extend the current contract with the Service and move to procure a new Integrated Sexual Health Service. This has been rejected due to economic and operational reasons. Moving to a procurement exercise has the potential to destabilise current Service delivery and to stall progress in re-establishing the service post pandemic. Additionally, there would be a resource cost associated with the officer time required for a procurement which would reduce capacity to deliver against other key priorities in Sefton.

48. ALLOCATION OF SUPPLEMENTAL SUBSTANCE MISUSE TREATMENT AND RECOVERY GRANT

The Cabinet considered the report of the Director of Public Health seeking authority to accept the Supplemental Substance Misuse Treatment and Recovery Grant and allocate it accordingly. The report indicated that in February 2022, the Office of Health Inequalities and Disparities (OHID) Department of Health and Social Care announced additional supplemental drugs funding which all Local Authorities were eligible to receive through a Section 31 Grant to support the delivery of the December 2021 national drug strategy. In April, Sefton Council received notification of the 3 years funding from 2022/23 to 2024/25 subject to the submission of a OHID approved plan. The Sefton high level plan and 2022/23 detailed plan has now been approved. Detailed plans outlining the interventions for 2023/24 and 2024/25 will be required to be submitted for approval before the start of each of those years.

Sefton Council will receive this enhanced funding for 3yrs starting from 2022/23. See allocation table below:

	2022/23	2023/24	2024/25
Supplemental Sub Misuse Treatment & Recovery Grant	£1, 002,318	£1,642,287*	£3,169,979*

* Indicative Figures

Decision Made:

That:

- (1) Council be recommended to approve the acceptance of the Supplemental Substance Misuse Treatment and Recovery Grant as detailed within the report;
- (2) subject to Council approving the acceptance of the Grant, the proposed contract variations to the current contracts with CGL and WAwY for the services to deliver the funded interventions be approved; and
- (3) authority be delegated to the Head of Health and Wellbeing / Director of Public Health to:
 - issue a contract variation to uplift the contract by an additional £772,068 in the first instance and the uplift for years 2 & 3 by the amounts yet to be determined, with CGL for the provision of Substance Use: Assessment, Treatment and Recovery Services; and
 - add via a contract variation an additional £110,250 to the contract with WAwY and uplift any subsequent contracts for years 2 & 3 of the Grant.

Reasons for the Decision:

The Supplemental Substance Misuse Treatment and Recovery Grant should be used by LAs to directly address the aims of the treatment and recovery section of the drug strategy. The additional funding should deliver:

- New high-quality treatment places, including:
 - New places for opiate and crack users,
 - a treatment place for every offender with an addiction
 - New treatment places for non-opiate users and alcohol users
 - More young people in treatment
- More people in long-term recovery from substance dependence
- More medical, mental health and other professionals within the drug treatment system
- Additional drug and alcohol and criminal justice workers

- Sufficient commissioning and co-ordinator capacity in every local authority

The expectation is that each local area will deliver against the above aims and meet national reporting and monitoring requirements. In order to achieve these outcomes, it is necessary to transfer funds to the current providers of Substance Use: Assessment, Treatment and Recovery Services and Young People and Families Substance Use Service.

The local intention is to expand the treatment provision within the existing services to improve access by creating more treatment places and improving quality by reducing caseloads; enhance recovery activities and improve the skill mix within the existing workforce.

The allocation is to support a range of Treatment, Assessment and Recovery interventions for the local substance use population via the local services. Many of the potential beneficiaries have an already established relationship with these services.

The service providers have well established Treatment, Assessment and Recovery pathways in place across the system and are best placed to successfully deliver the interventions.

Process

The Contract Procedure Rules (CPR) requires authorisation by the Cabinet to allocate £772,068 to the current provider of Substance Use: Assessment, Treatment and Recovery Services, Change, Grow, Live, (CGL) of the £1,002,318 received in year 1 (2022/23) and £110,250 in year 1 (2022/23) to the current provider of Young People and Family Substance Use Service, We Are with You (WAwY) and also funding for subsequent years (amount yet to be determined), for delivery of the OHID approved plans.

It should be noted that should the amount of funding to be transferred for Yr.2 & Yr.3 not meet with the requirements stated below a subsequent report will be submitted for approval.

There is provision for this allocation via a contract variation using Regulation 72 of the Public Contract Regulations which states:

“Contracts and framework agreements may be modified without a new procurement procedure in accordance with this Part in any of the following cases:

(c) where all of the following conditions are fulfilled: —

(i) the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;

(ii) the modification does not alter the overall nature of the contract;

(iii) any increase in price does not exceed 50% of the value of the original contract or framework agreement.

