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Sefton Council 

MEETING: CABINET
DATE: Thursday 7th December, 2023
TIME: 10.00 a.m.
VENUE: Committee Room, Town Hall, Bootle

DECISION MAKER: **CABINET**

Councillor Ian Maher (Chair)
Councillor Atkinson
Councillor Cummins
Councillor Doyle
Councillor Fairclough
Councillor Hardy
Councillor Lappin
Councillor Moncur
Councillor Roscoe
Councillor Veidman

COMMITTEE OFFICER: Debbie Campbell
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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.

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, including from the public gallery, 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 2 November 2023		(Pages 5 - 16)
* 4	Sefton Hospitality Operations Limited - Business Plan Report of the Executive Director - Place	All Wards	(Pages 17 - 28)
* 5	Sandway Homes Limited Phase 1 Business Plan Update Report of the Assistant Director of Place (Economic Growth and Housing)	All Wards	(Pages 29 - 40)

* 6	Microsoft Azure and Office 365 Licences	All Wards	(Pages 41 - 48)
	Report of the Executive Director of Corporate Resources and Customer Services		
* 7	Financial Management 2023/24 to 2026/27 - Revenue and Capital Budget Update 2023/24 – December Update	All Wards	(Pages 49 - 64)
	Report of the Executive Director of Corporate Resources and Customer Services		
8	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.		
	The Cabinet is recommended to pass the following resolution:		
	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 they involve the likely disclosure of exempt information as defined in Paragraphs 7 and 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.		
* 9	ICT Service Developments	All Wards	(Pages 65 - 72)
	Report of the Assistant Director of Corporate Resources and Customer Services (Strategic Support)		
10	Crosby New Library Outline Business Case Update - Exempt Appendix		(Pages 73 - 116)
	Exempt appendix of the Executive Director - People		
11	Business Case for Proceeding with Phase 1 of The Strand Re-purposing Programme - Exempt Appendices		(Pages 117 - 368)
	Exempt appendices of the Assistant Director of Place (Commercial Development)		

12 **Re-admittance of the Public**

The Cabinet meeting will now move back into open session to consider the following agenda items

- | | | | |
|------|---|--|----------------------|
| * 13 | Crosby New Library Outline Business Case Update | Blundellsands;
Church; Manor;
Victoria | (Pages 369 -
420) |
| | Report of the Executive Director - People | | |
| * 14 | Business Case for Proceeding with Phase 1 of The Strand Re-purposing Programme | Linacre | (Pages 421 -
534) |
| | Report of the Assistant Director of Place (Commercial Development) | | |

THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON WEDNESDAY 15 NOVEMBER 2023. MINUTES NOD. 77 (11), 83 (2) AND (6) ARE NOT SUBJECT TO "CALL-IN".

CABINET

MEETING HELD AT THE BIRKDALE ROOM, TOWN HALL, SOUTHPORT ON THURSDAY 2ND NOVEMBER, 2023

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

ALSO PRESENT: Councillor Sir Ron Watson CBE

72. APOLOGIES FOR ABSENCE

No apologies for absence were received.

73. DECLARATIONS OF INTEREST

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

74. MINUTES OF THE PREVIOUS MEETING

Decision Made:

That the Minutes of the meeting held on 5 October 2023 be confirmed as a correct record.

75. APPOINTMENT TO LIVERPOOL WOMEN'S HOSPITAL NHS FOUNDATION TRUST COUNCIL OF GOVERNORS

The Cabinet considered the report of the Chief Legal and Democratic Officer seeking the appointment of an elected Member as a Governor of the Liverpool Women's Hospital NHS Foundation Trust Council of Governors, following the resignation of Councillor Thomas from that position.

Decision Made:

That Councillor Nina Killen be appointed as the Sefton Council representative to the Liverpool Women's Hospital NHS Foundation Trust Council of Governors, with immediate effect, until 30 September 2026.

Reasons for Decision:

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

Alternative Options Considered and Rejected:

None.

76. EXECUTIVE/SCRUTINY PROTOCOL

Further to Minute No. 69 of the meeting held on 3 December 2020, the Cabinet considered the report of the Chief Legal and Democratic Officer presenting the views of the four Overview and Scrutiny Committees seeking formal approval of changes to the Executive/Scrutiny Protocol.

Appendix A to the report set out the amended Executive/Scrutiny Protocol if the recommendations were approved by the Cabinet. Tracked changes highlighted in red show the proposed changes to paragraphs 6.13, 8 and 8.3.

Decisions Made:

That changes to the Executive/Scrutiny Protocol be approved in relation to:

- (1) Executive Directors and Assistant Directors, whose responsibilities fall within the remit of Overview and Scrutiny Committees, being requested to seek the views of the Committees on all strategies and plans prior to submission to Cabinet and Council; and that if it is not possible, due to time constraints, to submit the final strategy or plan for consideration, then an outline or synopsis be submitted to the Committees to allow an oversight of the proposals to be considered and commented upon; and Section 6 of the Protocol relating to pre-scrutiny be amended accordingly; and
- (2) reference being made to informal meetings of Overview and Scrutiny Committees to review topics in Section 8 of the Protocol.

Reasons for Decisions:

To comply with decisions of the four Overview and Scrutiny Committees.

Alternative Options Considered and Rejected:

No alternative options had been considered because a decision was required by the Cabinet.

77. FINANCIAL MANAGEMENT 2023/24 TO 2026/27 - REVENUE AND CAPITAL BUDGET UPDATE 2023/24 – NOVEMBER UPDATE

CABINET - THURSDAY 2ND NOVEMBER, 2023

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

- 1) The current position relating to the 2023/24 revenue budget.
- 2) The current forecast on Council Tax and Business Rates collection for 2023/24.
- 3) The monitoring position of the Council's capital programme to the end of September 2023 relating to:
 - 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.
- 4) The latest asset disposals, prudential indicator, performance and risk management information for 2023/24.

The following appendices were attached to the report:

Appendix A – Capital Programme 2023/24 to 2025/26

Appendix B – Performance Information 2023/24 – Quarter 2

Appendix C – Corporate Risk Register – October 2023

Decisions Made:

That

Revenue Budget

- (1) the current position relating to the 2023/24 revenue budget be noted;
- (2) the actions being taken to refine forecasts and identify mitigating efficiencies to ensure each service achieves a balanced position be noted;
- (3) the Remedial Action Plan actions to offset the budget pressures being faced in 2023/24 be approved;
- (4) the release of £1.000m from the Business Rates Income Reserve be approved;
- (5) the release of £1.000m from the Transforming Sefton Reserve be approved;
- (6) the release of £0.945m from the Redundancy Reserve be approved;

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- (7) the financial risks associated with the delivery of the 2023/24 revenue budget be recognised and the fact that the forecast outturn position will continue to be reviewed, and remedial actions put in place, to ensure that a balanced forecast outturn position and financial sustainability can be achieved, be acknowledged;
- (8) a Supplementary Revenue Estimate of £0.688m for the Ways to Work Programme for the period 1 October 2023/24 to 31 March 2024, fully funded by an allocation of the Strategic Investment Fund from the Liverpool City Region Combined Authority, be approved;

Capital Programme

- (9) the spending profiles across financial years for the approved capital programme, as set out at paragraph 8.1 of the report, be noted;
- (10) a supplementary capital estimate of £0.280m for the Local Authority Treescapes Fund funded by grant from the Forestry Commission, as set out at paragraphs 8.3 – 8.6 of the report, be approved;
- (11) **the Council be recommended to approve** a supplementary capital estimate of £0.012m for the works at Foul Lane funded by capital receipts, as set out at paragraphs 8.7 – 8.8 of the report;
- (12) the latest capital expenditure position as at 30 September 2023 of £14.521m, as set out at paragraph 8.10 of the report; and that the latest full year forecast is £60.206m, as set out at paragraph 8.12 of the report, be noted;
- (13) the programme outputs and progress to September 2023, as set out at paragraphs 8.13 – 8.30 of the report, be noted;
- (14) the fact 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, as set out at paragraphs 8.31-8.33 of the report, be noted;

Asset Management Strategy and Asset Disposals

- (15) the latest position relating to asset disposals under the Asset Management Strategy, be noted;

Prudential Indicators

- (16) the forecasts for the Prudential Indicators relating to capital expenditure and financing as at 30 September 2023, be noted;

Performance

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- (17) the latest position relating to key performance measures be noted;
and

Risk Management

- (18) the latest position relating to key risk management areas be noted.

Reasons for the Decisions:

To ensure the Cabinet was informed of the current position in relation to the 2023/24 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 2023/24 and agreed allocations for future years.

To progress any changes that were 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 in order that they could be applied to capital schemes in the delivery of the Council's overall capital strategy.

To ensure the Cabinet was informed of prudential indicators, key performance information and key risk management areas.

Alternative Options Considered and Rejected:

Not Applicable.

78. TREASURY MANAGEMENT POSITION TO SEPTEMBER 2023

The Cabinet considered the report of the Executive Director of Corporate Resources and Customer Services providing Members with a review of the Treasury Management activities undertaken to 30 September 2023. The report was the mid-year report to the Cabinet and Council, as well as the second report of the ongoing quarterly monitoring provided to the Audit and Governance Committee whose role it was to carry out scrutiny of treasury management policies and practices.

Decision Made:

That the Treasury Management update to 30 September 2023 be noted, together with the review of the effects of decisions taken in pursuit of the Treasury Management Strategy, and consideration of the implications of changes resulting from regulatory, economic and market factors affecting the Council's treasury management activities.

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Reasons for Decision:

To ensure that Members were fully appraised of the treasury activity undertaken to 30 September 2023 and to meet the reporting requirements set out in Sefton's Treasury Management Practices and those recommended by the CIPFA code.

Alternative Options Considered and Rejected:

Not Applicable.

79. 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 had been published regarding the intention to consider the following matters in private for the reason 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 they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. The Public Interest Test has been applied and favoured exclusion of the information from the Press and Public.

80. PROVISION OF COUNCIL HOUSING AT BUCKLEY HILL LANE NETHERTON - EXEMPT APPENDIX

The Cabinet considered exempt information provided by the Assistant Director of Place (Economic Growth and Housing) in relation to the Provision of Council Housing at Buckley Hill Lane Netherton (Minute No. 83 below refers).

Decision Made:

That the exempt information be considered as part of the report in relation to the Provision of Council Housing at Buckley Hill Lane Netherton (Minute No. 83 below refers).

Reasons for the Decision:

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

Alternative Options Considered and Rejected:

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None.

81. LAND AT LUNT, SEFTON - EXEMPT APPENDIX

The Cabinet considered exempt information provided by the Executive Director of Corporate Resources and Customer Services in relation to Land at Lunt, Sefton (Minute No. 84 below refers).

Decision Made:

That the exempt information be considered as part of the report in relation to Land at Lunt, Sefton (Minute No. 84 below refers).

Reasons for the Decision:

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

Alternative Options Considered and Rejected:

None.

82. RE-ADMITTANCE OF THE PUBLIC

Decision Made:

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

83. PROVISION OF COUNCIL HOUSING AT BUCKLEY HILL LANE NETHERTON

Further to Minute No. 11 of 26 May 2022, the Cabinet considered the report of the Assistant Director of Place (Economic Growth and Housing) providing an update on the acquisition of properties at Buckley Hill Lane for use as Council Housing. The report sought approval to a revised proposal to acquire 18 homes (apartments) for social rent.

The following appendices were attached to the report:

- Appendix 1 – Exempt Appendix Updated Business Case: Provision of Council Housing at Buckley Hill Lane, Netherton
- Appendix 2 – Equality Impact Assessment: Provision of Council Housing

Decisions Made:

That

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- (1) the updated Business Case for the acquisition of 18 homes for social rent from Sandway Homes at the Buckley Hill Lane development in Netherton be agreed;
- (2) **the Council be recommended** to approve and financially support the proposal as a capital scheme committing the use of Section 106 affordable housing receipts and Historic Right to Buy receipts to fund the purchase;
- (3) the Assistant Director of Place (Economic Growth and Housing) be authorised, in consultation with the Cabinet Member - Communities and Housing and the Cabinet Member - Regulatory Compliance and Corporate Services, to negotiate and agree the financial terms with Sandway Homes as identified within Appendix 1 of the report, and formally submit an offer to acquire the homes;
- (4) the Assistant Director of Place (Economic Growth and Housing) be authorised, in consultation with the Cabinet Member - Communities and Housing and the Cabinet Member - Regulatory Compliance and Corporate Resources, to enter into a contract with Homes England subject to the Council receiving a grant offer through the Affordable Homes Programme 2021-26;
- (5) the Assistant Director of Place (Economic Growth and Housing) be authorised to negotiate the contract terms and finalise all associated legal documentation for the purchase and acquisition;
- (6) **the Council be recommended** to approve a Supplementary Capital Estimate of £2,222,783 funded as fully detailed in the updated Business Case at Appendix 1 of the report through s106 affordable housing capital receipts, historic right to buy sharing agreement receipts and Homes England grant funding; and
- (7) the intention to seek Council approval for the net rental income from the scheme, including that received during the initial payback period, is reserved and reinvested into the Council Housing Programme, be noted.

Reasons for Decisions:

To progress with the delivery of council housing at Buckley Hill Lane through the acquisition of 18 apartments for social rent.

Alternative Options Considered and Rejected:

Option 1 – Do Nothing, choose not to provide council housing.

The Cabinet had already approved the acquisition of properties at Buckley Hill Lane for use as Council Housing in January 2021, and May 2022. However, the Council could choose not to provide council housing at Buckley Hill Lane. This could limit the opportunity to provide new social

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housing aimed to meet identified housing need in Netherpton and did not align with the strategic case for Council housing delivery. Furthermore, this option would remove the complimentary offer of additional social housing provision thereby relying on housing associations to meet housing need.

Option 2 – Acquire 18 apartments for social rent without grant funding.

The Council could proceed with approval for the acquisition of homes at Buckley Hill Lane choosing not to apply to Homes England for grant funding through the Affordable Homes Programme (AHP) and instead fund solely from its own financial resources. This option was not recommended as the updated financial case presented at Appendix 1 of the report justified the need for grant funding to deliver social rent homes and funding was available through the AHP to deliver affordable housing in the way in which the Council proposed. Seeking to achieve grant funding would mean the Council's capital resources were available to deliver future Council Housing Programme opportunities.

Option 3 – Acquire 9 apartments for social rent.

A further option would be not to acquire 18 apartments and instead acquire 9 apartments for social rent, as approved by the Cabinet in January 2021. Whilst this option would still deliver council housing in line with strategic priorities, market changes which affected Sandway Homes had seen a reduced demand for apartment sale properties and as such, the remaining 9 apartments could be sold to a housing association. The Council acquiring all 18 apartments offered benefits that it would be the sole provider of affordable housing on the site, especially with the apartment blocks being in close proximity to one another. Housing waiting list data from Property Pool Plus demonstrated strong need for smaller 1 and 2-bedroom properties.

84. LAND AT LUNT, SEFTON

The Cabinet considered the report of the Executive Director of Corporate Resources and Customer Services on the principal terms and conditions that had been agreed for the freehold disposal of approximately 193 acres (78 hectares) of land at Lunt Village, Thornton, Sefton.

The following appendices were attached to the report:

- Appendix 1 - Site Plan
- Appendix 2 - Financial Details - exempt

Concerns were raised regarding the Heads of Terms for the sale of the land and possible future use.

Decisions Made:

That

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- (1) approval be granted to dispose of approximately 193 acres (78 hectares) of land at Lunt Village, Thornton on the terms and conditions detailed within the report, and that should it be necessary, delegated authority be granted to the Executive Director of Corporate Resources and Customer Services, in consultation with the Cabinet Member - Regulatory, Compliance and Corporate Services, to amend the said terms and conditions;
- (2) the Chief Legal and Democratic Officer be authorised to complete the necessary legal documentation; and
- (3) approval be granted to deduct 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.

Reasons for the Decisions:

- (i) The disposal would generate a capital receipt that could support the delivery of economic development and regeneration projects, which formed part of the Growth and Strategic Investment Programme.
- (ii) Incidental costs of disposal such as Consultant's fees and valuation reports could be deducted from a capital receipt in accordance with Local Authority Capital accounting Regulations.
- (iii) The proposed purchaser intended to enhance biodiversity of the area, contribute to increasing the ability of the area to capture carbon from new woodland planting and wetland creation and to work alongside other not-for-profit, charity and statutory landowners and occupiers, potentially through a form of joint management agreement, to develop a more extensive forest park in the area.
- (iv) It was proposed that the Council would retain an ongoing involvement in the development, delivery and future management of the more extensive forest park.

Alternative Options Considered and Rejected:

The Council could retain the land in its ownership and market the property to let for agricultural use. However, this would not generate a capital receipt to fund the Growth and Strategic Investment Programme. The sale of the Grange land was included in Phase 1 of the Asset Maximisation proposals.

The Council could retain the land for carbon capture or open space amenity. However, responsibility for managing the land would also stay with the Council. There was currently no staff or budget for the management of this land and provision would need to be considered to avoid a negative impact on existing land management budgets (regardless of which portfolio assumed responsibility).

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Agenda Item 4

Report to:	Cabinet	Date of Meeting:	7 December 2023
Subject:	Sefton Hospitality Operations Limited – Strategy and Business Plan Update		
Report of:	Executive Director (Place)	Wards Affected:	All Wards
Portfolio:	Cabinet Member - Regeneration and Skills		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No		

Summary:

The report provides Cabinet with an update on performance of Sefton Hospitality Operations Limited relative to the previous Business Plan for the company and to the original Business Case for the Crosby Lakeside Adventure Centre project (part of which is now operated by the company). In providing this information, the report will provide an update on operational activities, alongside recent and forecast financial performance in the context of current and future conditions and outlook for the economy and for the sector, highlighting key decisions required by the Council.

Recommendation(s):

Cabinet are requested to:

- (1) Note the outturn for the company for the financial year 2022-23 and the factors influencing that outturn;
- (2) Note the recent and current factors affecting the economy and the hospitality sector, and future outlook for both, and how they have affected and will affect the company;
- (3) Approve the updated strategy and business plan for the company;
- (4) Approve the changes to the loan agreement between the Council and the company as stated in section 5;
- (5) Note that any material variations to the Business Plan will be reported to the Cabinet as shareholder at the earliest opportunity; and
- (6) Approve the appointment of an interim Board Chair, as per section 6.

Reasons for the Recommendation(s):

The role of Sefton Hospitality Operations Limited (SHOL) remains focused on the delivery of an experience for customers that aligns with the vision and objectives of the borough and the council. In addition to revitalisation of, and the maximisation of

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opportunity from, underused assets in Sefton, SHOL and its strategy continues to enable support for local people with access to higher-quality career opportunities in the hospitality sector. As previously, this model also delivers best value to the Council (via the removal of the subsidy formerly required to the previous hospitality offer at CLAC).

The Council as shareholder remains committed to the long-term future of the company and the venues it operates.

With regards to governance and board composition, the Cabinet has delegated powers set out in Chapter 5, Paragraph 40 of the Constitution to appoint the Council's representatives to serve on Outside Bodies.

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

No other options were considered by the Council. The company, as part of its strategy and business planning process, has considered options for the business and its current and potential future venues, although some aspects of that review process will be commercially sensitive and confidential.

What will it cost and how will it be financed?

(A) Revenue Costs

All financial implications are discussed within the report.

(B) Capital Costs

All financial implications are discussed within the report.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):
Any resource implications are contained within the report.
Legal Implications:
Any legal implications are contained within the report.
Equality Implications:
The vision and values, strategy and operating procedures of the company will align with the ethos of the Council, in respect of equalities, and will continue to be reflected in all areas, including recruitment, procurement, etc. This is evident in the operating performance of the company to date, as reported to its board members, and underpins approach to future opportunity and growth for the company.
In respect of employment, SHOL remains focused on offering attractive job and

career opportunities to local people from a diverse range of backgrounds, and this is evident in the workforce at The Lake House, for example.

The offer at The Lake House remains inclusive, with community access to facilities and the provision of a Changing Places unit, as per the Council's intentions for all capital projects of this scale and importance. The company and its leadership remain focused on the development and maintenance of community relationships to ensure inclusive growth in line with the vision and values of its shareholder, Sefton Council, and this ethos is being embedded as part of the culture of the organisation for all new employees as part of induction and other people-related processes.

Impact on Children and Young People:

The quantity and quality of employment opportunity being offered by the company is providing pathways into careers in the hospitality sector for young people across Sefton. The company is a signatory and an active partner in the Council's Caring Business Charter, and is active through its events and ongoing operations as a partner in its communities.

Climate Emergency Implications:

The recommendations within this report will

Have a positive impact	N
Have a neutral impact	Y
Have a negative impact	N
The Author has undertaken the Climate Emergency training for report authors	N

The vision and values, strategy and operating procedures of the company will align with the Council's response to climate emergency, with focus on environmental sustainability.

Contribution to the Council's Core Purpose:

Protect the most vulnerable: Inclusivity will remain at the heart of the company's vision and values, in respect of both the physical and experiential offer to residents and visitors.

Facilitate confident and resilient communities: As above, inclusivity will be at the heart of the company's vision and values, in respect of both the physical and experiential offer to residents and visitors. Moreover, the company will offer quality employment and career opportunities for local people in the hospitality sector.

Commission, broker and provide core services: Projected future returns to the Council, as sole shareholder of SHOL, will provide revenue to contribute towards service provision in the long-term.

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Place – leadership and influencer: The physical and experiential offer of the company will support enhancement of sense of place across the borough. The vision and strategy of the company closely aligns with the 2030 vision and the Place-based strategies of the Council.

Drivers of change and reform: The enhancement of physical assets, the offer to customers, and the approach to employment and career opportunity, will all support change across the borough and in this sector particularly.

Facilitate sustainable economic prosperity: The company will support economic prosperity and resilience through the offer of quality employment and career opportunities for local people in the hospitality sector.

Greater income for social investment: The strategy and business plan outline the significant intended contribution of the company in respect of social value.

Cleaner Greener: All projects and operations will align with the highest environmental standards, reflecting the council's focus on climate emergency.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD7439/23) and the Chief Legal and Democratic Officer (LD5539/23) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

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
Telephone Number:	0151 934 3370
Email Address:	Stephen.watson@sefton.gov.uk

Appendices:

There are no appendices to this report.

Background Papers:

There are no background papers available for inspection.

1. Introduction

- 1.1 In February 2021 the Cabinet approved the full business case for Crosby Lakeside Adventure Centre (CLAC), comprising a new hospitality operating model and the related building enhancements. This business case recommended the formation of Sefton Hospitality Operations Limited (SHOL), intended to operate hospitality venues across Sefton including, but not limited to, the venue at CLAC now known as the Lake House.
- 1.2 The business was incorporated in 2021, with a strategy and three-year business plan approved by Cabinet in February 2022, in advance of the completion of the CLAC building enhancements and the opening of the Lake House later in the year.
- 1.3 This report provides an update on strategy for the company, and an updated three-year business plan, in the context of continued challenges for the economy and for the hospitality sector, albeit with sustained confidence in the future of the industry and of the business. It also includes updates relating to governance and the role and composition of the company board.

2. Economy and Market Sector

- 2.1 In relation to the performance of SHOL, the operation of Council-owned venues such as Southport Market, and the importance of the hospitality sector to Sefton's economy, the Council has worked proactively on an ongoing basis to understand current market conditions and outlook, given their impact on costs and on revenues.
- 2.2 According to the National Restaurants Association (2023), 60% of hospitality venues are reported to fail in year one, and 80% are reported to fail within the first five years – with failure rates increasing in 2022 and 2023 given current economic conditions. The challenges of opening a new hospitality venue at any time are exacerbated by increasing cost pressures affecting sector-wide profitability, with venues such as the Lake House seeing more than 100% increases in energy bills during the period, and wages increasing sector wide in a post-Brexit environment (notwithstanding SHOL's continued commitment to paying a Real Living Wage or better).
- 2.3 According to the Office for National Statistics (October 2023 - [Consumer price inflation, UK - Office for National Statistics](#)), the price of gas and of electricity remains 60% higher and 40% higher respectively than it was in October 2021. These inflationary pressures affect the sector, the business and the venue in two fundamental ways. Firstly, these lead to much higher energy costs than anticipated in the original business case or the previous business plan. Secondly, they impact consumer spend as all households feel the pressure of the cost of living crisis, affecting business and venue revenues as discretionary spend by customers is affected due to other priorities.
- 2.4 Similarly, food and non-alcoholic beverage prices increased by 0.1% between September and October 2023 (Source: ONS, October 2023). This leads to an annual rate of increase of 10.1% in the twelve months to October 2023, down

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from 12.2% in the twelve months to September 2023, and from a recent high of 19.2% increase in the twelve months to March 2023, the highest annual rate for more than 45 years.

- 2.5 The most recent ONS data reaffirms the severity of cost inflation pressures on the sector – including but not limited to SHOL and its venues – and anecdotally there remains clear visibility of pressures on hospitality venues across the sector, across the Liverpool City Region and beyond. However, as above this data suggests easing in inflationary pressures for the sector. October 2023's easing in food and drink price increases was driven by downward price movements for 9 of the 11 classes considered in the most recently monthly data, including particularly dairy and vegetables.
- 2.6 Nevertheless, the price of food in October 2023 remains around 30% higher than October 2021.
- 2.7 These pressures have significantly affected the costs incurred by the business during the period of operations to date, and in turn have affected consumers and therefore revenue.
- 2.8 According to Deloitte (Q3 2023) there are marginal increases (0.4%) in discretionary spending, with the most notable quarter-on-quarter growth being in non-essential spend areas such as holidays, hotels, restaurants, and going out categories. There are many and varied views on outlook for the future of the hospitality sector (Deloitte [2023] use the term “prolonged recovery”), but these forecasts and the slow easing of cost inflationary pressures are expected to support recovery in the hospitality sector over the coming years, despite continued short-term challenges.
- 2.9 Given its shareholding with SHOL, its assets such as Southport Market, and the importance of the sector to Sefton's economy, the Council will continue to monitor and evaluate market conditions and outlook for the industry on an ongoing basis.

3. Company Strategy

- 3.1 The strategy for the company remains largely unchanged from the original objectives of the Council upon its formation, as articulated in the Cabinet Report approved in February 2022.
- 3.2 The focus for SHOL remains on being an employer of choice in the hospitality sector. As per previous commitments, this focuses principally on offering full-time, permanent employment opportunities, with all roles paying a real living wage or above (and the Business Plan remains based on this same assumption). These terms and conditions are one part of an attractive and differentiated offer to employees, ensuring that the company attracts, develops and retains staff, particularly from Sefton and from the areas local to the company's venues. This offer has included training and development opportunity, working towards long-term career growth in the hospitality sector, and is complemented by the ethos and core values of the company that should ensure an organisational culture of which employees wish to be a part.

- 3.3 The intention for the company is to offer a quality experience for employees, who in turn will deliver a quality experience for customers – this strategic approach is not uncommon at the “higher end” of many sub-segments of the retail sector. This employment offer also aligns with the core values of the Council and of the borough, and SHOL offers employment opportunity for a number of cohorts, aligned to the Council’s priority areas. For example the company is a signatory to the Council’s Caring Business Charter, supporting care experienced young people with training, work experience and employment opportunity.
- 3.4 At the time of writing, the business employs 45 people at the Lake House and 10 people at the White House. 49% of these employees are Sefton residents, and 100% of employees are residents of the Liverpool City Region. None are on zero-hour contracts (which are still not necessarily uncommon in the sector), and all are paid a real living wage or better. 51% of the workforce is female, and 40% of the workforce across the two venues is under the age of 23. All staff members have received Full Flow Health and Safety training, and all are undertaking a training programme in their relevant area of work. There have been several cases of internal promotion and progression in the business, in accordance with the desire to support career progression for employees in the business and in the sector. There are also employees who have come to the UK from Ukraine, and there are team members who have come to the business through effective working partnership with Sefton at Work – this includes individuals who were not in employment, and individuals who had never been in employment (and are with the business at the time of writing).
- 3.5 Notwithstanding the challenges for any new venue in the hospitality sector (as per section 2.2, 60% of new businesses are reported to fail within the first 12 months), the company will continue to take a long-term view on the strategy, business plan, and operation of each of its current and future venues. A quality employment offer and a sustainable business model will not be deliverable without a stable long-term commitment to the growth of the business and the success of these venues.
- 3.6 The Lake House in Waterloo is clearly an attractive venue in a location that reflects the attractiveness of Sefton’s coastline. Through the business plan period the Lake House will form the largest contribution to company performance, and will deliver in accordance with the objectives of the original business case for that project. The opening of the venue in August 2022 was several months later than anticipated, due to delays caused by the COVID-19 pandemic to the project development process, and later due to challenges with previous build contractors, and this has affected outturn performance in the financial year ending March 2023. However, there is opportunity for revenue growth, and with easing cost inflationary pressures over the medium-term, the company and the Council are confident in the exciting future of a venue that has become an important part of the borough’s and the region’s offer in the hospitality sector.
- 3.7 The company opened the White House Café in Southport in Spring 2023, and while a smaller venue than the Lake House, the offer is intended to reflect the same focus on quality and customer experience, proving to be a destination offer for the town, the borough and beyond. As with the Lake House, the company’s leadership and operations have enabled the transformation of a previously under-used asset, as the café adjacent to Southport Golf Links (in which the venue is based) had previously been vacant for several years. Transformation of this asset

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by the business is intended to benefit local residents and communities as well in enhancement of their environment and widening of their local offer.

- 3.8 These same principles will form the basis of a selective plan for future growth of the business, with focus on enhancement of Council-owned assets across the borough, delivering a quality customer experience and continuing to create and sustain quality employment and career opportunities for local people. Governance associated with the company's growth plans and future projects will be managed by the company via its board and governance structures, and where applicable by the Council in accordance with its financial procedure rules. All current operations and future growth plans will consider the continued external economic challenges facing the sector.
- 3.9 The company will also continue to focus on alignment with the wider strategic objectives of the Council as its shareholder, in such areas as climate emergency and outcomes for care experienced young people. The company is, and will remain, an active partner in the communities in which its venues operate.
- 3.10 Variance in the strategy summarised above is limited from the original strategy for the company, and business case for the Crosby Lakeside project, and it is intended that this will remain the case for the long-term.

4. Business Plan Update

- 4.1 In respect of the financial year 2022-23 (ending March 2023), there are numerous external factors that have contributed to the outturn performance of the business being lower than forecast in the business plan.
 - The delayed opening of the Lake House due to firstly the impact of the COVID-19 pandemic on the project development process and the construction programme, and subsequently the issues with a previous main contractor on the building enhancements work. This meant that the venue opened in late August 2022, several months later than anticipated, meaning that the full-year effect of trade was not achieved, and particularly that the venue was unable to open during the peak summer season, when the proportion of revenue and profit is greatest (particularly for a venue such as the Lake House given its location and outdoor coastal offering).
 - The severe impacts on costs due to inflationary pressures, as experienced across the hospitality sector – this includes huge increases in energy costs beyond those forecasted within the original business case, and significant inflation in all cost of sales (as outlined in section 2, again consistent across the sector).
 - The impact of the cost of living crisis on revenues, affecting footfall and spend per head. These pressures have affected the whole economy, and all of the hospitality sector, and have made the industry increasingly challenging and competitive.
- 4.2 The impact of the delayed opening is limited to the financial year 2022-23, but the wider economic pressures and their impacts are still being experienced by the

sector to some degree in the short-term, and will be expected to impact the financial years 2023-24 and 2024-25 as well.

- 4.3 The table below provides the forecast net income for the business for the previous financial year, the current year, and the next two financial years.

£k	2022-23	2023-24	2024-25	2025-26
Forecast Business Plan (December 2023)	-688	-380	-192	60

- 4.4 Due to these external factors, the performance of the business in financial year 2022-23 is below the previous business plan. The company accounts for the financial year are being finalised at the time of writing, and will be reported to the board and to Companies House by the end of December 2023.

- 4.5 These external factors, although easing to some degree, will affect the business in the current and the subsequent financial year as well. The forecast for 2023-24 and for 2024-25 are also therefore below the levels previously anticipated in the original business plan. However, the company and the Council remain committed to the long-term future of SHOL, its venues, and its people. Therefore, the forecasts for 2023-24 and for 2024-25 include the impacts of investment in, and start-up of, new venues. In 2023-24 this includes the non-recurring costs associated with the transformation and the opening of the White House in Southport, and it is assumed in the business plan that there will be non-recurring start-up costs associated with the next growth project for the company.

- 4.6 The improvement in performance of the company over the coming years will derive from:

- Steady economic recovery and improved outlook for the hospitality sector (in accordance with the factors outlined in section 2).
- Continued improvement in performance at the Lake House and at the White House, as reputation and as revenues continue to grow over time.
- Selective growth of the business into new venues during the Business Plan period, as per section 4.5. Pursuit of new opportunities will be managed in accordance with the Board's governance procedures, and where applicable in accordance with the Council's financial procedure rules.

- 4.7 The previous business plan anticipated repayment of the shareholder loan, and any dividends, commencing from year 6 of the business (financial year 2026-27 onwards). Although this is outside the period of the Business Plan reported herein, this remains the target for the business and its Board. As previously stated, this will be reevaluated on an annual basis.

5. Shareholder Loan

- 5.1 As previously reported, the Council has approved a loan agreement between it and the company. Taking into account changes to the external economic environment, and the impact of those changes on the Business Plan, the Loan Agreement will be updated to comprise a revised amount of £1.4m (an increase from £0.5m in 2022).

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- 5.2 This increased shareholder loan supports the business in its long-term sustainability given these external pressures, while also supporting the future growth of the business as per section 4.6.
- 5.3 The Loan Agreement will be updated to take account of this revised amount and given the value of the loan this will be signed under seal by the Chief Legal and Democratic Officer, or an appropriate officer with delegated authority to seal documents.

6. Governance

- 6.1 Each of the Council's wholly-owned companies is governed by a Board of Directors, who in turn report to a shareholder representative. The Chair of SHOL has stepped down from the company's board during financial year 2023-24 for personal reasons.
- 6.2 It is proposed that the Executive Director (Place) is appointed as an interim chair of the board, while an external process is undertaken to identify a suitably experienced independent chair of the board. This ensures continuity from a governance perspective while the required time is taken to secure the right candidate for the role and for the business.
- 6.3 From an operational management perspective, leadership structures and operational procedures are in place to support business performance and growth, with the senior management team now reporting into the board on a monthly basis.
- 6.4 In the long-term, the aim will be to replace the Council officers on the board with independent directors. Approval of any changes and appointments will be in accordance with the company's scheme of delegation and in accordance with the Council's procedure rules for appointment to external bodies where applicable.

7. Risks

- 7.1 Each of the Council's wholly-owned companies has a risk register in place. SHOL's key risk areas are summarised below.

Risks	Potential Impacts	Mitigating Actions
Prolonged economic challenges and hospitality market conditions	Continued impact on customer demand, footfall and revenues	* Commercial management of venue operations and costs. * Proactive marketing and delivery of offer differentiated by quality in a competitive sector. * Continued monitoring of market conditions and outlook in partnership with the Council – including part of company's quarterly board reporting.

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Continued cost inflation pressures	Impact on venue and company profitability	<ul style="list-style-type: none"> * Commercial management of venue operations and costs. * Continued focus at venue and business level on procurement and efficiency opportunities while sustaining quality of offer. * Continued monitoring of market conditions and outlook in partnership with the Council – including part of company's quarterly board reporting.
Retention of leadership and management team in a competitive environment	Loss of leadership from cultural, operational and commercial perspective would impact company performance.	<ul style="list-style-type: none"> * Formal and informal relationships with, agreements with, and support for leadership and management team to ensure retention (led at Board level).
Attraction and retention of staff in a competitive environment	Impacts operational and commercial performance of venues, impacting customer experience	<ul style="list-style-type: none"> * Continued quality of employment offer to all workforce (T&Cs, culture, training and progression opportunity) * Continued focus on market conditions and outlook
Performance of existing and new venues does not meet expectations	Failure to achieve Business Plan targets	<ul style="list-style-type: none"> * Retain strength of operational and commercial leadership team, processes and culture * Commercial management structures to enable daily and weekly forecasting and reporting at venue and at business level * Monthly financial reporting to Board and quarterly financial reporting to shareholder to ensure early visibility of performance
Failure to secure suitable independent Board Chair	Failure to secure long-term Board leadership, failure to secure quality support for leadership team	<ul style="list-style-type: none"> * Robust support from interim Chair and shareholder for leadership team * Time taken to secure the right candidate(s) with suitable experience, expertise and cultural fit for the role * Ensuring a quality offer for the target candidate once identified

7.2 Key risks will be monitored by the management team on an ongoing basis, and will form part of Board reporting on an ongoing basis.

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8. Conclusion

- 8.1 External factors have severely affected all businesses in the sector. The cost of living crisis has affected customer demand and revenues across the industry, and severe cost inflationary pressures (especially in energy costs and food costs) have impacted profitability as not all costs can be passed through to customers in such a competitive environment.
- 8.2 Despite these economic pressures, the business is operating venues in assets that have been transformed in recent years, and that are now attracting strong footfall and good reputations.
- 8.3 The Council remains committed to the long-term future of the business. Despite current economic challenges, there is confidence in the long-term future for the sector, for the venues, and in the opportunity for growth.
- 8.4 This opportunity for continued growth particularly relates to SHOL's workforce, as the business has created more than 50 quality employment and career opportunities to date for local people. The business and the Council as shareholder remain wholly committed to the creation and maintenance of these prospects for local people, and to the role of the company and its venues as a key partner in the communities in which it operates.

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Report to:	Cabinet	Date of Meeting:	7 December 2023
Subject:	Phase 1 Business Plan for Sandway Homes Ltd.		
Report of:	Assistant Director Growth and Housing	Wards Affected:	All
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 provides Cabinet with an update on the progress and delivery of new homes as part of the Phase 1 Business Plan for Sandway Homes Limited and follows on from the revised Business Plan approved by Cabinet in September 2023.

As agreed in the paper considered by Cabinet in September 2023 this report provides an update on delivery of construction activity and forecast financial performance, comparing this to the previously agreed Business Plan.

The report will also provide details of the current progress in respect of Phase 2 Business Planning.

Recommendation(s):

Cabinet is requested to:

1. Note the updated position of the Phase 1 Business Plan approved by Cabinet in September 2023.
2. Consider the range of external economic factors and risks that have the potential to impact the delivery and financial performance of the Phase 1 Business Plan and confirm acceptance and understanding of these and the material impact that they may have.
3. Note the current position in relation to Phase 2 Business plan, and that if there are any further material variations to this a further report will be brought to Cabinet at the earliest opportunity.

Reasons for the Recommendation(s):

Since 2016 the Council has been considering its role in the provision of housing throughout the Borough to complement an active third and private sector market. There is significant demand for housing sites and housing development within Sefton, with over 11,000 housing units being required, over the Local Plan period, to meet with the local housing demand. There is a national shortfall of circa 1m homes (of which

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400,000 fall into affordable homes) whilst across the Liverpool City Region a total of circa 50,000 housing units will be required in the medium term. We are currently in the midst of a 'housing crisis' driven by a shortage of high quality, secure and affordable homes for our residents. Sandway Homes has helped meet some of this shortfall, and the recommendations, and the proposals for future phases outlined in this paper will ensure that they continue to do so. The homes that Sandway are developing in the borough will increase housing completions and the availability of choice for residents and those wishing to live in Sefton.

This will be achieved by working with the council and stakeholders including Homes England and the Liverpool City Region Combined Authority to leverage in brownfield enabling funds to assist the local authority in proactively re-developing sites included in its brownfield disposal register.

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

There are no alternative options to be considered.

What will it cost and how will it be financed?

(A) Revenue Costs

All financial implications are discussed in detail within the report.

(B) Capital Costs

All financial implications are discussed in detail within the report.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):	
All financial implications are included in the report	
Legal Implications:	
None.	
Equality Implications:	
None.	
Impact on Children and Young People:	
No Impact	
Climate Emergency Implications:	
The recommendations within this report will	
Have a positive impact	No
Have a neutral impact	No
Have a negative impact	Yes
The Author has undertaken the Climate Emergency training for report authors	Yes

Contribution to the Council’s Core Purpose:

Protect the most vulnerable:
Facilitate confident and resilient communities: The proposals will add housing choice within the heart of Sefton’s communities, facilitating confidence.
Commission, broker and provide core services: Projected returns to the Council, as sole shareholder, from SHL which will provide revenue to contribute towards service provision.
Place – leadership and influencer: Housing is a significant contributor to building a better sense of place
Drivers of change and reform: Physical infrastructure (housing) is a significant contributor to and enabler/catalyst for change.
Facilitate sustainable economic prosperity: The proposals will make a significant contribution to the local economy, both by way of a direct impact to construction and civil engineering jobs, but additionally providing a housing supply and choice for residents wishing to live and work in Sefton and across Merseyside
Greater income for social investment: The approved Business Case identifies the opportunity for SHL to commission a greater level of social value.
Cleaner Greener: The 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 (FD7423/23) and the Chief Legal and Democratic Officer (LD5623/23) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

None

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Implementation Date for the Decision

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

Appendices:

None.

Background Papers:

None

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1. Introduction/Background

- 1.1 The need for more housing in the borough is well established, and outlined in the adopted Local Plan formally adopted by Cabinet on the 20th April 2017. The Local Plan details a requirement for 11,000 new homes over the plan period to 2030. Since the adoption of the Local Plan securing good quality affordable homes has become an even greater challenge for our residents follow the pandemic, and the 'cost of living' crisis.
- 1.2 The council set up Sandway Homes in 2018 in response to the critical need for new homes in the borough to help meet housing need by providing high quality affordable and outright sale homes, and social housing in Sefton. The Phase 1 Business Plan was approved by Cabinet in July 2019 and comprised three sites:
 - Bartons Close, Crossens
 - Meadow Lane, Ainsdale
 - Buckley Hill Lane, Netherton
- 1.3 Since approval development has commenced at Bartons Close in Crossens, and Meadow Lane in Ainsdale. Both sites are well on the way to being completed, delivering 78 homes, 25 of which are available as affordable housing. However, as with all housebuilders, Sandway has been impacted by the wider economic issues being seen across the country.
- 1.4 Since the approval of the Phase 1 Business Plan Cabinet has been provided with updates in September 2020, October 2021, December 2022, and September 2023.

External Economic Climate
- 1.5 Members were briefed as part of the update provided in September 2023 on the current economic environment, on the back of wider and unprecedented post pandemic economic uncertainty. This continues to be extremely challenging for businesses and residents with rising interest rates, and high inflation and the cost of living crisis..
- 1.6 The impact on the housing sector is particularly sensitive to these operating conditions and has impacted the company due to:
 - Mortgage rates increasing meaning that previous mortgage deals will have either been removed from the market or increased in cost, thereby making potential buyers revisit their plans. Economists predict that further rises in interest rates could further weaken the UK's housing market.
 - Potential buyers having fewer financial resources to purchase a home.
 - Supply chain issues leading to works delays; and
 - Inflation pushing up prices for construction works.
- 1.7 The operating environment for housebuilders like Sandway has not improved in the 3 months since the last update. This report provides a further update on the delivery of the Phase 1 Business Plan along with an overview of Phase 1A the development of the former Bootle High school which will be presented to Cabinet for approval in July/August 2024

2. Construction Programme Update

2.1 At the Cabinet meeting of September 2023 Cabinet was advised that the estimated completion of the two current sites at Meadow Lane, Ainsdale and Bartons Close, Crossens was delayed compared to the previous update presented in December 2022.

2.2 As a consequence of the ongoing economic challenges the estimated completion of both the Meadow Lane and Bartons Close site has slipped. As reported in September it was anticipated that Bartons Close would be completed by August, and Meadow Lane by October 2023. However, it is now anticipated that both sites will now be completed by December 2023. Bartons Close is largely complete with only the minor works to be finished.

Table 1 below summaries these changes:

Table 1: Estimated Completion of Phase 1 sites

Site	December 2022		September 2023		December 2023	
	Start on Site	Completion	Start on Site	Completion	Start on Site	Completion
Meadow Lane, Ainsdale	Dec 2020	July 2023	Dec 2020	Oct 2023	Dec 2020	Dec 2023
Bartons Close, Crossens	Feb 2021	May 2023	Feb 2021	July/Aug 2023	Feb 2021	Dec 2023
Buckley Hill Lane, Netherton	April 2023	July 2025	Oct 2023	Nov 2025	Nov 2023	May 2025

Bartons Close:

2.3 Progress continues at Bartons Close, with 12 completions taking place in the 2022/23 financial year, and a further 4 completions up to the period ending October 2023. The conclusion of the Section 38 agreement with SMBC highways and the S104 agreement with United Utilities is on-going due to the required technical changes requested by the Council regarding the adoption of parking bays and a turning head, after initial technical approval having been received.

2.4 As outlined above construction is expected to be completed by December 2023. There are currently 4 unreserved properties at the site, however the team is confident these will be reserved due to the homes being available for viewing due to reduced site construction.

2.5 One positive outcome of the current challenges facing the housebuilding sector is that a number of housebuilders are seeking to sell more properties directly to social housing providers. Sandway has also seen the same trend and a social

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housing provider has expressed an interest in purchasing an additional 3 homes on the Bartons Close site and 2 on Meadow Lane. This would be over and above the planning policy required affordable housing already provided on the site. Should the social housing provider acquire these properties only 1 home would be left to be sold. It should be noted that bulk sales such as the one being discussed with the social housing provider would typically take place between 90 – 95% of market value, however, if this transaction did take place the financial impact can be contained within the current estimates in this report. In the event that social housing provider does not purchase these 5 properties the company as stated still believe that they will sell all the remaining homes on the open market.

- 2.6 The provision of additional affordable housing on newbuild sites across the borough is generally welcomed because as members know the current economic challenges has led to an increase in the demand for this type of accommodation.
- 2.6 The Company is currently waiting on formal offer and timeframe from the social housing provider on this positive option to sell these additional properties.
- 2.7 In addition, the site has attracted a number of cash buyers which has helped protect from the current economic uncertainty regarding mortgage rates. However, the ongoing economic challenges remain a risk to current reservations and the company is seeking to move these forward to completion as soon as possible.

Table 2: Summary of sales at Bartons Close

Unreserved	4	20%
Cash	4	20%
1 st time Buyer	4	20%
Sale / Mortgage	8	40%

Meadow Lane

- 2.8 Meadow Lane achieved 12 open market sales in the 2022/23 financial year, with a further 11 completions to the period ending 31st October. The site currently has 3 unreserved properties. Sandway is optimistic the remaining homes will be reserved before the construction is completed in December 2023, and have robust sales and marketing plans in place. As with Bartons Close, a number of reservations at this site are cash buyers, however there are also a number of first-time buyers, who may be more impacted by the increasing mortgage rates.
- 2.9 The team is in regular contact with the sales agent to review sales prices and ensure they are in line with market valuations. All recent house valuations have been achieved. The company will continue to monitor market prices. There is a small amount of sales incentive remaining for the two live sites, which can be used should there be a decrease in sales valuations.

Table 3: Summary of Sales at Meadow Lane

Unreserved	3	9%
Cash	13	39%
1 st time Buyer	8	24%
Sale / Mortgage	9	27%

From this analysis and update the company are advising the council that both sites are in a favourable position with regard to final sales and completions

Buckley Hill Lane

- 2.10 As outlined in the update provided to Cabinet in September 2023, the Buckley Hill Lane scheme was re-tendered in order to achieve best value for the company. The contract sum has now been confirmed and the contractor took possession of the site in early November. Construction is estimated to take 20-months with the contract split over 5 phases with sectional completions in each phase which will allow construction to pause if there is a significant downturn in the market. This is a key risk management feature and reflects both learning from the first 2 sites and also the current economic conditions that are impacting the sector.
- 2.11 On the 2nd November Cabinet approved a proposal for the Council to acquire 18 apartments, a mix of 1 and 2 bedrooms across two separate apartment blocks, on the site for use as Council Housing. The homes will be provided to households in housing need at social rent level and is a major milestone in the Council's strategy to intervene directly in the market to help address housing need in the borough.
- 2.12 In addition to the new Council owned homes, a social housing provider has made an offer on eight two-bedroom houses, and this would represent a significant reduction in sales risk for the company leaving 37 of the 45 open market homes to sell

3. Financial Performance

- 3.1 In September 2023, Cabinet were informed that the dividend from this first phase would be £300,880 and this is expected to remain unchanged. The dividend payable to the Council is in addition to the capital receipt from the 3 sites of £2.2m.
- 3.2 Delivery of this dividend is dependent on a number of factors including achieving estimated sales valuations and sales rates at Buckley Hill Lane and the company maintaining its cashflow position in terms of further loan drawdowns. However, as outlined below all risks are being carefully managed. The Council's Medium Term Financial Plan will need to be updated to reflect this position.
- 3.3 Following a review of all current and potential sales prices for homes, the income due from Phase 1 is now expected to be £32.8m. This reflects updated valuations for properties which are sale complete. The Company also continues to track comparable sales performance on similar developments in the borough. The sales contingency contained within the plan, provides headroom for fluctuations in values, and accommodates sales incentives on future plots as the market continues to slow. This is obviously a volatile area of the market at present and will need to be the subject of continual review and monitoring over the coming months and risk is attached to this estimate.
- 3.4 Similarly, construction costs and contingencies have increased during the last 12 months that take account of inflation, supply chain issues and as outlined above changes introduced by Government to the Building Regulations.
- 3.5 Because Phase 1 has taken longer than originally anticipated the company will be carrying overhead costs for a longer period and the full impact of this is to be

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determined. As reported, most of the delays have been driven by external economic factors as well as through the redesign of Buckley Hill Lane but the cost of the overhead has now increased to an estimated £3.35m.

- 3.6 This is a slight reduction from the figure reported in December 2022 due to a small reallocation of overhead that should have been allocated to construction costs. If a Phase 2 programme is approved and commences before the end of Phase 1, a proportion of these overhead costs will be charged against Phase 2. Although not formally agreed, the team is currently monitoring time spent on phase 2 site investigations.

4 Timing of Dividend and Debt Repayment

- 4.1 In September 2023 Cabinet was advised that due to the issues discussed in this report, without any changes to the approach to construction the dividend and Phase 1 debt would be payable in November 2025. This position remains unchanged. As discussed earlier in the report, as the company looks to present the council with a business plan for the next site to ensure a continuation of activity and to build on the progress of Phase 1, a key decision for the council will be the level of cash flow funding to be provided for that phase and how this is treated- for example will this be a continuation of the current facility both in terms and level of funding or will a separate agreement be required. Work on the options available will commence at the start of 2024 and be presented to members. Ultimately the level of risk or support required will not change however the governance of that arrangement will be important to define.

Members are asked to note that the loan agreement between the council and the company has recently been updated and this has been signed by both parties and sealed by the council's legal team.

5. Risks

- 5.1 Sandway has a risk register which is considered both in management meetings and by the Board. A summary of the main risks and mitigating actions, and the potential impact on the council as at November 2023 for Phase 1 is below:

Risk	Mitigating Action	Potential Impact
Failure to find buyers and/or to realise the predicted valuations for the unsold plots on the Phase 1 sites	Ongoing monitoring of the housing market. Ensure works are measured in line with the valuations to ensure financial exposure is limited. Utilise incentives to stimulate sales if needed Current sales forecast is based on prudent open	Potential impact on the dividend

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	<p>market sales values and a sales rate of 3 completions per month. Sales rates will also be reviewed in line with market conditions</p> <p>Sale to an investor or Registered Provider</p> <p>Retention of the properties for use as Council Housing</p>	
<p>Further delays on the diversion of services at Buckley Hill Lane, may lead to a review of the contract sum with potential cost increases</p>	<p>Monthly project meeting with the contractor to ensure site is on programme and budget</p>	<p>Potential impact on the dividend</p> <p>Reputational risk from failure to meet the obligations under the Brownfield Land Fund</p>
<p>Further interest rate rises impacting on mortgage rates for buys</p>	<p>The Buckley Hill Lane contract gives the ability to pause construction as part of the sectional completions within the JCT design and Build contract if market slows</p>	<p>Reputational risk from failure to meet the obligations under the Brownfield Land Fund</p>
<p>Programme delays</p>	<p>Phasing plan produced and agreed. There will be penalties if each phased handover is missed</p>	<p>Reputational risk for the council if there are delays or issues such as unresolved snagging works</p>
<p>Contractor Failure</p>	<p>Insolvency cover from contractor will ensure there are funds to appoint a new contractor should they be unable to fulfil the contract. This is part of the contract documents</p>	<p>Delays while a new contractor is appointed may lead to reputational risk</p>

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6. Future Schemes

6.1 As previously highlighted to Cabinet Sandway has been working on proposals for two sites at the former Bootle High School site and land at Benthams Way in Southport as part of a Phase 2 Business Plan.

6.2 Following the report to Cabinet in September 2023, there has been a further review of the schemes originally identified as Phase 2. Both the Bootle High and Benthams Way sites have received Combined Authority (CA) funding totalling £1.03m. However, the proposal at Bootle High has progressed further than Bentham's Way and it is now proposed that the phasing of future schemes is amended and that development of the Bootle High site is completed in two parts with the first housing on the site developed as a standalone scheme as part of a Phase 1A business plan proposal.

Phase 1 A

6.3 The Bootle High Phase 1 scheme which was submitted for planning at the end of October comprises 53 homes, of which 8 are designated affordable housing with the remaining 45 for outright sale.

6.4 The scheme would be tendered via a single stage tendering process based solely on contract sum. Ten contractors have been identified and expressions of interest have been sent out.

6.5 It was originally reported that a report for relating to this proposal for Bootle High Phase 1 would be presented in February 2024. However further financial modelling has concluded that the scheme cannot start on site until October/November 2024 due to the impact on Sandway's peak debt position and therefore the tendering process has been deferred. The current intention is that a report will be provided to Cabinet in July/August 2024 as at that stage the company will have a firm contract sum available to inform decision making. .

Phase 2

6.6 The company has identified several pipeline schemes that will form a future pipeline of schemes. These schemes have the capacity to realise the development of further 421 homes to the borough. The schemes identified are:

Site	Plots
Bootle High -Phase 2	23
Dale Acre	32
Bentham's Way	70
Forest Road	46
Ainsdale Hope	234
PDC	16
Total	421

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6.7 By 2031 Sandway aim to have delivered 615 new homes in the Borough. To date the feasibility costs relating to Bartons Close and Meadow Lane have been secured via CA funding. However, there is no further funding anticipated for future sites until April 2025. Sandway wants to maintain the momentum of development and is proposing that feasibility costs are funded within the current business plan. We have received estimated costs for this work across several site which totals circa. £3,000,000. As additional CA funding is anticipated in March 2025 it is hoped that these feasibility costs could be funded via new CA funding streams.

6.8 Feasibility Cost Table

	Bootle High - Phase 2	Dale Acre	Bentham's	Forest Rd	Ainsdale	PDC	Total
PLOTS	23	32	70	46	234	16	421
HIGH-LEVEL BUDGET FEES TO END OF RIBA STAGE 3	310,989	310,989	560,262	355,629	1,173,228	378,778	3,089,875

6.9 Timing of Feasibility costs

Site	Plots	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Bootle High 1		Feasibility	Start on Site	Sales Period					
Bootle High 2	23		Feasibility	Start on Site	Sales Period				
Bentham's Way	70		Feasibility	Start on Site	Sales Period				
PDC	16			Feasibility	Start on Site	Sales Period			
Dale Acre	32			Feasibility	Start on Site	Sales Period			
Forrest Road Depot	46				Feasibility	Start on Site	Sales Period		
Ainsdale Hope - Phase 1	78			Feasibility***	Start on Site	Sales Period			
Ainsdale Hope - Phase 2	78					Start on Site	Sales Period		
Ainsdale Hope - Phase 3	78						Start on Site	Sales Period	
	421		871,251	1,862,995	355,629				

(*** Feasibility for Ainsdale hope assumed to be funded by new combine authority funding)

7. Conclusion

7.1 As members are aware the economic turmoil affecting the country has not significantly improved since the last update was provided in September and as is the case with all housebuilders this has impacted on the Business Plan. However, the risks associated with this are being closely managed, and this update forms part of that approach to ensure that members are regularly updated during this difficult period.

7.2 The first two sites at Bartons Close and Meadow Lane are largely complete and although sales have slowed, the company is advising the council that it is confident that all the plots will be sold. As reported in September adjustments

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have been made to the delivery of the final site at Buckley Hill Lane to provide more control, notably the inclusion of phasing arrangements in the contract so that delivery can be slowed down should sales also slow further. The company has a strong and growing brand profile, a popular product and is working closely with marketers to continue to deliver in the most challenging of contexts. Testament to the confidence in the quality of the product can be evidenced by virtue of ongoing interest in the properties currently marketed for open market sale, by a number of Housing Associations.

- 7.3 As is the case with all districts Sefton is experiencing significant housing pressures at present, particularly in homeless. The drivers of these issues are national and economic in nature and beyond the scope of influence that the council has. However, we can respond locally and intervening directly in the market is an opportunity to help provide the housing that so desperately needed in Sefton. Sandway has provided affordable and market housing in the borough and will continue to deliver those much needed properties including 18 council properties on the next site at Buckley Hill Lane. Sandway should not be seen in isolation of the Council Housing Programme as both initiatives support each other and has the potential to make a real impact for our residents over the next few years.
- 7.4 As noted in September had the Council disposed of these sites to private developers, it would have simply received a capital receipt (which in all likelihood would have been eroded over time and through negotiation, due to market conditions and impacts on deliverability and viability). Sandway has not sought to renegotiate, and the Council can be reassured of receiving the originally negotiated capital receipt. It has provided a loan facility which it benefits from a return on as well as repayment, and the company is also delivering a dividend (albeit this has reduced for all the aforementioned reasons).
- 7.5 The Company has also made great efforts to deliver housing estates which are fully Policy compliant, and deliver the highest standards of development, internal and external spaces, interface distances and gardens, affordable housing and other infrastructure and obligations. All, thus far, on Brownfield sites which have proven hitherto to have an absence of any major market interest and to be challenging to develop in many ways.
- 7.6 The Company continues to deliver housing numbers, housing quality and a return to the Council, all of which underpinned the original aims and objectives of the initial business case, and all those iterations reported subsequently. Any further changes to either the risk profile, or the actual or forecast company outputs will be reported to Cabinet.

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Report to:	Cabinet	Date of Meeting:	7 December 2023
Subject:	Microsoft Azure and Office 365 Licences		
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 sets out the background for the Councils main Microsoft provision which briefly comprises of Office 365 end user licences (including email services), PowerBI subscription (used for business intelligence and reporting), Sefton's Azure cloud environment, the Azure managed service and Server Cloud Enrolment for SQL databases. These functions make up a large portion of the Councils ICT provision used by officers to conduct their day-to-day duties, helping provide services to the public and the Councils stakeholders.

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 2024.

Recommendation(s):

(1) That the Executive Director of Corporate Resources & Customer Services be authorised to select an appropriate framework provider to conduct a direct award procurement exercise leading to the forming of a new contract for the provision of Microsoft Office 365 licences used by Council staff and also usage of the Council's cloud environment Microsoft Azure (which hosts the majority of the Councils Data Centre) with a view to entering into a contract for a period of 3 years plus an optional 1-year extension period for contingency; and

(2) That 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

Reasons for the Recommendation(s):

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To ensure that Council staff 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: (including any Risk Implications)

To conduct a competition via a framework for a new provider, however due to the timing of the new Microsoft DTA agreement and the current challenges with the existing frameworks this would be incredibly challenging in terms of timescales to deliver.

What will it cost and how will it be financed?

(A) Revenue Costs

The current cost of this service is around £1.385m per annum. Whilst parts of the provision remain relatively fixed (circa £821k per annum), other parts such as Azure usage, which is the Councils cloud computing environment flex with use and also increase or decrease as new services are required or discontinued. Over the past 6 months, this has averaged around £47k per month.

The funding for this contract renewal exists already within the corporate ICT Contract Revenue stream (GF63).

(B) Capital Costs

There are no capital costs expected from this procurement.

Implications of the Proposals:

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

Financial

It is unlikely that costs will reduce or remain the same based upon general inflationary rises over the past couple of years and noting that when entering into the current contract, prices were fixed for the term of the contract.

Costs will only be able to be identified after negotiations complete between Microsoft and the Crown Commercial Service for the new 'DTA' which is discussed further into this report.

Product costs are set by Microsoft with resellers typically applying a small marginal percentage on top.

IT:

There are no negative implications expected.

Staffing:

The awarding of a new contract is not envisaged to have any staffing implications for the Council.

<p>Assets: There are no expected implications regarding Council assets expected in relation to this procurement exercise.</p>								
<p>Legal Implications: The procurement exercise proposing to be undertaken will be compliant with Public Contract Regulations 2015.</p>								
<p>Equality Implications: There are no equality implications.</p>								
<p>Impact on Children and Young People: No</p>								
<p>Climate Emergency Implications: The recommendations within this report will</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Have a positive impact</td> <td style="padding: 2px; text-align: center;">No</td> </tr> <tr> <td style="padding: 2px;">Have a neutral impact</td> <td style="padding: 2px; text-align: center;">Yes</td> </tr> <tr> <td style="padding: 2px;">Have a negative impact</td> <td style="padding: 2px; text-align: center;">No</td> </tr> <tr> <td style="padding: 2px;">The Author has undertaken the Climate Emergency training for report authors</td> <td style="padding: 2px; text-align: center;">Yes</td> </tr> </table> <p>This service will have a neutral impact because it is a renewal of an existing service, the move to Azure Cloud completed by Sefton has already reduced the local carbon footprint by significantly reducing the size of the local data centre.</p>	Have a positive impact	No	Have a neutral impact	Yes	Have a negative impact	No	The Author has undertaken the Climate Emergency training for report authors	Yes
Have a positive impact	No							
Have a neutral impact	Yes							
Have a negative impact	No							
The Author has undertaken the Climate Emergency training for report authors	Yes							

Contribution to the Council's Core Purpose:

Protect the most vulnerable: Not applicable
Facilitate confident and resilient communities: Not applicable
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: Not applicable
Greater income for social investment: Not applicable
Cleaner Greener: Not applicable

What consultations have taken place on the proposals and when?

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(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.7428/23) and the Chief Legal and Democratic Officer (LD.5528/23) have been consulted and any 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:	David Harris
Telephone Number:	0151 934 3721
Email Address:	david.harris@sefton.gov.uk

Appendices:

There are no appendices to this report.

Background Papers:

There are no background papers available for inspection.

1. Introduction/Background

- 1.1 The Council and its staff use an array of Microsoft products, services and licences to conduct its business which are detailed within section 3 of this report.
- 1.2 This provision is currently provided under contract by the Councils incumbent provider Phoenix Software Ltd after the Council conducted an OJEU and Public Contract Regulations (2015) compliant mini-competition tender process using a Crown Commercial Services Framework in 2021
- 1.3 That contract started on 1 May 2021 for a duration of 3-years and is due to end on 30 April 2024.

2 Current Arrangements

- 2.1 The Council currently uses the following Microsoft products and services under the current contract;
 - Microsoft 365
 - Power BI Subscription
 - Azure Cloud Environment
 - Azure Managed Service

- Server Cloud Enrolment for SQL Databases

3 Description of Current Services

Microsoft 365

The M365 Suite (or Microsoft 365) is a suite of applications hosted in the cloud, and includes applications such as Teams, Word, Excel, PowerPoint, Outlook (email), One Drive and SharePoint. All of these applications are deployed as core line of business applications across all service areas.

Power BI Subscription

Power BI is a business intelligence tool provided by Microsoft for the analysis of raw data into intelligence. Power BI is being deployed across Sefton as part of the Business Intelligence strategy along with the Data Warehouse.

Azure Cloud Environment

The Azure Cloud environment is used to securely host and deploy a number of line of business applications used across the Council, the platform also provides resilient fail over for critical applications.

Azure Managed Services

These services offer various security and compliance features to ensure that data stored in the Azure cloud is protected from cyber threats and compliant with good practice. In addition, it is possible to right size the environment on an ongoing basis to ensure that Sefton only pays what is consumed. This ongoing rightsizing ensures the delivery of best value.

Server Cloud Enrolment for SQL Databases

This is an enrolment under a Microsoft Enterprise agreement that allows Sefton to standardise its technology in place and benefit from economies of scale in relation to licencing costs.

4 Outline of Digital Transformation Agreement

- 4.1 With the current contract due to end on 30 April 2024, the Council must enter into a new contract for the supply of the above services. However, this contract award can only be made after a new Memorandum of Understanding (MoU) is in place between Crown Commercial Services (CCS) and the Microsoft Corporation.
- 4.2 This MOU negotiation is carried out every 3-years and is known as a Digital Transformation Arrangement. The Council's current arrangement with Phoenix Software Ltd was underwritten by 'DTA21'
- 4.3 The next iteration of the DTA agreement between CCS and Microsoft will be known as 'DTA24' and is still currently being negotiated but will be confirmed in advance of the current DTA ending on 30 April 2024.
- 4.4 In using a DTA, it ensures UK Public Sector Organisations such as the Council are guaranteed special pricing and special terms over entering a new contract without one.

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5 Proposed Procurement Route

- 5.1 It is being proposed that the Council having ran a competitive competition for the current contract should utilise a direct award facility for the next three years of these services noting that direct awards are allowed to be utilised within both the Councils internal Contract Procedure Rules and Public Contract Regulations 2015.
- 5.2 Prices offered by Microsoft to suppliers are set within the DTA and small margins are typically then added by suppliers when supplying goods and services to customers such as the Council.
- 5.3 The Council has gained added value from the incumbent provider during the term of the current contract including extra support with right sizing its Azure environment, which streamlined and optimised its use. There has also been significant support with other aspects of the contract such as enterprise level licencing support and advice.
- 5.4 There are potentially a number of frameworks that could be used for this procurement, however that the time of writing this report there are a number of frameworks from different hosts expiring and new ones due to be established. Therefore, an evaluation will take place prior to procurement commencing and a recommendation made to the Executive Director of Corporate Resources & Customer Services.
- 5.5 As such, this report is seeking permission to run a direct award procurement via a currently unnamed framework. This recommendation is made in light of the fact that there is currently not a clear procurement route making it incredibly difficult to commence a competitive procurement within the timescales available, in addition the Council has received excellent services from the incumbent supplier over the last three years, they are also currently recognised as a market leader by Microsoft themselves and delivered on value for money during the procurement completed three years ago. For a contract of this size the authority would usually only look to go to market after a five + two year contract but are restricted from letting a contract for such a period due to the fact that Microsoft review their own pricing every three years.
- 5.6 The framework to be used however, will be decided as more frameworks become available and will be from one of the above providers which the Council has used each of before for other procurements noting that it will be ensured that whichever framework is used will be compliant with Public Contract Regulations 2015.

6 Next Steps

- 6.1 Should the recommendation of this report be accepted and approved, the Executive Director of Corporate Resources & Customer Services will be recommended a compliant framework (per above) before the end of the calendar year, for consultation with the Cabinet Member.

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- 6.2 Framework specific Direct Award procedures will then be followed to enter in to a new 3-year contract with the incumbent provider Phoenix Software Ltd for the core Microsoft ICT services mentioned within this report.
- 6.3 Subject to negotiations and Legal reviews, a contract will be entered into after Crown Commercial Services and Microsoft complete their DTA24 agreement. A new contract will need to be live from 1st May 2024.

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Report to:	Cabinet	Date of Meeting:	Thursday 7 December 2023
Subject:	Financial Management 2023/24 to 2026/27 - Revenue and Capital Budget Update 2023/24 – December 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 position relating to the 2023/24 revenue budget.
- 2) The current forecast on Council Tax and Business Rates collection for 2023/24.
- 3) The monitoring position of the Council's capital programme to the end of September 2023:
 - 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 position relating to the 2023/24 revenue budget.
- 2) Note the actions being taken to refine forecasts and identify mitigating efficiencies to ensure each service achieves a balanced position.
- 3) Recognise the financial risks associated with the delivery of the 2023/24 revenue budget and acknowledge that the forecast outturn position will continue to be reviewed, and remedial actions put in place, to ensure a balanced forecast outturn position and financial sustainability can be achieved.

Capital Programme

- 4) Note the spending profiles across financial years for the approved capital programme (paragraph 7.1).

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- 5) Note the latest capital expenditure position as at 31 October 2023 of £18.642m (paragraph 7.6); the latest full year forecast is £55.731m (paragraph 7.7).
- 6) Recommend to Council the approval of a supplementary capital estimate for £0.148m for ICT Service Developments funded by prudential borrowing.
- 7) 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 (paragraphs 7.11-7.13).

Reasons for the Recommendation(s):

To ensure Cabinet are informed of the current position in relation to the 2023/24 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 2023/24 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 2023/24 following the implementation of the recommendations contained in this report that an overspend position of £2.413m is currently forecast and that further work is being undertaken to refine forecasts and identify mitigating efficiencies to ensure each service achieves a balanced position. Further mitigating actions are proposed in this report to ensure the Council returns to a balanced forecast outturn position-if these actions are not available within the approved budget, existing reserves and balances may need to be used.

(B) Capital Costs

The Council's capital budget in 2023/24 is £55.818m. As at the end of October 2023 expenditure of £18.642m has been incurred and a full year outturn of £55.731m is currently forecast.

Implications of the Proposals:

<p>Resource Implications (Financial, IT, Staffing and Assets): Currently an overspend position of £2.413m is currently forecast for 2023/24, pending further work to refine forecasts and identify mitigating efficiencies. Further mitigating actions are proposed in this report to ensure the Council returns to a balanced forecast outturn position. However, it should be noted that significant pressure and risk remains in a number of areas, particularly relating to Children’s Social Care. If budgets experience further demand and inflationary pressure during the remainder of the year further corresponding savings or financial contributions will need to be identified and approved by members.</p>								
<p>Legal Implications: None</p>								
<p>Equality Implications: There are no equality implications.</p>								
<p>Impact on Children and Young People: Yes The report highlights the current financial position relating to services provided for Children and Young People.</p>								
<p>Climate Emergency Implications: The recommendations within this report will</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Have a positive impact</td> <td style="padding: 2px; text-align: center;">No</td> </tr> <tr> <td style="padding: 2px;">Have a neutral impact</td> <td style="padding: 2px; text-align: center;">Yes</td> </tr> <tr> <td style="padding: 2px;">Have a negative impact</td> <td style="padding: 2px; text-align: center;">No</td> </tr> <tr> <td style="padding: 2px;">The Author has undertaken the Climate Emergency training for report authors</td> <td style="padding: 2px; text-align: center;">Yes</td> </tr> </table> <p>The allocations of capital funding outlined in section 8 may be spent on projects that will have a high climate change impact as they could relate to new build, rebuild, refurbishment, retrofit and demolition proposals. Environmental consideration will be taken into account when specific projects are designed and tendered – which will help to mitigate negative impacts.</p>	Have a positive impact	No	Have a neutral impact	Yes	Have a negative impact	No	The Author has undertaken the Climate Emergency training for report authors	Yes
Have a positive impact	No							
Have a neutral impact	Yes							
Have a negative impact	No							
The Author has undertaken the Climate Emergency training for report authors	Yes							

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> See comment above</p>
<p><u>Facilitate confident and resilient communities:</u> See comment above</p>

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<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 7438/23)

The Chief Legal and Democratic Officer has been consulted and has no comments on the report (LD 5538/23).

(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 2023/24 to 2025/26

Background Papers:

There are no background papers available for inspection.

1. Introduction

- 1.1 On 2 March 2023, Members approved the Budget for the financial year 2023/24. This budget was developed throughout the preceding nine months and took account of all known issues. Within that report, and as with previous years, the inherent financial risk within the budget, especially with respect to Children's Services, was identified. This was further reflected within the reserves' strategy for the Council, as reported in the Robustness Report also presented to Budget Council.
- 1.2 This report is the fifth of the Council's monthly budget monitoring reports and updates the revenue forecast outturn position for all services, including the pressures that have materialised since the budget was set.
- 1.3 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.
- 1.4 The capital section of the report informs Members of the latest estimate of capital expenditure for 2023/24 and forecast expenditure for 2024/25 and 2025/26. The capital budget to date is presented in paragraph 7.1. Paragraphs 7.2 to 7.10 review progress of the capital programme, including additional capital schemes. Finally, paragraphs 7.11 to 7.13 confirm that there are adequate levels of resources available to finance the capital programme.

2. Revenue Budget 2023/24 – Forecast Outturn Position as at the end of October 2023

- 2.1 Members are provided with updates of the Council's forecast financial revenue position each month during the financial year from July. As would be expected as the forecast develop through the year, they become more robust and can inform decision making. The council adopted this approach by developing its in year remedial budget actions on the back of the mid-year review position and this report builds on that.
- 2.2 As at the end of October 2023, the forecast outturn shows a net overspend on services of **£7.208m**, the majority of which relates to potential additional pressure within Children's Social Care, Adult Social Care and Education Excellence as well as the impact of the local government pay award. It should be noted that the majority of services are reporting a balanced position or are implementing local remedial actions to return a balanced position at this stage. As with all organisations at this time, the Council is operating in a very challenging financial environment. However, it is vital that the Council achieves a balanced forecast outturn position to ensure its financial sustainability. Actions to meet some of the forecast overspend were approved as part of the previous report in November. These totalled £4.795m so the net overspend position is £2.413m.
- 2.3 The table below highlights the variations across services that make up the £2.413m forecast overspend, including approved mitigating actions:

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	Budget	Forecast Outturn	Variance	Variance to September
	£m	£m	£m	£m
Services				
Strategic Management	3.936	4.035	0.099	0.006
Adult Social Care	110.394	111.394	1.000	0.000
Children's Social Care	80.150	85.183	5.033	0.000
Communities	11.494	11.359	-0.135	0.000
Corporate Resources	6.196	5.986	-0.210	0.000
Economic Growth & Housing	6.410	6.410	0.000	0.000
Education Excellence	15.303	16.807	1.504	0.096
Health & Wellbeing	19.620	18.837	-0.783	-0.135
Highways & Public Protection	10.679	10.632	-0.047	0.000
Operational In-House Services	16.182	16.261	0.079	-0.041
Energy Costs	4.200	4.200	0.000	0.000
Additional Pay Award Provision	4.333	5.833	1.500	0.000
Total Service Net Expenditure	288.897	296.937	8.040	-0.074
Mitigating Actions approved in November	0.000	-4.795	-4.795	0.000
Council Wide Budgets	14.113	13.281	-0.832	-0.048
Levies	36.193	36.193	0.000	0.000
General Government Grants	(84.086)	(84.086)	0.000	0.000
Total Net Expenditure	255.117	257.530		
<u>Forecast Year-End Deficit</u>			<u>2.413</u>	<u>-0.122</u>

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

- **Adult Social Care** – The previous forecasts assumed that the Adult Social Care budget will break-even during 2023/24. However, there are a number of significant assumptions and uncertainties that could impact on this position before the year-end. The service has also committed to a number of efficiencies and savings that amount to £5.7m, in order to meet the savings approved as part of the approved 2023/24 budget plus additional savings to meet the additional budgetary pressures arising from the increases in provider fees approved at Cabinet meetings in June 2023. The achievement of these savings will be carefully monitored throughout the year. At this time over £5m of the £5.7m of savings have been delivered.

Like all councils, the Service is experiencing growth pressure with demand for services and are seeking to meet the cost of this within the resources available,

including taking account of the additional funding from Central Government that is being made available to councils to meet increases in demand and financial pressure including those that maybe experienced during winter and in respect of discharges. Given the pressures being faced a forecast overspend of £1.000m was reported last month. However, the Service will continue to explore options to ensure that a balanced position is achieved. As would be expected with a budget of this size and volatility, this remains a key risk during the current year.

- **Children's Social Care** – The current forecast for the service shows a potential overspend of £5.033m. However, there are a number of significant assumptions and uncertainties that could impact on this position before the year-end.

Members will be aware that the 2023/24 approved budget included an additional £21m of investment in the service based on the requirement for additional staffing (including temporary funding for additional agency costs whilst more permanent staff are recruited to, including International Social Workers and from staff coming through the social work academy) as well as additional resources to reflect the number of packages at the time, some potential growth as well as resource for inflationary pressures.

The current forecast for staffing is an overspend of £0.660m. This will require robust monitoring through the year. There are a clear set of assumptions driving this forecast in terms of when expensive project/court teams will leave the Council as new staff are onboarded from the International Social Worker cohort and the academy. If these assumptions change then the forecast will be revised with additional pressure being experienced. At present the forecasts reflect that position but this is continually being reviewed and is the key risk area for the Council, therefore if this position previously reported to members changes then this will need to come back for further decision. This is also a key aspect of budget setting and medium-term financial planning.

Certain areas of accommodation and support packages are forecast to overspend by £3.472m, partly due to additional packages in the late part of 2022/23 and early part of 2023/24. As mentioned in reports last year, packages initially have been at a higher cost than previously seen. However, recently improvements in practice have resulted in more children being placed in more appropriate settings at a lower cost. This is expected to continue throughout the year. Work is currently being undertaken to review forecasts for all types of care settings based on a number of children being in higher cost settings for shorter periods, which is expected to significantly impact on the forecast. In addition, where numbers and costs of Children with Disabilities has increased, specialist work is being undertaken to ensure health are making the appropriate contributions to the cost of care.

This is the key aspect of this financial forecast- the service is stabilising and as this takes place the review of placements will also be undertaken. At present the assumption is that all support, unless known otherwise, will continue for the whole of the financial year and for a number of placements this will not be the case. Senior managers are reviewing these, and the forecast will be updated accordingly.

Members will recall that in the budget reports it was advised that a tolerance of 5% on the budget could be expected based on advice from the DfE commissioner-based on the service budget that would amount to £4m. This current forecast is

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slightly higher than that at present before the outcome of the additional reviews is to be built in.

In considering this forecast, work will also be undertaken to determine if any of this pressure is temporary or permanent in nature and needs reflecting in future budget setting processes. At present as a lot of this pressure arose from 22/23 and the start of the financial year it is estimated that the future years impact is modest at this stage, but this will be the subject of further review as the budget setting process continues.

- **Corporate Resources** – The service had previously forecast a balanced position. However, in light of the overall budget position, the Service reviewed budgets further to identify areas where savings could be made. The forecast was therefore revised last month to an underspend of £0.210m. Based on the latest information, functions within the service are therefore forecasting an underspend of £0.834m. However, there is pressure within the ICT budget from inflation on contracts that is in excess of the provision made and a loss of income from School SLAs as a result of a change in the contractual arrangement enforced by the provider for which the Council has no control. These two pressures amount to £0.624m, which is offset by the underspends across the Service. As stated, all services are underspent, and significant cost control will continue to be required between now and the year end to deliver the current forecast position.
- **Economic Growth and Housing** – The service is showing a balanced position. However, based on the latest information, functions within the service are forecasting an overspend of £0.490m, although the service are currently examining forecasts. Additional cost control will be required between now and the year end to deliver that balanced position and this position will be updated in future reports.
- **Education Excellence** – The current forecast shows a potential net overspend of £1.504m, this relates to the provision of additional SEND staff and Home to School Transport. The service is reviewing all forecasts to identify areas that will offset costs of the additional SEND staff. Members will recall that in the budget substantial funding was added to the Home to School Transport budget, but this budget has come under further pressure due to the increase in the number of EHCPs being completed and the resulting pressure in the Service.
- **Operational In-House Services** The current forecast shows a potential overspend of £0.079m which is a further improvement on the previous month. This relates to a number of areas across the Service, but mainly in Catering and the security service. The service is reviewing all forecasts to identify areas that may be able to offset these additional pressures, including from recharging additional costs being incurred, and this position will be updated at mid-year review.
- **Additional Pay Award Provision** – The approved Base Budget included a provision for the 2023/234 pay award of around 4.5%. This was line with most other local authorities who had budgeted for similar amounts. The offer from the National Employers for local government services body is for a fixed increase of £1,925, with a minimum of 3.5% (similar to the increase in 2022/23). For Sefton, this equates to an increase in the pay bill of about 6.0% or an additional £1.500m

above the amount included in the 2023/24 budget. It should be noted that this offer has now been accepted by trade unions.

3. Revenue Budget Summary 2023/24

- 3.1 An overspend of **£2.413m** is currently forecast. However, as mentioned in section 2, this is a forecast based on a number of uncertainties and assumptions. Additional work will continue to be undertaken across service areas to refine the forecasts and identify mitigating efficiencies to ensure each service achieves a balanced budget position. In Children's Social Care forecasts will be refined to take into account the improvements in practice that have seen children being placed in more appropriate settings, as well as the anticipated reduction in the number of Looked After Children, however the key risk is the staffing budget with the timing of transition between project/court teams and new permanent staff that will support a skilled and stable workforce the key variable that could impact the budget.
- 3.2 As mentioned, the Council must achieve an overall balanced position to ensure its financial sustainability. As an overall forecast overspend remains a remedial action plan to meet the residual balance has been produced and is presented below for members' approval.

Proposed Remedial Actions

- 3.3 After the mitigating actions approved by Cabinet in November 2023 there is still a forecast overspend of **£2.413m**. It is proposed to undertake a number of remedial actions, including the adoption of financial principles used in previous years, to enable a balanced forecast outturn position to ensure its financial sustainability. This will include cost control in relation to recruitment, non-essential expenditure and no further growth items / additionality.

Summary 2022/23

- 3.4 An overspend of **£2.413m** is currently forecast. The proposed actions in this report will be fully evaluated and their financial impact will be reported to Cabinet– at this stage it is anticipated that the actions proposed will meet a proportion of the current forecast overspend, with a balance estimated at up to £1.5m remaining to be funded. However, this represents the current position that has been forecast to the year end- in the event that further pressure is experienced, further remedial action will be required. As a result of using the options above, there is no flexibility left for the use of existing reserves or general balances- as a result this pressure, and any further pressure, will need to be met from within the existing Council budget and delivery monitored carefully and reported to Cabinet.
- 3.5 Should there still be a residual overspend at year end, this will need to be funded by general balances and as part of the budget process for 2024/25 the Council will need increase these back to the previous level taking into account the risks faced by the Council and the assessment of their adequacy as described in the S151 Officer's Robustness report. As stated, further work will be carried out on the remedial plan and a detailed position will be reported in the next cycle.

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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 £160.236m for 2023/24 (including Parish Precepts), which represents 84% of the net Council Tax income of £191.139m.
- 4.2 The forecast outturn for the Council at the end of October 2023 is a surplus of £0.102m. This variation is primarily due to: -
- The surplus on the fund at the end of 2022/23 being higher than estimated (-£0.314m).
 - Gross Council Tax Charges in 2023/24 being higher than estimated (-£0.404m).
 - Exemptions and Discounts (including a forecasting adjustment) being higher than estimated (+£0.616m).
- 4.3 Due to Collection Fund regulations, the Council Tax surplus will not be transferred to the General Fund in 2023/24 but will be carried forward to be recovered in future years.
- 4.4 A forecast surplus of £2.045m was declared on the 17 January 2023 of which Sefton's share is £1.716m (83.9%). This is the amount that will be recovered from the Collection Fund in 2023/24. Any additional surplus or deficit will be distributed in 2024/25 and future years.

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 £62.388m for 2023/24, which represents 99% of the net Business Rates income of £63.018m. 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 October 2023 is a surplus of -£11.119m on Business Rates income. This is due to:
- The surplus on the fund at the end of 2023/24 being higher than estimated (-£9.916m).
 - Reduction in the gross charge on rateable properties (+£0.088m).
 - A number of reliefs announced for 2023/24 were assumed in the NNDR1 return with the loss of income as a result of these reliefs covered by Section 31 grant payments. It is now forecast that the value of these reliefs will be less than anticipated (-£0.880m).
 - Adjustments relating to prior years (-£0.411m)

- 5.3 When taking into account the lower Section 31 grants due on the additional reliefs, a net surplus of £10.097m is forecast.
- 5.4 Due to Collection Fund regulations, a Business Rates deficit will not be transferred to the General Fund in 2023/24 but will be carried forward to be recovered in future years.
- 5.5 A forecast surplus of £12.836m was declared in January 2023. Sefton's share of this is £12.708m. This is the amount that will be distributed from the Collection Fund in 2023/24. Any additional surplus or deficit will be distributed in 2024/25 and future years.