The Grant funding could not have been envisaged when the Council originally procured these services that were advertised in the Official Journal of the European Union (OJEU) and the Find a Tender Service (FTS) respectively. The 3-year funding opportunity was only announced in Q4 of 2021/22. Both contracts had been procured and awarded prior to Q4 of 2021/22.

The allocation is to support a range of Treatment, Assessment and Recovery interventions for the local substance use population aligned to the current local services offer.

The additional grant funding does not exceed 50% of the original contract annual value and remains within the original advertised scope of the contract.

Alternative Options Considered and Rejected:

The only other option would be to procure other providers to deliver against the additional funding and this has been rejected due to economic and operational reasons. To commission other substance use services to meet the aims of the Grant would be a duplication of existing service provision, duplication of some costs and any economies of scale will be lost.

49. SUMMERHILL PRIMARY SCHOOL - SECTION 106 CONTRIBUTIONS AND PROPOSAL FOR EXPANSION

The Cabinet considered the report of the Assistant Director of Education indicating that when Sefton's Local Plan was adopted in 2017 it was agreed that contributions would be sought from the housing developers of the site at Land East of Maghull to expand Summerhill Primary School to provide additional school places in the Maghull area to meet the increased demand from families who moved into the area; and the report provided an update on that project and set out the next steps which needed to be put in place for it to proceed.

A copy of the public notice and complete proposal for Summerhill Primary School was appended to the report.

Decision Made:

That:

- (1) Council be recommended to approve a supplementary capital estimate in the sum of £3,782,080 to allow Phase 1 of this

Summerhill Primary School scheme to be included in the capital programme;

- (2) it be noted that in order to complete Phase 1 and commence Phase 2 of the scheme, allocations will need to be made from both current and future Education capital grant allocations; that these will be approved in accordance with the Financial Procedure Rules; and that current estimates are that £1,140,420 will be required over a three-year period; and
- (3) the publication of the proposal to expand Summerhill Primary School be approved so that this can be published during the 2022/23 academic year once Council has agreed the funding.

Reasons for the Decision:

The local authority has the power to consider all options including expanding a maintained school following the statutory process detailed in the report.

Alternative Options Considered and Rejected:

As part of the development of the Local Plan options were explored and it was determined that Summerhill Primary School be identified for expansion.

50. FINANCIAL MANAGEMENT 2022/23 TO 2024/25 AND FRAMEWORK FOR CHANGE 2020 - REVENUE AND CAPITAL BUDGET UPDATE 2022/23 – SEPTEMBER UPDATE

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

- (1) the current position relating to the 2022/23 revenue budget;
- (2) the current forecast on Council Tax and Business Rates collection for 2022/23; and
- (3) the monitoring position of the Council's capital programme to the end of July 2023 in respect of:
 - the forecast expenditure to year end;
 - variations against the approved budgets and an explanation of those variations for consideration by Members; and
 - Updates to spending profiles and proposed amendments to capital budgets necessary to ensure the efficient delivery of capital projects are also presented for approval.

Decision Made:

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That in respect of the Revenue Budget:

- (1) the current position relating to the 2022/23 revenue budget be noted;
- (2) the Remedial Action Plan to offset the budget pressures being faced in 2022/23 be noted;
- (3) Council be recommended to release £1.666m from the Business Rates Income Reserve;
- (4) the financial risks associated with the delivery of the 2022/23 revenue budget be recognised and it be acknowledged that the forecast outturn position will continue to be reviewed; and that remedial actions put in place, to ensure a balanced forecast outturn position and financial sustainability can be achieved; and
- (5) the current position relating to the High Needs budget be noted and that officers are currently reviewing all options available to the Council to mitigate the additional pressure and to make the overall High Needs budget financially sustainable.

That in respect of the Capital Programme:

- (6) the spending profiles across financial years for the approved capital programme (paragraph 7.1) be noted;
- (7) the latest capital expenditure position as at 31 July 2022 of £7.535m (paragraph 7.5); and the latest full year forecast is £42.814m (paragraph 7.6) be noted;
- (8) the explanations of variances to project budgets (paragraph 7.1) be noted;
- (9) Council be recommended to approve of a supplementary capital estimate for £2.000m for Core Disabled Facilities Grants (paragraph 7.11);
- (10) Council be recommended to approve a supplementary revenue estimate of £1.064m for the City Region Sustainable Transport Settlement support grant (paragraph 7.13.1);
- (11) a supplementary capital estimate of £0.759m for the Maritime Corridor and Southport Eastern access schemes (paragraph 7.13.2) be approved;
- (12) a supplementary capital estimate of £0.577m for Section 106 funding for Highways Capital schemes (paragraph 7.13.3) be approved;
- (13) a supplementary capital estimate of £0.468m for projects on the