6. **High Needs Budget**

- 6.1 Cabinet and Council have agreed to receive quarterly reports from the Executive Director of Children's Social Care and Education and the Assistant Director of Children's Services (Education) with regard to the High Needs budget and the changes that are proposed, details of sufficiency planning, the Council's engagement on the Delivering Better Value Programme and the current high needs deficit and the risk around future central government decision making in respect of this deficit.
- 6.2 The latest report was presented to Cabinet in July, providing detail on the current monitoring position relating to the High Needs budget. The next report will be presented to Cabinet in January.

7. **Capital Programme 2023/24 – 2025/26**

Capital Budget

- 7.1 The Capital Budget and profile of expenditure for the three years 2023/24 to 2025/26 is as follows:

2023/24	£55.818m
2024/25	£47.174m
2025/26	£47.141m

- 7.2 The following updates have been made to the capital programme budget since the previous budget report to Cabinet in November:

- **Adult Social Care:**

- £0.210m has been phased from 2024/25 to 2023/24 to implement the rollout of the Digitising Social Care Programme.
- £0.262m has been phased from 2023/24 to 2024/25 for ICT Development and Transformation.

- **Economic Growth & Housing:**

- £1.121m has been phased to 2024/25 and 2025/26 for Les Transformations de Southport project. Design work has taken longer to progress from preliminary to detailed design stage in 2023. The Traffic

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Regulation Order process has been advertised and no objections received, and work is ongoing to finalise the construction programme, appoint the contractor and begin construction in Quarter 1 2024.

- £2.041m has been phased to 2024/25 for Southport Pier Project. It was envisaged the Pier decking replacement project would cost circa £3m, however in December 2022 the Pier was closed to the public on advice of independent structural engineers. Detailed inspections then took place with final surveys being issued to the Council in September 2023 confirming the Pier must remain closed while identifying further works to the wooden substructure and steelwork. Therefore, the deck replacement in isolation has been terminated with the Council now undertaking the necessary pre commencement works to ensure a robust cost certainty is reached on the required larger scope. This includes a full delivery team along with extensive exploratory and investigative works.

- **Education Excellence**

- £0.109m has been phased to 2024/25 for Linacre Primary outdoor play canopy and main hall improvements
- £0.186m has been phased to 2024/25 for St Teresas conversion to special school for Key Stage 1 and 2
- £0.050m has been added to Waterloo Primary relocate toilets and extend ASD base project following approval under delegated authority

- **Operational In-House Services:**

- £0.280m has been added to the programme for Treescapes funding following approval by Cabinet in November
- £0.218m has been added to the programme for the Urban Tree Challenge Fund following approval under delegated authority
- £0.101m has been phased to 2024/25 for Green Sefton plant and machinery purchases
- £1.689m has been phased to 2024/25 for the Vehicle Replacement Programme
- £0.428m has been phased from 2024/25 to 2023/24 to commence work on the refurbishment of Ainsdale Beach Toilets including four Changing Places Facilities.

Capital Funding for Childcare Expansion

7.3 In the Spring Budget 2023, the Government announced a transformative set of childcare reforms aimed at increasing labour market participation. This included the largest ever investment in childcare including expansions of early years entitlements and wraparound childcare.

7.4 A further announcement was made in October as the government rolls out the next stage of delivery of its childcare plan, including £100m capital funding for local authorities to support the delivery of the expansion of the 30-hours early years entitlement for working families and of wraparound provision in maintained primary schools.

7.5 Planning is underway in Sefton to, in the first instance, increase the finance support with the increase in entitlements. In the longer term, resources will be put in place

to support childminders and start up nurseries. Detailed guidance on the capital funding allocations along with terms and conditions for the funding have yet to be published by the Department for Education. Once this has been received, a capital scheme will be drawn up and presented for approval for inclusion in the capital programme.

Budget Monitoring Position to October 2023

- 7.6 The current position of expenditure against the budget profile to the end of October 2023 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. The budget to date in the table below reflects the profiles of each individual scheme.

	Budget to October	Actual Expenditure to October	Variance to September
	£m	£m	£m
<u>Services</u>			
Adult Social Care	3.008	2.779	-0.229
Children's Social Care	0.151	0.178	0.028
Communities	0.391	0.387	-0.004
Corporate Resources	1.350	1.329	-0.021
Economic Growth & Housing	4.249	4.127	-0.122
Education Excellence	2.656	2.745	0.090
Highways & Public Protection	7.089	6.694	-0.395
Operational In-House Services	0.395	0.403	0.008
<u>Total Programme</u>	19.288	18.642	-0.646

Capital Programme Forecast Outturn 2023/24

- 7.7 The current forecast of expenditure against the budget profile to the end of 2023/24 and the profile of budgets for future years is shown in the table below:

	Budget 2023/24	Forecast Outturn	Variance	Budget 2024/25	Budget 2025/26
	£m	£m	£m	£m	£m
<u>Services</u>					
Adult Social Care	7.520	7.487	-0.032	2.660	1.850
Children's Social Care	0.602	0.726	0.124	0.100	-
Communities	2.008	2.049	0.040	0.285	-
Corporate Resources	2.597	2.597	-	0.023	-
Economic Growth & Housing	11.311	11.230	-0.081	21.809	43.977
Education Excellence	9.108	8.952	-0.156	7.899	-
Highways & Public Protection	20.234	20.242	0.008	8.453	0.322
Operational In-House Services	2.438	2.448	0.010	5.944	0.993
<u>Total Programme</u>	55.818	55.731	-0.088	47.174	47.141

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A full list of the capital programme by capital scheme is at **appendix A**.

- 7.8 The current 2023/24 budgeted spend is £55.818m with a budgeted spend to October of £19.288m. The full year budget includes exceptional items such as £9.215m for Growth and Strategic Investment projects, £1.082m for the Brownfield Housing Development fund, £0.760m for Sustainable Warmth Schemes, £1.300m for the Local Authority Housing Fund, £1.583m for Sporting Betterments at Schools, a £1.000m project for Southport Pier Decking, and a scheme to upgrade to LED Street Lighting (£3.606m).
- 7.9 Typically, on an annual basis the capital programme spends in the region of £25-30m. Given this typical annual level of spend, and although in 2023/24 there are a number of exceptional items as described above, it is likely that reprofiling of spend into 2024/25 will occur as the year progresses.

ICT Service Developments

- 7.10 A report has been presented to Cabinet regarding proposals for ICT Service Developments, further details of which can be found on the agenda for this meeting. The capital cost of the proposed scheme will be £147,549 funded by prudential borrowing. Cabinet is therefore recommended to recommend to Council a supplementary capital estimate for inclusion in the capital programme.

Programme Funding

- 7.11 The table below shows how the capital programme will be funding in 2023/24:

<u>Source</u>	£m
Grants	43.660
Prudential Borrowing	5.072
Capital Receipts	4.834
Contributions (including Section 106)	2.252
<u>Total Programme Funding</u>	55.818

- 7.12 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.
- 7.13 The Executive Director of 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.

APPENDIX A – Capital Programme 2023/24 to 2025/26

<u>Capital Scheme</u>	Budget		
	2023/24 £	2024/25 £	2025/26 £
Adult Social Care			
Disable Facilities Grants – Core Grants (DFGs)	3,000,000	-	-
Occupational Therapy Support for DFGs	663,774	-	-
ICT Development & Transformation	942,573	292,067	2,708
ICT Connectivity in Care Homes and Support Living	65,000	35,000	-
Fall Prevention Schemes	45,000	-	-
Care Home Improvements	475,449	200,000	-
Changing Places	51,327	-	-
Integrated Health and Wellbeing on the High Street	-	400,000	-
Short Term Assessment Unit	506,846	1,213,154	1,847,000
New Directions Programme	200,038	201,000	-
Technology Enabled Care	329,449	124,184	-
Community Equipment Provision	400,000	-	-
Double to Single Handed Care Equipment Provision	150,000	-	-
Community Equipment – Specialist Projects	232,435	-	-
Community Equipment Stores Improvements	65,000	-	-
Programme Support	122,922	-	-
Digitising Social Care	260,000	195,000	-
Community Based Falls Equipment	10,200	-	-
Children’s Social Care			
Support for Fostering Placements	99,370	100,000	-
Community Equipment Provision	270,000	-	-
ICT Development & Transformation	133,545	-	-
Springbrook Refurbishment	28,923	-	-
Springbrook Vehicle	70,000	-	-
Communities			
Atkinson Arts Centre Infrastructure	24,553	51,000	-
Leisure Centres – Essential Works	293,748	103,000	-
Libraries Projects	309,623	131,017	-
Neighbourhoods Projects	80,886	-	-
Local Authority Housing Fund	1,300,000	-	-
Corporate Resources			
Council Wide Essential Maintenance	1,762,785	23,000	-
Sustainable Warmth Schemes	760,092	-	-
ICT Transformation	73,812	-	-
Economic Growth & Housing			
Cambridge Road Centre Redevelopment	227,069	-	-
Crosby Lakeside Redevelopment	673,935	33,219	-
Strategic Acquisitions – Ainsdale	310,000	566,303	-
Marine Lake Events Centre	4,863,327	16,770,090	43,205,556
The Strand – Maintenance and Improvements	110,000	305,000	75,000
Enterprise Arcade	1,233,208	393,561	-

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	2023/24 £	2024/25 £	2025/26 £
Transformations de Southport	303,937	1,500,000	696,063
Bootle Canal Side Business Plan	813,867	-	-
The Strand – Repurposing Programme	680,000	-	-
Housing Investment	-	33,960	-
Social Housing Allocations Scheme	13,590	-	-
Brownfield Fund for Housing Development	1,082,336	-	-
Southport Pier	1,000,000	2,148,267	-
Town Centre Vacant Sites	-	58,764	-
Education Excellence			
General Planned Maintenance	365,605	30,249	-
Schools Programme	3,303,863	7,131,872	-
Sporting Betterment of Schools	1,583,215	-	-
Special Educational Needs & Disabilities	3,855,526	737,180	-
Highways and Public Protection			
Accessibility	668,143	-	-
Healthy Lifestyles	387,263	-	-
Road Safety	157,638	-	-
A565 Route Management and Parking	1,114,674	-	-
A59 Route Management Strategy	1,065,000	2,100,426	322,000
Strategic Planning	4,041,090	-	-
Traffic Management and Parking	67,000	-	-
Highway Maintenance	6,329,191	-	-
Bridges and Structures	475,000	1,900,000	-
Drainage	443,181	-	-
Street Lighting Maintenance	326,823	-	-
LED Street Lighting Upgrade	3,605,580	3,662,630	-
Urban Traffic Control	1,513,249	-	-
Completing Schemes and Retentions	40,000	-	-
Transport Growth Programme	-	789,813	-
Operational In-House Services			
Coastal Erosion and Flood Risk Management	1,342,664	1,924,673	898,000
Countryside Stewardship	11,659	-	-
Crosby Marine Lake Improvements	10,803	-	-
Parks Schemes	301,430	955,107	-
Tree Planting Programme	192,565	220,764	94,879
Golf Driving Range Developments	2,197	280,280	-
Ainsdale Coastal Gateway	438,186	427,989	-
Green Sefton – Vehicles, Plant & Machinery	48,335	101,152	-
Refuse Collection & Recycling	-	345,000	-
Vehicle Replacement Programme	90,000	1,689,494	-
Total Programme	55,818,499	47,174,215	47,141,206

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Agenda Item 13

Report to:	Cabinet	Date of Meeting:	7th December 2023
Subject:	Crosby New Library Outline Business Case Update		
Report of:	Executive Director People	Wards Affected:	Blundellsands/Church/Manor/Victoria
Portfolio:	Communities and Housing		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	NO, but Appendix A, the Outline Business Case, is NOT FOR PUBLICATION by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. The Public Interest Test has been applied and favours the information being treated as exempt.		

Summary:

The Cabinet agreed in August 2023 to proceed with the development of a new Library in Crosby as a stand-alone project. Cabinet also reiterated its support for the existing Library in Waterloo. That position is unchanged, and work is proceeding in relation to both.

On this basis there was a need to revisit the previous Outline Business Case for the New Library and refresh this.

Work is continuing in progressing the Crosby New Library project with a planning application in progress to secure alongside other highways and car park works, an outline consent for the new library on the Green Car Park site in accordance with the Crosby Investment Strategy and Crosby Village Supplementary Planning Document.

Alongside this work, revised design and technical work is ongoing and a Full Business Case (FBC) is in preparation in support of the project which will be reported once complete to allow further consideration of the detail design and associated costs of delivering the project in full.

Recommendation(s):

That Cabinet

(1) Approve the content of the revised and updated Outline Business Case for the Crosby New Library Project.

Reasons for the Recommendation(s):

The revised Outline Business Case for the Crosby New Library project sets out the position of the project.

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

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The report to Cabinet in May 2023 set out the range of options considered in progressing the New Library project, the majority of which remain valid in the context of the Outline Business Case (OBC) update as detailed in the appended OBC report (Appendix A/B). The only variance in the updated OBC being the revenue cost implications based on the loss of any receipt from disposal or redevelopment of the existing library site at Waterloo which might have offset part of the capital cost reduced the borrowing requirement and hence revenue implications of the project.

Without an update of the previously presented Outline Business Case (OBC) the project financing requirement would be misrepresented and any subsequent work on a Full Business Case (FBC) would be unsound. On that basis and without a sound business case, the risk would be that the Crosby New Library project could not proceed to delivery.

What will it cost and how will it be financed?

(A) Revenue Costs

Operating Costs

The revised Outline Business Case accounts in full for the costs of the provision of the library service from the new centre (based on the operating costs of the library in Waterloo – this will be reviewed as part of the development of the Full Business Case), it also accounts for additional costs associated with the full operating and full life costs associated with the new library building. These are estimated to result in net income to the Council of £(0.009)m per annum which will need to be built into the Council's Medium Term Financial Plan (MTFP) if the Full Business Case (FBC) and the scheme is approved.

Cost of Borrowing

The total cost of the scheme – including fees – is estimated to be £13.8m as per the Cost Plan. Should this be funded through borrowing, the annual repayment over a 40 year term at 5.87% would be £0.902m per annum. This cost will vary depending on movements in interest rates and this will be considered as part of the Full Business Case (FBC).

This would also need to be included within the Medium Term Financial Plan (MTFP) meaning that the total amount that would need to be found would be £0.893m per annum. This is currently a high-level estimate based on benchmarked costings. It does not account for the significant inflationary pressures in the market, and it does not take account of key costs including developer profit or finance costs therefore it is likely that this estimate will increase as work progresses.

Design Fees

Should the scheme not be approved, then it will not be possible to capitalise the design costs and they will, therefore, need to be funded from revenue sources.

(B) Capital Costs

The capital costs associated with the Council directly delivering the new Crosby library and Health Hub are estimated to be £13.8m as per the Cost Plan. Should this be funded by borrowing, an estimate of the annual repayments have been included in the Revenue Costs section above. This would need to be built into the Council's Medium Term Financial Plan (MTFP).

Inflation within the construction sector in particular needs to be considered in the period since these high level estimates were provided in 2022 and this will be accounted for within the full business case and final design process.

The Outline Business Case (OBC) sets out in more detail how the project is defined by reference to both the construction of the New Library.

Implications of the Proposals:

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

All implications are considered within the report and the OBC.

Legal Implications:

All implications are considered within the report and the OBC.

Equality Implications:

The Crosby New Library project will promote good community relations, help reduce disparities amongst different groups, and help strengthen integration across the local community.

A full Equality Impact Assessment (EqIA) will be undertaken for the project which will be submitted as part of any planning application.

This scheme has been designed to help address equalities impacts in the community, specifically relating to access to skills, health and wellbeing and public services for all.

The following provides a brief overview of the sensitive receptors, current impact conditions and the proposed impact of the scheme.

The provision of a new, reliable, modern, multipurpose space will give the community access to valuable resources and opportunity for the development of new services in the future as appropriate and without the constraint of the existing facilities. The new development will include modern design standards to accommodate all members of the community, considering age, ability, race and sex.

Replacement of a number of sub-optimal and capacity constrained GP surgeries into one, modern facility will transform the provision of healthcare services for all service users in the local area. Wider community based health provision will also be facilitated by improving access and accessibility of all related community based outreach services.

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<p>Impact on Children and Young People: Yes The Crosby New Library and Health Hub will make additional provision for children and young people to access services in a new fit for purpose high quality provision in Crosby.</p>									
<p>Climate Emergency Implications:</p> <p>The recommendations within this report will</p> <table border="1"> <tr> <td>Have a positive impact</td> <td>Yes</td> </tr> <tr> <td>Have a neutral impact</td> <td>No</td> </tr> <tr> <td>Have a negative impact</td> <td>No</td> </tr> <tr> <td>The Author has undertaken the Climate Emergency training for report authors</td> <td>Yes</td> </tr> </table> <p>The New library and Health Hub will be designed to meet as a minimum Breeam Very Good or equivalent standard in this way helping the Council move towards meeting its zero carbon goal.</p>		Have a positive impact	Yes	Have a neutral impact	No	Have a negative impact	No	The Author has undertaken the Climate Emergency training for report authors	Yes
Have a positive impact	Yes								
Have a neutral impact	No								
Have a negative impact	No								
The Author has undertaken the Climate Emergency training for report authors	Yes								

Contribution to the Council's Core Purpose:

<p>Protect the most vulnerable: The new library and health facility will provide improved accessible facilities for residents providing the opportunity for improved access to services, learning and well-being/health provision</p>
<p>Facilitate confident and resilient communities: The library service provides communities with access to learning and resources which can help develop and support resilience for individuals and communities. Improving facilities for the delivery of health services including the opportunity for enhanced community based diagnostics will inherently improve health and wider well-being in communities supporting resilience.</p>
<p>Commission, broker and provide core services: The Councils library services are a much value core service delivered locally and accessibly to all our communities across the borough</p>
<p>Place – leadership and influencer: The importance of place and the council's role in showing leadership in influencing and supporting place is at the forefront of the proposals for the new library in Crosby Town Centre. The challenges our town centres continue to face and key to their future role and regeneration are identified in the core policies (local plan/Crosby Investment Strategy and Supplementary Planning Document SPD) linked to these centres and the role of the Council in showing leadership and commitment in this regard is central.</p>
<p>Drivers of change and reform:</p>
<p>Facilitate sustainable economic prosperity:</p>

Greater income for social investment:
Cleaner Greener

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.7425/23.) and the Chief Legal and Democratic Officer (LD.5625/23) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

A significant level of local and stakeholder consultation has taken place in connection with the proposals this process also informed through the Sefton Public Engagement and Consultation Panel. The Panel is a multi-agency advisory panel who offers support, advice and guidance to ensure that the Council's engagement and consultation activity is of a high quality.

An online questionnaire was produced, newsletters distributed locally, stakeholder engagement workshops were held and a public exhibition all supported the engagement process.

Further consultation will take place through the next stages of the design and delivery process and progression of the planning process associated with the development of both the Green Car Park currently ongoing.

Implementation Date for the Decision

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

Contact Officer:	Keith Molloy
Telephone Number:	Tel: 0151 934 2734
Email Address:	keith.molloy@sefton.gov.uk

Appendices:

The following appendices are attached to this report:

Appendix A: Outline Business Case (OBC) (Exempt)

Appendix B: Outline Business Case Redacted

Appendix C: Options Appraisal

Background Papers:

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There are no background papers available for inspection.

1. Introduction/Background

In May 2023 a report was presented to Cabinet to update on progress in work to develop and deliver a new library for Cosby. This new Library will incorporate the highest standards of design and sustainability and provide a focus for local service delivery not only for library services delivery from this location but also for the provision of new health facilities in the form of new accommodation for local GP services.

The new library proposal formed the basis of two submissions to Government for Levelling up funds but whilst recognised for the quality of content of the bids, the project failed to secure funding through this highly competitive process.

In recognising both the need and the opportunity to further develop the proposed new library and health provision for Crosby and in the absence of external funding, members committed to a process of preparing an outline business case to deliver the project directly and work was set in motion to produce an Outline Business Case for the project.

Subsequent to the development of the Outline Business Case (OBC) and reporting of this to the Council's Cabinet in May 2023, a commitment was made to separate the provision of the new library in Crosby from the existing library in Waterloo into two projects.

One of the consequences of this commitment was that there was recognition of an associated requirement to revisit the Outline Business Case as previously presented in support of the project, to exclude any 'cross subsidy' linked to the sale or redevelopment of the Waterloo site. Work is now complete on the update of the Outline Business Case (Appendix A/B) and the purpose of this report is to bring this to the attention of members. The Outline Business Case will now also inform the developing Full Business Case (FBC) for the project which is underway alongside technical design work associated with the current proposals for the New Library project as agreed by Cabinet in May 2023.

At Appendix C a summary can be found of the revised OBC Options Appraisal which identifies the preferred option which will be used as a basis for the development of the Full Business Case (FBC) as part of the on-going process of pre-development agreed by Cabinet in May 2023.

Crosby New Library Addendum and Update to Outline Business Case

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18th October 2023

Addendum – Introduction and Economic Case

Introduction

This Addendum provides an update to the previously submitted Outline Business Case (OBC) outlining how the new library in Crosby Village (i.e. the town centre) can be delivered. The first four pages of this document provide the Addendum itself; the pages from slide 6 onwards contain the updated OBC, i.e. the original OBC but with all references to the existing library (Waterloo Library) removed. The original OBC suggested that sale of the Waterloo Library and its subsequent redevelopment for residential use could cross-finance the delivery of the new library in Crosby Village.

Sefton Council has now announced it is pursuing the futures of Crosby Village and Waterloo Library as two separate schemes. A Council spokesperson said: “Sefton Council is committed to its exciting and innovative project to help secure a successful and robust future for Crosby Village. The Council’s Cabinet has given consideration as to how refurbishment of the existing Library in Waterloo could be included in this project. Given our high aspirations for Waterloo and Crosby we have decided to pursue both as separate schemes. We will therefore be continuing to deliver the Crosby Village scheme and at the same time we will retain the existing Library in Waterloo.”

In light of this policy change, this Addendum reflects the Council’s decision to treat the two sites as separate schemes and to not inter-link their funding requirements and delivery mechanisms. This Addendum also assumes that the Council would borrow the funding to deliver the new library and to cover the site’s viability gap.

Economic Case

The economic benefits generated from the redevelopment of the Green Car Park site to a new Crosby Village Library differ from the benefits estimated in the OBC as they exclude redevelopment of the Waterloo site. The table below sets out the Economic Case for the Green Car Park Site.

Table A.1 Economic Case for Green Car Park Site

Benefits Green Car Park Site	
Direct Land Value Uplift (LVU)	-£82,663
Wider LVU	£34,108,785
Labour supply impacts	£234,751
Crime reduction impacts	£74,428
Amenity benefits	£145,956
Total benefits	£34,481,257

Addendum – Financial Case

The main findings in this Addendum are twofold. Firstly, the Council's annual net position is now estimated to be approx. [REDACTED]. Secondly, the upfront costs and the amount the Council would have to borrow to deliver the Crosby Village Library is [REDACTED]. Table A.2 below sets this out in more detail. Alternatively, the Council could seek public funding support to close the viability gap and reduce its financial liabilities. Table A.2 shows the new library's financial case summary.

Table A.2 Financial Case

	<u>Addendum</u> Council led delivery of Green Car Park Site only
Total Upfront Capital Implications	[REDACTED]
Total Revenue Implications	[REDACTED]

The [REDACTED] delivery options presented in the OBC considered the same scheme, but with different delivery strategies. The Council Led delivery approach requires higher upfront costs and capital raised but will unlock a long-term income stream and positive cash flow from the development of the Green Car Park site. Under the fully developer led approach, the council would receive initial capital receipt from the sale of the Waterloo site and pay a rent for the new library scheme. This reduces council control but delivers an immediate surplus. The core difference between the two approaches is the balance of risk, the desire to retain ownership and influence, and the long term of short-term priorities for SMBC. The delivery option assessed for this Addendum, i.e. the council led delivery of the Green Car Park only has the highest upfront cost to the council and delivers a slight financial surplus during operation. Council would stay in full control of the site, however, carries the long-term revenue risk.

Addendum – Financial Case

Current Operational Finances (BAU Reference Case)

- The car park's revenues have not been quantified. As it is underused and hourly parking rates are very low, we assume operating costs to be of a similar magnitude as the overall revenue generated;
- For this analysis we assume that any changes made to the car park would result in negligible impacts on costs and revenues. This is because capacity on the Cooksland and Allengate parking facilities will offset the costs and revenues to deliver a net neutral position in terms of car parking.

New Library and Health Hub

- The total development costs of the Green Car Park, into a new library, health hub and office space is [REDACTED]. This is a high-level estimate based on benchmarked costings. It does not account for the significant inflationary pressures in the market, and it does not take account of key costs including developer profit (20% of GDV) or finance costs (4.5% p.a. over 25-40 years).
- The redevelopment of the car park would include 800 sqm of space occupied by the Council for the new library service. At present we estimate this to be leased at [REDACTED]. This would be the cost to the Library Service, as this is part of Councils operational budget, we have factored this amount into the overall cost implications for the Council.
- The rest of the redevelopment (1,559 sqm) would be leased to health care providers (or commercial occupiers) at a rate of [REDACTED] per sqm, delivering a total revenue of approx. [REDACTED].
- At a yield of [REDACTED] for the health service and [REDACTED] for the library this would give a GDV of [REDACTED], resulting in a [REDACTED]. This negative RLV is without finance costs or developer profit and assumed to be funded by the Council.
- Costs to deliver additional parking at the Cooksland and Allengate are anticipated to be offset against future revenue generated from the car parks themselves.

- The costs of operating the new library are approx. [REDACTED] per annum. This comprises staffing costs of [REDACTED], rental costs of [REDACTED], Business Rates of [REDACTED], contribution to service charge of [REDACTED], and utility costs of [REDACTED].
- The total rental income is approx. [REDACTED] comprising of [REDACTED] from the library services and [REDACTED] from the health services. Additionally, an income of approx. [REDACTED] will be generated from the service charge margin.

This results in an **overall net position** of approx. [REDACTED] meaning it would take [REDACTED] years for the library to pay for itself.

Development Costs

[REDACTED] (excl Finance, developer profit, land value)

Development Value (GDV)

[REDACTED]

Residual Land Value (RLV)

[REDACTED]

Operating Costs

[REDACTED]

Rental Income

[REDACTED]

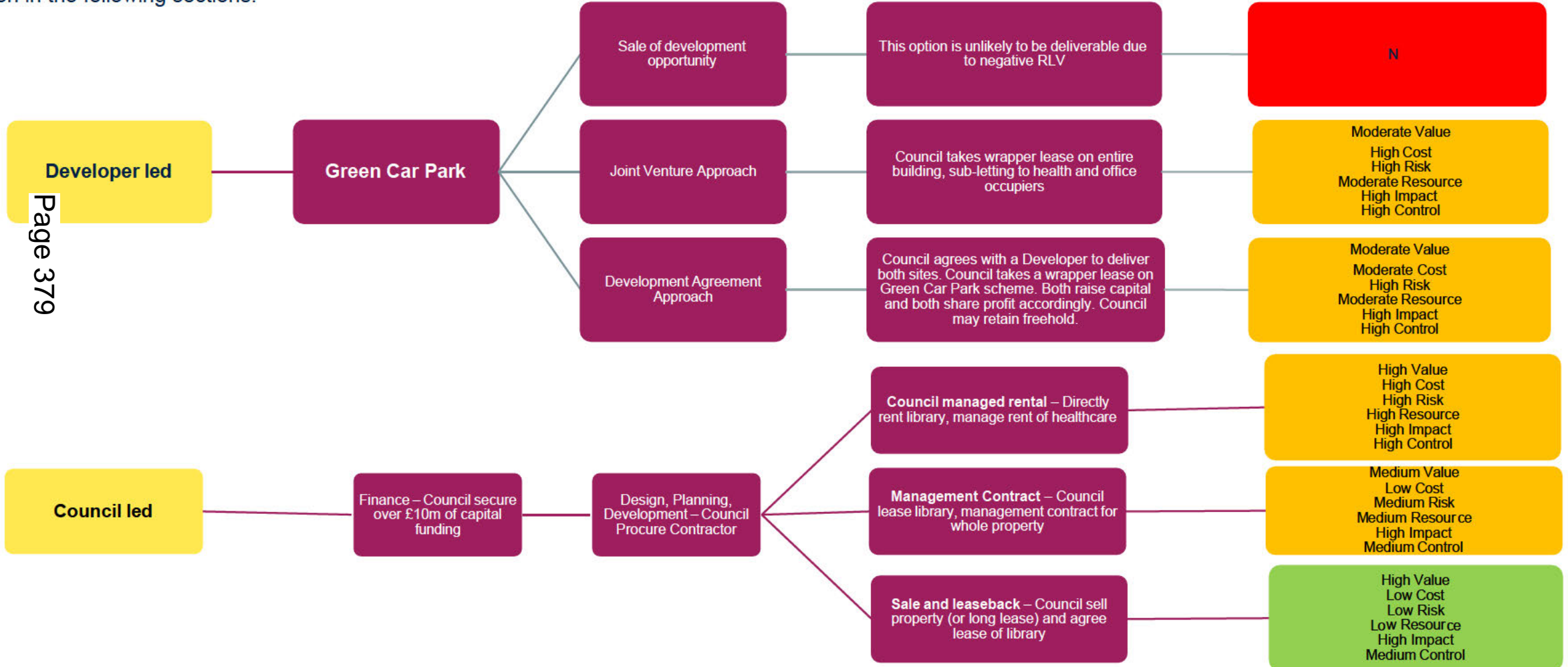
Overall Annual Net Position for SMBC

[REDACTED]

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Addendum – Comparison Delivery Options

The delivery options considered in this Addendum are reduced when compared to the OBC produced in early 2023. This is mainly due the discounting of all options related to sale and subsequent redevelopment of the Waterloo site for residential use. Moreover, this updated OBC only considers a Council led delivery option for the Green Car Park whereas the initial OBC considered both a developer led and council led approach for both sites. Below compares the two options. The Council led option is elaborated more on in the following sections.



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Executive Summary

1. Introduction
2. Strategic Case
3. Financial Case
4. Economic Case
5. Delivery Strategy
6. Recommendations and Next Steps

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Executive Summary

Introduction

Crosby village is at the heart of a vibrant and active community, however like all town centres it has struggled to remain relevant to the needs of residents and respond to changing shopping and socialising patterns. At the same time, pressure on SMBC and other public service providers to deliver improved services at reduced costs, means that library and healthcare facilities need to improve the quality and accessibility to the community. SMBC has been active in considering solutions to reinvigorate the centre and deliver services, to ensure it supports social and economic benefits. Two Levelling Up Funding bids have been prepared that would fund the redevelopment of the Green Car Park site into a new modern library, health centre and business hub in the town. This report has been prepared to consider the potential delivery options and business case for investment in the scheme if LUF is not secured.

Strategic Case

Sefton has a fairly static population, with limited growth compared to the wider region. At the same time this population is ageing, and the ageing demographic will place increased pressure and demand on our public services. Current healthcare facilities are at capacity or in poor condition and there is recognised need for consolidated service delivery in modern, well accessed sites.

Sefton also has a need for services that support knowledge, learning and community interaction. Library visits are low and have been decreasing as the facilities have failed to keep up with latest demand from residents in terms of digital learning, and community capacity building. There are high rates of educational attainment, but also challenges which new library provision could resolve.

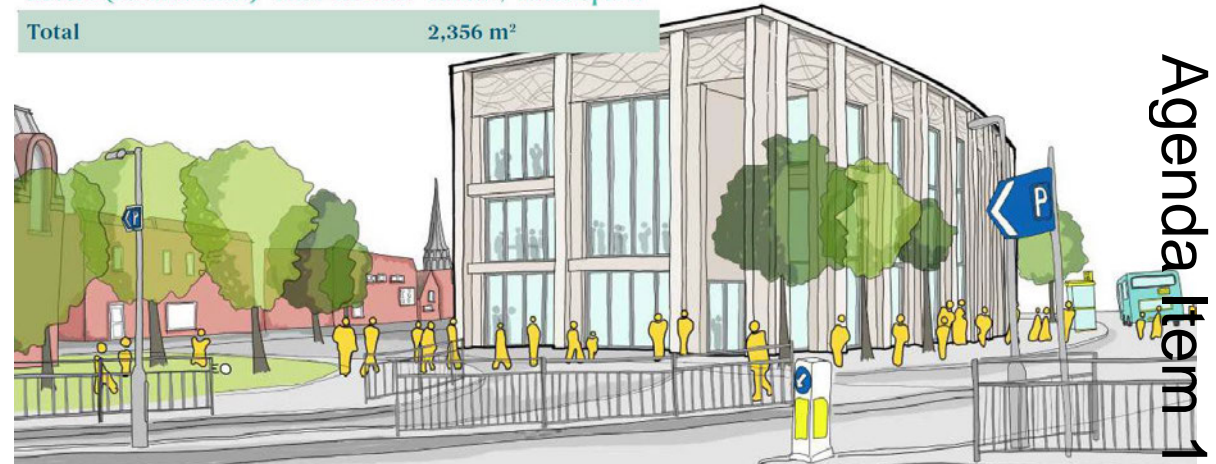
Community wellbeing and productivity has been declining, and there are low rates of business start up, which new knowledge and business space could improve.

Overall there is a demonstrated need for a new library, healthcare facility and business space that Green Car Park could deliver on. This could deliver significant economic and social value benefits.

However the deliverability of such a scheme is challenging. The costs are high and values low. As such a wide range of delivery options have been reviewed. The review suggests that there is potential to cross subsidise the delivery of the Green Car Park redevelopment with the sale and development of the existing Library site at Waterloo. This could be done via a Council led, or developer led approach.

The following sections present a summary of the financial and economic benefits of this, and delivery strategy options.

Building Gross Internal Area (GIA)		
Level 0 (Ground)	Library	800 m ² / 8611 sq ft 2
Level 1 (First Floor)	Healthcare	841 m ² / 9052 sq ft 2
Level 2 (Second Floor)	New Offices	715 m ² / 7696 sq ft 2
Total		2,356 m ²



Executive Summary

The work presented here is based on analysis carried out by Savills in later 2022 and as such is not aligned with the latest DLUHC appraisal guide (2023). We will review alignment and the updated the analysis if necessary once the scheme progresses to Full Business Case stage.

Financial Case

We estimate that the new development at Green Car Park would cost [REDACTED], and be unviable for a developer to deliver. As such, delivery by the Council, who would cover the funding gap is the most suitable approach to delivery. Alternatively, the funding gap could be covered by other public funding authorities, subject to eligibility for any funding pots. Savills analysis carried out based on a financial appraisal developed by SMBC and AY finds that the new library budget requirement is [REDACTED] per annum, which includes the library's rental charge of [REDACTED] but does not take into account previously estimated archiving costs associated with the closure of the existing library at Waterloo. The rental income (incl. service charge margin of [REDACTED]) generated by the Council is estimated to be [REDACTED], which comprises incomes of [REDACTED] from the library and [REDACTED] from the health hub. Thus, the new library at Green Car Park generates a slight annual surplus of approx. [REDACTED]. This means that the new library would hypothetically pay for itself within [REDACTED] years.

Overall, if council developed Green Car Park, they would generate a revenue of [REDACTED], but incur a capital spend of [REDACTED] taking [REDACTED] years to pay back.

Total upfront Capital Implications	[REDACTED]
Total revenue Implications	[REDACTED]
Years to break even	[REDACTED]

Economic Case

There could be significant welfare benefits from delivering the new library at Green Car Park. Our Green Book Compliant analysis has quantified and monetised the following benefits:

[REDACTED] Total Economic and Social Benefit

- [REDACTED] of Land Value Uplift driven by the increases to the value of homes in the area with the Direct Land Value Uplift being negative at - [REDACTED]
- [REDACTED] worth of employment benefits
- [REDACTED] worth of crime reduction benefits
- [REDACTED] worth of amenity benefits

Executive Summary

Delivery Strategy

A review of various delivery approaches suggests that a Council Led approach to Green Car Park, with the final sale and leaseback of the scheme could deliver the highest values, lowest risk, lowest resourcing demand, while still delivering good impacts to the area.

There are significant risks and uncertainties in the current development market, and council decisions should be made based on the appetite for risk against the need for control and retaining freehold ownership.

Recommendations and Next Steps

Further analysis could help inform decisions including:

- Reviewing car park financial models
- Undertaking financial appraisals and red book valuation of the site
- Visiting the masterplan to engineer the highest value scheme
- Obtaining guidance from SMBC planning on the maximum development scheme deliverable
- Soft market testing of the opportunity with agents and developers

Next Steps

SMBC should consider:

- Key factors for decision making including risk, resource, values, and costs, short term income vs long term sustainability
- Consider SMBC ambitions for the site and the role it plays in the economic growth and delivery of community services

1

Introduction

Introduction

Background

Savills has been commissioned by Sefton Metropolitan Borough Council (SMBC) to review options and prepare a Business Case to inform investment decisions relating to the proposed development of a new Library and Healthcare facility in Crosby Village. The aim of the research is to consider the potential delivery options for the scheme, and identify a potential preferred strategy for delivery, while also demonstrating the financial and economic benefits of the scheme.

In 2021 Savills was commissioned by SMBC to prepare a Levelling Up Funding (LUF) Round 1 bid for £19.2m for the proposed development of new Library, Health Hub and residential scheme on the Green Car Park site in Crosby Village. The bid was unsuccessful, with feedback from Department for Levelling Up Housing and Communities (DLUHC) stating that deliverability of the scheme was uncertain. In 2020 Savills supported SMBC to submit a second LUF Round 2 Funding bid for £13.8m to deliver a revised scheme including a knowledge hub, library, and healthcare facility, and commercial office space. This bid was also unsuccessful.

Due to the current pressure on health care, library facilities and Crosby town centres vibrancy post Covid, demand for the project has increased and it is prudent to investigate delivery options for the scheme that do not depend on LUF.

This project, and the analysis presented in this report, aims to consider delivery options that would enable the delivery of the proposed scheme, consider the financial implications for SMBC, and assess the wider economic benefits that such a scheme would deliver.

We provide recommendations and next steps to take forward the project.

Site Details

The proposed development site is known as 'Green Car Park' located off The Green Crosby Village, and covers 0.25 hectares.

Site Location



Introduction

Scheme Details

The proposed development aimed to amalgamate both knowledge and healthcare facilities into a single, efficient, modern and accessible facility in Crosby Village. This would replace existing, underutilised and sub-optimal facilities across the area, and bring them together into the town to improve access and outcomes. A range of options for the development have been considered, but two core schemes have been developed as outlined below.

LUF Round 1 Scheme

A detailed, fully costed and RIBA Stage 2 designed scheme was prepared by K2 Architects in 2020. This was reviewed by RIBA Places Matter Independent Design Panel which commended the scheme.

The scheme included a 1,010 sqm library and study space; 1,300 sqm health and wellbeing hub for 3 GP's, and 30 residential units on upper floors.



LUF Round 2 Scheme

Following the unsuccessful LUF Round 1 funding bid, the proposed scheme was reviewed again. The residential element of the proposal was removed due to the lack of residential amenity and open space. Commercial office floorspace was included.

The scheme proposed a 800 sqm library, 841 sqm healthcare facility, and 715 sqm of commercial office floorspace. This bid was also unsuccessful.

Building Gross Internal Area (GIA)		
Level 0 (Ground)	Library	800 m ² / 8611 sq ft 2
Level 1 (First Floor)	Healthcare	841 m ² / 9052 sq ft 2
Level 2 (Second Floor)	New Offices	715 m ² / 7696 sq ft 2
Total		2,356 m ²



Introduction

Linked Sites

The proposed development of the Green Car Park site would have knock on implications for a number of other sites across Crosby, including the following:

Existing Crosby Library

The existing Crosby Library is located on Crosby Road North in Waterloo (L22 0LQ) on a site opposite the Plaza Community Cinema. The site covers approximately 0.9ha.

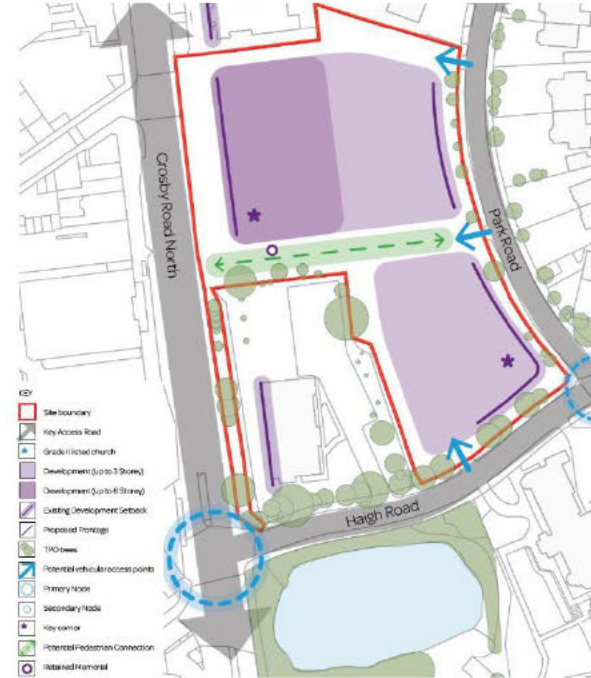
The existing Library is no longer fit for purpose for a number of reasons, it is: disconnected from the town; has in part been mothballed; is a significant maintenance and management liability; has prohibitive upgrade costs and very poor energy performance without obvious solution.

SMC owns the site, and the relocation of the Library to Green Car Park could free up SMC's significant site for potential redevelopment. Early capacity and development potential analysis, including high level initial plans prepared by Turley in 2022, suggest that the site could yield up to 85 new homes, including potential for extension of the high street or commercial use.

Car Parks in Crosby Village

The redevelopment of the Green Car Park would reduce overall car parking provision in Crosby by around 100 spaces. This would be offset by the reorganisation and rationalisation of space at the Cooks Land and Alexandra Road Car Parks which could deliver 28 additional spaces.

Existing Crosby Library Site, Waterloo, Development Opportunities



Health Care Facilities

Existing GPs are dispersed across multiple sub-optimal locations, in converted homes, with limited capacity to meet the growing health care needs of the community. These premises are recognised as no longer fit for purpose by the Primary Care Network and South Sefton Clinical Commissioning Group. We have not been provided with detailed locations of the GP facilities which could be amalgamated into the new facility at this stage.

Introduction

This Report

The following sections of this report present an outline business case for the development of the new Library and Healthcare Centre on Green Car Park in Crosby. Analysis includes:

- **Strategic Case** – Considering the need for intervention and action, the options that have been considered, the strategic alignment, and the preferred option for intervention
- **Financial Case** – Considering the costs and revenue implications for SMBC
- **Economic Case** – The social and economic benefits that could arise from the proposed scheme and how this compares to the investment costs
- **Delivery Strategy** – An initial review of the potential options to deliver the scheme for further review and discussion
- **Recommendations and Next Steps** – Suggestions from Savills on the way forward.

2

Strategic Case

Strategic Case

Introduction

The Strategic Case of a Business Case sets out the need for action and investment, considering the challenges or opportunities facing an area and the evidence of 'Market Failure'. It also considers a range of options that could resolve the situation, and considers the strategic alignment of these options against wider local, regional and national policy drivers.

Need for Action

The need for the scheme is clear and pressing:

- The current library is: disconnected from the town; has in part been mothballed; is of significant maintenance and management liability; has prohibitive upgrade costs and very poor energy performance without obvious solution.
- Disadvantaged groups in Crosby currently suffer from poor educational outcomes linked in part to poor access to learning facilities. Learning and skills development will be enhanced within the new library and help address inequalities in access to learning facilities outside of the classroom and help to close the gap in educational outcomes.
- Existing GPs are dispersed across multiple sub-optimal locations, in converted homes, with limited capacity to meet the growing health care needs of the community. These premises are recognised as no longer fit for purpose by the Primary Care Network and South Sefton Clinical Commissioning Group
- Demand for health services is anticipated to increase in the foreseeable future due to an ageing population. Health inequalities in the Crosby area exacerbate bad health outcomes leading to poor Healthy Life Expectancy.

- There are various traffic pinch points and congestion and related access issues
- High quality office space is lacking in Crosby, which results in the town struggling to attract high 'value added' companies requiring modern premises. This in turn leads to out-commuting being common in Crosby due to a lack of good employment opportunities.

The proposed development will help address all of these matters in a comprehensive manner, a sustainable repurposing, making sure that Crosby is future proofed, green, offers exciting investment opportunities and provides what its local communities need .

The following sections of the report provide an overview of some of the data and evidence supporting the need for action and investment in new library and healthcare facilities in Crosby.

Ageing

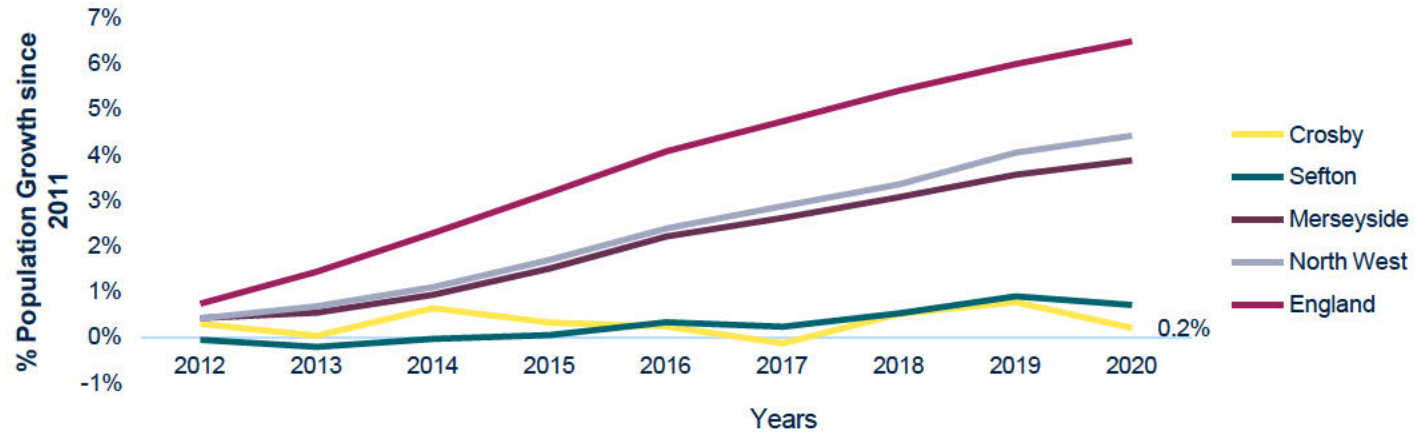
The population of Crosby and Sefton as a whole has remained fairly static over recent years, while the rest of the region and country have experienced growth.

However while the overall population has not grown the proportion of residents over 65 years has increased from 19% in 2011 to 23% in 2020. This equates to over 1,200 more over 65s in Crosby alone.

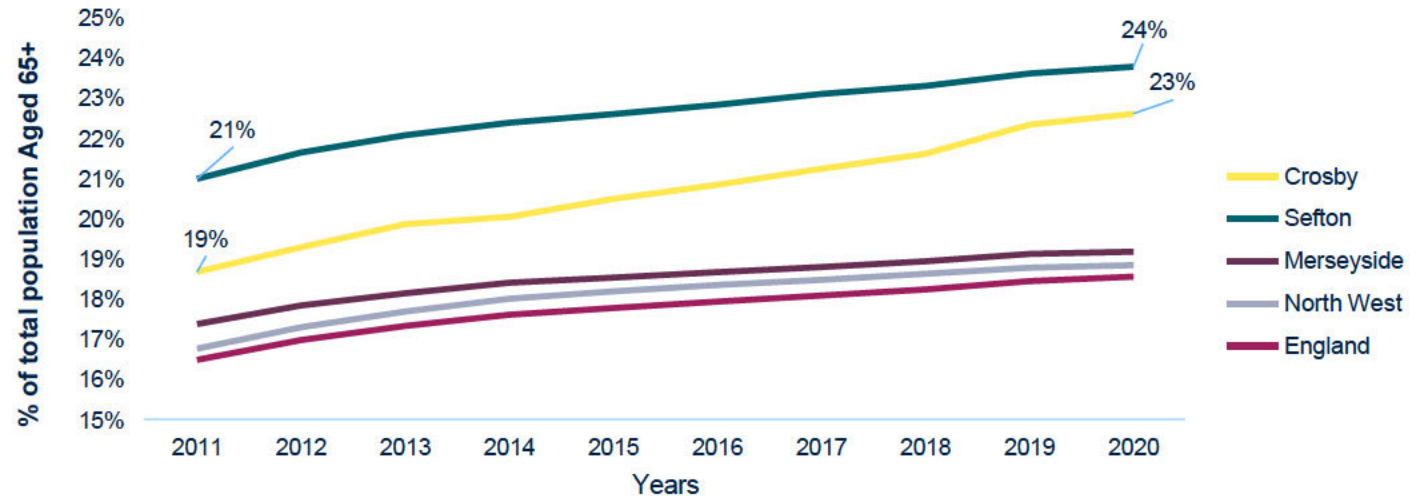
This age group is also likely to see greatest projected growth across Sefton by around 22,200 or 37.6% by 2031. Also in Sefton the over 85 age group is projected to increase by around 6,900 or 87.0%, by 2031, while the number of adults of working age is due to fall by 17,207, or 11.4%.

To service this ageing population requires high quality, well accessible, healthcare facilities.

Population Growth since 2011



The change of Aged 65+ population over last 10 years



Strategic Case

Health Conditions

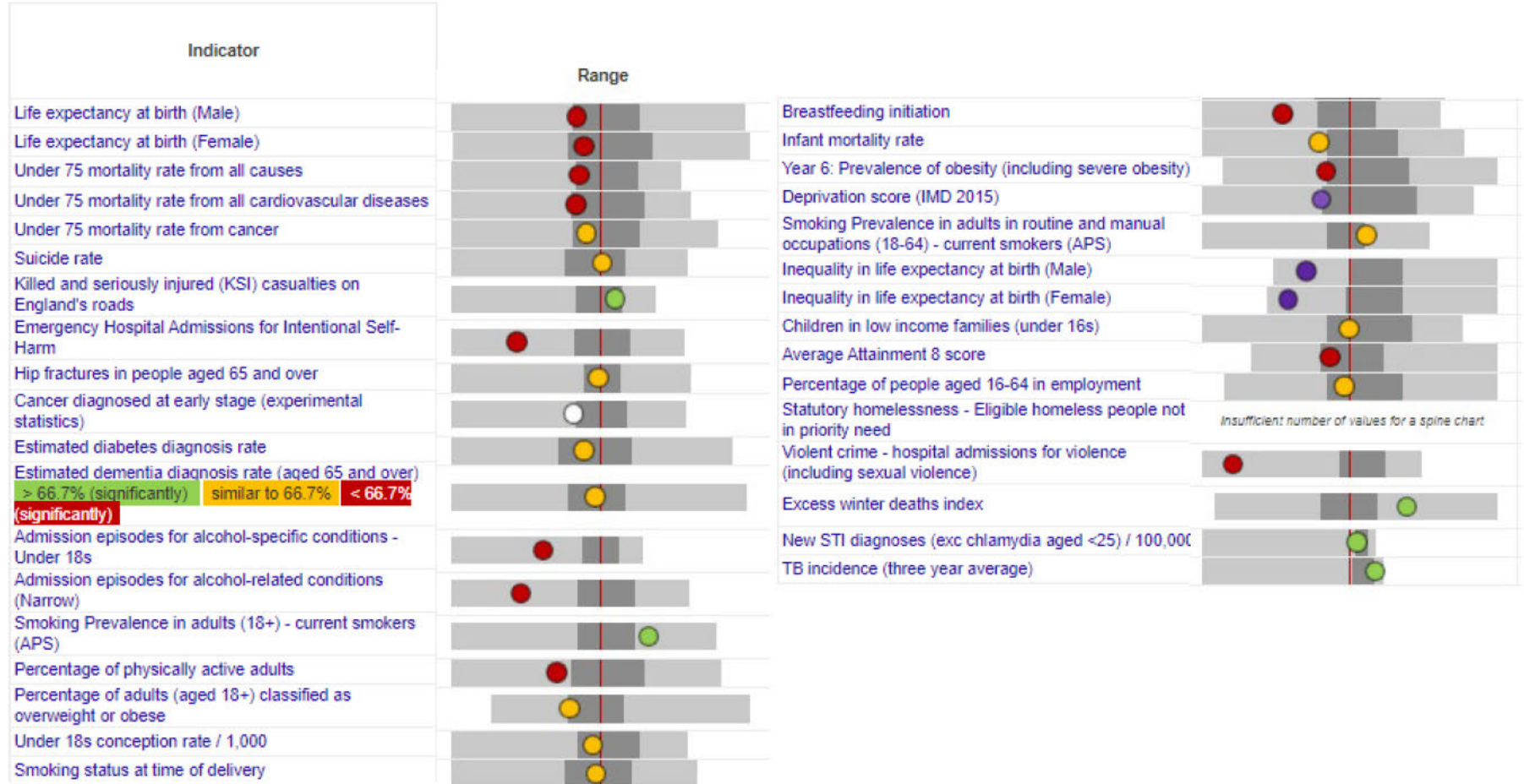
The data shows that Sefton faces a number of healthcare challenges with the local population experiencing higher incidents of:

- Low life expectancy
- Cardiovascular disease
- Admissions
- Alcohol related conditions
- Young overweight

These conditions and the burden they place on the health service, and impact they have on wellbeing outcomes, will increase with an ageing population unless improvements are made to the access and quality of healthcare services.

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Health Profile of residents in Sefton (coloured dots) Compared to the England Average (shaded bars)



Source: Local Authority Health Profile, 2020, Public Health England (Accessed 2021)

Strategic Case

Health Deprivation

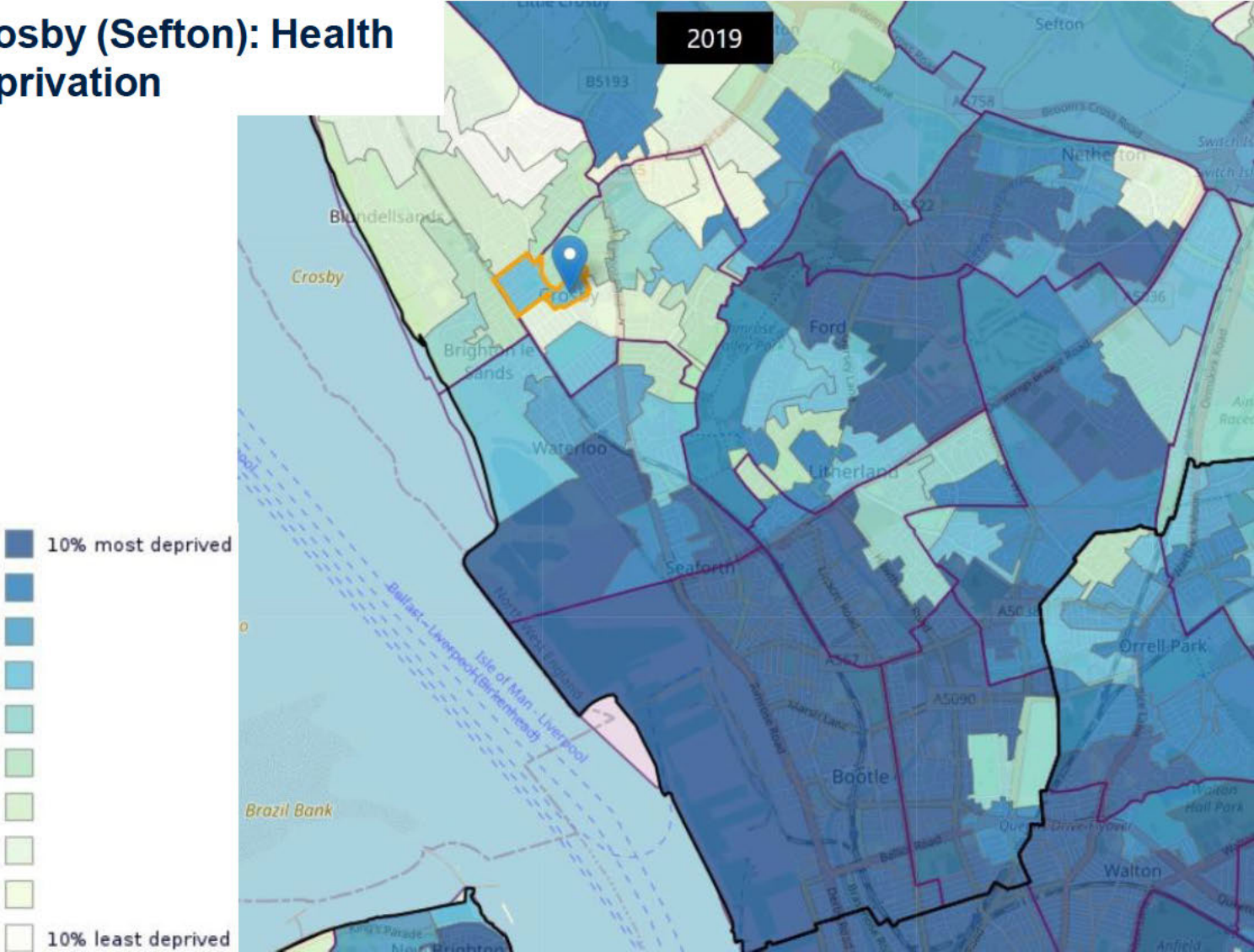
This graph shows 'Health Deprivation' ranking data from the Index of Multiple Deprivation for Crosby.

This shows that in 2019, this LSOA (Crosby) is ranked **13,091** out of 32,844 LSOA's in England; where 1 is the most deprived LSOA. This is amongst the 40% most deprived neighbourhoods in the country.

In 2015, this Crosby was ranked 13,659 out of 32,844, amongst the 50% most deprived neighbourhoods.

This suggests that health deprivation in Crosby are getting worse and needs addressing.

Crosby (Sefton): Health deprivation



Strategic Case

Healthcare Services

Health care services, including 3 GP surgeries (Liverpool Road Medical Practice, Crossway Practice, and Crosby Village Surgery), in Crosby are at, or have exceeded capacity and are in need of upgrade.

The current healthcare services are delivered at a number of residential properties converted for healthcare use that are dispersed throughout the area. In total the 3 surgeries have all been rated by the CCG as amber or red in terms of their capacity, as shown below.

Due to the demographic makeup of Crosby, the overall level of deprivation is high when assessing the health and wellbeing of existing residents. It is anticipated that the demand for healthcare services will increase in the foreseeable future due to an aging population. Demand on services relating to older people including adult social care and health services.

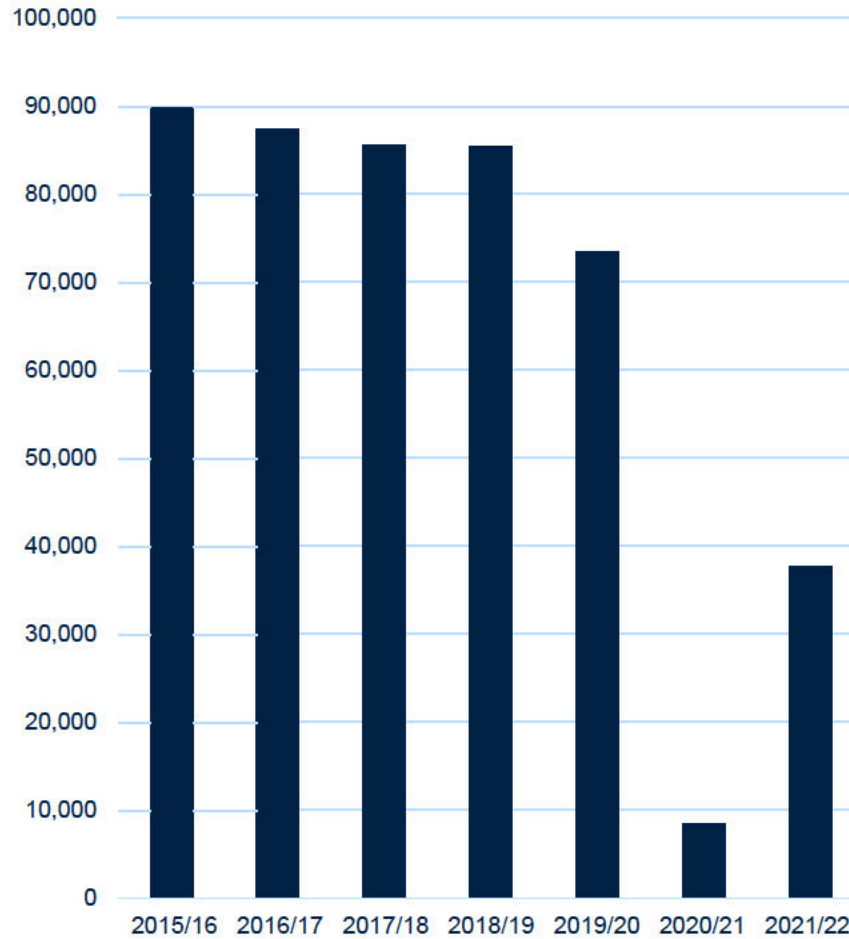
Type	Name	Head Tenant	No of GP Practices	Community Provision	Capacity	Condition	Functionality
Community	Prince Street Clinic	NHSPS	0	Yes	0		
GP	Crossways Practice	NHSPS	1	No	2671		
GP	Liverpool Road Medical Practice	Non NHS	1	No	5611		Unknown
GP	Crosby Village Surgery	NHSPS	1	No	3126		

Skills and Learning

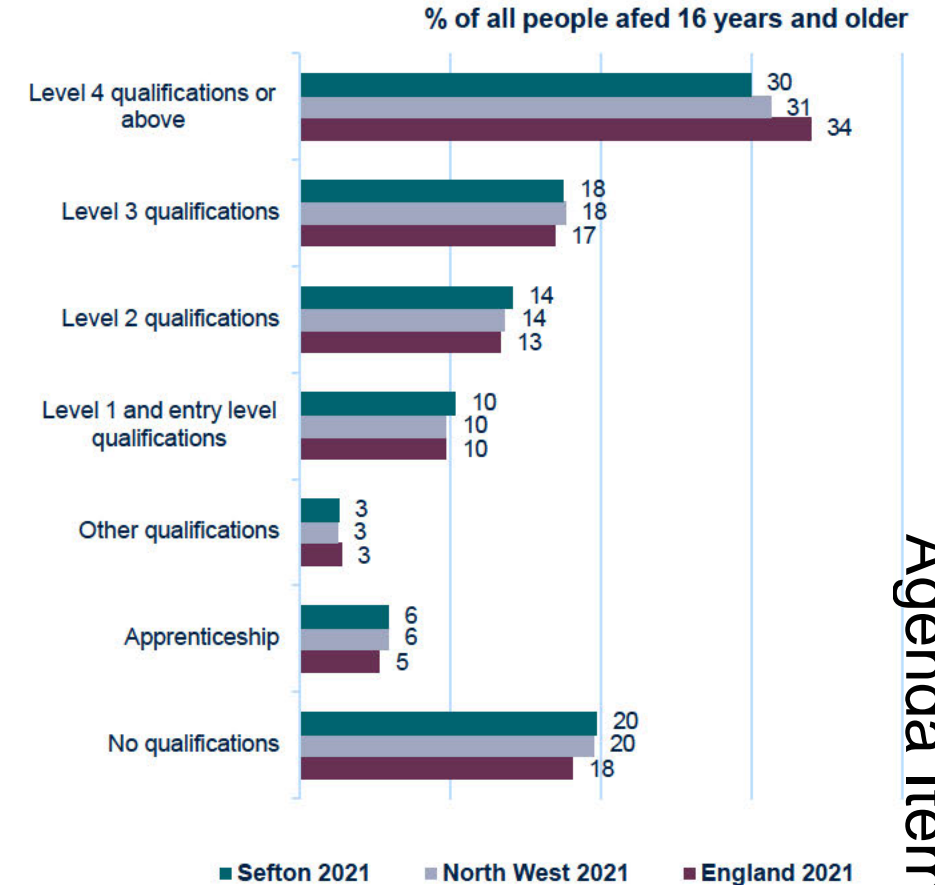
Modern, well designed libraries are important elements of community infrastructure that can support with learning, training and education outcomes, as well as health and wellbeing, community cohesion, and cultural outcomes. The current library is located 1.6km from the town centre and is disconnected from the community. Visits have been decreasing over recent years and are currently recovering from the pandemic's impact. The opportunity to bring this important asset into the town centre will deliver benefits to the centre itself, acting as a driver for footfall and activity, but also the wider benefits to the community from access of this valuable shared public resource.

While Crosby has good rates of skills and qualification attainment compared to the national average, Sefton as a whole does not. Sefton has a higher proportion of residents with no qualifications (205) and those in apprenticeships (10%) and obtaining other qualifications (3%). These residents in particular would benefit from access to modern knowledge hubs provided by libraries to improve learning, education and skills outcomes.

Number of Library Visits



Level of qualifications 2021



Strategic Case

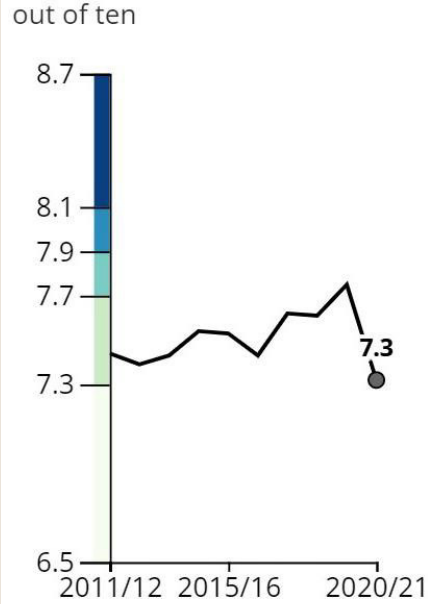
Wellbeing

Across a range of indicators, including life satisfaction, happiness and anxiety, Sefton residents rank lower than national average, with a significant downward trend in wellbeing and life satisfaction scores over recent years.

Improvements, and investment to our centres, including essential services can improve sense of and wellbeing outcomes for communities.

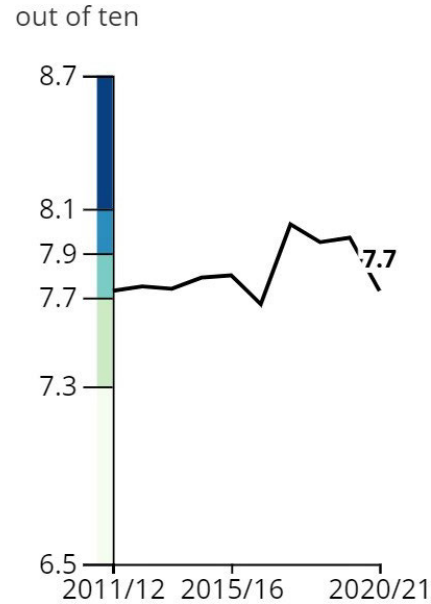
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Life satisfaction



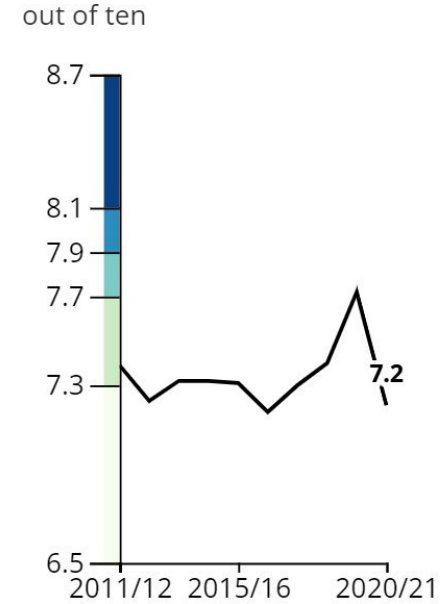
UK Average 7.39

Worthwhile



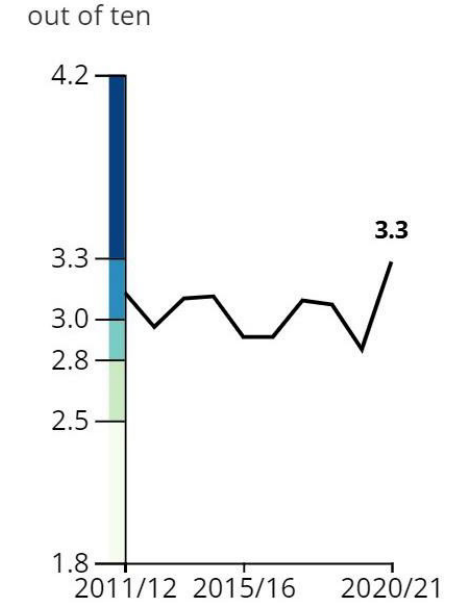
UK Average 7.71

Happiness



UK Average 7.31

Anxiety



UK Average 3.31

Strategic Case

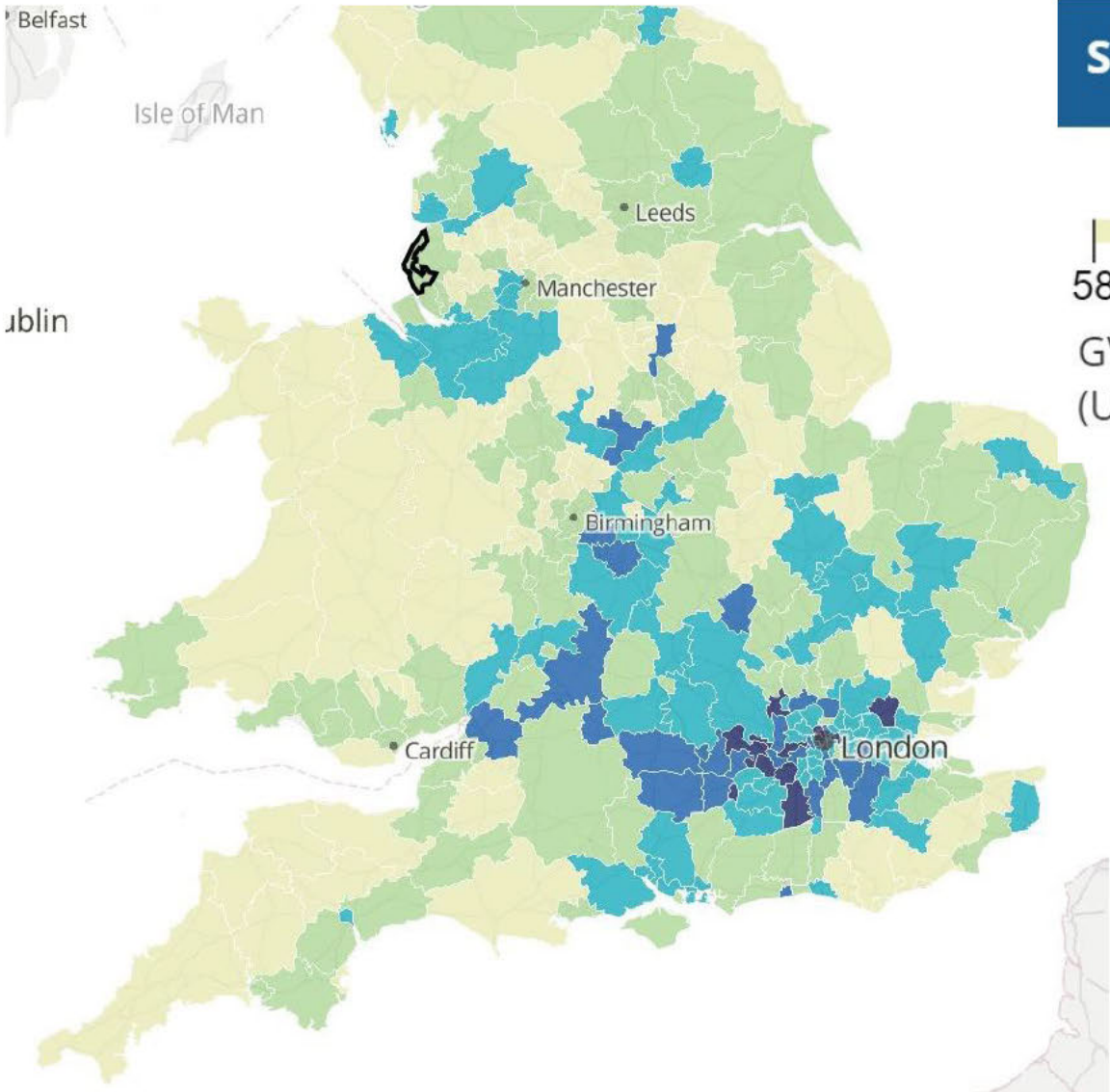
Productivity

Sefton generally has lower productivity compared to most other locations across the country.

It is ranked in the lowest 30% of places in terms of productivity.

This suggests that the LA lacks high quality, high value, productive jobs and a diverse economy.

The potential to deliver flexible office employment space in the vibrant town centre could help unlock economic growth, business start ups, and retention of skilled and highly productive residents in the LA, rather than migrating out for work.



Sefton ✕



GVA per hour worked
(UK average = 100)

Rank 254 out of 363*

*Table A3: Nominal (smoothed) GVA (B) per hour worked (£); Local Authority District, 2019

Strategic Case

Businesses

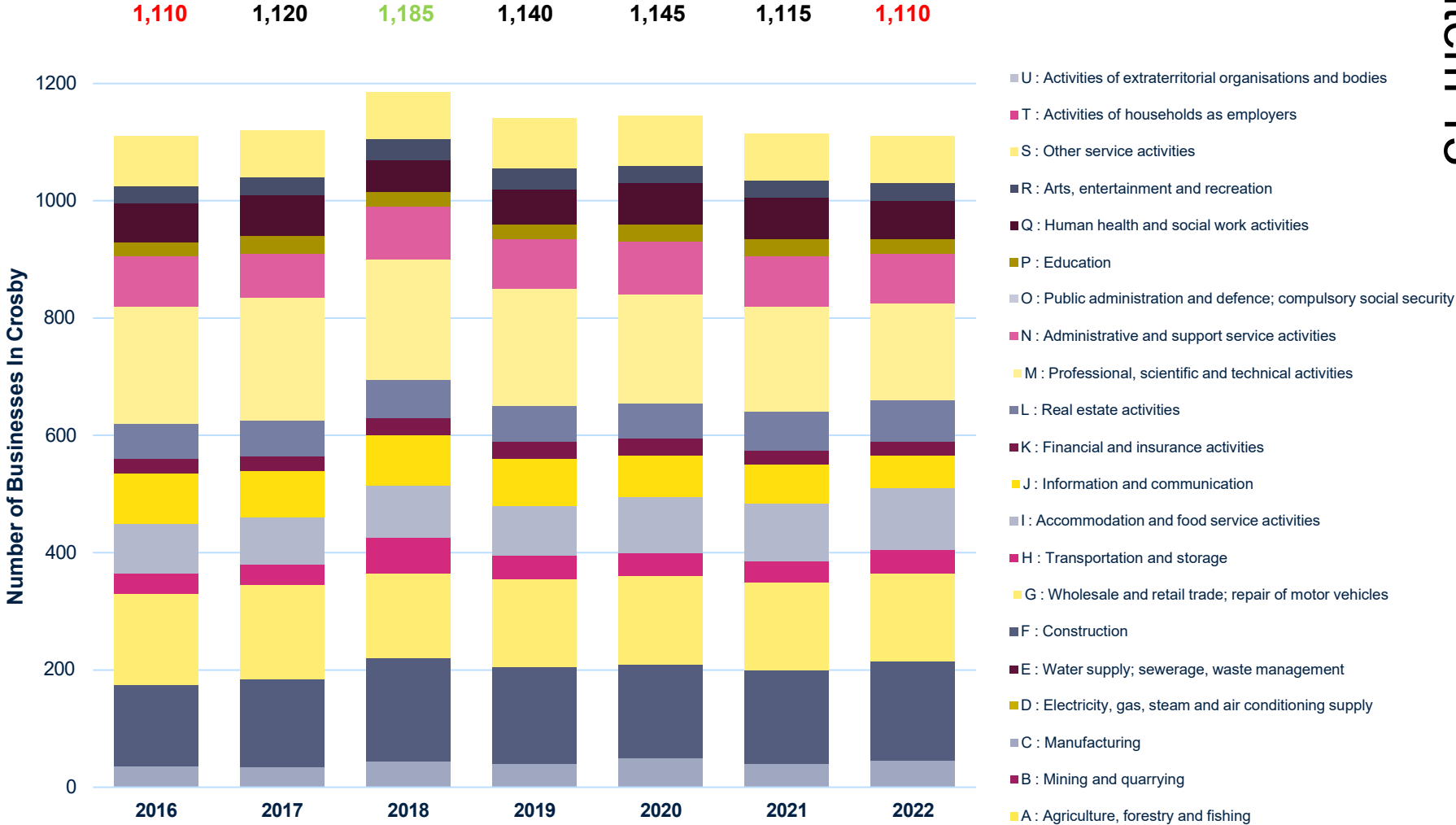
The total number of business in Crosby has been declining since its peak in 2018.

There are now 1,110 business in the town, the same level as in 2016.

This represents just 14% of the total Sefton business base, which has decreased from 15% in 2018.

The delivery of office space, as well as increasing footfall and vibrancy delivered to the town centre, will help to support business growth and productivity.

Total Businesses in Crosby, by Industry



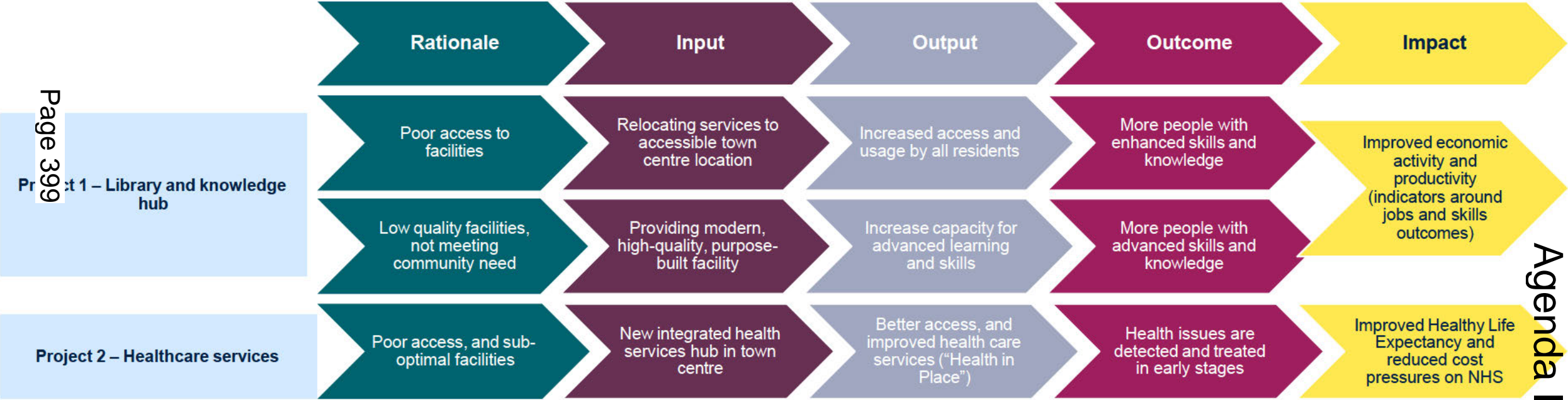
Strategic Case



Program Logic / Theory of Change

The Program Logic, or Theory of Change, creates a rationale and link between a challenge or opportunity facing our communities, a proposed or suggested action to intervene, and the expected outputs, outcomes and impacts that intervention will have. This Logic chain is an essential part of Government decision making at all levels. For the Crosby Library and Healthcare scheme the program logic is outlined below.

Program Logic / Theory of Change for Crosby New Library and Healthcare Centre



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Agenda Item 13

Strategic Case

Strategic Alignment

The proposal for Crosby New Library and Healthcare Centre aligns well with Local, Regional and National Policy.

Local and Regional Alignment

'Crosby Investment Strategy' & 'Crosby Village SPD'

The 2015 Investment Strategy and 2017 SPD articulates the vision that by 2030 Crosby will be a vibrant centre recognised for its distinctive character, high design quality and diverse mix of uses, and accessible to all sections of the community:

- re-establish Crosby village centre as the heart of the community, whilst complementing other pockets of activity in neighbourhoods through Crosby.
- have an attractive, clear and shared plan of action for Crosby village that the Council, community and investors can work together to achieve.
- To improve the fabric and appearance of the village centre through development.
- To enable the redevelopment of key sites to introduce new uses and occupiers, to increase footfall and activity within the centre that will support local independents.
- To deliver a series of short, medium and long term community and development projects.

From the vision and these objectives follows that developments attracting residents to the town centre are needed. Given the trend in e-commerce and online shopping, a retail-led redevelopment of Moor Lane as suggested in the SPD is no longer appropriate. Instead, community and leisure focussed redevelopments would be more likely to achieve the objectives.

Local Plan

This site is one of three core sites which are integral to the town centres continued prosperity. Local Plan Policy ED2 states that town centre uses will be directed towards existing centres, of which Crosby is the second highest priority group.

This development also addresses policies relating to non-retail town centre developments set out in the Local Plan. Firstly, the retail function of the Centre will not be compromised as this development would help to drive footfall through the centre. Secondly, the proposed use would make a positive contribution to the overall vitality and viability, by introducing a new cultural offer through the new library and the health centre. Finally, the site will be accessible by being located next to the bus interchange, drawing people in the town centre and servicing their needs in one central location; creating a cluster of essential services.

The proposed use on the site will positively contribute to the community's health and wellbeing, aligning with Policy EQ1, to increase accessibility of homes, education, jobs, public transport services, health and other services, recreational opportunities and community, cultural and leisure facilities.

Sefton Future Recovery Plan

The proposed scheme supports a number of themes in the Recovery Plan, in particular 'Live life well', 'No one left behind' and 'connecting it up' which looks to improve Health and Wellbeing for all, new and improved homes, town centre living, vibrant town centres and community focus.

LCR Spatial Development Strategy

The scheme also aligns with the LCR Spatial Development Strategy, which has a focus on Health and Wellbeing, along with a greater focus on place making and communities in which the modern health and leisure facilities will address.

National Policy Alignment

The Government's levelling up objectives are to improve connectivity and skills, to increase productivity, to enable business growth, and to maximise employment. LUF targets improvements in pay, work, and health, as well as the attractiveness of local areas for living and working. Projects should deliver highly visible investments in transport, regeneration and culture to improve pride of place.

Options Analysis

In order to ensure an informed decision is made a range of options have been considered at a high level to resolve the issues of poor access and poor quality libraries and healthcare facilities in Crosby. High level analysis has been undertaken on a range of options and these have been RAG Rated ('Red, Amber, Green') to identify preferred options to take through to the next stage of financial and economic analysis.

The following pages outline the options analysis and RAG rating.

This indicates that doing nothing, no investment, and continuing with Business As Usual (BAU), is not a suitable response due to the challenges and issues already outlined in this report.

Options which would see only partial development of the Green Car Park site (Option 1) are not taken forward as they are high in cost and do not maximise the productive use of that land to delivery wider community benefit.

Options which include residential development on the Green Car Park site (Options 3 and 4) have also been rejected due to the potential planning policy issues

associated with delivering residential development without sufficient outdoor space or amenity space.

The option selected for further analysis, Option 2, involves the full redevelopment of the Green Car Park site for community and health use led by the council.