Key Route Network (paragraph 7.13.4) be approved;

- (14) Council be recommended to approve a supplementary capital estimate of £1.620m for Tranche 3 of the Active travel Fund (paragraph 7.13.5);
- (15) Council be recommended to approve a supplementary capital estimate of £4.789m for the Highways Maintenance budget 2022/23 (paragraph 7.13.7);
- (16) Council be recommended to approve a supplementary capital estimate of £0.188m for Corporate Essential Maintenance funded from capital receipts (paragraph 7.37); and
- (17) it be noted that capital resources will be managed by the Executive Director of Corporate Resources and Customer Services to ensure the capital programme remains fully funded and that capital funding arrangements secure the maximum financial benefit to the Council (paragraph 7.40).

Reasons for the Decision:

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

To provide an updated forecast of the outturn position with regard to the collection of Council Tax and Business Rates.

To keep Members informed of the progress of the Capital Programme against the profiled budget for 2022/23 and agreed allocations for future years.

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

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

Alternative Options Considered and Rejected:

Not applicable.

51. SOUTHPORT PIER

The Cabinet considered the report of the Executive Director – Place that updated on the current condition of Southport Pier decking following completed technical survey work, and the recommended necessary

remedial actions required including the replacement of the full pier timber decking.

Decision Made:

That:

- (1) the report be noted and that approval be granted for the full pier decking to be replaced;
- (2) the Executive Director (Place), in consultation with the Cabinet Member - Regeneration and Skills, be authorised to exercise delegated authority to appoint a suitable contractor for the capital works and to appoint a range of consultancy services via a compliant framework to support the successful delivery of the project; and to ensure that the employer's agent retains responsibility for both the contract and the contract specification; and
- (3) Council be recommended to:
 - (A) approve a £3m supplementary capital estimate to enable the scheme to be included within the Council's Capital Programme and that this be financed by prudential borrowing; and
 - (B) note the annual cost of the borrowing of £0.178m and approve that this figure is added as a growth item to the Council's medium term financial plan and as such will be funded as part of the 2023/24 budget plan.

Reasons for the Decision:

Southport Pier is a critical visitor attraction that holds significant importance to Sefton's economy and brand. It is also a Grade-II listed structure. As part of the routine maintenance, it became apparent the pier decking was starting to fail in isolated areas, therefore several detailed inspections from timber experts have taken place. The recommendation is now to replace the entire decking after the 2022 summer season from October 2022 with most works taking place in the Winter. to ensure the Pier is fit for purpose, remains safe, and continues to be a critical historic asset for Sefton.

Alternative Options Considered and Rejected:

The following other options have been considered and rejected:

1. Ongoing replacement – This would result in decking boards being replaced as part of the current yearly maintenance programme, as has been the case of the last 5 years. This has been rejected

following the recent deck survey and the recommended requirement to replace the whole decking.

2. Full replacement over several years – This would result in the pier decking being replaced in phases over 10 to 15 years. This has been rejected due to the costs, the impact on the pier concession and wider economy and following the conclusions of the recent deck survey and the recommended requirement to replace the whole decking.
3. Do nothing – This has been rejected on Health and Safety grounds.

52. APPOINTMENT TO SEFTON NEW DIRECTIONS LIMITED BOARD

Further to Minute No. 29 (2) of the meeting held on 28 July 2022 the Cabinet considered the report of the Chief Legal and Democratic Officer seeking the appointment a further elected Member to serve on the Sefton New Directions Limited Board.

Decision Made:

That Cabinet, at its next meeting to be held on 6 October 2022, appoint the second representative to serve on the Sefton New Directions Limited Board and that the term of office expire on 25 May, 2023.

Reasons for the Decision:

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

To comply with a previous decision of Cabinet that the appointment be made at this meeting of the Cabinet.

Alternative Options Considered and Rejected:

None.

53. EXCLUSION OF PRESS AND PUBLIC

To comply with Regulation 5(2) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, notice has been published regarding the intention to consider the following matters in private for the reasons set out below.

Decision Made:

That, under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the press and public

be excluded from the meeting for the following items on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. The Public Interest Test has been applied and favours exclusion of the information from the Press and Public.