The rationale for selecting this option is that they both deliver maximum productive use of council land, while also being able to leverage value and funding to cross subsidise high upfront costs. They are also both likely to deliver long term cost savings to council, and wider economic and social value benefits to the community.

These options have been taken through into the full assessment.

Strategic Case

Option / Scenario	Description	Floor space	Strategic Alignment	Financials	Economic Case	Deliverability	Overall Rating
Business as Usual	No investment in new facilities. The Green Car Park site will remain as a car park.	NA	This option does not support any local, regional or national priorities in terms of improving access or life outcomes for our communities.	NA	NA	<ul style="list-style-type: none"> Achievability: Good 	Discounted - Not a suitable option
Option 1 - New Library only	The Green Car Park will be developed to deliver a new Library only. Healthcare services will continue to be distributed, and no other development proposed.	800 sqm	Aligns with local strategy to improve Crosby village centre, but creates a high financial burden on Council for the development and continued maintenance of the existing library site.	<ul style="list-style-type: none"> Upfront Costs: High, for the development of new facility Whole Life Costs: High, as no additional rental income 	<ul style="list-style-type: none"> Economic Benefits: lower than Option 2 Wider public welfare benefits: lower than Option 2 	<ul style="list-style-type: none"> Achievability: Good Financial delivery: Poor 	Discounted - Not a suitable option
Option 2 - New Library, and Healthcare centre provision	The Green Car Park site will be developed into a new Library, healthcare, and office hub.	2,360 sqm	Aligns with local strategy to improve Crosby village centre, and delivers a range of services from one site. But creates a high financial burden on Council for the development and continued maintenance of the existing library site.	<ul style="list-style-type: none"> Upfront Costs: Very High Whole Life Costs: Medium, revenue from rental income marginally higher than operating costs 	<ul style="list-style-type: none"> Economic Benefits: High (~£4.3m p.a.) Wider public welfare benefits: High (£33.2m over a 5 year appraisal period) 	<ul style="list-style-type: none"> Achievability: Good Financial delivery: Medium 	Taken forward
Option 3 - New Library, Healthcare centre and Residential above	The Green Car Park site will be developed into a new Library and healthcare hub, with residential development above (as per LUF Round 1 funding bid scheme).	4,470 sqm	Aligns with local strategy to improve Crosby village centre, and delivers a range of services from one site. But creates potential policy challenges due to amenity and open space for incoming residents in the town centre.	<ul style="list-style-type: none"> Upfront Costs: higher than option 2 Whole Life Costs: similar to option 2 	<ul style="list-style-type: none"> Economic Benefits: Higher than option 2 Wider public welfare benefits: Higher than option 2 	<ul style="list-style-type: none"> Achievability: Poor, due to planning restrictions Financial delivery: Poor 	Discounted - Not a suitable option
Option 4 – New Library and Residential development	Green Car Park will be developed into a new Library with residential development above.	2,250 sqm	Generally good alignment. But creates potential policy challenges due to amenity and open space for incoming residents.	<ul style="list-style-type: none"> Upfront Costs: Similar to option 2 Whole Life Costs: Similar to option 2 	<ul style="list-style-type: none"> Economic Benefits: Similar to option 2 Wider public welfare benefits: Similar to option 2 	<ul style="list-style-type: none"> Achievability: Poor, due to planning restrictions Financial delivery: Medium 	Discounted - Not a suitable option

Strategic Case

Preferred Option

The option that is seen as most likely to be deliverable (both financially and from a policy alignment perspective) and is in line with local stakeholders' ambitions is Option 2. The Green Car Park site is redeveloped for a new library and healthcare centre. Council retains ownership and deliver the scheme. The remainder of this report assesses the delivery of this option.

Green Car Park Redevelopment

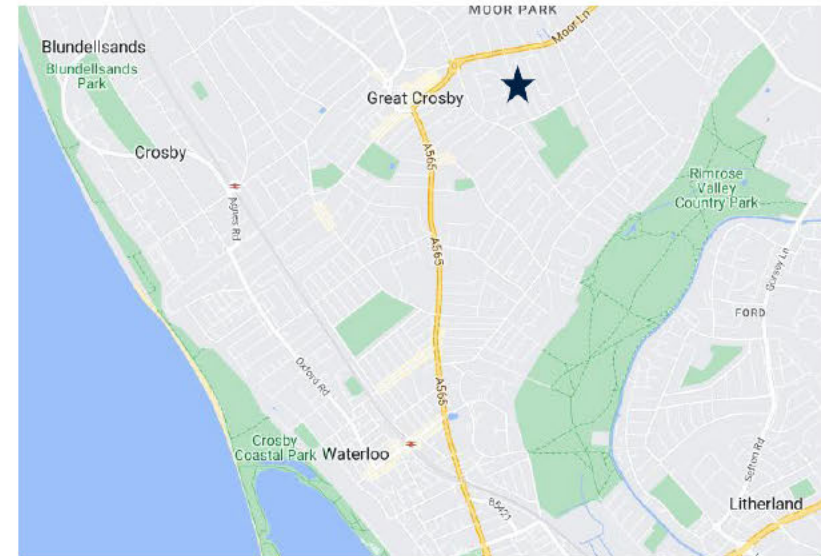


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Green Car Park to be redeveloped into a Library and Health Hub including

- Health hub (1,559 sqm)
- Library/Community space (800 sqm)
- Public Realm enhancement (3,354 sqm; Library Square and Car Park only)

Contextual Map Green Car Park Site



The star in Great Crosby shows the location of the Green Car Park.

3

Financial Case

Introduction

This section considers the Financial Case for the preferred Option. This considers the real financial costs against the likely financial values of the scheme to demonstrate the long-term viability of the scheme (i.e. Waterloo site and Green Car Park site).

This considers the operational financial implications for council.

To assess the Financial Case at OBC stage we have based our analysis on the Development Viability Appraisal prepared by Savills and advice from Avison Young (provided to SMBC) on the potential commercial values from healthcare occupiers.

We have conducted a blend of Residual Land Value (RLV) Appraisal and long-term revenue/cost saving analysis in excel to provide an estimate.

Caveats and Limitations

- The financial appraisal is based on data provided by SMBC directly or consultants working for SMBC (e.g. AY) regarding potential costs and values of the schemes.
- The financial analysis for development schemes has applied a RLV estimate based on the DCLG Appraisal Guide which is suitable high-level analysis to inform policy appraisal.
- The financial analysis is not a Red Book valuation, and should the scheme require valuation for sale then a Red Book appraisal would be required.
- The analysis is based on point in time data and as such subject to change. The market is changing rapidly at the moment, with high-cost inflation and forecasts for decreased values, as such caution should be used when reviewing the viability of the scheme and analysis regularly updated.

Financial Case New Library

Current Operational Finances (BAU Reference Case)

- The car park's revenues have not been quantified. As it is underused and hourly parking rates are very low, we assume operating costs to be of a similar magnitude as the overall revenue generated;
- For this analysis we assume that any changes made to the car park would result in negligible impacts on costs and revenues. This is because capacity on the Cooks Land and Alexandra Road facilities will offset the costs and revenues to deliver a net neutral position in terms of car parking.

New Library and Health Hub

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

- [Redacted]
- [Redacted]
- [Redacted]

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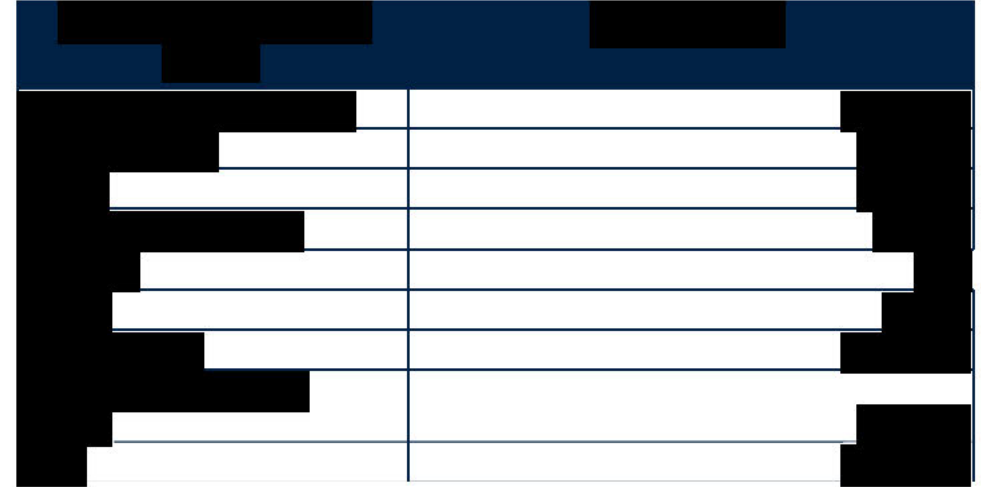
Financial Case

Assumptions

The analysis presented is based on the following assumptions:

- Initial Investment - Capital costs for each option based on build costs informed by AY (2022) analysis; 15% contingency added due to current market uncertainty. The initial investment is assumed to be made by the Council.
- Library Running Costs - These are costs only take into account the operating costs associated with running the new library, estimated rent payments and contribution towards the service charge at the new library site;
- New Property Income - Relates to rental income from occupiers including library services (nets itself off against rent costs above) and Health as the Council owns the new building.
- Inflation - There have been significant levels of inflation since the provision of the above estimates. As per above, 15% contingency has been added to the cost estimates provided by AY to account for this. However, all capital and revenue costs would require further verification to ensure the estimates are robust, once soft market testing has been undertaken.
- Finance - No costs of financing the initial investment (capital cost) have been included within the above analysis. Any surplus identified would not cover the cost of borrowing and so this would either need to be met from additional grant funding or from the MTFP at an additional cost to the Council.

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4

Economic Case

Economic Case

Introduction

The Economic Case sets out the economic benefits of the investment to the wider public, thus, these do not represent financial gains to the Council. It presents evidence of the expected impact of the investment on the economy as well as its social and wider impacts. At this stage, no wider Health and Wellbeing factors having been considered.

Approach

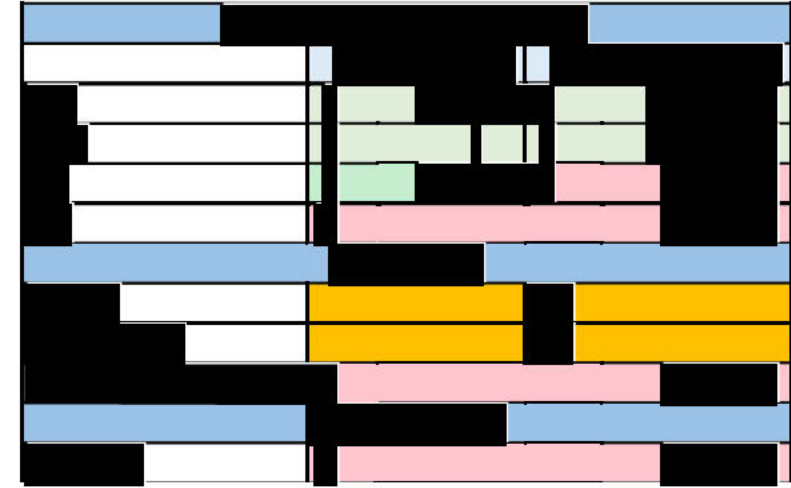
The HMT Green Book (2022) and DCLG Appraisal Guide (here based on 2016 version as set out above) set out guidance on how the benefits of property and development interventions should be measured. Land Value Uplift (LVU), which is the impact an intervention will have on the productivity and value of land, is the core and preferred metric for assessing property related interventions. The LVU impacts are seen as a catch all for a range of different benefits and are a move away from traditional economic benefits such as Jobs and GVA. However, the guidance also provides flexibility to allow other economic, social and environment benefits to be claimed as part of the economic case for schemes.

The following sections set out our working and estimate of the economic benefits that the investment in the Option 2 redevelopment project could deliver.

Direct Land Value Uplift

This considers the potential of the scheme to bring low quality and low productive land into more productive and valuable use. This considers the Existing Use Value (EUV) of the current site and the Future Use Value (FUV) of the site once development has been completed. The FUV is assessed using the Residual Land Value (RLV) appraisal approach which considers the Gross Development Value (GDV) of the development produced minus the development costs. The analysis presented in the tables shows that the Green Car Park site as a negative LVU impact as it is already in a productive and valuable use as a car park.

Note that values and costs are different from commercial values, as these reflect economic values and costs, i.e. their 'worth' to society.



Economic Case

Wider Land Value Uplift

This considers the same LVU metric principles as the above, however it is focused on the impact of the intervention on the wider area. This considers the amount and type of development in the surrounding area which is impacted by the site in its current state, and will be impacted by the future redevelopment of the site. A displacement factor of 20% is applied to all WLVUs to account for the fact that some uplifts will come at the expense of others.

Because the Green Car Park site would host a relatively large scheme including Public Realm elements, an impact radius of 500 Meters was deemed appropriate for the assessment. The WLVU is mainly driven by residential values in the area, which are expected to increase. Retail values are also anticipated to increase substantially due to the increase in footfall driven by the hub and the revived town centre. Because office rents are already relatively high, little impact is expected here.

NPVB WLVU	
Residential	£ 30,166,600
Retail	£ 3,750,194
Commerical	£ 191,991
Industrial	£ -
Total NPVB WLVU	£ 34,108,785



0.3 Miles radius around Green Car Park, source: CoStar

Economic Case

Labour supply impacts

The scheme will create job opportunities for local people. This will include opportunities for long term unemployed or new entrants into employment. This will deliver wages uplift impacts. We anticipate only 10% of the jobs supported at the site will go to new entrants and that only 40% of the benefits will be welfare benefits, this will be benefited over 5 years.

Crime reduction impacts

The scheme will replace a redundant car park overlooking back of properties, which creates safety and crime issues, into a high quality new mixed-use development including public space with both passive and active surveillance from residents. Crime reduction impacts were estimated for both sites. Reductions are estimated for a 100m radius for the Green Car Park

Amenity

The public realm improvements will have additional amenity benefits, and according to NGLG of £109,000 per ha, which is calculated over 5 years.

Since only the Green Car Park site will deliver Public Realm improvements, amenity value can only be estimated for this part of the scheme.

Economic Case Appraisal Summary

This demonstrates that the redevelopment of the site would deliver substantial benefits to Crosby and its residents. When compared to the amount of money (approx. £10m) the council would have to borrow, the BCR works out at around 2.01, which is 'High' Value for Money according to government guidance (DfT TAG Value for Money Framework, 2017).

Labour Supply Impact	
Number of jobs generated as a result of investment	31
Percentage of jobs taken up by new/re-entrants to labour market	10%
Number of labour market entrants/re-entrants	3.13
GVA per worker (current prices)	£44,517
Welfare impact of labour market entrants/re-entrants	40%
Total benefit per year, current prices	£ 55,697
Present Value of Benefit	£ 234,751

Crime Reduction	
Incidences of crime	600
Reduction	10%
Monetary cost of crime (at current prices)	£1,244
Reduction in number of incidents (Gross)	60
Displacement	75%
Net Reduction in Number of incidents	15
Benefit per annum	£ 18,666
Duration	5
Present Value of Benefit	£ 74,428

Amenity Benefits	
Area (sqm)	3,354
Benefit per annum	£ 36,605
Present Value of Benefit	£ 145,956

Economic Benefits	
Direct Land Value Uplift (LVU)	-£1,365,169
Wider LVU	£34,108,785
Labour supply impacts	£234,751
Crime reduction impacts	£74,428
Amenity benefits	£145,956
Total benefits	£33,198,751

5

Delivery Strategy

Delivery Strategy

Introduction

This section considers the potential delivery strategies which could be utilised by Council to deliver the schemes. Again a Red, Amber, Green (RAG) rating has been applied based on an initial assessment (rather than detailed financial analysis) of which option would have the greatest impact on Council. This considers value, in terms of the likely profit or value to SMBC; Costs, in terms of SMBC financial contribution; Risk and uncertainty shared by SMBC; Resource, including SMBC staff resource to manage delivery; Impact, including the potential to deliver an impactful scheme which will have wider economic and social benefits to the area; and Control, in terms of the level of influence SMBC will retain in the process (including retained freehold).

Delivery Strategy overview

The following diagrams present a logic flow between a Council Led and Developer Led process for the delivery of both the [redacted] Green Car Park site.

This suggests that for the Green Car park, a Council led approach, [redacted]

[redacted]

[redacted]

[redacted]

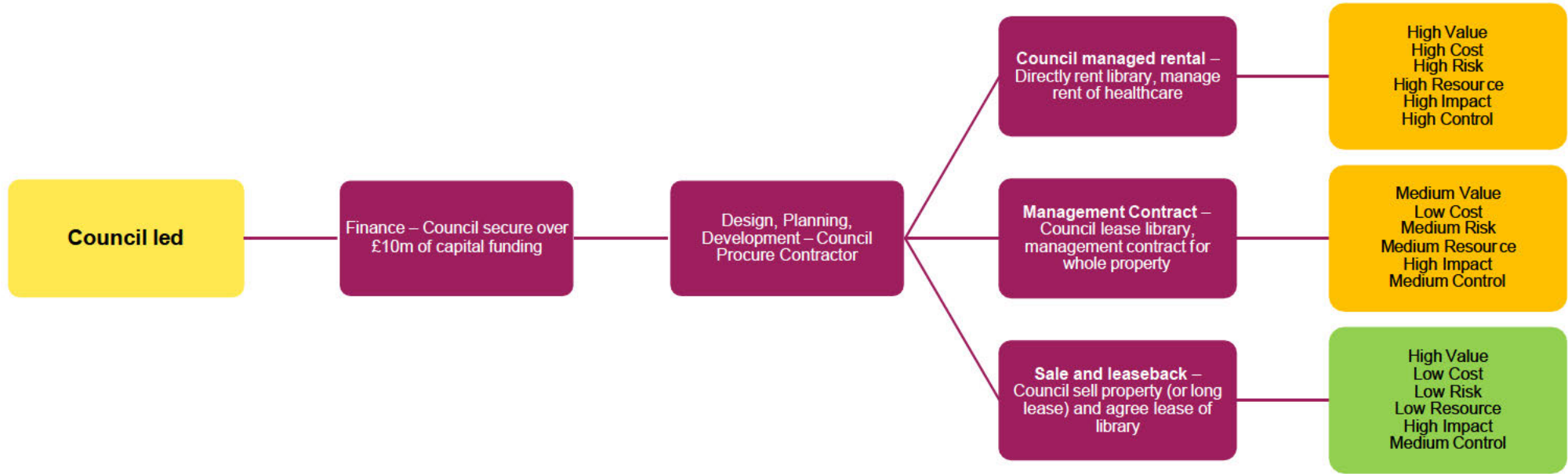
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Delivery Strategy for new library



Development Team view

Advice was sought from Savills Development Team who have experience of delivering similar projects elsewhere. Their initial review of the scheme, site and development potential, led to similar conclusions on the overall delivery strategy that would deliver best returns to SMBC.

Council delivery of the site. This would require SMBC to either allocate existing staff or employ additional staff to manage the delivery. Alternatively, the Council could outsource the management of the delivery to a developer for a fixed fee (likely around 3% of construction costs).

▪ Advantages:

- If management contract is sought, developer to manage contractors, thus, no additional staff required at SMBC
- Council remaining in full control of delivery

Disadvantage:

- If no management contract is sought, additional resources likely to be required on Council's side
- Council taking on financial liability and associated risks

Other Factors to Consider

The market is currently very tight due to reduced availability of funding. This is expected to ease next year. This also increases the risk of a Council led delivery, as it increases the risk and pressure on Council to deliver and then offload the scheme.

While costs for build materials seem to have plateaued and have shown signs of starting to decrease indicating that construction inflation is likely to ease. However, there is still significant uncertainty in the market, and potential for future fluctuations.

9

Recommendations and Next Steps

Recommendations and Next Steps

Recommendations

In summary, the analysis finds that the approach should be a Council led approach with the Council borrowing the funding required to deliver the scheme. Alternatively, public funding support can be sought to unlock delivery.

A council owned Green Car Park site would generate an income to the Council that can be used to pay for the ongoing financing costs of the site.

We recommend the following:

- Further financial analysis and more detailed development appraisals are undertaken to consider the financial implications with the aim of defining a Red E Park land valuation for both sites;
- Further advice from SMBC Planning division is sought on the potential development potential. This should consider the potential of the Green Car Park site to accommodate high density residential development without amenity provision. This could help create a more viable and self-sufficient scheme;
- Soft market testing or initial discussions with real estate agents, developers and occupiers is undertaken to inform the delivery strategy;
- Further analysis on existing car parking revenues and costs at Green Car Park is undertaken to understand the exact financial position;

We feel that the above would support SMBC to further advance thinking and decision making regarding a preferred delivery strategy for the scheme.

Next Steps

- SMBC to review the evidence presented here and consider the key factors driving decision making. Is the key priority reducing risk, exposure, and resource, or is it about maintaining control and maximising values?
- What are SMBC's ambitions for the site, and is high-density mixed-use development a priority to unlock the significant benefits? If so, values and financial viability could be improved with higher density schemes;
- The recommendations presented here would form a useful next stage of work, which would provide SMBC with all of the information needed to inform a delivery strategy and commence negotiations and discussions.

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Strategic Case

Option / Scenario	Description	Floor space	Strategic Alignment	Financials	Economic Case	Deliverability	Overall Rating
Business as Usual	No investment in new facilities. The Green Car Park site will remain as a car park.	NA	This option does not support any local, regional or national priorities in terms of improving access or life outcomes for our communities.	NA	NA	<ul style="list-style-type: none"> Achievability: Good 	Discounted - Not a suitable option
Option 1 - New Library only	The Green Car Park will be developed to deliver a new Library only. Healthcare services will continue to be distributed, and no other development proposed.	800 sqm	Aligns with local strategy to improve Crosby village centre, but creates a high financial burden on Council for the development and continued maintenance of the existing library site.	<ul style="list-style-type: none"> Upfront Costs: High, for the development of new facility Whole Life Costs: High, as no additional rental income 	<ul style="list-style-type: none"> Economic Benefits: lower than Option 2 Wider public welfare benefits: lower than Option 2 	<ul style="list-style-type: none"> Achievability: Good Financial delivery: Poor 	Discounted - Not a suitable option
Option 2 - New Library and Healthcare provision	The Green Car Park site will be developed into a new Library, healthcare, and office hub.	2,360 sqm	Aligns with local strategy to improve Crosby village centre, and delivers a range of services from one site. But creates a high financial burden on Council for the development and continued maintenance of the existing library site.	<ul style="list-style-type: none"> Upfront Costs: Very High Whole Life Costs: Medium, revenue from rental income marginally higher than operating costs 	<ul style="list-style-type: none"> Economic Benefits: High (~£4.3m p.a.) Wider public welfare benefits: High (£33.2m over a 5 year appraisal period) 	<ul style="list-style-type: none"> Achievability: Good Financial delivery: Medium 	Taken forward
Option 3 - New Library, Healthcare centre and Residential above	The Green Car Park site will be developed into a new Library and healthcare hub, with residential development above (as per LUF Round 1 funding bid scheme).	4,470 sqm	Aligns with local strategy to improve Crosby village centre, and delivers a range of services from one site. But creates potential policy challenges due to amenity and open space for incoming residents in the town centre.	<ul style="list-style-type: none"> Upfront Costs: higher than option 2 Whole Life Costs: similar to option 2 	<ul style="list-style-type: none"> Economic Benefits: Higher than option 2 Wider public welfare benefits: Higher than option 2 	<ul style="list-style-type: none"> Achievability: Poor, due to planning restrictions Financial delivery: Poor 	Discounted - Not a suitable option
Option 4 - New Library and Residential development	Green Car Park will be developed into a new Library with residential development above.	2,250 sqm	Generally good alignment. But creates potential policy challenges due to amenity and open space for incoming residents.	<ul style="list-style-type: none"> Upfront Costs: Similar to option 2 Whole Life Costs: Similar to option 2 	<ul style="list-style-type: none"> Economic Benefits: Similar to option 2 Wider public welfare benefits: Similar to option 2 	<ul style="list-style-type: none"> Achievability: Poor, due to planning restrictions Financial delivery: Medium 	Discounted - Not a suitable option

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Report to:	Cabinet	Date of Meeting:	7 December 2023
Subject:	The Strand Shopping Centre, Bootle – Transformation Programme and Business Plan 2023-24 to 2025-26		
Report of:	Executive Director (Place)	Wards Affected:	Linacre / Derby
Portfolio:	Cabinet Members: Regeneration and Skills; and Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	The report is not confidential, but some detailed appendices are NOT FOR PUBLICATION by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. The Public Interest Test has been applied and favours the information being treated as exempt.		

Summary:

This report comprises the case for proceeding with delivery of Phase 1 of the planned Bootle Strand Transformation Programme and the new five-year Business Plan for the fiscal years 2023/24 to 2027/28 for the Strand Shopping Centre, reflecting the impacts on operations of proceeding with the programme works.

Given the on-going challenges of the economic climate, which continue to impact day to day operations at The Strand, and the complexity of the work required to deliver Phase 1 of the Programme whilst the rest of the centre continues to trade, the Business Plan includes an updated overview of the impacts on the retail sector of the current economic climate and the impacts on operations of delivering the works.

Notwithstanding the challenges to the Business Plan, it has always been made clear that the acquisition of the Strand was for regeneration purposes, and the continuation of the pressures of the economic climate reinforce the importance of delivering the vision for the future of Bootle town centre and the Strand through implementation of the Transformation Programme.

This report, therefore, recommends proceeding with the implementation of Phase 1 of the Transformation Programme, for which funding has been secured from the Department of Levelling Up Housing and Communities (“DLUHC”) and agreed in principle with the Liverpool City Region Combined Authority (“CA”).

Although the Transformation Programme and the associated, updated Business Plan take account of the latest economic data and assesses the implications of undertaking works whilst the shopping centre continues to trade (based on now more detailed designs and plans), there nevertheless remains some uncertainty because of the volatile pressures of inflation and the cost-of-living crisis.

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Recommendation(s):

It is recommended that Cabinet:

- (1) Approve proceeding with Phase 1 of the Strand Transformation Programme.
- (2) Approve the Executive Director for Place, in consultation with the Cabinet Member for Regeneration and Skills, to authorise the draw down of the DLUHC £20m grant funding for Phase 1 of the Transformation Programme under the previously signed Memorandum of Understanding in place between the Council and DLUHC.
- (3) Recommend to Council to approve a supplementary capital assessment of £20m fully funded by the DLUHC grant funding.
- (4) Approve the Executive Director for Place, in consultation with the Cabinet Member for Regeneration and Skills, to procure preferred building contractor for Phase 1, with the award of the contract to be subject to a subsequent Cabinet Report.
- (5) Approve the Executive Director for Place, in consultation with the Cabinet Member for Regeneration and Skills, to authorise the direct appointment of the Council's existing Asset Manager to also act as the Development Manager for Phase 1 of the Programme.
- (6) Approve the Executive Director for Place, in consultation with the Cabinet Member for Regeneration and Skills, to authorise the direct appointment of Avison Young as PM, Cost and Design consultants for Phase 1A-C via the Crown Commercial Services framework.
- (7) Approve the new, 5-year, Transformation Programme Business Plan for the Strand Shopping Centre noting continued challenges in the economic climate (assuming approval of recommendation 1).
- (8) Approve that any material variations to the Transformation Business Plan be presented back to Cabinet for further decision.
- (9) Approve that an updated Business Plan, for the following three years from the financial year 2027/28, be brought to Cabinet for approval ahead of the start of that year.

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. This remains the Council's priority in relation to the The Strand.

This report sets out the deliverability of Phase 1 of the Transformation Programme and provides accompanying financial forecasts for the coming years, via an updated 5-year Business Plan, accounting for the impacts of the economy and of the works on day-to-day operations as well as outlining the positive outcomes on the Business Plan and wider regeneration objectives of proceeding with the Transformation Programme.

Alternative Options Considered and Rejected:

Not proceeding with Phase 1 of the Transformation Programme has been considered but discounted as the deterioration to the financial sustainability of the Strand would continue unchecked, which would inevitably lead to it no longer being viable. This would also fail to realise any of the regeneration objectives the Programme is designed to provide as well as require the return of the £20m grant funding award that the Council has secured for Phase 1 of the Programme.

No alternatives to the publication of an updated Business Plan were considered, as this is required annually by Cabinet.

What will it cost and how will it be financed?

(A) Revenue Costs

All revenue implications are addressed within the report.

(B) Capital Costs

All capital implications are addressed within the report.

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 report.
Legal Implications:
All legal implications are identified and addressed within the report.
Equality Implications:
The Council's focus for the Strand and for Bootle town centre remains on social and environmental outcomes, as well as economic and financial outcomes. In the short-term, this continues to be evidenced in the close partnerships in place with the 20 Community Interest Company ("CIC") tenants, such as Bootle Tool Shed, the Big Onion, Kingsley and Company, and In Another Place. These partners have been for many years and are continuing to be supported via agreements with the Council for occupancy of the centre in a manner that ensures their ability to both continue to deliver positive community outcomes in the short-term, and their opportunity to engage in and help shape the future of the centre in the longer-term. Where these tenants occupy units that fall within the scope of the Phase 1 works, requiring them to vacate, the Council is making every effort to find viable alternative

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accommodation elsewhere within the Strand on similar terms of occupation or to assist the organisation to itself find suitable alternative accommodation.

Further information on these partnerships and positive outcomes is included within the report.

An Equalities Impact Assessment is attached in Annex 1 of Appendix 1 to this report: "Summary Business Plan for the period 2023/24 to 2025/26 and Business Case for Phase 1 of the Transformation Programme".

Climate Emergency Implications:

The recommendations within this report will

Have a positive impact	N
Have a neutral impact	Y
Have a negative impact	N
The Author has undertaken the Climate Emergency training for report authors	N

The Business Plan itself will have a neutral impact in respect of climate emergency.

The implementation of the Transformation Programme will be delivered in line with the Council's strategy and objectives in respect of climate emergency, with both the delivery of construction works and the operation and maintenance of the asset in mind.

The intention is that the repurposing vision will closely align to the Council's strategic objectives in relation to climate emergency, and in the shorter-term operational actions are undertaken to deliver positive environmental outcomes where available.

An initial Environmental Impact Assessment is attached at Annex 2 of Appendix 1 to this report: "The Strand BP and FBC Summary 2023/ to 2028".

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, particularly through the partnerships with Community Interest Companies as described above. The Transformation Programme will enable the Strand to continue to operate as an economically sustainable asset securing these essential amenities for the community in the medium and long-terms.

Facilitate confident and resilient communities:

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

A Social Value Report is attached as Annex 3 to Appendix 1 of this report "Summary Business Plan for the period 2023/24 to 2025/26 and Business Case for Phase 1 of the Transformation Programme"

<p>Commission, broker and provide core services:</p> <p>Financial returns to the Council, as owner of The Strand, can provide revenue to contribute towards service provision. The centre also offers opportunity to locate accessible and important services for local residents.</p>
<p>Place – leadership and influencer:</p> <p>The Strand is a key asset at the heart of Bootle critical to the town’s physical, economic, and social regeneration.</p>
<p>Drivers of change and reform:</p> <p>Physical infrastructure (retail and other amenities) is a significant contributor to and enabler/catalyst for change.</p>
<p>Facilitate sustainable economic prosperity:</p> <p>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.</p>
<p>Greater income for social investment:</p> <p>The proposed Phase 1 scheme includes the provision of opportunities and support for local people to launch and sustain micro enterprise within and around The Strand. The Big Onion provides a strong example of a partner helping deliver positive outcomes in this respect.</p>
<p>Cleaner Greener:</p> <p>All development proposals will be compliant with the Building Regulations and other Planning and Habitat regulations meaning Sefton builds cleaner and greener.</p>

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD 7444/23) and Chief Legal and Democratic Officer (LD 5544/23) have been consulted and any comments have been incorporated into the report.

The Service Manager for Procurement has been consulted and helped to shape the plans with respect to the proposed procurements and appointments of consultants and the building contractor.

(B) External Consultations

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There have been extensive consultations with local people, businesses and other stakeholders, details of which are included in the report. These consultations will continue, facilitated by the recent establishment of a dedicated shop unit in the Strand shopping Centre acting as an information and engagement hub.

Implementation Date for the Decision

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

Contact Officer:	Stephen Watson
Telephone Number:	0151 934 3710
Email Address:	stephen.watson@sefton.gov.uk

Annexes and Appendices:

- **Appendix 1 – The Strand BP and FBC Summary 2023-2028**
- **Appendix 2 – The Strand BP 2023-2028 - Detailed**
- **Appendix 3 – The Strand Transformation Programme FBC - Detailed**

Appendix 2 and Appendix 3 are confidential and exempt from publication in compliance with Schedule 12A of the Local Government Act 1972, which provides for certain information to be exempt from publication including information relating to the financial or business affairs of any particular person (including the authority holding the information). ‘Financial or business affairs’ includes contemplated, as well as past or current, activities. ‘Person’ includes any public authority, company, or other legally constituted organisation.

The detailed Business Plan includes detailed information about costs and income that would be detrimental to commercial negotiations with existing and future tenants of The Strand if published.

The detailed Business Case includes details of supplier fees and procurement arrangements, which are commercially sensitive.

Such an exemption is subject to the Public Interest Test and the exemption will only apply, if and so long, as in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information. The Monitoring officer has considered this issue and recommends to Cabinet that this information should be exempt from publication.”

Background Papers:

- **Strand Engagement, Communications and Consultation Plan:**
[\(Public Pack\)Agenda Document for Public Engagement and Consultation Panel, 08/09/2023 10:00](#)

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.

The Council remains fully committed to supporting and securing investment in The Strand for the short, medium, and long terms to enable this regeneration and reverse the decline The Strand was suffering in the hands of private ownership. The Council aims to respond proactively to the challenges of a changing retail market accelerated and increased by the impacts of COVID-19 and the current economic conditions. The proposed Transformation Programme will help to drive economic, social, and physical regeneration in the town centre, bringing back in to use near derelict areas, creating beautiful public realm spaces, reanimating the town centre to attract more footfall, ultimately bringing in new employers and creating local jobs.

Feedback from industry experts and private sector engagement reaffirms that this was an appropriate strategic action for the Council to take. The current economic climate and challenges facing the retail sector further reinforce this point.

- 1.2 The Council is ready to proceed with Phase 1 of the proposed Transformation Programme, utilising: (i) £20m funding for the first 3 elements of the project (Phase 1A-C), which has already been secured from DLUHC; and (ii) funding from the LCR CA for the final element (Phase 1D), pending finalisation of the designs for this last element as well as confirmation of the formal approval of the required funding by the LCR CA.
- 1.3 In the meantime, the Council continues to work on a long-term strategy for further improving the remainder of The Strand through later phases, over the coming years. This includes investment in the remainder of the centre to further improve its long-term performance and better meet the needs of the future high street, enhancing the Strand's value to Bootle Town Centre, further driving regeneration outcomes and attracting more inward investment.
- 1.4 The detailed plans for Phase 1 (including integration with the adjacent Canalside site) and the longer-term plans will continue to be developed in full consultation with local people and other local stakeholders, with whom engagement is ongoing. This particularly includes partnership working with community organisations including, but not limited to, The Big Onion, Bootle Tool Shed, Kingsley and Co. (Y-Kids), and In Another Place, to ensure continued collaboration to deliver positive social outcomes for communities in both the short- and long-term.

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2.0 Business Plan 2023/24 to 2027/28

- 2.1 The Summary Transformation Business Plan document attached to this report at Appendix 1 covers a 5 year period and includes information on the current economic climate and medium-term forecasts, with the implications for the retail sector particularly, reinforcing the importance of implementing the proposals.
- 2.2 It is important to note that the Strand was acquired in 2017 by the Council to ensure its continuation as an important amenity to the local community and to meet regeneration aims for Bootle Town Centre. Structural changes in the retail market and challenges in the wider economy have put pressure on the Strand's financial performance. The proposed Transformation Programme is designed to address those issues, drive regeneration and put the Strand back on to a sustainable financial footing.
- 2.3 The analysis underpinning the forecasts in this Transformation Business Plan is conducted at both an individual tenant level and for the overall asset. However, the detail in this respect, of course, remains commercially sensitive and confidential, so is excluded from the Summary Transformation Business Plan document.
- 2.4 Ongoing reviews continue to reaffirm the importance of the Strand as a community asset, reflected in the reductions in footfall throughout the pandemic relative to other retail centres, and the resurgence in footfall since.
- 2.5 The Transformation Business Plan outlines the strong platform the Strand provides for the future economic recovery in Bootle town centre.
- 2.6 Moreover, external feedback reinforces that the structural changes and economic challenges referred to within this and previous reports would be exacerbated drastically if the asset had remained in private ownership and validates the decision to acquire the Strand for regeneration purposes.
- 2.7 The Transformation Business Plan appended to this report assumes that Phase 1 of the proposed Transformation Programme is implemented but includes an assessment of the likely outcome if this were not to be the case.
- 2.8 Therefore, the Business Plan section also includes an overview of the capital investment required to implement Phase 1 and identifies the sources of that capital. (This is then dealt with in more detail in the Programme Business Case section).
- 2.9 As previously, the Strand's operational finances will be funded through the Council's approved revenue budget, and any variance will be contained within this approved budget. Any material variations to this forecast will be presented back to Cabinet for further decision.

2.10 The high-level financial forecast, in comparison to the previous approved 'As-is' Business Plan is as follows:

YEAR	1	2	3	4	5
FINANCIAL YEAR	2023/24	2024/25	2025/26	2026/27	2027/28
Previous BP – Net Council Return	-£1,837,238	-£2,084,686	n/a	n/a	n/a
*Transformation BP – Net Council Return	-£1,610,201	-£1,850,407	-£1,151,114	-£1,012,388	-£858,360
Variance	£227,037	£234,279	n/a	n/a	n/a

(*These projections do NOT include any of the M&S lease surrender premium received in 23/24 which is held in reserve to replace lost contribution from M&S during the Phase 1 works. This reserve will be allocated each year in the appropriate proportion to ensure the financial cost of the shopping centre to the Council's Medium Term Financial Plan remains within the agreed budget each year).

- The decline in the current BP projections (and trends in previous years) show the challenges The Strand is facing for the future. The Council's Asset Manager confirms that without change the Strand will continue to decline, exacerbated by increasing inflation, the cost-of-living crisis, and a potential recession.
- However, with change, through the implementation of Phase 1 of the Transformation Programme, the Asset Manager forecasts an improvement over the 5 years of the Plan of over c.£750k, as shown in the table above, which trend would continue, enabling the Strand to return to net positive income by the time the Programme is complete.

2.11 The level of investment required to achieve this BP improvement is £45.14m over 5 years, as summarised in the table below:

YEAR	1	2	3	4	5
FINANCIAL YEAR	2023/24	2024/25	2025/26	2026/2027	2027/2028
Development of Phase 1A-C <i>£20m (DLUHC)</i>	£0	£6,666,667	£6,666,667	£6,666,667	£0
Development of Phase 1D <i>£18m (sought from LCR CA)</i>			£9,000,000	£9,000,000	£0
Additional enabling capital <i>£7.14m (sought from LCR CA)</i>	£2,867,000	£900,000	£2,850,000	£525,000	£0
TOTAL INVESTMENT <i>£45.14m</i>	£2,867,000	£7,566,667	£18,516,667	£16,191,667	£0

- £20m of this funding, for Phase 1A-C (see below) is already secured from DLUHC via the Capital Levelling Up Fund grant.
- A further £18m of this funding is expected from LCR CA but yet to be formally confirmed.
- Within the total c.£45m there is also c.£7m required to enable the remaining Strand to continue to operate effectively whilst the Phase 1 programme is implemented. A business case for this c.£7m capital investment has been submitted to the LCR CA and is awaiting formal approval.

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3.0 **Business Case for Phase 1 of the Transformation Programme**

3.1 The Council has set out a compelling long-term vision for The Strand and the regeneration it can enable in the town centre, focusing on promoting dynamism and inclusive and sustainable places that align with the local community. The successful delivery of Phase 1 of the Programme to create this sense of Place is the critical foundation for enabling this long-term vision.

Outcomes			
Improved resident well-being <ul style="list-style-type: none">Supporting mental health through improved outdoor space and amenityImproved public services, with better access to health, employment and learning supportSupporting community activity and venturesEncouraging community growing environmental projects	Inclusive Growth <ul style="list-style-type: none">Supports future inward investment into BootleJob creation and improving access to employment and trainingBuilding on extensive community networks and voluntary participationDeveloping seedbed for community enterprise	Connected and integrated town centre <ul style="list-style-type: none">The repurposed Strand is seen as the heart of BootleIt better connects with the town centre (visually, permeability and access to other assets)Mixes public services and community activity in the heart of the town, creating a more animated spaceEncouraging biodiversity and greening the urban landscape	A sustainably repurposed asset <ul style="list-style-type: none">Reduced level of retail space with surplus space repurposedCreating a sustainable balance between commercial, public service, residential and community usesImproved quality, configuration and flow of the assetCreating new opportunities for business and a thriving evening economy

3.2 The plans for the future of The Strand have been developed in partnership with key stakeholders and the local community and have considered the wider consultation taking place on the town centre and the whole of Bootle via the Area Action Plan process currently underway.

3.3 This commitment to Stakeholder Engagement, Communication and Consultation (“SECC”) will continue through the Programme, supported by a comprehensive SECC Plan and the recent establishment of a Strand Information Hub in a vacant unit in The Strand. A link to the SECC Plan is included at the start of this report.

3.4 The Phase 1 Programme will build on the existing ‘Salt’n’Tar’ facilities and offer, which have been started as ‘Meanwhile Uses’ along the Canalside, establishing these for the long-term as an enhanced and integral part of the Strand’s diversified future offer.