54. MARINE LAKE EVENT CENTRE - EXEMPT APPENDICES

Further to Minute No. 41 of the meeting held on 28 July 2022 the Cabinet considered exempt information in relation to the Marine Lake Event Centre (Minute No. 57 below refers).

Decision Made:

That the exempt information be considered as part of the report in relation to the Marine Lake Event Centre (Minute No. 57 below refers).

Reasons for the Decision:

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

Alternative Options Considered and Rejected:

None.

55. PENDLE DRIVE LITHERLAND - EXEMPT APPENDICES

The Cabinet considered exempt information in relation to Pendle Drive Litherland (Minute No. 58 below refers).

Decision Made:

That the exempt information be considered as part of the report in relation to Pendle Drive Litherland (Minute No. 58 below refers).

Reasons for the Decision:

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

Alternative Options Considered and Rejected:

None.

56. PUBLIC SESSION

Decision Made:

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

57. MARINE LAKE EVENT CENTRE

Further to Minute No. 41 of the meeting held on 28 July 2022 the Cabinet considered the report of the Executive Director – Place that provided an update on the progression of the operator procurement process, along with the ongoing contractor procurement process following previous approval of the procurement routes. In respect of the Marine Lake Event Centre. The report also included an update on current costs and funding position and therefore the required contribution from the Council of up to £19.7m; and indicated that the cost of this, to be funded via borrowing, had been included in this report together with the indicative annual income from the operator, to enable early visibility of potential Medium-Term Financial Plan implications for the Council.

Decision Made:

That:

- (1) the Executive Director – Place be authorised to enter into of an Agreement for Lease for the operation and management of the Southport Marine Lake Events Centre with SMG (UK) Limited trading as ASM Global, based upon the principles agreed within the Heads of Terms, as set out in the report;
- (2) the Cabinet Member - Regulatory, Compliance and Corporate Services be authorised to agree the final terms to the Agreement for Lease;
- (3) the update on the build contractor procurement along with the targeted social value outcomes be noted;
- (4) the key project risks identified within this report, including future financial implications be noted; and
- (5) Council be recommended to:
 - (1) approve a Supplementary Capital Estimate of £69.1m to be funded by: £31.7m from the Town Deal; £17.7m from the Liverpool City Region Combined Authority; and £19.7m to be funded by the Council;
 - (2) note that, in addition to the £69.1m identified above, £1.6m and £2.3m of pre-development funding, from the Town Deal and the Liverpool City Region Combined Authority respectively, has already been included within the Capital Programme as approved by Council in September 2021. Therefore, the total capital scheme for the MLEC is £73m

and this is the total value of the scheme which will be included within the Capital Programme;

- (3) note that the finance arrangements for the Council's contribution of £19.7m to the MLEC will be agreed following consultation with the Council's Treasury Management advisors and reported to Cabinet through the quarterly Treasury Management reports and the final proposal will be included within the Budget report;
- (4) delegate the completion and signing of Grant Funding Agreement of £17.7m from the Liverpool City Region Combined Authority to the Chief Executive and the Executive Director of Corporate Resources and Customer Services, in consultation with the Executive Director - Place, the Cabinet Member - Regeneration and Skills and the Cabinet Member - Regulatory, Compliance and Corporate Services, should it be formally approved by the Liverpool City Region Combined Authority; and
- (5) delegate the Grant Funding Agreement of £33.3m from the Southport Town Deal, following Full Business Case approval, to the Chief Executive and the Executive Director of Corporate Resources and Customer Services, in consultation with the Executive Director - Place, the Cabinet Member - Regeneration and Skills and the Cabinet Member - Regulatory, Compliance and Corporate Services, should it be formally approved by Government.

Reasons for the Decision:

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

Following the submission of the business case and conclusion of the operator procurement there is a need to ensure there is a long-term commitment from the proposed tenant to provide confidence in the delivery of the scheme.

To progress and finalise the contractor procurement grant funding agreements from the Liverpool City Region Combined Authority and Town Deal will need to be agreed along with the additional Council funding of £19.7m.

Alternative Options Considered and Rejected:

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

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

The Business case presented to Cabinet on 28 July 2022 presented the shortlisted intervention options examined including the Outline Business Case preferred option requiring £73m of funding and a reduced scheme requiring £61.8m capital investment.