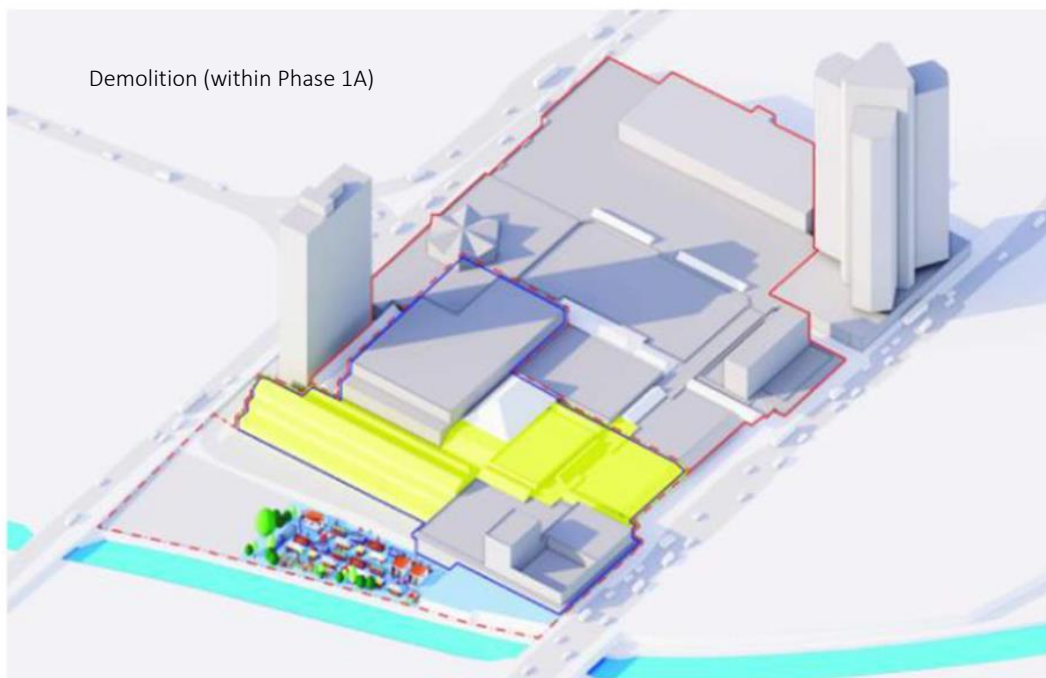
- The Phase 1 Programme comprises 4 key elements, as below:
 - Phase 1A:* New landscaped public realm alongside the canal that extends and enhances the initial 'meanwhile uses' Salt and Tar facilities.
 - *Phase 1B:* refurbished space in ‘Block A’ (the former M&S unit) including: x6 new commercial units facing the new town square along with new 'shell and core' space on the ground floor (Stanley Road level); and new 'shell and core' space in the basement area (Canalside/Washington Parade level). The shell and core space will be flexible for a variety of uses and occupiers.
 - *Phase 1C:* new landscaped public realm forming a new Town Square where the currently enclosed Mons Square is located, which will integrate with the Canalside

and deliver enhanced permeability into the Strand and a beautiful space where the community can come together.

- *Phase 1D*: repurposing 'Block B' to provide new 'shell and core' space that will be flexible for a variety of uses and occupiers.



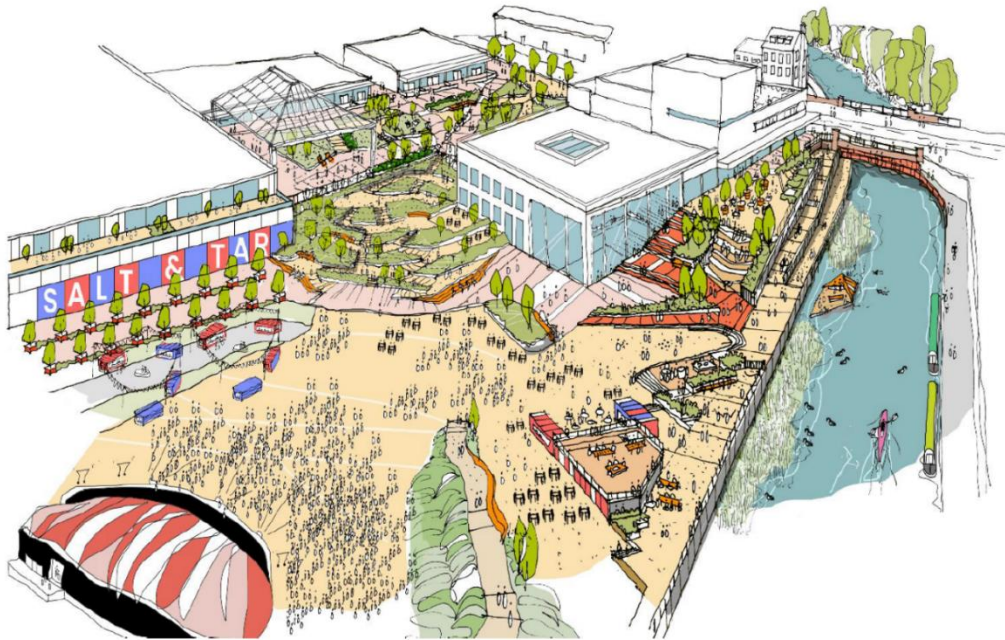
- 3.5 Phase 1A includes the demolition of surplus retail and derelict residential space in The Palatine to remove low performing units that currently make a loss and to open the site up to facilitate new public realm for Place Shaping.



attractive and welcoming environment is a key first step in developing the existing Strand into a town centre fit for the future.

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- 3.7 Therefore, Phase 1 of the Programme has a focus on delivering first class public realm to unlock future development of more commercial uses, whilst providing a solid base for the social and physical regeneration of Bootle by creating a pleasant and attractive town centre for its residents.
- 3.8 In this way, the social and physical fabric of a community improves and with it the economic benefit to its residents, resulting in improved life chances. Investment in Place Shaping returns increased economic output, uplifts in land values and increased job creation..



Vision of Phase 1 of The Strand Transformation Programme

3.9 The Case for Proceeding with Implementing Phase 1 - Benefits

3.9.1 *Financial*

- 3.9.1.1 As outlined above in the Business Plan section of this report, successfully delivering Phase 1 of the Programme is essential to move the Strand from a position of continued financial decline with an unsustainable future to once again becoming a net positive income generating asset that is financially sustainable for the long-term, ensuring the continuation of essential amenities that are needed and valued by the local community.
- 3.9.1.2 Again, it is important to note that the decline in the Strand's financial performance is due to structural changes in the retail market and challenges in the wider economy and that the proposed Transformation Programme is designed to address those issues, drive regeneration and put the Strand back on to a sustainable financial footing.

3.9.2 *Economic, social, and physical regeneration*

3.9.2.1 In addition to enabling the Strand to again become financially sustainable, implementing Phase 1 of the Programme will drive significant economic, social, and physical regeneration across Bootle. These significant benefits are quantifiable over 10 years:

- **Social value** – through providing better amenities, attracting people to visit and to dwell in the town centre and providing easier access to essential facilities and services ‘on the high-street’.
- **Improved health and well-being** – through providing new public realm and green spaces as well as new facilities for active travel and lifestyles as well as integrated health and social care on the high street.
- **Economic value** – through attracting more visitors to the town centre and encouraging spending more time and money locally, including supporting the development of a vibrant night-time economy and local businesses, creating jobs with a more vibrant and attractive town centre being more attractive to employers to set up in the town.
- **Environmental improvements** – through high quality public realm and more green spaces; opening access to the canal; ultimately creating a ‘green-link’ to Rimrose Valley country park and a ‘blue-highway’ (via the waterway) to Liverpool; also, through the design strategy focusing on re-purposing rather than whole-scale demolition and rebuild, reducing the project carbon footprint by over 30%
- **Commercial value** – through re-purposing and diversifying the offer to be fit for the high-street of the future, enabling the Strand to return to net positive income generation and become financially sustainable in the long-term and arresting the decline in the value of the asset over time.

3.9.2.2 An assessment conducted for the Council by the market leading built environment consultants Savills for the Council’s DLUHC bid quantified some of these benefits in financial values over 10 years as follows:

Land value uplifts (unlocking wider investment and development)	c.£180m
Residential values uplift (unlocking housing development)	c.£17m
Retail and Leisure values uplift (improving quality of life)	c. £1m
Office values uplift (helping bring back in to use the large number of empty offices)	c.£5m
Improved amenity space (improving quality of life, health, and inward investment)	c.£3m
Job creating and wage uplifts	c.£3m (200 new jobs)
Crime reduction	c.£3m (10% reduction)
Avoided asset depreciation (over 10 years)	c.£16m

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4.0 Funding Phase 1

4.1 The implementation of Phase 1 of the Programme requires c.£45m in new investment over 5 years (the full term of the Transformation Business Plan) as follows.

Development of Phase 1A-C:	£20.0m (funded by DLUHC)
Additional enabling capital* and Development of Phase 1D:	£25.1m (being sought from the LCRCA)
TOTAL:	£45.1m

*The additional enabling capital is required to enable the remainder of the Strand, outside of the scope of Phase 1 to continue to operate effectively during the works.

4.2 *DLUCH Capital Levelling Up Funding for Phase 1A-C*

4.2.1 The Council has already been successful in securing, in March 2023, the £20m of capital funding from DLUHC via the Capital Levelling Up Fund to complete Phase 1A-C in its entirety, including professional fees for the remaining RIBA Stage 3-7 work. This work must be completed by 31 March 2026 as a condition of the funding agreement, creating a very challenging schedule for the works.

4.3 *Applications for Liverpool City Region Combined Authority (LCR CA) Funding*

4.3.1 There is additional funding required of £7.1m to deliver Enabling Works that will allow the shopping centre to continue to operate during the Phase 1A-C works.

4.3.2 There is also additional funding, estimated at up to £18m, to re-purpose Block B for Phase 1D of the Programme, which must be completed as a condition of the Levelling Up funding grant.

4.3.3 The Council's project team officers and the Executive Director of Place have been working with the LCR CA to discuss prospective funding applications to a total of c. £18m of the estimated c.£25.1m additional funding. The CA have confirmed their support for the aspirations of the programme and welcome a submission for funding, which will be subject to their assurance process, which includes a review of the business case being prepared by the council.

4.3.4 A submission for £7.1m capital investment required for the Phase 1 Enabling Works (to enable the shopping centre to continue to operate effectively during the works) has been submitted and council officers are working with colleagues at the Combined Authority to develop a business case and, if ultimately approved by the Combined Authority, to identify available funding to support delivery of this phase.

5.0 Procurement of a Building Contractor for Phase 1A-C

- 5.1 The approach to Procurement of a Building Contractor is consistent with the approach adopted across the Council's Growth and Strategic Investment Programme, taking account of lessons learned from other projects to adopt best practice.
- 5.2 As the timetable set by DLUHC for completion of Phase 1A-C is so tight, the Council has had to urgently commence with a procurement exercise to select a building contractor to deliver the Phase 1A-C works, including the initial demolition.
- 5.3 Cabinet is asked to approve the Executive Director for Place, in consultation with the Cabinet Member for Regeneration and Skills, to select a preferred contractor via the Procure Northwest Framework, as soon as possible with a further Cabinet report to approve the award of the contract following the completion of the exercise.
- 5.4 The Procure Northwest Framework is a fully PCR 2015 compliant framework notified on Find a Tender Service (formerly the OJEU).
- 5.5 The framework is divided into regional-specific value banded lots and can be used for Design and Build or Build Only projects. The Council's procurement service has been fully engaged and supporting the project with this procurement plan.
- 5.5.1 The current proposal is to procure a two-stage Design and Build contract including:
- 5.5.2 A fixed price for the demolition works (due to start in February 2024);
- 5.5.3 A statement of the contractor's profit, overhead and preliminaries costs against a set of provisional sums provided by the Council for the main works. The provisional sums will then be replaced by the contractor's fixed price for those works as the detailed technical designs are complete, always remaining within the set project budget.
- 5.5.4 A Pre-Contract Services Agreement (PCSA) for the preferred contractor to provide services prior to the full build in support of completing the detailed technical designs for the main works.
- 5.6 The procurement includes requirements for commitment to social value and environmental sustainability aligning with the Council's policies as advised by the Council's procurement team who are supporting the procurement.

6.0 Appointment of a Development Manager for RIBA Stage 3-7 for delivery of the Phase 1A-D of the Transformation Programme

- 6.1 The procurement of a Development Manager is consistent with the approach adopted across the Council's Growth and Strategic Investment Programme for major schemes.

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- 6.2 Following a review of the project by development experts provided by the LCR CA, it has been confirmed that the Council does not have sufficient expert capacity in-house to directly manage this public sector led development. The LCR CA recommended that the Council appoint a suitably qualified Development Manager for this role to ensure the very challenging timescales can be achieved and the complexity of the project effectively managed.
- 6.3 The existing Strand Asset Manager is recommended to be directly appointed for this role because they are unique in the marketplace in their ability to meet all of the specific DM requirements for the Strand Programme, many of which are particular to this project, including:
- 6.3.1 The need for the Strand shopping centre to continue to operate throughout the delivery of the Programme making this an extremely complex and challenging project to deliver and requiring the capital project and operational activities to be fully integrated.
- 6.3.2 The need to effectively manage the project's key deliverables across the whole of the supply chain (both asset management and construction delivery) in a completely coordinated way at pace: -
- The need to underpin the Transformation Business Plan with commitments from existing and potential future tenants.
 - The need to ensure detailed designs align with the needs of the key individual potential future tenants.
 - The need to gain timely vacant possession of units within the scope of Phase 1 at minimum cost to the Council.
 - The need to effectively manage relationships with existing tenants to retain Net Operating Income of units outside of the scope of Phase 1 during development works.
 - The need to control the final design and delivery plans and manage any required value engineering of the Phase 1 solution to fit available funding and/or presenting additional funding options.
 - The need to ensure the Strand can continue to operate 'BAU' services whilst going through major change with the delivery of the Programme, including robustly coordinating the management of all these issues and requirements, as well as all the Delivery team resources.
- 6.3.3 The contract would include a clear set of requirements relating to the greater leadership role required to deliver the programme, especially: -
- Integrating the existing 'BAU' operations/asset management role with the capital programme delivery role.

- Providing the client brief for the design requirements at each RIBA Stage, taking full account of the needs of the most credible and feasible potential occupiers for Phase 1.
- Leading negotiations with those potential occupiers to put in place agreements that underpin the Strand Business Plan targets that are agreed with Cabinet.
- Directing the PM and Design team to ensure designs and processes support the proposed optimum concept for Phase 1.
- Managing the PM and design team's performance in delivering the required PM and Design outputs in a timely way.

6.4 Cabinet is asked to approve the Executive Director for Place, in consultation with the Cabinet Member for Regeneration and Skills, to directly appoint the existing Asset Manager to this integrated Asset Management/Development Management role, and subsequently to approve the contract for the appointment of the role. The Council's procurement service has been fully engaged and supporting with this procurement plan, which has also been externally reviewed by the Project's appointed legal advisers.

7.0 Appointment of a PM, Cost and Design Consultant for RIBA Stage 3-7 for delivery of the Phase 1A-C of the Transformation Programme

7.1 The approach to Procurement of the PM/Cost/Design team is also consistent with the approach adopted across the Council's Growth and Strategic Investment Programme, taking account of lessons learned from other projects to adopt best practice.

7.2 The Council has previously appointed, via a competitive tender on the BLOOM framework, a Project and Cost Management and full Design Team partner for the pre-development work on the Transformation Programme. The scope of the work under this appointment has been to deliver RIBA Stage 0 for the whole Programme and RIBA Stage 1 for the whole of Phase 1A-D extending to RIBA Stage 2 for Phase 1A-C, which work is now complete.

7.3 Subject to approval of Cabinet to proceed with the implementation of Phase 1, it is now necessary to appoint the PM and Cost Management and Full Design Team for the remaining RIBA Stages 3-7 of the works, with the target date for completion of construction being 31 March 2026 as specified by DLUHC. This is to fully be funded by the DLUHC grant award.

7.4 Cabinet is asked to approve the Executive Director for Place, in consultation with the Cabinet Member for Regeneration and Skills, to authorise the direct appointment of the existing PM, Cost and Full Design Team partner via the Crown Commercial Services ("CCS") Estates Framework for this work.

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- 7.5 The CCS Estates framework is a fully PCR 2015 compliant framework notified on Find a Tender Service (formerly the OJEU). The Council's procurement service has been fully engaged and supporting the project with this procurement plan and the supplier has confirmed in writing, following agreement with the CCS, that this framework is suitable for the full range of services required.
- 7.6 Subsequent work packages for Phase 1D and later Phases of the project, which are not subject to the same timescales, will be procured at a later date and may be subject to mini-competition via the appropriate framework, depending on advice from the Council's procurement service and the Project's external legal adviser.

8.0 APPENDICES

- 8.1 **Appendix 1:** The Strand BP and FBC Summary 2023-2028.
- 8.2 **Appendix 2:** The Strand BP 2023-2028 – Detailed. (The report and Appendix 1 are not confidential, but Appendix 2 is NOT FOR PUBLICATION by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. The Public Interest Test has been applied and favours the information being treated as exempt.)
- 8.3 **Appendix 3:** The Strand Transformation programme FBC - Detailed. (The report and Appendix 1 are not confidential, but Appendix 3 is NOT FOR PUBLICATION by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972).

APPENDIX 1
The Strand Business Plan (BP) and Full Business Case (FBC) Summary 2023-2028



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1. Introduction

1.1 *Purpose and Scope of this Document*

This Business Plan and Transformation Programme Business Case Summary document provides an update to the previous 3-year Strand Business Plan (2022/23 to 2024/25), which was approved by Cabinet on 5 January 2023. The document sets out the case for proceeding with Phase 1 of the Transformation Programme on which the updated Business Plan depends.

The updated 'Transformation Business Plan' ("TBP") covers a 5-year period 2023/24 to 2027/28, presenting a forecast of the asset's financial performance based on implementation of Phase 1 of the proposed Strand Transformation Programme ("the Programme"), taking full account of the prevailing challenging economic conditions.

The achievement of the TBP forecasts is dependent on the timely implementation of Phase 1 of the Programme.

The timely delivery of Phase 1 of the Programme is also necessary because of the tight timescales set by the Department for Levelling Up Housing and Communities ("DLUHC") as a condition of the £20m Capital Levelling Up Funding ("CLUF") grant, which was awarded to the Council in March 2023.

The elements of Phase 1 of the Programme to be delivered that are funded by the £20m grant are:

- Phase 1A: New landscaped public realm alongside the canal that extends and enhances the initial 'meanwhile uses' Salt and Tar facilities.
- Phase 1B: refurbished space in 'Block A' (the former M&S unit) including: x6 new commercial units facing the new town square along with new 'shell and core' space on the ground floor (Stanley Road level); and new 'shell and core' space in the basement area (Canalside/Washington Parade level). The shell and core space will be flexible for a variety of uses and occupiers.
- Phase 1C: new landscaped public realm forming a new Town Square where the currently enclosed Mons Square is located, which will integrate with the Canalside and deliver enhanced permeability into the Strand and a beautiful space where the community can come together.

DLUHC, which is providing £20,000,000 funding for Phase 1A-C has set a target for all of these elements to be completed (completion of construction and handover to operator) by 31 March 2026.

There is a final element of Phase 1, which has a DLUHC target completion date of September 2027, although the funding for this element is due to be provided by the LCR CA and not DLUHC:

- Phase 1D: repurposing 'Block B' (the current TJ Hughes unit) to provide new 'shell and core' space that will be flexible for a variety of uses and occupiers.

The acceleration of the Programme required by the DLUHC timescales has created particular challenges for the day-to-day operations of the remainder of The Strand, which need to continue throughout the Phase 1 works.

2. The Transformation Business Plan 2023/24 to 2027/28

2.1 Dependence on Phase 1 of the Transformation Programme and Supporting on-going operation of the remainder of the Strand

The updated TBP includes an assessment of the Strand by the Asset Manager as a challenged operational asset and takes account of the impacts of implementing Phase 1 of the Programme in the short, medium and long terms whilst continuing to operate the rest of the centre, which is outside of the scope of the Phase 1 programme works.

The financial projections for the Strand during the five-year period of this TBP (2023/24 to 2027/28) indicate positive improvements in Annual Net Operating Income (NOI) across the 5-year business plan period, assuming Phase 1 is implemented.

On this basis, the Strand is expected to be in a breakeven position and moving in to net positive income growth once the new retail environment has been completed, even after accounting for the fixed costs of the headlease and the PWLB borrowing costs related to the original acquisition.

The implementation of Phase 1 is necessary to realise this significant improvement in financial outlook compared to the current 'as-is' Business Plan, as illustrated in the tables in section 2.2 below.

Without Phase 1, the Strand's financial performance will continue to decline, resulting in worsening outcomes over time and socioeconomic challenges, like those faced by comparable places included with the Ellandi research.

The proposed investment in Phase 1 and its enabling works not only leads to improved financial performance but also drives regeneration, arresting the continued decline of Bootle, including job losses, economic decline, weakened community bonds, and negative perceptions of the town centre.

It is important to note that the Strand was acquired in 2017 by the Council to ensure its continuation as an important amenity to the local community and to meet regeneration aims for Bootle Town Centre. Structural changes in the retail market and challenges in the wider economy have put pressure on the Strand's financial performance. The proposed Transformation Programme is designed to address those issues, drive regeneration and put the Strand back on to a sustainable financial footing.

2.1.2 Dependence on the value from Place Shaping

The TBP is dependent on realising the value of the Place Shaping benefits of the Phase 1 Programme in terms of improving the financial performance of the asset and realising the Council's Vision.

2.1.3 Continued operation during Phase 1 Works

The TBP is also dependent on the remainder of the Strand continuing to operate as a retail core during the Phase 1 works, cementing the importance of an improved retail offer within the future Strand.

2.1.3.1 Retaining and relocating key tenants

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A key requirement is the ability to offer valuable existing tenants currently located within the scope of Phase 1 (and therefore required to vacate their current units), a quality alternative unit to which they can relocate for long-term occupation with security of tenure.

2.1.3.2 Initial improvements to the existing retail core

The full refurbishment of the retail core is planned for a later phase of the Programme but it is assumed in the TBP that some investment will be made in this area during Phase 1 and this additional investment is included in the Phase 1 Business Case.

Although this retained retail is the best quality retail and mall space in The Strand currently, it has had no significant investment for many years and must be updated to retain existing tenants (including those to be relocated from within the Phase 1 area) and to attract new tenants in the prevailing challenging market and whilst part of the Strand is subject to building works.

Therefore, the Phase 1 Business Case includes a capital budget for some improvements to this retail core, which is over and above the £20m DLUHC capital funding.

2.2 Financial Projections

2.2.2.1 Previous Business Plan ('as-is' - Phase 1 Programme not implemented)

The Previous Business Plan, which is based on The Strand continuing without implementation of the Phase 1 Programme, has the following projections:

Financial Year	2023/24	2024/25
*Net Council Return	-£1,837,238	-£2,084,686

The forecasts in the table above (and the declining trend of actual results over previous Business Plans) illustrate how the Net Council Returns from The Strand will continue to decline over time and the Council's Asset Manager confirms that without major change this decline will continue and increase over future years.

This decline is being driven by major changes in the retail market, which have been becoming more acute since the Council acquired the Strand in 2017, most notably the structural retail market shifts accelerated by the COVID-19 pandemic, including an increase in on-line shopping and the reduction in major retail anchor tenants, such as M&S, in small town shopping centres.

The decline 'is exacerbated by the current macroeconomic backdrop of increasing inflation, the cost-of-living crisis, and a potential recession. As confirmed above, without the making the changes included within the Phase 1 programme, Ellandi advise the decline in returns will continue, increasing each year and their research and data confirms the same scenario in similar town centres, which have grappled with declining performance due to a lack of investment, leading to significant socioeconomic challenges.

Underinvestment in these areas has resulted in decreased footfall, business closures, and limited employment opportunities, impacting community vibrancy and local engagement.

2.2.2.2 Updated Transformation Business Plan (Phase 1 Programme implemented)

The TBP assumes the timely implementation of Phase 1 of the Programme, which results in an improvement to the financial projections for the Strand.

The projections fully account for the deduction of the Sefton-specific costs related to the Council's head lease and the repayment of the Council's PWLB borrowing for the original acquisition of The Strand, which reduces cashflow by c.£2.25m per annum.

The improvement in financial projections between the existing 'As-is' BP and the updated 'Transformation' BP is summarised in the table below.

YEAR	1	2	3	4	5
FINANCIAL YEAR	2023/24	2024/25	2025/26	2026/27	2027/28
Current BP – Net Council Return	-£1,837,238	-£2,084,686	n/a	n/a	n/a
*Transformation BP – Net Council Return	-£1,610,201	-£1,850,407	-£1,151,114	-£1,012,388	-£858,360
Variance	£227,037	£234,279	n/a	n/a	n/a

(*These projections do NOT include any of the M&S lease surrender premium received in 23/24 which is held in reserve to replace lost contribution from M&S during the Phase 1 works. This reserve will be allocated each year in the appropriate proportion to ensure the financial cost of the shopping centre to the Council's Medium Term Financial Plan remains within the agreed budget each year).

Over the 5-year period, it can be seen that the net council return is forecast to improve by c.£750k pa, compared to an expected steady decline if the Transformation Programme were not implemented.

The Council's Asset Manager has confirmed that they expect the Strand to reach a 'breakeven' position and be able to start to grow in to net positive income once the new retail environment has been completed, even after accounting for the fixed costs of the headlease and acquisition PWLB borrowing costs (which reduce the cashflow by c.£2.25m per annum).

The main factors in driving this improvement are:

- **Better leasing outcomes and higher rents** - as the retail environment is more concentrated, the number of vacant and low-no rent units declines, demand increases and competitive tension between retailers drives growth in income.
- **Reduced operating costs to the Council** - as large areas that were unable to drive income (i.e., The Palatine) are removed, with existing and new retailers taking space covering occupational costs (service charge, insurance, and business rates).

These forecasts assume the implementation of Phase 1 of the Programme with the provision of c.£45m in new investment over the full term of the Business Plan as follows (see Business Case Summary below for more details of the investment):

Development of Phase 1A-C:	£20.0m (funded by DLUHC)
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Additional enabling capital* and Development of Phase 1D:	£25.1m (being sought from the LCRC)
TOTAL:	£45.1m

*The additional enabling capital is required to facilitate the remainder of the Strand, outside of the scope of Phase 1, to continue to operate effectively during the works.

3. The Transformation Programme Business Case

3.1 Introduction and Vision and Objectives

The Strand was acquired in 2017 by the Council because it is the key cornerstone asset in Bootle Town Centre, critical to the regeneration of the Town. The Council has set out a compelling long-term vision for The Strand and the regeneration it can enable in the town centre, focusing on promoting dynamism and inclusive and sustainable places that align with the local community. The successful delivery of Phase 1 of the Programme to create this sense of Place is the critical foundation for enabling this long-term vision.

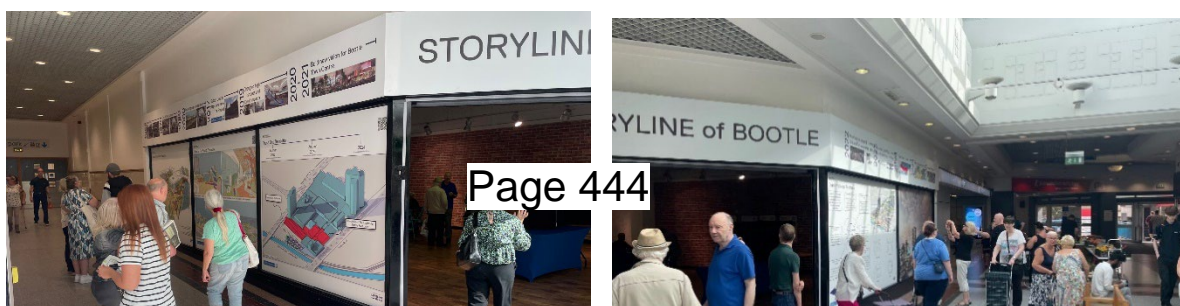


3.1.2 Stakeholder Engagement

The plans for the future of The Strand have been developed in partnership with key stakeholders and the local community and have considered the wider consultation taking place on the town centre and the whole of Bootle via the Area Action Plan process currently underway.

A Bootle Local Partnership Group comprising key organisations from across the region remains in place, to support with progression of that wider action plan for the town and its future.

This commitment to involve stakeholders will continue throughout the Programme, supported by a comprehensive Stakeholder Engagement, Communication and Consultation Plan (“SECC Plan” - please see the link to the current SECC Plan in the Cabinet Report document) and the establishment of a Strand Information Hub in a vacant unit in The Strand.



3.1.3 *Integration with the Canalside Salt'n'Tar initiative*

Work continues on the recently acquired site adjacent to the shopping centre, and the canal, now known as 'Salt'n'Tar', to provide 'meanwhile uses' such as food, beverage and entertainment, which has already been successful in helping to reanimate the town centre ahead of the main Phase 1 programme.

Working in partnership with Sound City and Live Nation, a 3-day music weekender was held at Salt and Tar in July 2023. The event had 3 headliners supported by local bands: The Lathums, Red Rum Club and Cast.

The Music Weekender, which was the first major event to take place at Salt and Tar, saw more than 6,000 tickets sold, with revellers coming from all across the UK and as far afield as France and Australia. Sefton Council received glowing feedback from artists, vendors and residents, with some constructive input that will play a part in organising the 2024 edition. The event is a finalist for Best Small Festival in the UK Festival Awards, which will be held on Tuesday 5th December.



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After the success of the music weekend event this year, announcements have been made that legend Sir Tom Jones will headline Salt and Tar for two dates and perform on Saturday 17th August and Sunday 18th August 2024.

Sir Tom continues to sustain his popularity around the world, captivating audiences with his timeless discography of hit songs and enduring talent and charisma. With a remarkable career spanning more than six decades, he is widely considered to be one of the greatest singers and recording artists of all time, selling more than 100 million records and continuing as an esteemed and influential figure in the music industry.

Before Jones and company roll into town, Salt and Tar will host a Winter Market from Friday 8th to Sunday 10th December, with locally sourced street food, drinks and live entertainment on offer.

Next year promises a full events calendar with activity every month, including a comedy event, International Festival, and summer holiday activities for the whole family. Salt and Tar is a key catalyst to the wider regeneration project in Bootle.

The Phase 1 Programme will build on the existing 'Salt'n'Tar' facilities and offer, establishing this for the long-term as an enhanced and integral part of the Strand's diversified offer for the future.



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3.2 Scope of Phase 1

Phase 1 of the Transformation Programme has 4 elements:



The four elements of Phase 1 of the Strand Transformation Programme

- Phase 1A: New landscaped public realm alongside the canal that extends and enhances the initial 'meanwhile uses' Salt and Tar facilities.
- Phase 1B: refurbished space in 'Block A' (the former M&S unit) including: x6 new commercial units facing the new town square along with new 'shell and core' space on the ground floor (Stanley Road level); and new 'shell and core' space in the basement area (Canalside/Washington Parade level). The shell and core space will be flexible for a variety of uses and occupiers.
- Phase 1C: new landscaped public realm forming a new Town Square where the currently enclosed Mons Square is located, which will integrate with the Canalside and deliver enhanced permeability into the Strand and a beautiful space where the community can come together.
- Phase 1D: repurposing 'Block B' (the current TJ Hughes unit) to provide new 'shell and core' space that will be flexible for a variety of uses and occupiers.

Phase 1A includes the demolition of surplus retail and poor-quality residential space in The Palatine, illustrated in the areas shaded yellow in the illustration below.



Demolition works in Phase 1

This demolition removes poor performing units that currently make a loss and opens the site up to facilitate new public realm essential for the Place Shaping objectives of the Project.

3.3 The Case for Focusing on Place Shaping

3.3.2 Place Shaping strategy

Place Shaping is critical for the transformation of The Strand - creating an attractive and welcoming environment is a key first step in developing the existing Strand into a town centre fit for the future.

Therefore, Phase 1 of the Programme has a focus on delivering first class public realm to unlock future development of more commercial uses, whilst providing a solid base for the social and physical regeneration of Bootle by creating a pleasant and attractive town centre for its residents.

In this way, the social and physical fabric of a community improves and with it the economic benefit to its residents, resulting in improved life chances. Investment in Place Shaping returns increased economic output, uplifts in land values and increased job creation.

Previous Strand Business Plans have documented the on-going decline of the Strand as a retail asset with the Council suffering significant financial losses over the last few years due to the volatile nature of the retail market, changing consumer habits and oversupply of retail within the town centre. The impact of these factors has been increased and accelerated over that time by COVID-19.

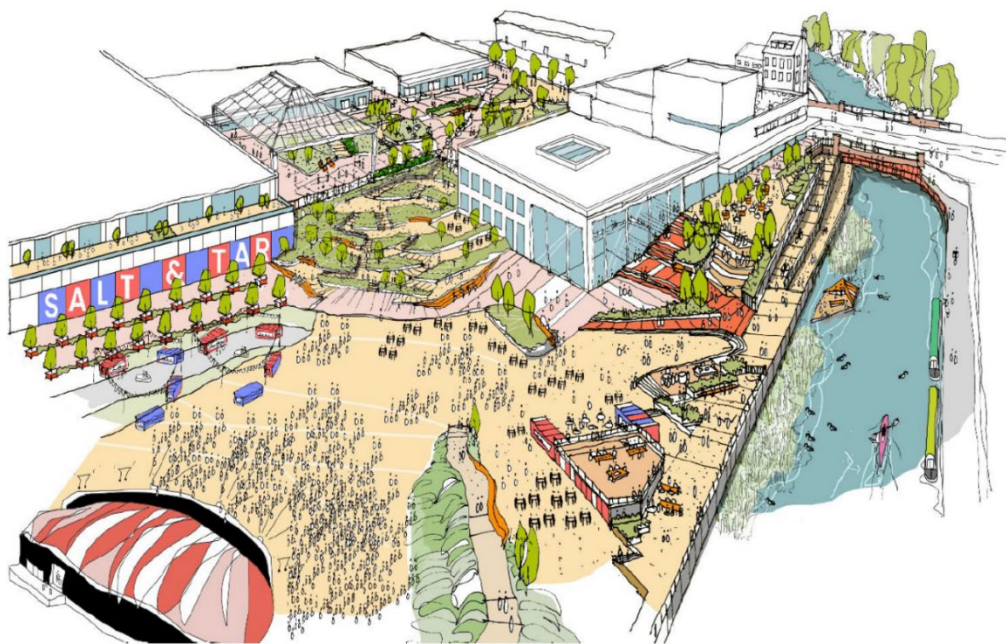
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As a result, The Strand is currently not able to sustain itself nor foster any significant growth without investment to significantly change its offer based on a clear strategy for re-purposing the asset to be fit for the high-street of the future, along with a robust programme plan for delivery of that strategy.

Detailed advice and input to the planning and design of the Programme has been provided by the Council's Asset and Development Manager, Ellandi and its appointed Project Management and Design Partner, Avison Young. In addition, the Council has been supported by Savills who have provided expert economic advice in terms of the benefit to cost returns of the proposed investment in Phase 1 as part of the Council's bid for DLUHC grant, which was submitted to DLUHC in 2022.

The clear advice is that the first step in this strategy must be focused on transforming the Place to create the foundations for realising the Council's bold vision and objectives for the Strand and town centre in the future.

This compelling long-term vision for The Strand and the town centre seeks to promote dynamism and inclusive and sustainable places within the town centre that align with the local community, which is fundamentally about Place Shaping.



Vision of Phase 1 of The Strand Transformation Programme

The key rationale underpinning this Place Shaping strategy is the recognition that, whilst the public realm and the physical environment remain poor and with limited green space in the town centre, it is very difficult to attract commercial operators who will create a financially sustainable product. To create a sustainable town centre, it is necessary to bring alternative uses other than retail into The Strand.

As evidenced by town centre regeneration projects across the UK, these alternative uses have increasingly been driven by the civic sector – whether that is health, education and local or national government tenancies, which are in turn supported by additional commercial uses and an appropriate mix of residential/living tenures.

3.3.3 The value of new public realm

The assessment of the Council’s advisers is that there is an estimated oversupply of retail space (approx. 27%) within Bootle town centre, and the creation or replacement of commercial product in the first phase of the development would face challenges in the current leasing market, particularly as no end user is firmly defined (due to the timescales imposed by DHLUC).

In contrast, the proposed approach creates an animated town centre that acts as the foundation for future growth and development with an attractive environment that will improve the social and physical fabric of the community and with it the economic benefit to local residents, resulting in improved life chances. The design of this space will be thoughtfully considered to provide designated areas for greenery, seating and year-round activation. Flexibility will be built into the design of this space intentionally, to allow for seamless integration with ‘Salt and Tar’ and ensures that the space can become a focal point for the town centre and host a variety of events and activities.

3.3.4 The impact of demolition of select areas

Phase 1 of the Programme includes the demolition of surplus retail and lower-quality residential space; the repurposing of the ground and lower ground floors of the former M&S unit; and the creation of high-class public realm, facilitating new permeability from Stanley Road to an enhanced Salt and Tar offer at Canalside level.

Most of the area currently within the Phase1 site does not return a positive cash flow and is not economically viable in its current form. For example, The Palatine has suffered from higher vacancy rates and has costs to the Council since the acquisition of the centre in 2017.

These areas are outdated and lack the necessary infrastructure to support modern businesses. Demolition will clear the way for new development, including the critical high quality public realm required in support of the Place Shaping strategy, delivering the needs and demands of the community, and helping to attract inward investment. create jobs, and boost the local economy.



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3.4 Funding

The implementation of Phase 1 of the Programme requires c.£45m in new investment over 5 years (the full term of the Transformation Business Plan) as follows.

Development of Phase 1A-C:	£20.0m (funded by DLUHC)
Additional enabling capital* and Development of Phase 1D:	£25.1m (being sought from the LCRCA)
TOTAL:	£45.1m

**The additional enabling capital is required to enable the remainder of the Strand, outside of the scope of Phase 1 to continue to operate effectively during the works.*

DLUHC Capital Levelling Up Funding for Phase 1A-C

The Council has already been successful in securing, in March 2023, the £20m of capital funding from DLUHC via the Capital Levelling Up Fund to complete Phase 1A-C in its entirety, including professional fees for the remaining RIBA Stage 3-7 work. This work must be completed by 31 March 2026 as a condition of the funding agreement, creating a very challenging schedule for the works.

Applications for Liverpool City Region Combined Authority (LCR CA) Funding

There is additional funding required of £7.1m to deliver Enabling Works that will allow the shopping centre to continue to operate during the Phase 1A-C works.

There is also additional funding, estimated at up to £18m, to re-purpose Block B for Phase 1D of the Programme, which must be completed as a condition of the Levelling Up funding grant.

The Council's project team officers and the Executive Director of Place have been working with the LCR CA to discuss prospective funding applications to a total of c. £18m of the estimated c.£25.1m additional funding. The CA have confirmed their support for the aspirations of the programme and welcome a submission for funding, which will be subject to their assurance process, which includes a review of the business case being prepared by the council.

A submission for £7.1m capital investment required for the Phase 1 Enabling Works (to enable the shopping centre to continue to operate effectively during the works) has been submitted and council officers are working with colleagues at the Combined Authority to develop a business case and, if ultimately approved by the Combined Authority, to identify available funding to support delivery of this phase.

3.5 The Benefits Case for Proceeding with the implementation of Phase 1

3.5.2 Financial

As outlined above in the Business Plan section of this report, successfully delivering Phase 1 of the Programme will enable the Strand to move from a position of continued financial decline with an unsustainable future to once again becoming a net positive income generating asset that is financially sustainable for the long-term ensuring the continuation of essential amenities that are needed and valued by the local community.

3.5.3 Economic, Social and Physical regeneration

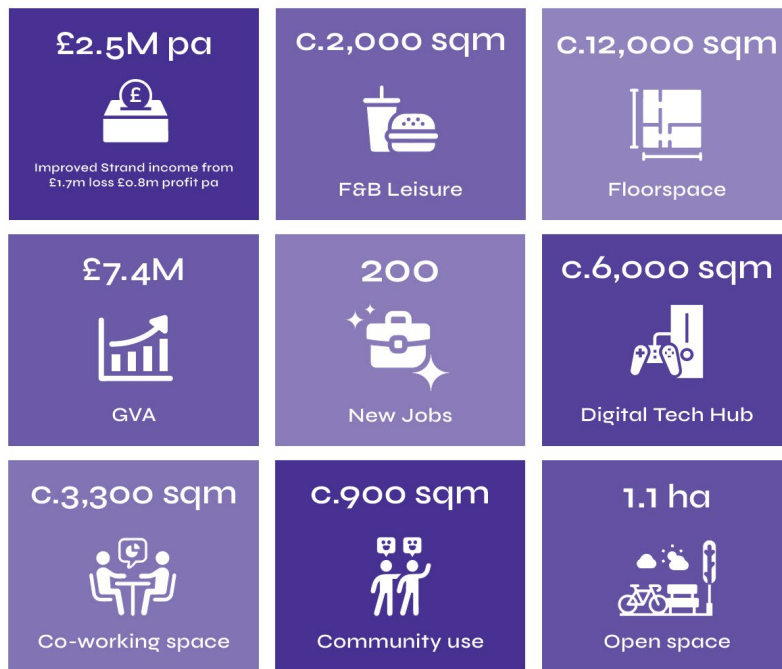
In addition to enabling the Strand to again become financially sustainable, implementing Phase 1 of the Programme will drive significant economic, social and physical regeneration across Bootle. These benefits are very significant and quantifiable over 10 years:

- **Social value** – through providing better amenities, attracting people to visit and to dwell in the town centre and providing easier access to essential facilities and services ‘on the high-street’
- **Improved health and well-being** – through providing new public realm and green spaces as well as new facilities for active travel and lifestyles as well as integrated health and social care on the high street
- **Economic value** – through attracting more visitors to the town centre and encouraging spending more time and money locally, including supporting the development of a vibrant night-time economy and local businesses, creating jobs with a more vibrant and attractive town centre being more attractive to employers to set up in the town
- **Environmental improvements** – through high quality public realm and more green spaces; opening access to the canal; ultimately creating a ‘green-link’ to Rimrose Vally country park and a ‘blue-highway’ (via the waterway) to Liverpool; also through the design strategy focusing on re-purposing rather than whole-scale demolition and rebuild, reducing the project carbon footprint by over 30%
- **Commercial value** – through re-purposing and diversifying the offer to be fit for the high-street of the future, enabling the Strand to return to net positive income generation and become financially sustainable in the long-term and arresting the decline in the value of the asset over time.