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

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

58. PENDLE DRIVE LITHERLAND

The Cabinet considered the report of the Executive Director of Corporate Resources and Customer Services advising that in January 2020 Cabinet approved the disposal of the first phase of surplus assets to generate capital receipts in support of the Growth and Strategic Investment and Framework for Change Programmes; that officers were provided with the authority to negotiate terms and conditions for each disposal in line with delegated authority set out in the Council's Asset Disposal Policy; that Brooklea House, Pendle House, and Pendle Drive were three unoccupied buildings located on the site known as Pendle Drive, Litherland ("Pendle Drive"); that this site was in the first phase of the disposal programme; that in 2019, the Council was approached by a retail operator to acquire part of the site; that this represented an opportunistic disposal to provide a new food store, which was permissible under the processes approved within the Asset Disposal Policy; and that the remainder of the site would be redeveloped for housing, most likely via an informal tender exercise marketing it to interested Registered Providers and similar Companies.

The report also advised that the COVID19 pandemic led to discussions between the Council and retail operator stalling for a time; but however, following recent contact the basis of a deal had been resurrected and principal Heads of Terms agreed; and that the purchaser had agreed to demolish the three unoccupied buildings with the cost of demolition to be deducted from the gross land price as set out in Appendix 1.

The report concluded that the Council would market the balance of the site to Registered Providers, so that a small affordable housing residential

development scheme could be brought forward; but that it was not expected to generate a significant capital receipt.

Decision Made:

That:

- (1) the disposal of 2.40 acres of land at Pendle Drive Litherland at a gross purchase price as set out in the Heads of Terms in Appendix 1 to the report be approved; that the disposal to be subject to the purchaser demolishing the three unoccupied buildings and the receipt of satisfactory planning consent for a new food store; and that the final land price be subject to deductions for the cost of the demolition works;
- (2) the deduction of up to 4% of the eventual capital receipt to cover the professional fees and incidental costs of disposal as set out in Capital Accounting Regulations be approved;
- (3) the Chief Legal and Democratic Officer be authorised to finalise a Licence Agreement to enable the purchaser to progress all technical due diligence and building surveys to support demolition works and to draw up the appropriate legal documentation to document the Transfer; and
- (4) authority be granted for the Executive Director of Corporate Resources and Customer Services to market and dispose of the remainder of the land in the Council's ownership to Registered Providers for residential development, with terms of the disposal to be delegated to the Cabinet Member - Regulatory Compliance and Corporate Services.

Reasons for the Decision:

- (1) Disposal of the land will provide capital funding in support of the Growth and Strategic Investment Programme. The disposal will maximise the land receipt that the Council can secure for Pendle Drive. Alternative use value (residential) will not generate a capital receipt of a comparable level. The opportunity cost will be the loss of a capital receipt as currently projected in the disposal programme.
- (2) Incidental costs of disposal such as Consultant's fees and valuation reports can be deducted from a capital receipt in accordance with Local Authority Capital accounting Regulations.
- (3) The disposal of land adheres to two criteria: that each capital receipt forecasted represents financial "best consideration" and where the loss of other opportunities is quantifiable and does not undermine wider service delivery and economic development/regeneration priorities.

- (4) The agreed Heads of Terms require that the purchaser demolishes all buildings across the site, including Pendle House which is located on the retained land. This ensures that the Council has no capital expenditure ask to progress demolition work and is left with a de-risked opportunity.
- (5) The agreed disposal price, as set out in Appendix 1, meets best consideration requirements in accordance with Section 123 of the Local Government Act 1972 and complies with the approved processes within the Council's Asset Disposal Policy.

Alternative Options Considered and Rejected:

- (1) Dispose of site to Registered Provider: The Council can look to market all the Pendle Drive site to Registered Providers. The site has marginal financial viability for residential use and this option is discounted as it secures only a nominal land receipt. The Council would likely have to commit capital up front to progress demolition works to de-risk the site. Redevelopment of part for a retail store is the only way to secure a significant capital receipt to the Council.
- (2) Demolish buildings to reduce management liability and risk of antisocial behaviour on the site and retain land as an area of recreational amenity. This option is not favoured as there would be ongoing management and maintenance costs to the Council. The asset is in the disposals programme – its disposal has previously been approved for the very purpose of generating a land receipt to support the delivery of the Framework of Change programme.
- (3) Dispose of site for residential development: a financial appraisal completed in 2019 estimated that the site would generate a land receipt of no more than £150,000 for redevelopment for this alternative use, given its location in a lower sales value area. The appraisal did not factor in any deductions for demolition or other site abnormal costs, so any land receipt for residential development would in reality only generate a nominal capital receipt, which would not comply with achieving Best Consideration, which is more expressly set out in Section 3 of this report.