An assessment conducted for the Council by the market leading built environment consultants Savills for the Council’s DLUHC bid quantified some of these benefits in financial values over 10 years as follows:

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Land value uplifts (unlocking wider investment and development)	c.£180m
Residential values uplift (unlocking housing development)	c.£17m
Retail and Leisure values uplift (improving quality of life)	c. £1m
Office values uplift (helping bring back in to use the large number of empty offices)	c.£5m
Improved amenity space (improving quality of life, health and inward investment)	c.£3m
Job creating and wage uplifts	c.£3m (200 new jobs)
Crime reduction	c.£3m (10% reduction)
Avoided asset depreciation (over 10 years)	c.£16m



Direct Benefits:

- Unlocking £70m of private investment in town-centre
- £100m uplift in residential values over 10 years
- £8.5m uplift in retail values over 10 years
- 300,000 more visitors to the town centre pa
- £60m increased visitor spend in the town centre pa
- Overall Benefits to Cost Ratio: 4:13

Indirect Benefits:

- Reduced crime in a hotspot
- Increased GVA per head in the local economy
- Improved educational attainment
- Improved average annual income locally
- Improved health and well-being (incl. longer lifespan)

3.5.4 Further Benefits – Health and Wellbeing

There are advanced discussions on the potential for an integrated health and social care hub to become an anchor tenant within Phase 1 of the Programme, delivering on cross organisational and city region wide strategic objectives for improving health and well-being outcomes for local people by bringing services together for delivery on the high-street.

Integrating services in this way and making access to them easier and ‘wrapped around’ the individual could make a significant difference to health and well-being outcomes for the people of Bootle, an area that has poor outcomes in comparison to the wider region and nationally.

3.5.5 Further Benefits - Education

There are also advanced discussions on the potential for an educational institution to become an anchor tenant within Phase 1 of the Programme, delivering a new town centre education campus.

This is subject to commercial negotiations on terms as well as confirming design and delivery costs.

This new facility could include virtual reality, flight simulation, media suites and digital development spaces creating the opportunity for the development of a digital innovation hub for learning alongside commerce.

A new campus of this kind could revitalise the wider town centre with students, parents and staff becoming a concentrated population in the town, creating a vibrant and inclusive town centre with a more diverse customer base.

In turn this would drive increased footfall and extended visit durations and increased spending on retail, dining, and entertainment options within the Strand.

Ellandi’s research estimates that with 5k-7k students in the shopping centre, there is a potential additional £2.8 million of spending on food, fashion, health and beauty, leisure, and other miscellaneous goods.



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3.5.6 Benefits Realisation

The method underpinning the way the proposed investment in the Strand, including new Public Realm, will drive these benefits is based on a Treasury approved logic model, illustrated below. This was developed for the Council by its expert economic advisor when compiling the successful LUF bid for DLUHC grant funding.

Logic chain for STRAND REPURPOSING:



ANNEX 1: EQUALITIES IMPACT ASSESSMENT – STRAND TRANSFORMATION PHASE 1 PROGRAMME

(see separate document: App 1 Annex 1 Strand Equalities Impact Assessment v1.0)

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ANNEX 2: ENVIRONMENTAL IMPACT ASSESSMENT – STRAND TRANSFORMATION PHASE 1 PROGRAMME

(see separate doc: App 1 Annex 2 Strand Environmental Impact Assessment v1.0)

ANNEX 3: STRAND SOCIAL VALUE REPORT 2023

(see separate document: App 1 Annex 3 Strand Social Value Report 2023 v1.0)

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Equality Analysis Report - Bootle Strand Transformation Project

An Equality Impact Assessment (EqIA) is an evidence-based tool that helps put Equality, Diversity and Inclusion at the heart of all projects, policies or services. Public sector organisations are required to comply with the Public Sector Equality Duty. This means that they need to carry out equality analysis of new projects, policies or services as well as to existing projects, policies or services if these are changing. The analysis should identify what positive or negative equality impacts the project, policy or service may have and if mitigating actions are needed, what these would be.

Is there evidence that the Public Sector Equality Duties will be met?

The Equality Act 2010 requires that those subject to the Equality Duty must, in the exercise of their functions, have due regard to the need to:

1. Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
2. Advance equality of opportunity between people who share a protected characteristic and those who do not.
3. Foster good relations between people who share a protected characteristic and those who do not.

The Act explains that having due regard for advancing equality involves:

- Removing or minimising disadvantages suffered by people due to their protected characteristics.
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

Details of Project

In April 2017 Sefton Council acquired The Strand Shopping Centre to secure its future and support its continued role as a key asset at the heart of Bootle, critical to the town's physical, economic and social regeneration.

The Council remains fully committed to supporting and securing investment in The Strand for the short, medium and long terms to enable this regeneration and reverse the decline The Strand was suffering in the hands of private ownership. The Council aims to respond proactively to the challenges of a changing retail market accelerated and increased by the impacts of COVID-19 and the current economic conditions. The proposed Transformation Programme will help to drive economic, social and physical regeneration in the town centre, bringing back in to use near derelict areas, creating beautiful public realm spaces, reanimating the town centre to attract more footfall, ultimately bringing in new employers and creating local jobs.

The Council is ready to proceed with Phase 1 of the proposed Transformation Programme, utilising £20m funding which has already been secured from DLUHC. The Council is also continuing to work on a long-term strategy for further improving the remainder of The Strand through later phases, over the next 6-7 years. This includes investment in the remainder of the centre to further improve its long-term performance and better meet the needs of the future high street, enhancing the Strand's value to Bootle Town Centre, further driving regeneration outcomes and attracting more inward investment.

The detailed plans for Phase 1 (including integration with the adjacent Canalside site) and the longer-term plans will continue to be developed in full consultation with local people and other local stakeholders, with whom engagement is ongoing. This particularly includes partnership working with community organisations including, but not limited to, The Big Onion, Bootle Tool Shed, Kingsley and Co. (Y-Kids), and In Another Place, to ensure continued collaboration to deliver positive social outcomes for communities in both the short- and long-term.

Are there any protected characteristics that will be disproportionately affected in comparison to others?

The protected characteristics under the Equality Act 2010 are:

- Age
- Disability
- Gender Reassignment
- Marriage and Civil Partnership
- Race
- Religion or Belief
- Sex
- Sexual Orientation
- Pregnancy and Maternity

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In addition to the above, the Council has adopted the following as protected characteristics to be included in any equality analysis:

- Care Experienced
- Socio-economic status

Protected Characteristic	Negative	Neutral	Positive
Age (young people and older people)		Y	
Disability			Y
Gender Reassignment		Y	
Marriage and Civil Partnership		Not applicable	
Race		Y	
Religion or Belief		Y	
Sex		Y	
Sexual Orientation		Y	
Pregnancy and Maternity		Y	
Care Experienced		Y	
Socio-economic status			Y

Equality Impact Analysis

Age: Young People

Summary of evidence

- 24% of the population in Linacre are 0 – 17 (20% in Sefton)
- 21% of households are lone parent (13% in Sefton)
- The 9 LSOAs that make up Linacre are all in the top 5% of the most deprived areas nationally and 6 are in the top 1%
- In Linacre 50% of primary and 52% of secondary schoolchildren receive free school meals (21% and 19% respectively across Sefton)
- 30% of primary school children and 25% of secondary schoolchildren receive SEN support (15% for both across Sefton)
- 45% not achieving expected standards in reading, writing and maths at KS1 (37% across Sefton) and 78% do not achieve a grade 9 – 5 In Maths and English GCSEs (64% across Sefton)

Does your analysis indicate a potential positive impact on this group by promoting equality of opportunity? If yes, provide details:

The repurposed Strand will be a space which can be used by everyone, achieving high levels of inclusivity, accessibility and wellbeing.

- There will be public toilets, including accessible toilets and a new Changing Places toilet.
- There will be baby change facilities and breast-feeding spaces.
- Changes in levels across the site will use a range of designs to make them fully accessible including lifts and DDA compliant ramps.
- There will be spaces in the repurposed Strand where existing and new organisations can provide activities for children and families
- Potential new health provision is expected to offer services for children and young people.
- The new educational spaces will provide a range of formal and informal education provision.

Does your analysis indicate a potential positive impact on this group by fostering good relations? If yes, please provide details:

The repurposed Strand will be a space which can be used by everyone, achieving high levels of inclusivity, accessibility and wellbeing. It will be a space that brings people together, regardless of their age or their background. It aims for community cohesion, not segregation. A place where everyone feels welcome and enjoys spending time.

Does your analysis indicate a potential adverse impact

Yes No

If yes, what is it and how could this be mitigated.

Not applicable.

Age: Older people

Summary of evidence

Sefton as a Borough has a higher percentage of older people than other areas. Many of the existing users of the Strand are older people who visit the Centre regularly for social as well as retail activity.

Does your analysis indicate a potential positive impact on this group by promoting equality of opportunity? If yes, provide details:

The repurposed Strand will be a space which can be used by everyone, achieving high levels of inclusivity, accessibility and wellbeing.

- In addition to accessible toilets a new Changing Places toilet will also be provided.
- Changes in levels across the site will use a range of designs to make them fully accessible including lifts and DDA compliant ramps.
- There will be plenty of seating provided across the site, both indoor and outdoor where people can rest.
- All new doors will have an opening force not exceeding 30N or will be power operated.
- As part of the repurposed centre there is the potential to look at developing safe/quiet spaces and look at the potential for quiet times for opening.
- There is potential to look at achieving Dementia Friendly status for the repurposed centre.

All project information will be available in accessible formats.

Does your analysis indicate a potential positive impact on this group by fostering good relations? If yes, please provide details:

The repurposed Strand will be a space which can be used by everyone, achieving high levels of inclusivity, accessibility and wellbeing. It will be a space that brings people together, regardless of their age or their background. It aims for community cohesion, not segregation. A place where everyone feels welcome and enjoys spending time.

Does your analysis indicate a potential adverse impact

Yes No

If yes, what is it and how could this be mitigated?

Bootle Tool Shed is a project that aims to reduce social isolation in men who are aged 50 and over through offering social activities around woodworking, furniture recycling and other activities. (Although project members do include women and younger people.) Unfortunately, there is not a space that is suitable for this organisation to be relocated within the repurposed Strand. The Council has worked with them to try and find alternative premises for them within the Bootle area and is looking at other ways to support them going forward, including looking at the potential to get the project to be one of the contractors for some of the works (e.g. making planters) and also looking at options for future retail or training activities within the repurposed Centre.

Sex

Summary of evidence

Across Sefton deaths from drug misuse are higher for men compared to women – for 2018-20 period there were 40 drug misuse deaths amongst men and 9 amongst women; under 75 mortality rate from causes considered preventable is significantly higher for men (284.2 per 100,000) compared to women (146.7 per 100,000); under 75 mortality rate from cardiovascular disease is significantly higher for men (116.0 per 100,000) compared to women (47.1 per 100,000); the directly standardised rate of suicide is significantly higher for men (16.0 per 100,000) compared to women (4.6 per 100,000); the directly standardised rate of emergency hospital admissions due to self-harm is significantly higher for females (338.3 per 100,000) compared to males (140.7 per 100,000).

In Linacre average life expectancy is 72 years for men and 76 years for women. In Sefton it is 79 for men and 83 for women.

Does your analysis indicate a potential positive impact on this group by promoting equality of opportunity? If yes, provide details:

Neutral.

Does your analysis indicate a potential positive impact on this group by fostering good relations? If yes, please provide details:

The repurposed Strand will be a space which can be used by everyone, achieving high levels of inclusivity, accessibility and wellbeing. It will be a space that brings people together, regardless of their age, their gender or their background. It aims for community cohesion, not segregation. A place where everyone feels welcome and enjoys spending time.

Does your analysis indicate a potential adverse impact

Yes No

If yes, what is it and how could this be mitigated?

Bootle Tool Shed is a project that aims to reduce social isolation in men who are aged 50 and over through offering social activities around woodworking, furniture recycling and other activities. (Although project members do include women and younger people.) Unfortunately, there is not a space that is suitable for this organisation to be relocated within the repurposed Strand. The Council has worked with them to try and find alternative premises for them within the Bootle area and is looking at other ways to support them going forward, including looking at the potential to get the project to be one of the contractors for some of the works (e.g., making planters) and also looking at options for future retail or training activities within the repurposed Centre.

Sexual Orientation	
Summary of evidence	
While there is no data at ward level for the period ending March 2023 24% of hate crime reported in Sefton was recorded as sexual orientation cases. In England and Wales (excluding Devon and Cornwall) 17% of hate crime reported in Sefton was recorded as sexual orientation cases.	
Does your analysis indicate a potential positive impact on this group by <u>promoting equality of opportunity</u>? If yes, provide details:	
Neutral.	
Does your analysis indicate a potential positive impact on this group by <u>fostering good relations</u>? If yes, please provide details:	
The repurposed Strand will be a space which can be used by everyone, achieving high levels of inclusivity, accessibility and wellbeing. It will be a space that brings people together, regardless of their age, their sexual orientation, their gender or their background. It aims for community cohesion, not segregation. A place where everyone feels welcome and enjoys spending time.	
Does your analysis indicate a potential adverse impact	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, what is it and how could this be mitigated?	
Not applicable.	
Pregnancy / Maternity	
Summary of evidence	
On average there are approximately 200 births per annum in the Linacre ward.	
Does your analysis indicate a potential positive impact on this group by <u>promoting equality of opportunity</u>? If yes, provide details:	
<p>The repurposed Strand will be a space which can be used by everyone, achieving high levels of inclusivity, accessibility, and wellbeing.</p> <ul style="list-style-type: none"> • There will be public toilets, including accessible toilets and a new Changing Places toilet. • There will be baby change facilities and breast-feeding spaces. • Changes in levels across the site will use a range of designs to make them fully accessible including lifts and DDA compliant ramps. • There will be plenty of seating provided across the site, both indoor and outdoor where people can rest. • All new doors will have an opening force not exceeding 30N or will be power operated. 	

Does your analysis indicate a potential positive impact on this group by fostering good relations? If yes, please provide details:

The repurposed Strand will be a space which can be used by everyone, achieving high levels of inclusivity, accessibility and wellbeing. It will be a space that brings people together, regardless of their age, their gender or their background. It aims for community cohesion, not segregation. A place where everyone feels welcome and enjoys spending time.

Does your analysis indicate a potential adverse impact

Yes No

If yes, what is it and how could this be mitigated?

Not applicable

Gender reassignment

Summary of evidence

According to the 2021 census there were 0.4% of the Sefton population stated that they were living as a different sex from that identified at birth. There is no data available on this for the Linacre ward.

Does your analysis indicate a potential positive impact on this group by promoting equality of opportunity? If yes, provide details:

Neutral

Does your analysis indicate a potential positive impact on this group by fostering good relations? If yes, please provide details:

The repurposed Strand will be a space which can be used by everyone, achieving high levels of inclusivity, accessibility and wellbeing. It will be a space that brings people together, regardless of their age, their gender or their background. It aims for community cohesion, not segregation. A place where everyone feels welcome and enjoys spending time.

Does your analysis indicate a potential adverse impact

Yes No

If yes, what is it and how could this be mitigated?

Not applicable

Race	
Summary of evidence	
<p>According to data in the 2021 Census 85.1% of residents in Linacre identify as White English, Welsh, Scottish, Northern Irish or British compared to 91.8% across Sefton as a whole.</p> <p>There have been some reports of race hate crimes from shop staff on Stanley Road.</p>	
Does your analysis indicate a potential positive impact on this group by <u>promoting equality of opportunity</u>? If yes, provide details:	
Neutral	
Does your analysis indicate a potential positive impact on this group by <u>fostering good relations</u>? If yes, please provide details:	
<p>The Strand repurposing project will make the area more vibrant, attracting more people to come and use it, which increase in activity is likely to decrease race hate incidents in the shopping centre and surrounding town centre.</p>	
Does your analysis indicate a potential adverse impact	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, what is it and how could this be mitigated?	
Not applicable.	
Religion or belief	
Summary of evidence:	
<p>According to the results of the 2021 Census 59.5% of the population of Linacre identified as Christian and 3.3% identified as other religions.</p>	
Does your analysis indicate a potential positive impact on this group by promoting equality of opportunity? If yes, provide details:	
Neutral.	
Does your analysis indicate a potential positive impact on this group by <u>fostering good relations</u>? If yes, please provide details:	

The repurposed Strand will be a space which can be used by everyone, achieving high levels of inclusivity, accessibility and wellbeing. It will be a space that brings people together, regardless of their age, their gender or their background. It aims for community cohesion, not segregation. A place where everyone feels welcome and enjoys spending time.

Does your analysis indicate a potential adverse impact Yes No

If yes, what is it and how could this be mitigated?

Not applicable

Marriage or civil partnership (Note this only applies to employment)

Summary of evidence.

Only applies to employment so not applicable.

Does your analysis indicate a potential positive impact on this group by promoting equality of opportunity? If yes, provide details:

Not applicable.

Does your analysis indicate a potential positive impact on this group by fostering good relations? If yes, please provide details:

Not applicable.

Does your analysis indicate a potential adverse impact Yes No

If yes, what is it and how could this be mitigated?

Not applicable.

Disability

Summary of evidence

In Linacre 14% of residents are long-term sick or disabled (6% across Sefton).

Does your analysis indicate a potential positive impact on this group by promoting equality of opportunity? If yes, provide details:

The repurposed Strand will be a space which can be used by everyone, achieving high levels of inclusivity, accessibility, and wellbeing.

- In addition to accessible toilets a new Changing Places toilet will also be provided.
- Changes in levels across the site will use a range of designs to make them fully accessible including lifts and DDA compliant ramps.
- Blue badge parking will remain within the Strand multi-storey carpark and the taxi rank will remain on Washington Parade.
- The project team are working with People First Merseyside to look at appropriate options for signage across the site that can be understood by people with learning disabilities, visual impairments etc.
- There will be plenty of seating provided across the site, both indoor and outdoor where people with mobility issues can rest.
- All new doors will have an opening force not exceeding 30N or will be power operated
- There is the potential to look at developing safe/quiet spaces and also look at the potential for quiet times for opening
- There is potential to look at achieving Dementia Friendly status for the repurposed centre
- All project information will be available in accessible formats
- The design needs to look at lighting and colourways to help those with visual impairments or who are neurodiverse
- The design should incorporate spaces that can be used by assistance dogs
- The design could include space for recharging mobility scooters and electric wheelchairs

Does your analysis indicate a potential positive impact on this group by fostering good relations? If yes, please provide details:

Neutral.

Does your analysis indicate a potential adverse impact Yes No

If yes, what is it and how could this be mitigated?

There will be a reduction in the number of accessible parking spaces outside Strand House for residents. The project team are looking at options within the current design to see if the number of spaces can be increased or if there are signage and enforcement options that can be put in place to ensure adequate provision.

Socio-Economic Status

Summary of evidence

The 9 LSOAs in Linacre are all in the top 5% most deprived areas nationally; 6 in the top 1%. 52% of households income is less than £15,000 (22.5% across Sefton); 350 people per 1,000 claim Universal Credit (170 per 1,000 across Sefton). 280 people per 1,000 access food banks (66 per 1,000 across Sefton). 463 vehicles per 1,000 people (632 per 1,000 across Sefton).

Does your analysis indicate a potential positive impact on socio-economic disadvantage and reducing inequality of outcome? If yes, please provide details:

As the project starts on site Sefton Council will be working with the contractors to look at how education, training and job creation can be built into contracts. Contractors will also be expected to work with Sefton@Work to develop and deliver these opportunities. The new spaces created as part of the repurposing project will provide space for local business pop-ups, start-ups and expansion. The project will work with local providers, e.g. The Big Onion, to support and develop local businesses.

Working with retailers and other organisations in the repurposed Strand to develop employment and training opportunities for local people.

Does your analysis indicate a potential adverse impact Yes No

If yes, what is it and how could this be mitigated?

Not applicable.

Care Experienced

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Summary of evidence

According to a recent survey carried out by Sefton Council Linacre is the ward with the highest number of care leavers living in it. Bootle is the area of the Borough that has the highest number of care leavers living in it.

Does your analysis indicate a potential positive impact on this group by promoting equality of opportunity? If yes, provide details:

Contractors and Partners involved in the Strand repurposing project will be expected to join the Sefton Council Caring Business Charter which aims to develop opportunities for people who are care experienced.

Does your analysis indicate a potential positive impact on this group by fostering good relations? If yes, please provide details:

Neutral.

Does your analysis indicate a potential adverse impact Yes No

If yes, what is it and how could this be mitigated?

Not applicable.

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**AVISON
YOUNG**

EIA Screening Report

The Strand, Shopping Centre, Bootle

September 2023

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Report title: EIA Screening Report: The Strand Shopping Centre, Bootle

Prepared by: Frances Austin

Reviewed by: Patrick Duffy and Charles Anderton

Status: Issue 2

Draft date: 27 September 2023

For and on behalf of Avison Young (UK) Limited

1. Introduction

- 1.1 This Environmental Impact Assessment (EIA) Screening Report has been prepared by Avison Young on behalf of Sefton Metropolitan Borough Council (SMBC) ('the Applicant') to support a detailed planning application for the demolition of 5,755m² of the existing Strand Shopping Centre, Bootle. This will then be followed with the remodelling and extension of a select number of remaining buildings within the Strand Shopping Centre, Bootle and the enhancement of the meanwhile uses to the canal side of The Strand ('the Site').
- 1.2 It is intended that this will be delivered through three planning applications. These are:
- Application 1 – Demolition;
 - Application 2a – Remodelling and extension works; and
 - Application 2b – Enhancement of the meanwhile uses.
- 1.3 This EIA Screening Report has considered all three of these applications as together they comprise the 'project' for the purposes of the Town and Country Planning (Environmental Impact Assessment) Regulations 2017¹ (as amended²) subsequently referred to as the 'EIA Regulations'. While these applications form part of a wider regeneration objective for The Strand Shopping Centre, for EIA purposes the three applications identified above can be undertaken independently of the rest of the wider regeneration objective for the Site and are not reliant on any part of the wider regeneration objective to be able to function. This is an important consideration as future elements of the regeneration objective are reliant on Government funding.
- 1.4 This EIA Screening Report summarises the findings of the research and analysis undertaken by Avison Young and the technical team in relation to the baseline conditions and the potential environmental effects of the Development. This report determines whether there is a likelihood of significant environmental effects to enable an informed decision on the need for EIA to be made by the Local Planning Authority (LPA), SMBC.
- 1.5 The conclusions of this report have been supported by a range of technical studies and drawings undertaken for the Proposed Development, they are:
- Site Location Plan (see **Appendix I**);
 - Preliminary Risk Assessment (see **Appendix II**)³;
 - Demolition Method Statement (see Planning Application Package)⁴;
 - Demolition Phasing Statement (see Planning Application Package)⁵;

¹ The Town and Country Planning (Environmental Impact Assessment) Regulations (England) (SI571/2017)

² Amended by the Exiting The European Union Environmental Protection Town And Country Planning Environmental Assessments and Miscellaneous Planning (Amendment) (EU Exit) Regulations 2018

³ WSP (September 2023) Preliminary Risk Assessment

⁴ Summers Inman (August 2023) Demolition Method Statement

⁵ K2 Architects (August 2023) Demolition Phasing Statement

- Framework Transport Management Plan (see Planning Application Package)⁶;
- Framework Construction Environmental Management Plan (see Planning Application Package)⁷;
- Preliminary Ecological Appraisal (see Planning Application Package)⁸; and
- Bat Activity Report (see **Appendix III**)⁹.

1.6 Any technical studies and drawings which this EIA Screening Report refers to, but which are not submitted as part of the planning application package, are appended to this EIA Screening Report. Any remaining technical studies and drawings listed above can be found as part of the planning application package.

1.7 Provision for the request of an EIA Screening Opinion from SMBC is made within Regulation 6 of the EIA Regulations, which states:

(1) *“A person who is minded to carry out development may request the relevant planning authority to adopt a Screening Opinion.*

(2) *A person making a request for a screening opinion in relation to a development where an application for planning permission has been or is proposed to be submitted must provide the following:*

(a) *A plan sufficient to identify the land;*

(b) *A description of the development, including in particular:*

(i) *A description of the physical characteristics of the development and, where relevant, of demolition works;*

(ii) *A description of the location of the development, with particular regard to the environmental sensitivity of geographical areas likely to be affected;*

(c) *A description of the aspects of the environment likely to be significantly affected by the development;*

(d) *To the extent the information is available, a description of any likely significant effects of the proposed development on the environment resulting from:*

(i) *The expected residues and emissions and the production of waste, where relevant;*

(ii) *The use of natural resources, in particular soil, land, water and biodiversity; and*

(e) *Such other information or representations as the person making the request may wish to provide or make, including any features of the proposed development or any measures envisaged to avoid or prevent what might otherwise have been significant adverse effects on the environment.”*

⁶ WSP (September 2023) Framework Transport Management Plan

⁷ WSP (September 2023) Framework Construction Environmental Management Plan

⁸ WSP (May 2023) Preliminary Ecological Appraisal [See Appendix A of the Survey Overview Report for this document]

⁹ WSP (July 2023) Bat Activity Report

- 1.8 As required by the EIA Regulations, the request for a Screening Opinion is accompanied by a plan sufficient to identify the land, a description of the Proposed Development, a description of the aspects of the environment likely to be significantly affected by the development and a description of any likely significant effects of the Proposed Development on the environment. Additional information is provided in accordance with guidance presented in the Planning Practice Guidance¹⁰ (PPG).
- 1.9 In relation to the obligations on LPAs, the EIA Regulations state within Regulation 6 that a Screening Opinion should be adopted within 3 weeks of receiving a request.
- 1.10 Regulation 5 (5) of the EIA Regulations states:

“Where a relevant planning authority adopts a screening opinion under regulation 6(6), or the Secretary of State makes a screening direction under regulation 7(5), the authority or the Secretary of State, as the case may be, must-

- (a) State the main reasons for their conclusion with reference to the relevant criteria listed in Schedule 3;*
- (b) If it is determined that proposed development is not EIA development, state any features of the proposed development and measure envisaged to avoid, or prevent what might otherwise have been, significant adverse effects on the environment; and*
- (c) Send a copy of the opinion or direction to the person who proposes to carry out, or who has carried out, the development in question.”*

- 1.11 Accordingly, we request that SMBC provides a Screening Opinion with details of the reason for their decision within three weeks of receipt of this EIA Screening Report.

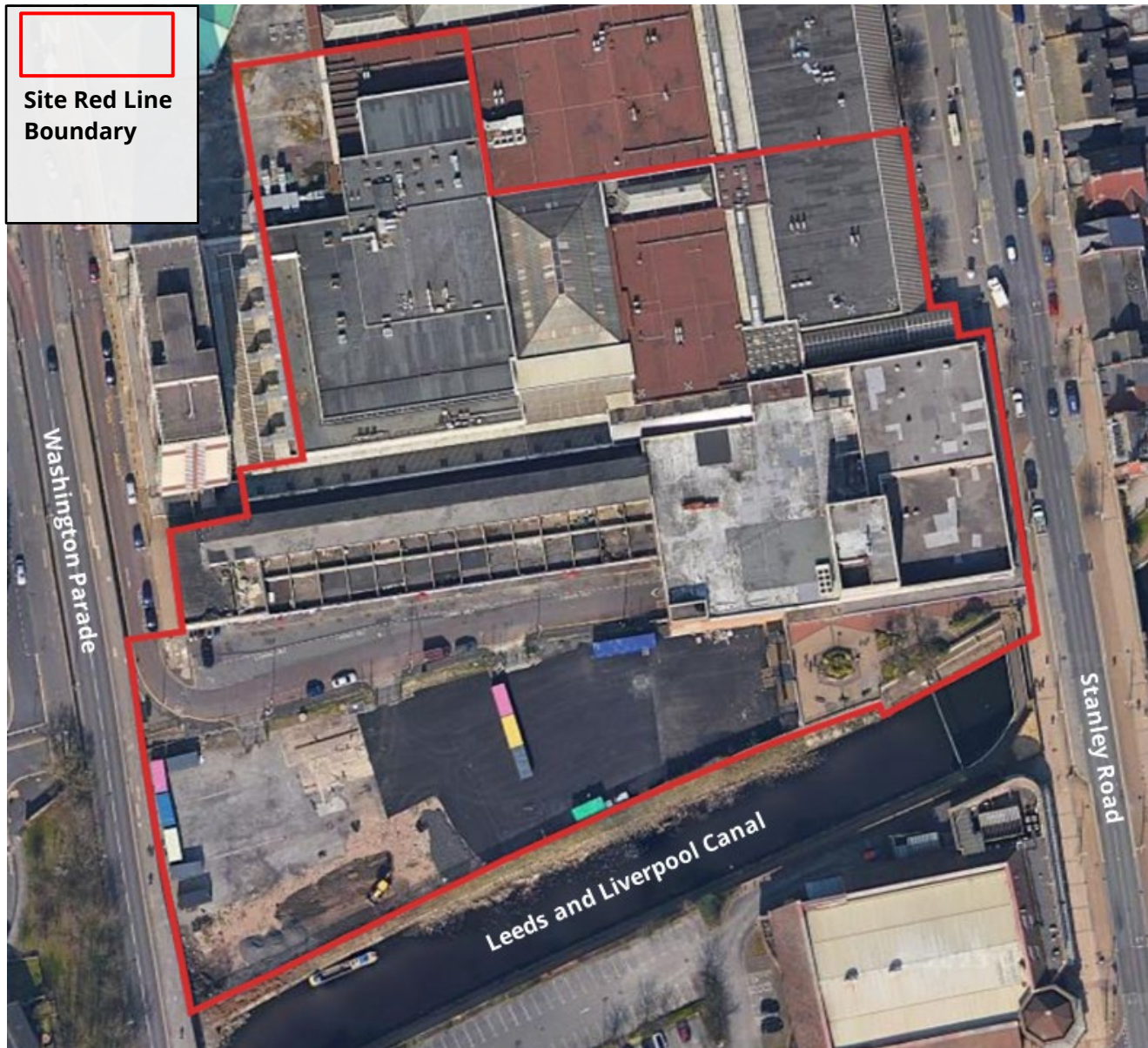
¹⁰ Department for Levelling Up, Housing and Communities (2021) Planning Practice Guidance. Available at: <http://planningguidance.planningportal.gov.uk>

2. Background to the Site

Overview of the Site

- 2.1 The overall Strand Shopping Centre is approximately 4.2 hectares (ha) in area and is situated within the administrative area of SMBC, within Linacre Ward. The Strand Shopping Centre is located within central Bootle and is generally bound by the Leeds and Liverpool Canal to the south, the A567 (Stanley Road) to the east, Washington Parade, a site access road and Strand House to the west and Vermont Parade to the north with the Triad Building at the north-eastern corner.
- 2.2 It comprises a roughly rectangular area of land on which The Strand Shopping Centre forms the main component with residential and public house uses towards the southern boundary along with a hard surfaced area to the south of the shopping centre abutting the Canal. Bootle Bus Station and a 5 / 6-storey car park for the north-western and northern components of the Site.
- 2.3 The Proposed Development relates to the regeneration of the southern portion of The Strand, as shown on **Figure 2.1** and **Appendix I**. The Site has an area of approximately 2.1ha and comprises the two-storey element and most of the single storey element of The Strand Shopping Centre fronting on to the A567 (Stanley Road) and centrally on the Site, the hard surfaced area to the south of The Strand Shopping Centre abutting the Canal, the residential block and public house and The Strand's service access road.

Figure 2.1: Satellite View of the Site



Planning Context

2.4 The Site has been subject to a number of previous planning applications, a summary of the applications of relevance are shown within **Table 2.1**.

Table 2.1: Previous Planning Applications on the Site

Planning Ref.	Description of Proposal	Known Status
DC/2023/00245	Non-material amendment to planning permission DC/2021/01232 approved on 03.08.2021 for the description of the development to be changed to 'Change of use of land for a temporary period of up to 5 years as a street-food, market and outdoor events destination, comprising temporary structures to accommodate associated and supporting uses as well as community uses, hard and soft landscaping; car parking and new pedestrian accesses from Washington Parade and Stanley Road'.	Application approved: 20 th February 2023
DC/2021/01232	Change of use of land for a temporary period of up to 5 years as a street-food, market and outdoor events destination, comprising the siting of temporary hot food takeaway stalls, the siting of up to 12 no. shipping containers for food and drink purposes, 8 no. containers for storage, welfare and site management facilities, bicycle storage and toilet facilities, 2 no. container for community uses (up to 22 no. containers in total), hard and soft landscaping; car parking and new pedestrian accesses from Washington Parade and Stanley Road.	Application approved with conditions: 3 rd August 2021
DC/2020/01579	Prior notification application for the demolition of the former Bootle New Strand Post Office and the former Easi Rent depot.	Application approved: 15 th September 2020
DC/2015/01510	Prior notification procedure for the installation of solar panels on the roof.	Application granted prior approval: 28 th October 2015
S/2000/0385	Outline application for a two-storey extension to The Strand for a 6,000 square metres food outlet with multi-storey car-parking at Carolina Street connecting to the existing shopping mall and provision of residential accommodation.	Application withdrawn: 27 th October 2000

Planning Ref.	Description of Proposal	Known Status
S/1999/0873	Application for the recladding and rewindowing of the existing multi-storey block.	Application approved with conditions: 22 nd March 2000
S/1999/0049	External hard landscaping works to include new paving/steps to the shopping centre entrance area.	Application approved with conditions: 1 st March 1999

2.5 Application DC/2023/00245 is included within the red line boundary for the Site. This temporary structure will be removed when the Proposed Development begins works.

3. The Development

Description of Development

- 3.1 The Project comprises the demolition of 5,755m² of the Strand Shopping Centre and the creation of a new town square, refurbishment of Block A (the former M&S) and creation of the Canalside Park area and integration of the meanwhile use of the Salt & Tar venue.

Use and Amount

- 3.2 In summary, the Development will comprise of three phases, these include:
- The demolition of select structures within The Strand Shopping Centre. This includes the removal of a footprint area of approximately 5755m², comprising the 1735m² Palatine, 795m² of Mons Square retail, 770m² of Stanley Road retail and a combined canopy area of 2455m². The area subject to demolition works would include the removal of the Palatine block, the public house and rear glazed covered canopies, consisting of lower ground retail space and upper floor vacant residential units.
 - The southern delivery road and entrance to the service yard would remain operational during demolition.
 - The single storey retail units and internal circulation spaces and canopies over to the east of Mons Square (towards Stanley Road) when demolished will allow the creation of a new 'town square' with several façades fronting the new spaces having new façades.
 - The redevelopment of the interior of the existing vacant M&S (Block A) unit to create a community and cultural area as well as opening it up to the new external spaces around the building.
 - Creation and repurposing of the Canalside area to create a park including a new terraced garden down to the Canalside and enhancement of Salt & Tar outdoor concert venue.

Layout, Scale and Appearance

Buildings

- 3.3 The old M&S building (Block A) has an area of approximately 5,240m² Gross Internal Area (GIA). The internal modifications envisaged are focused on the Stanley Road ground floor, which has an existing GIA area of 2,652 m², and would include the following proposed main spaces:
- Six new retail units fronting access onto the new town square, totalling approximately 713m², ranging from 97m², up to 152 m² in size;
 - A larger community / 3rd sector space of 1,328m²;
 - A 495m² of cultural / exhibition space; and
 - A centralised WC block.

- 3.4 The lower ground floor at Washington Parade has an existing GIA area of 1,659m² with a proposed internal fit out space of circa 340m², which sits behind a new glazed façade to the southwest façade. This space is envisaged to be used as an internal Meanwhile Space for Salt & Tar.
- 3.5 The anticipated layout, scale and appearance of these works are shown on **Figure 3.1** and **Figure 3.2** below.

Figure 3.1: Southern Elevation

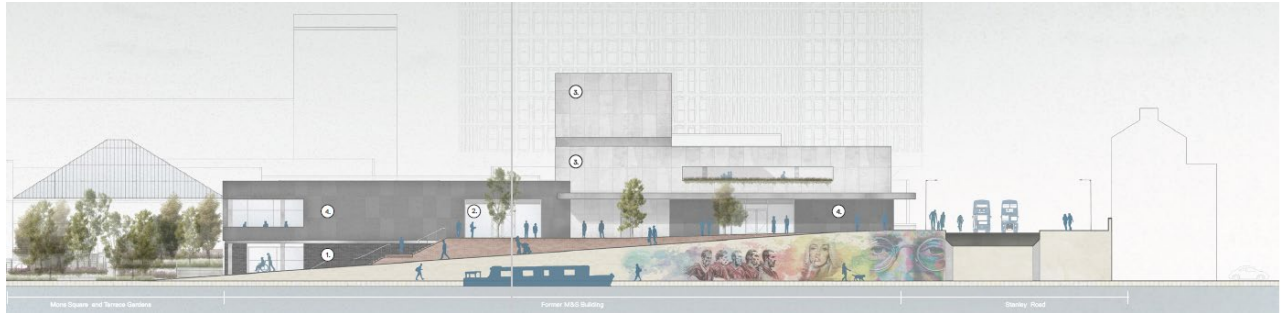


Figure 3.2: Northern and Western Elevations



Landscaping

- 3.6 It is anticipated that there would be 4 key spaces created through the proposed works these would be:
- Canalside – the design takes advantage of extreme level changes, incorporating ramped access, steps and terracing, knitting the site into its context, providing greater opportunities to enjoy the Salt & Tar events space and the wider canal network via the towpath.
 - Mons Square – this would be increased in size and would run through to Stanley Road and form a gateway space to both the Canalside and the high street, as well as providing spill-out space for adjacent buildings.

- Terrace Gardens - form an accessible public route between Mons Square and the Canalside. The gardens.
- The Dunes – a response to the level change from Washington Parade to Canalside. Sloping paths through grasses and wildflowers to Salt & Tar and the Canalside.

Parking and Access

- 3.7 No car parking bays will be provided by the Development as there is existing multi-storey car parks located within the shopping centre. One or two secure bike storage areas in Mons Square and potentially Canalside / Salt & Tar would be provided by the Development.
- 3.8 Vehicular access to the Strand and New Strand car parks can be accessed from Washington Parade.
- 3.9 Pedestrian access point to the Site would be from Stanley Road and Washington Parade.

Demolition and Construction Works

Programme

- 3.10 The programme of demolition and construction works is anticipated to last for a period of approximately 18 months. It is anticipated that the construction work will be completed by Q3 2025.

Hours of Works

- 3.11 The standard working hours for all construction activity are to comply with those defined by the planning permission. It is anticipated that this would be 08:00 to 18:00, Mondays to Fridays, and 08:00 to 13:00 on Saturdays, with no construction activity on Sundays or Bank Holidays. During the demolition phase, working hours will be 08:00 to 17:00pm with no demolition activity on Bank Holidays or Weekends. No continuous 24-hour activities are envisaged.

Summary

- 3.12 In summary, the Development has been designed with due regard given to the technical assessments undertaken by the Applicant's project team.

4. The Environmental Context and Site Sensitivity

Predominant Existing Land Uses

- 4.1 The Site is currently occupied by a Bootle New Strand Shopping centre with a range of retail outlets and is the main shopping centre in Bootle. The Site consists of multistorey retail buildings and a multi-storey carpark to the northern area of the Site. To the southern area of the Site is the Salt & Tar events space, consisting of street food stalls, bars and a concert area, opening again in Winter 2023 following a rebrand.
- 4.2 The predominant existing land uses surrounding the Site include:
- To the north – the Site contains more retail outlets including an Aldi, as well as Marsh Lane Police Station. Beyond that is North Park, a large green space with further parking, a leisure centre and a health centre.
 - To the east – the Site is bound by the A567 (Stanley Road) and beyond that is terraced housing and some further retail outlets.
 - To the south – the Site is bound by the Leeds and Liverpool Canal. Beyond the canal is further housing and Redgrave Court Business Park.
 - To the west – the Site is bound by Washington Parade. Beyond that is a small area of residential properties and the Mersey rail line that runs between Southport and Hunts Cross. Further west is predominantly residential and commercial land uses.

Historic Land Uses

- 4.3 According to the earliest available OS maps available¹¹, most of the Site was occupied by residential housing during the 19th and first half of the 20th century. The southern portion of the Site adjacent to the canal was occupied by corn mill (1893 – 1973), coal yard (1893 – 1908), smithy (1908) and electricity substation (1954 - 1955). The current shopping centre was developed in 1973 where the Victorian residential houses and other development on the Site had been demolished. The shopping centre was partly redeveloped and expanded in 1998 by 100,000 square feet and included a new multi-storey carpark to the north of the Site.
- 4.4 The immediate surrounding area consisted of residential dwellings at the start of the 20th century. Further west of the Site was a range of working docks and warehouses serviced by a number of railway lines that were in proximity to the Site.

Transportation

- 4.5 Private vehicle access and car parking are provided to the north of the Site. The entrance is located on Vermont Way and provides spaces to over 500 vehicles.

¹¹ National Library of Scotland (2023) OS Six Inch Maps. Available at: <https://maps.nls.uk/os/6inch-england-and-wales/> [Accessed: 19/09/2023]

- 4.6 The nearest bus stops to the Site are located on the eastern boundary. These bus stops are served by the 47, 52, 52A, 52E, 53Q, 54, 54A 55, 55D, 58, 58A, 62, 135, 159, 136, 144, 159, 217A, 235, 300, 692 and the X2. The aforementioned services provide connections to the nearest major towns including Southport, Liverpool, Crosby and Formby.
- 4.7 The nearest train station is Bootle New Strand Station, which is serviced by Mersey Rail. It is approximately 300m north of the Site. It offers a service between Southport and Hunts Cross, which goes through Liverpool Central Station.
- 4.8 The Site is accessible from the canal tow path from the Bridge on Stanley Road by foot and bike. There are no Public Rights of Way (PRoW) or National Cycle Network routes within or adjacent to the Site.

Air Quality

- 4.9 The Site is not located within an Air Quality Management Area (AQMA). The main influences on air quality occur from the local road network. There are also influences from the nearby Port of Liverpool. There is currently no air quality monitoring undertaken within or adjacent to the Site. However, NO₂ monitoring is undertaken along the A5098 to the north and A5057 to the southeast, within 500m of the Site. These concentrations remain below the annual mean objective since 2018 and thus NO₂ concentrations within the Site are anticipated to be compliant with national air quality standards.

Noise

- 4.10 The noise environment on the Site is dominated by the road traffic along Stanley Road to the east and Washington Parade to the west. The noise levels from the Salt & Tar music events, located to the south of the Site, can be particularly high when live bands are playing. These music events are infrequent, and noise related condition are included in the planning permission for Salt & Tar (ref. DC/2023/00596).

Ecology and Nature Conservation

Designations

- 4.11 While the Site is not located within any statutory or non-statutory ecological designations, there are several designations situated near to the Site^{12 13}.
- 4.12 International designations within 10km of the Site include:
- *'Liverpool Bay (SPA)'*, located 1.7km west of the Site;
 - *'Ribble and Alt Estuaries (Ramsar and SPA)'*, located 2.8km northwest of the Site;
 - *'Mersey Narrows and North Wirral Foreshore (Ramsar and SPA)'*, located 2.9km southwest of the Site;
 - *'Dee Estuary (SAC)'*, located 3.3km southwest of the Site; and

¹² Defra (2023) Magic Map Application. Available at: <https://magic.defra.gov.uk/magicmap.aspx> [Accessed: 19/09/2023]

¹³ Sefton Council (2023) Sefton Interactive Maps Online. Available at: <https://maps.sefton.gov.uk/webmaplayers/> [Accessed: 19/09/2023]

- '*Sefton Coast (SAC)*', located 3.5km northwest of the Site.

4.13 National designation within 5km of the Site include:

- '*Mersey Narrows (SSSI)*', located 3km southwest of the Site;
- '*North Wirral Foreshore (SSSI)*', located 3.3km southwest of the Site;
- '*Sefton Coast (SSSI)*', located 3.5km northwest of the Site; and
- '*Brook Vale (LNR)*', located 1.9km northwest of the Site.

4.14 Locally designated sites within 2km of the Site include:

- '*Melrose Cutting*', located 1.35km southeast of the Site; and
- '*Leeds-Liverpool Canal and adjacent sites*', located 1.3km south of the site.

Habitats

4.15 A Preliminary Ecological Assessment was completed and included a UKHab survey of the survey area (completed on the 27th of April 2023) and recorded the following habitats present:

- *Building* – Bootle Strand Shopping Centre is mostly a cement and block structure with various metal shutters and glass exterior, the roof is flat and generally felt. Two residential blocks are located on the Site and are brick structure social housing flats with a pitched slate roof and wooden soffits and window ledges.
- *Mixed Scrub* – here planted areas of introduced non-native shrubs with young trees located within an area of hardstanding to the southeast of Bootle Strand Shopping centre.
- *Aquatic Marginal Vegetation* – mat of aquatic vegetation on northern embankment of canal.
- *Canals* – Leeds and Liverpool canal – very slow flowing turbid waterbody. Buddleia and willowherb were recorded growing from cracks in the canal wall.
- *Developed land* – predominately tarmac and paving slab areas surrounding Bootle Strange Shopping centre and other buildings.
- *Artificial unvegetated, unsealed surface* – gravel pathway (towpath) running along either side of canal, the northern bankside was fenced off and without access. Grass and herb vegetation could be seen but full survey could not be undertaken.

4.16 An Aquatic Habitat Survey was undertaken as the Leeds and Liverpool Canal is adjacent to the red line boundary at the south of the Site. Urban development made up the surrounding land use with tow paths present on both sides of the canal. The macrophyte species reedmace *Typha latifolia* was noted as present along this section of the canal.

4.17 There is a Tree Protection Order (TPO) on the edge boundary of the Site. The TPO code is TPO226.

Flora and Fauna

- 4.18 The habitats recorded within the Site are mostly developed land and buildings with small areas of mixed scrub and marginal aquatic vegetation of low to negligible ecological value.
- 4.19 No invasive species specified under schedule 9 of the Wildlife and Countryside Act 1991 were identified within the survey area.
- 4.20 A Preliminary Ecological Appraisal (PEA) was undertaken by WSP in April 2023 (WSP, 2023), including a Potential Bat Roost Assessment (PBRA) of external features present on structures and trees within the Site and within a 10m buffer (the 'Survey Area'). Bootle Strand flats, outside the Site, was recorded as having low potential to support roosting bats, with all other buildings and structures assessed as having negligible suitability to support roosting bats. A single dusk emergence survey Bootle Strand flats was completed by WSP on 6th June 2023. No bats were recorded emerging from, or returning to, this building. It is therefore unlikely that there are bat roosts on or near the Site. Furthermore, no incidental bat activity was recorded during the survey despite the presence of suitable commuting and foraging habitat, particularly along the canal to the south of the Site.
- 4.21 The Site also provides very little habitat for terrestrial invertebrates, amphibians or terrestrial and riparian mammals or protected or notable birds.
- 4.22 The Leeds and Liverpool Canal is adjacent to the south of the Site. This canal by the Site is navigable with boat traffic noted during the survey. The channel was approximately 12 metres wide, consisting predominately of glide flow type. As the water was deep, the substrate was not visible, but given the flow type present it is likely that it comprised fine sediment.

Townscape, Visual Amenity and Built Heritage Assets

- 4.23 The Site is not located within a World Heritage Site, an Area of Outstanding Natural Beauty (AONB) or a National Park.
- 4.24 The Site is not located within the Green Belt.
- 4.25 The Site is not located within a Conservation Area, however, there is one Conservation Area within 1km of the Site:
- *'Derby Park Conservation Area'*, located 140m south of the Site.
- 4.26 The Site does not contain any statutory Listed Buildings, however there are two Listed Buildings located within the Study Area (<500m of the Site), they are:
- *'Church of St James'* Grade II-listed; and
 - *'Former Fire Station'* Grade II-listed.
- 4.27 There are no locally listed buildings within the Site and surrounding area.
- 4.28 The Site does not contain any Registered Battlefields or Registered Parks and Gardens. However, there is one Registered Park and Garden located within 1km of the Site, it is:

- 'Derby Park Registered Park and Garden' located 670m east of the Site.

Archaeology

- 4.29 There are no Scheduled Monuments situated within, or in proximity, to the Site.
- 4.30 The Site is not located within an Area of Archaeological Potential (AAP) or and Area of Archaeological Importance (AAI)¹⁴.

Geology, Ground Conditions and Contamination

- 4.31 According to the British Geological Survey (BGS) GeoIndex map viewer¹⁵, the Site is underlain by a bedrock deposit of Helsby Sandstone Formation – Sandstone, Pebbly (Gravelly). This is designated as a Principal aquifer by the Environment Agency (EA).
- 4.32 The Site is underlain by a superficial deposit of Till, Devensian – Diamicton. Some of the Site is underlain by a superficial deposit of Blown Sand – Sand. This is designated as a Secondary A aquifer.
- 4.33 The Site is located within a Medium to Low groundwater vulnerability area.
- 4.34 The Site is not located within a Source Protection Zone (SPZ).
- 4.35 According to the UK Health Security Agency's (UKHSA) Radon Map¹⁶ the Site is in a Lower probability radon area (less than 1% of homes are estimated to be at or above the Action Level). No radon protective measures would be necessary in the construction of new dwellings or extensions.
- 4.36 According to the Sefton Local Plan, the Site is not within a Mineral Safeguarding Area (MSA)¹⁷.
- 4.37 The Site is not located within any Coal Mining Reporting Areas or Coal Resource areas¹⁸.
- 4.38 Historic maps indicate that most of the Site was previously in residential use, with some more industrial uses towards the southern portion of the Site prior to redevelopment to the shopping centre use. The southern edge of the Site, adjacent to the Canal is shown to be in storage use. Historic landfill sites are located approximately 170m north of the Site. Gas holders are located 430m north northwest of the Site. This indicates that much of the Site has not been subject to a contaminative use and neighbouring potentially contaminative uses are as some distance from the Site.
- 4.39 The Phase 1 Risk Assessment of the Site undertaken by WSP (see **Appendix II**) noted that there is the potential for there to be a number of contaminants on the Site associated with previous uses, however

¹⁴ Historic England (2023) Areas of Archaeological Importance. Available at: <https://historicengland.org.uk/advice/hpg/has/archaeologicalimportance/> [Accessed: 19/09/2023]

¹⁵ British Geological Survey (2023) GeoIndex Map Viewer. Available at: <https://www.bgs.ac.uk/map-viewers/geoindex-onshore/> [Accessed: 19/09/2023]

¹⁶ UK Health Security Agency [formerly Public Health England] (2023) UK Radon Map. Available at: <https://www.ukradon.org/information/ukmaps> [Accessed: 19/09/2023]

¹⁷ Sefton Council (2017) Local Plan Policies Map Bootle and Crosby. Available at https://www.sefton.gov.uk/media/1757/bootlecrosby_a1.pdf [Accessed: 20/09/2023]

¹⁸ The Coal Authority (2023) Interactive Map Viewer. Available at: <https://mapapps2.bgs.ac.uk/coalauthority/home.html> [Accessed: 19/09/2023]

the Canal to the south is considered to be lined and therefore not in hydraulic continuity with the Site and therefore unlikely to be affected by any mobilised contamination on the Site.

- 4.40 The ground investigation works would be controlled by standard condition that will address contamination investigation, remediation and validation testing to ensure environmental protection. Therefore the Site is not likely to give rise to a significant contamination risk.

Soil and Agricultural Land

- 4.41 The Site has not been classified under the Post 1988 Agricultural Land Classification (ALC).

Water Resources, Flood Risk and Drainage

- 4.42 There is no risk of fluvial flooding within the Site. The Site is located within Flood Zone 1 and therefore has a low probability of flooding from rivers and the sea.
- 4.43 There is a risk of pluvial flooding within the Site. There are areas of the Site which are at 'high' risk (greater than 3.3% each year). The rest of the Site is at 'low' (between 0.1 and 1% each year) or 'very low' (less than 0.1%) risk of surface flooding.
- 4.44 There is no risk of flooding from reservoirs within the Site.

Socioeconomics and Health

- 4.45 The Site is located within a range of residential dwellings, with docklands and warehouses to the west. Integrated within the residential dwellings in a range of small commercial developments. The 2019 Indices of Deprivation indicate that the local authority of Sefton is ranked the 89th most deprived local authority. Within the local authority, The LSOA that the Site is located within is amongst the 10% most deprived neighbourhoods. Bootle, which is located in the southern area of Sefton has high levels of deprivation, child poverty and inter-generational worklessness. The life expectancy across Sefton is lower than the national average, with females expecting to live until they are 82.9 (national average is 83.4) and males expecting to live until they are 78.9 (national average is 79.8)¹⁹.

Waste

- 4.46 The Site is located approximately 170m south of the '*Former Railway cutting between Rimrose Road and Fernhill Road*' Historic Landfill Site.
- 4.47 The Site is not located on or in proximity to a Permitted Waste Site - Authorised Landfill Sites.

¹⁹ Sefton Council (2021) Sefton People and Place Introductory Profile. Available at: <https://www.sefton.gov.uk/media/1061/seftonpeopleandplaceprofile.pdf> [Accessed: 19/09/2023]

Risk of Major Accidents and Disasters

4.48 There is one establishment located within 3 miles (c. 3.83km) of the Site that is covered by the Control of Major Accident Hazards (COMAH) Regulations 2015²⁰:

- Huskisson Dock located 2.1km south-west of the Site; activities at the Lower Tier establishment includes fuel storage and distribution.

4.49 According to Zetica's unexploded ordnance (UXO) risk map²¹ supplied with the Phase 1 Risk Assessment Report identifies a low to moderate risk from UXO. The Site is located 600m from a strategic Luftwaffe Target.

Sensitivity of the Site

4.50 With reference to all of the information provide above, it can be demonstrated that the Site is not located within a 'sensitive area' as defined by the EIA Regulations; that is, a site within one or more of the following:

- Site of Special Scientific Interest;
- Land to which Nature Conservation Orders apply;
- International conservation sites;
- National Parks;
- Areas of Outstanding Natural Beauty;
- World Heritage Sites; and / or
- Scheduled Monuments.

²⁰ Health and Safety Executive (2023) COMAH 2015 Public Information Search. Available at: <https://notifications.hse.gov.uk/COMAH2015/Search.aspx> [Accessed: 19/09/2023]

²¹ Zetica (2023) UXO Risk Map. Available at: <https://zeticauxo.com/downloads-and-resources/risk-maps/> [Accessed: 27/02/2023]

5. EIA Screening Analysis

5.1 When assessing whether an EIA is required, we have followed the guidance published in Planning Practice Guidance, taking into account the requirements of Schedules 1, 2 and 3 of the EIA Regulations. The analysis is presented below.

Is the Proposal Schedule 1 Development?

5.2 According to the EIA Regulations and guidance, the application is not of a type that would constitute Schedule 1 development.

Is the Proposal Schedule 2 Development?

5.3 The Development is categorised under Schedule 2, Class 10 'Infrastructure Project' Subsection (b) 'Urban development projects'. For such development, an EIA may be required if:

- The development includes more than 1 hectare of urban development which is not dwelling house development; or
- The development includes more than 150 dwellings; or
- The overall area of the development exceeds 5 hectares; or
- The development is located within a sensitive area as defined by the EIA Regulations.

5.4 The EIA Regulations define a 'sensitive area' as set out in paragraph 4.46 above. It is evident from the description of the Site and its setting in **Sections 2 - 4** of this report that it is not located within a sensitive area as defined by the EIA Regulations.

5.5 Although not within a sensitive area, the Development having an area of 2.1ha exceeds 1 ha in size and is not dwelling house development and as such, it is categorised as 'Schedule 2' development. It is, therefore, necessary to consider the criteria as set out in Schedule 3 of the EIA Regulations to determine whether there would be significant environmental effects as a result of the Development. A request for an EIA Screening Opinion is made on this basis.

Consideration of Schedule 3 Criteria: The Likelihood of Significant Environmental Effects

Approach

5.6 In screening the Development, the factors set out in Schedule 3 of the EIA Regulations need to be carefully considered to determine whether significant effects are likely, and EIA is needed. The relevant factors comprise:

- The characteristics of the Development (refer to **Section 3**) with particular regard to: (a) the size and design of the whole development; (b) cumulation with other existing development and/or

approved development; (c) the use of natural resources, in particular land, soil, water and biodiversity; (d) the production of waste; (e) pollution and nuisances; (f) the risk of major accidents and/or disasters relevant to the development concerned, including those caused by climate change, in accordance with scientific knowledge; and (g) the risks to human health (for example, due to water contamination or air pollution).

- The location of the Development (refer to **Section 2**) and the environmental sensitivity of the geographical areas likely to be affected by the Development (refer to **Section 4**).
- The types and characteristics of the potential environmental effects of the factors specified in Regulation 4(2) namely: (a) population and human health; (b) biodiversity; (c) land, soil, water, air and climate; (d) material assets, cultural heritage and the landscape; and (e) the interaction between the factors referred to in sub-paragraphs (a) to (d) (refer to **this Section**).

Cumulative Schemes

5.7 Planning Practice Guidance states that in judging whether the effects of a development are likely to be significant, local planning authorities should have regard to the possible cumulative effects with any approved development. Approved development within 1km of the Site was considered appropriate given the surrounding urban context and included those projects with:

- A resolution to grant planning permission;
- A valid planning permission and yet to start on-site; and
- A valid planning permission and under construction.

5.8 A search of Sefton Councils planning portal was carried out; the following planning applications have been identified as being of sufficient scale and proximity to warrant consideration with the Development for the potential to result in significant cumulative effects. The identified planning applications (hereafter referred to as 'Cumulative Schemes') are presented in **Table 5.1**.

Table 5.1: Cumulative Schemes

No.	Planning Ref.	Description of Proposal	Known Status	Distance / Direction
Sefton Metropolitan Borough Council				
1a	DC/2023/00560	Former Gasworks, Litherland Road - Dismantling of gasholder and associated redundant infrastructure and associated infilling and restoration of site ²² .	Application validated: 30 th March 2023 Awaiting decision	580m northeast
1b	DC/2022/01910	Request for screening opinion relating to a proposed works at former gasworks site, Litherland Road, Bootle	Decided: EIA not required: 11 th November 2022	580m northeast
2	DC/2019/01831	Erection of 10 dwelling houses and a block of 6 apartments (100% affordable), with associated access, landscaping, parking and services. Partially completed with 10 dwelling houses completed, apartment block under construction.	Application approved conditions: with 6 th March 2020	southwest

²² The planning application for this scheme is yet to be determined but has been included within the cumulative schemes due to its closeness

- 5.9 The Development has been appraised, having regard to all of the above factors as listed in Schedule 3 of the EIA Regulations, together with the information provided within **Sections 2 - 4** of this report and discussion of the results and conclusions of this appraisal is presented below. For each environmental topic area considered, environmental effects are considered for:
- The demolition of the existing buildings on the Site and construction of the Development (Demolition and Construction);
 - The Development once completed and operational (the Completed Development); and
 - The Development in combination with the Cumulative Schemes (the Cumulative Scenario).
- 5.10 Where environmental information for the Cumulative Schemes is available in the public domain, these were taken into account in the appraisal provided below. Where information was not available, assumptions were made, and these are clearly outlined in the appraisal below.

Transportation

Demolition and Construction

- 5.11 During construction, there will be disruption through the increased traffic from the construction and demolition vehicles. It is standard practice that a Construction Environmental Management Plan (CEMP) including construction logistics management will be required through a planning condition and implemented to minimise construction traffic effects.
- 5.12 The Site is serviced by a number of bus routes as outlined in section 4.6 and a train station between Southport and Hunts Cross. This provides adequate transport for construction workers to access the site by public transport. There are also several multi-story car parks available for use by workers travelling by car to and from the Site.
- 5.13 In view of the above, the demolition and construction phase of the Development is not anticipated to generate significant adverse effects in regard to Transportation.

The Completed Development

- 5.14 As above, the Site is well-placed within the existing public transport and highway network, the impact from the Proposed Development on public transport capacity will not be significant during the operational phase of the Development. There may be an increase in use of transport during Salt & Tar music events, however these are infrequent and unlikely to significantly impact the nearby receptors and users of the Site.
- 5.15 In view of the above, the completed and operational Development is not anticipated to generate significant adverse effects in regard to Transportation.

Cumulative Scenario

- 5.16 There are only two identified cumulative schemes which comprise firstly the dismantling and infilling of former gas holder (ref: DC/2023/00560) and secondly the provision of 16 residential units. The latter

of these is almost completely built out and is likely to be completed before works begin on the Proposed Development. The gas holder site works are located 450m away from the Site and associated traffic movement are anticipated to enter and leave the A5098 (Marsh Lane) to the west of the Site and would be subject to a CEMP. It is also anticipated that some construction traffic from the Site will join the Stanley Road or Washington Parade and head south to the A5057 Merton Road thereby reducing the potential for cumulative traffic with the Gasholder Site works.

- 5.17 It is not known to what use the gasholder site will be put so it is not possible to consider this in terms of its operation. The trip generation from the 16 units is not likely to be significant and so significant cumulative effects with the Proposed Development are not likely to be significant.
- 5.18 In the Cumulative Scenario, it is not anticipated that the Development would result in any significant adverse effects in regard to Transportation.

Air Quality

Demolition and Construction

- 5.19 The demolition activities have the potential to create releases of dust and particulate matter to the air which may have an adverse effect on receptors such as deposition on properties or adverse health effects. A CEMP and/or Dust Management Plan (DMP) will be prepared for the demolition phase of the development to set out mitigation measures to prevent or minimise releases to the air. The measures will be set out with best practice guidance.
- 5.20 The demolition and construction phase of the Proposed Development will increase the amount of traffic on the roads however the CEMP will be used to reduce the impacts of increased construction traffic.
- 5.21 In view of the above, the demolition and construction phase of the Development is not anticipated to generate significant adverse effects in regard to Air Quality.

The Completed Development

- 5.22 When the Proposed Development is operational, there is potential it will influence road traffic through increased trips to visit the attraction. However, the development itself would generate servicing trips only as it does not include residential development. As noted in section 4 air quality standard limits are not being approached or exceeded as an such a significant effect on air quality is not anticipated.
- 5.23 The developed Salt & Tar events space will increase traffic flow during live events. However, these are infrequent events and expected to largely occur outside of peak shopping centre usage times. Visitors are likely to make use of the existing public transport facilities and existing public car parking facilities. As such national air quality standards are not anticipated to be breached and significant effects on air quality are not anticipated.
- 5.24 In view of the above, the completed and operational Development is not anticipated to generate significant adverse effects in regard to Air Quality.

Cumulative Scenario

- 5.25 The construction of the 16 residential units is anticipated to be completed before work begins on the Site and so there would be no cumulative effects from construction with this scheme. The gasholder scheme works may coincide with the Proposed Development construction. However, it is sufficiently distant from the Site for significant cumulative dust blown effects to occur. It is also expected that both schemes will be subject to CEMPs which will include a range of industry standard measures to limit site and vehicle derived air quality effects such as vehicle sheeting and wheel washing such that significant cumulative construction traffic effects are unlikely.
- 5.26 In the Cumulative Scenario, it is not anticipated that the Development would result in any significant adverse effects in regard to Air Quality.

Noise

Demolition and Construction

- 5.27 During the demolition and construction of the Proposed Development, there would likely be short-term, temporary increase in noise levels as a result of construction activities, equipment and delivery vehicles. These effects are typical of any construction project and may lead to some localised disturbance to the neighbouring residential and commercial properties. The noise and vibration effects could be effectively managed through the compliance with legislative requirements via the implementation of environmental management control measures detailed within the Demolition Method Statement which will include the use of Best Practical Means in accordance with Section 72 of the Control of Pollution Act 1974 and can be included in a CEMP.
- 5.28 In view of the above, the demolition and construction phase of the Development is not anticipated to generate significant adverse effects in regard to Noise.

The Completed Development

- 5.29 The completed Development will have minimal increase in noise levels for the nearby sensitive receptors. The dominant sound source is road traffic along Stanley Road and the Washington Parade. With the partial demolition of the shopping centre, it will remove some of the acoustic screening at the Site.
- 5.30 The Salt & Tar events can give rise to elevated noise levels especially when music is being played. Noise monitoring undertaken at the Site identified that noise levels were generally elevated during the day from around 10.00 until the event closed at around 22.00.
- 5.31 However, the extant temporary permission for the Salt & Tar events limits the number of events to *'No more than 12 music event days ... on site in any calendar year.'* It also establishes a maximum noise level for events which is that event noise *'shall not exceed the background noise level (LA90) by more than 15 dB(A) when measured at the façade of the nearest residential premises (measured over a 15 minute period). During music events a level of 75 dB at the façade of the nearest residential premises shall not be exceeded in either of the 63 Hz or 125 Hz octave frequency bands.'*
- 5.32 Such music event days will be relatively infrequent and are likely to occur at the weekend only. The planning permission also permits such events to take place only between the hours of 10.00 and 22.00.

- 5.33 Therefore, while noise levels may disturb users of the development and surrounding receptors. Events would occur infrequently and have limits on noise levels as stated within their planning permission conditions (ref. DC/2023/00596).
- 5.34 In view of the above, the completed and operational Development is not anticipated to generate significant adverse effects in regard to Noise.

Cumulative Scenario

- 5.35 The construction of the 16 residential units is anticipated to be completed before work begins on the Site and so there would be no cumulative effects from construction with this scheme. There is the potential for construction traffic from the Proposed Development to coincide with construction traffic for the gasholder development. Existing flows on the A5098 are likely to be such that the addition of cumulative construction traffic would be unlikely double traffic flows and so not be likely to increase noise levels by 3dB. Indeed construction traffic flows are likely to give rise to a small percentage change to existing flows and as such would be unlikely to be a significant change.
- 5.36 In the Cumulative Scenario, it is not anticipated that the Development would result in any significant adverse effects in regard to Noise.

Ecology and Nature Conservation

Demolition and Construction

Designations

- 5.37 The closest statutory site is '*Liverpool Bay (SPA)*', which is located 1.7km west of the Site. Due to the distance between the Site and Liverpool Bay and the lack of ecological connectivity caused by the intervening land uses, no significant effects are anticipated.
- 5.38 The '*Leeds and Liverpool Canal and Adjacent Sites*' is a locally designated site located 1.3km south of the Site. Due to the distance between the Site and Liverpool Bay and the lack of ecological connectivity caused by the intervening land uses, no significant effects are anticipated.

Habitats

- 5.39 The habitats recorded within the Site are of low to negligible ecological value. No invasive species specified under schedule 9 of the Wildlife and Countryside Act 1991 were identified within the survey area. The Proposed Development will seek to achieve a biodiversity net gain of at least 10%.

Flora and Fauna

- 5.40 Limited vegetation clearance is required during the demolition works, given the majority of the Site is already developed with existing buildings or car parking. The ecology survey notes that habitats on site are of low value with limited potential for protected species. A preliminary bat roost assessment undertaken within the Site and surrounding area identified that most of the buildings within the Site have negligible roosting suitability, with the Bootle Strand Flats having low roosting suitability. For structures to be demolished a bat survey can be undertaken prior to demolition and mitigation

measures built into the Proposed Development as appropriate. This can be controlled by a standard planning condition.

- 5.41 In view of the above, the demolition and construction phase of the Development is not anticipated to generate significant adverse effects in regard to Ecology and Nature Conservation.

The Completed Development

- 5.42 The operational Development is not anticipated to have any significant adverse ecological effect. The continued management of the soft landscaping within the Site is anticipated to provide a beneficial effect for local biodiversity.
- 5.43 In view of the above, the completed and operational Development is not anticipated to generate significant adverse effects in regard to Ecology and Nature Conservation.

Cumulative Scenario

- 5.44 In the Cumulative Scenario, the Cumulative Schemes would also proceed in accordance with relevant wildlife legislation to ensure adequate protection of protected and notable species including nesting birds, bats, reptiles and hedgehog. As such, no cumulative effect on flora or fauna is likely to arise during demolition and construction. As with the Site, all Cumulative Schemes are viewed to be sufficiently spatially separated from the key national and international ecological designations in the local region.
- 5.45 In the Cumulative Scenario, it is not anticipated that the Development would result in any significant adverse effects in regard to Ecology and Nature Conservation.

Townscape, Visual Amenity and Built Heritage

Demolition and Construction

- 5.46 The physical presence of a construction site would give rise to the presence of visible hoardings, plant and machinery and other activities associated with the works. However, any townscape and visual effects associated with the works would be limited, localised and temporary.
- 5.47 Furthermore, the implementation of standard best practice management of the demolition and construction works and a range of good construction site housekeeping initiatives would be implemented with the aim of reducing effects on townscape, visual amenity and the setting of heritage assets. These will include, but not limited to:
- The maintenance of adequate construction site hoarding; and
 - The orderly segregation of particular construction site activities, for example, the clear delineation of construction site offices and staff facilities, material storage areas, plant and machinery storage areas.
- 5.48 As the works proceed and the built form of the Proposed Development emerges, the townscape and visual characteristics of the Site will adjust to those that will be generated by the presence of the

completed and operational Development. Overall, the most noticeable landscape and visual effects of the Proposed Development during construction will be largely confined to the Site and more immediate surrounds. The identified mitigation can be controlled through a CEMP controlled through a standard condition on a planning permission. As a result significant effects on townscape and heritage features are not anticipated during construction.

- 5.49 In view of the above, the demolition and construction phase of the Development is not anticipated to generate significant adverse effects in regard to townscape, visual amenity and built heritage.

The Completed Development

- 5.50 The built elements of the Proposed Development will be finished to a high standard of quality. The completed Development proposes to remove structures that are not of high streetscape quality while undertaking works to retained structures to enhance their appearance. Furthermore, a comprehensive landscaping strategy for the Site is proposed. Given the current layout of the Site, landscaping in this location which would seek to improve the setting of the Canal to the south and the remainder of the shopping centre site.
- 5.51 Additionally, the completed Development would not have a negative impact upon the qualities or the setting of any nearby Listed Buildings. As such, it is not anticipated to generate significant adverse effects upon townscape, visual amenity and built heritage.
- 5.52 In view of the above, the completed and operational Development is not anticipated to generate significant adverse effects in regard to [Townscape, Visual Amenity and Built Heritage].

Cumulative Scenario

- 5.53 It is assumed that the visual intrusiveness associated with the construction of the Cumulative Schemes nearby will be effectively managed by CEMP during the works helping to minimise cumulative effects should the construction of the Cumulative Schemes and the Proposed Development coincide with one another.
- 5.54 The cumulative schemes are sufficiently spatially separate that cumulative effects on townscape, views and heritage features are unlikely to occur. In the Cumulative Scenario, it not anticipated that the Development would result in any significant adverse effects.

Archaeology

Demolition and Construction

- 5.55 As described in section 4, there are no Scheduled monuments situated within or in proximity to the Site. The Site is not situated within an AAP or an AAI. The previous development on the Site may have truncated or otherwise affected any archaeology that may exist on the Site.
- 5.56 In view of the above, the demolition and construction phase of the Development is not anticipated to generate significant adverse effects in regard to Archaeology.

The Completed Development

- 5.57 The completed and operational Development would not give rise to any groundworks that necessitate intrusive ground works.
- 5.58 In view of the above, the completed and operational Development is not anticipated to generate significant adverse effects in regard to Archaeology.

Cumulative Scenario

- 5.59 No discrete and localised buried heritage assets shared with the Cumulative Schemes are anticipated.
- 5.60 In the Cumulative Scenario, it is not anticipated that the Development would result in any significant adverse effects in regard to Archaeology.

Geology, Ground Conditions and Contamination

Demolition and Construction

- 5.61 The Site is not designated for any geological importance or interest and does not yield any significant geological resources.
- 5.62 Made Ground deposits are likely to be present across the Site due to historic redevelopment as outlined above. There are no recorded historic landfills within the Site the nearest being approximately 170m to the north. However, given the historic land-uses within the Site, as is typical with many developed sites, there is a potential for contamination to be present beneath the Site.
- 5.63 With the exception of made ground potentially being present within the Site, no sources of environmental concern have been identified. The potential for significant contamination to have arisen at the Site as a result of the current and former usage on-site is likely to be low. However, the possibility of contamination albeit likely to be localised cannot be discounted. With implementation of standard mitigation measures that are controlled through the Environmental Protection Act and Contaminated Land Statutory Guidance, which establish the need for and methods of determining and remediation contamination and validating the remediation, can also be controlled through a standard planning condition to ensure a significant effect on the environment does not arise. Therefore a significant effect on the environment as a result of ground contamination is not likely and as such an EIA would be required.
- 5.64 In view of the above, the demolition and construction phase of the Development is not anticipated to generate significant adverse effects in regard to Geology, Ground Conditions and Contamination.

The Completed Development

- 5.65 The Development does not propose any land uses or activities that would inherently be of a contaminative nature.
- 5.66 In view of the above, the completed and operational Development is not anticipated to generate significant adverse effects in regard to Geology, Ground Conditions and Contamination.

Cumulative Scenario

- 5.67 In the event the Cumulative Schemes encounter contamination issues, it is considered reasonable to assume the implementation of best practice environmental management controls and additional legislative requirements (separate to the EIA Regulations) would mean all matters would be (or have been) adequately dealt with so as to prevent significant effects on human health and / or the environment. Therefore, it is unlikely significant ground conditions or contamination cumulative effects would result either during construction or on completion and operation of the Development and the Cumulative Schemes together.
- 5.68 In the Cumulative Scenario, it is not anticipated that the Development would result in any significant adverse effects in regard to Geology, Ground Conditions and Contamination.

Soil and Agricultural Land

Demolition and Construction

- 5.69 The Proposed Development is located on, and surrounded by, urban land and therefore will have no impacts on agricultural land.
- 5.70 Excavated soils will be carefully stored and reused where possible in the reprofiling of the Site.
- 5.71 In view of the above, the demolition and construction phase of the Development is not anticipated to generate significant adverse effects in regard to Soil and Agricultural Land.

The Completed Development

- 5.72 The Development does not propose any land uses or activities that would inherently be of a contaminative nature.
- 5.73 In view of the above, the completed and operational Development is not anticipated to generate significant adverse effects in regard to Soil and Agricultural Land.

Cumulative Scenario

- 5.74 All the cumulative sites are located within the urban area of Bootle and do not lead to the loss of agricultural land and are sufficiently distant from agricultural land as to not give rise to significant effects on agricultural land. Therefore in the Cumulative Scenario, it is not anticipated that the Development would result in any significant adverse effects in regard to Soil and Agricultural Land.

Water Resources, Flood Risk and Drainage

Demolition and Construction

- 5.75 The Site is located in Flood Zone 1 and as such is at a low risk of flooding from rivers and the sea. There is a risk of surface water flooding, but this can be addressed through standard procedures that can be controlled through a CEMP in relation to capturing, storing and removal of flood water so as to not give rise to increased sediment loads of mobilisation of any contamination into surrounding sensitive areas.

- 5.76 In view of the above, the demolition and construction phase of the Development is not anticipated to generate significant adverse effects in regard to Water Resources, Flood Risk and Drainage.

The Completed Development

- 5.77 In addition, climate change considerations require that the completed and operational Development must be designed with the resilience to cope with increases in precipitation frequency and intensity which may give rise to increased incidences of surface water flooding events.
- 5.78 The design of the Development is therefore informed by an appropriately qualified and experienced surface water drainage engineer. This will ensure the inherent design measures of the Development will safeguard against surface water flooding risks and effects at the Site and elsewhere, even accounting for climate change.
- 5.79 In view of the above, the completed and operational Development is not anticipated to generate significant adverse effects in regard to Water Resources, Flood Risk and Drainage.

Cumulative Scenario

- 5.80 All the cumulative sites are within flood zone 1 and so at a low risk of flooding. All sites will be required to incorporate a drainage strategy that does not increase flood risk up or down stream. Therefore significant cumulative effects on flood risk are unlikely. Therefore in the Cumulative Scenario, it is not anticipated that the Development would result in any significant adverse effects in regard to Water Resources, Flood Risk and Drainage.

Socioeconomics

Demolition and Construction

- 5.81 There is anticipated to be an increase in direct, indirect and induced employment associated with the construction activities on-Site. However, the scale of the development in the context of existing employment within the wider area the effects are unlikely to be significant.
- 5.82 The demolition of the existing structures on the Site is not anticipated to result in a significant direct loss in employment as many of the structures are already vacant and existing occupiers will be provided with accommodation elsewhere in the shopping centre prior to the demolition beginning to facilitate continuity of service.
- 5.83 In view of the above, the demolition and construction phase of the Development is not anticipated to generate significant adverse effects in regard to Socioeconomics.

The Completed Development

- 5.84 The completed Development is predicted to bring more people to the area and increase footfall within the shopping centre and the area generally through the Salt & Tar venue events. It will also provide new and improved community facilities. While these will be beneficial to the local area they are unlikely to make a significant improvement for the borough as a whole and so are not considered to be significant in EIA terms.

Cumulative Scenario

- 5.1 The Cumulative Schemes will also generate direct, indirect and induced employment opportunities during the demolition and construction works and once the Development is completed and operational. However, the cumulative effect on employment from the Development and Cumulative Schemes together would unlikely be significant.
- 5.2 In the Cumulative Scenario, it is not anticipated that the Development would result in any significant adverse effects in regard to socio-economics.

Wind Microclimate

Demolition and Construction

- 5.3 The low-rise nature of the existing development means that it is unlikely to have a material effect on local wind speeds. Any effects in relation to Wind Microclimate would vary throughout the demolition and construction phase as the built form of the Development emerges. The effect, however, would be less than the effects of the completed and operational Development and would likely only be temporary in nature.
- 5.4 In view of the above, the demolition and construction phase of the Development is not anticipated to generate significant adverse effects in regard to Wind Microclimate.

The Completed Development

- 5.5 The Proposed Development would open up a route through the existing arm of the shopping centre, however the low-rise nature of the building in a fairly densely developed area along with the open nature of the area to the south around the canal indicates that this change through the Proposed Development would be unlikely to make a material difference to local wind conditions. Therefore, it is not anticipated that strong downdraughts or other adverse wind microclimate effects would occur as a result of the Development.

Cumulative Scenario

- 5.6 The cumulative schemes are sufficiently distant from each other that significant cumulative effects on the wind microclimate are unlikely.

Daylight, Sunlight and Overshadowing

Demolition and Construction

- 5.7 The low-rise nature of the existing development and the distance of sensitive receptor from it means that it is unlikely to have a material effect on daylight, sunlight or overshadowing of these receptors.
- 5.8 In view of the above, the demolition and construction phase of the Development is not anticipated to generate significant adverse effects in regard to Daylight, Sunlight and Overshadowing.

The Completed Development

- 5.9 The Proposed Development would reduce the massing of the existing development thereby reducing any existing effects on daylight, sunlight and overshadowing. Therefore, the completed and operational Development is not anticipated to generate significant adverse effects in regard to Daylight, Sunlight and Overshadowing.

Cumulative Scenario

- 5.10 The cumulative schemes are sufficiently distant from each other that significant cumulative effects on daylight, sunlight and overshadowing are unlikely. In the Cumulative Scenario, it is not anticipated that the Development would result in any significant adverse effects in regard to Daylight, Sunlight and Overshadowing.

Lighting

Demolition and Construction

- 5.11 During the demolition and construction phase, there may be periods where floodlighting / security and health and safety lighting will be required. However, it is anticipated that a CEMP will be prepared and agreed with SMBC prior to the commencement of works. As part of the CEMP, measures will likely be implemented to minimise artificial light spill and glare to nearby sensitive receptors surrounding the Site.
- 5.12 In view of the above, the demolition and construction phase of the Development is not anticipated to generate significant adverse effects in regard to Lighting.

The Completed Development

- 5.13 In respect of the completed and operational Development, a detailed lighting strategy / design will be secured by planning conditions and agreed in advance of the completion of the Development with SMBC. It is anticipated that such a strategy will be designed to relevant British Standards (BS), including BS 5489-1:2013 Code of Practice for the Design of Roads Lighting²³ and will take account of the Institute of Lighting Professionals Guidance Note 1 for the Reduction of Obtrusive Light²⁴.
- 5.14 There is likely to be lighting effects associated with the Salt & Tar venue operation. However, it is anticipated that the licensing of this venue will result in a limit to the number of events that can be staged each year and the events will be completed by 10pm and likely to mostly occur at weekends.
- 5.15 In view of the above, the completed and operational Development is not anticipated to generate significant adverse effects in regard to Lighting.

Cumulative Scenario

²³ BS 5489-1:2013 Code of Practice for the Design of Road Lighting. Lighting of Roads and Public Amenity Areas. 2013.

²⁴ Institute of Lighting Professionals (2021) Guidance Note 1 for the Reduction of Obtrusive Light.

- 5.16 The cumulative schemes are sufficiently distant from each other that significant cumulative effects as a result of their lighting are unlikely. Therefore in the Cumulative Scenario, it is not anticipated that the Development would result in any significant adverse effects in regard to Lighting.

Greenhouse Gases and Climate Change

Demolition and Construction

- 5.17 As a result of the Palatine section of The Strand Shopping Centre (that being the southern-most part of The Strand, adjoining onto the canal-side area of the Site), the embodied carbon of the structure's materials would be released. Although this figure has not been quantified for the purposes of this assessment, due to the nature of the structure present, this figure is not anticipated to be significant at a regional, national or global level. A scenario in which the existing structure could be retained was not considered a viable strategy due to the ongoing maintenance issues associated with the structure and the Palatine creating a physical barrier from the east to west and disconnecting The Strand from the Canalside. Where possible, debris from the demolition of the Palatine would be re-used on-site to address the level change from the Canalside to the south bank. The remainder of the The Strand's structure would be re-used.
- 5.18 In view of the above, the demolition and construction phase of the Development is not anticipated to generate significant adverse effects in regard to Greenhouse Gases and Climate Change.

The Completed Development

- 5.19 As previously noted, by virtue of the scale and nature of the Development, its operation would not significantly contribute to global climate change above the existing levels. Regardless, where possible, the Development would be designed to minimise greenhouse gas emissions and to ensure resilience to climate change.
- 5.20 In view of the above, the completed and operational Development is not anticipated to generate significant adverse effects in regard to Greenhouse Gases and Climate Change.

Cumulative Scenario

- 5.21 As previously noted, by virtue of the scale and nature of the Development, its operation would not significantly contribute to global climate change above the existing levels. Regardless, where possible, the Development would be designed to minimise greenhouse gas emissions and to ensure resilience to climate change.
- 5.22 In view of the above, the completed and operational Development is not anticipated to generate significant adverse effects in regard to Greenhouse Gases and Climate Change.

Health and Wellbeing

Demolition and Construction

- 5.23 Previous sub-sections (Geology, Ground Conditions and Contamination, Noise, Air Quality, Wind Microclimate, Water Resources, Flood Risk and Drainage and Socioeconomics) have demonstrated that the demolition and construction works are not anticipated to give rise to any significant contamination, air quality, noise, wind microclimate, flood risk and / or socioeconomic effects, all of which have the potential to affect human health and wellbeing.
- 5.24 The likelihood of insignificant effects for all relevant topics is by virtue of the nature and location of the Development, together with the implementation of a broad range of standard, tried and tested construction related best practice environmental management controls.
- 5.25 Asbestos-containing materials have been identified to be present within the Site. Any known occurrences of asbestos-containing materials would be removed by a contractor licensed by the Health and Safety Executive (HSE) prior to any other works in its location. Notice should be given for the discovery of any previously unknown occurrences of asbestos-containing materials. The disturbance of such materials should be avoided, and a statutory risk assessment and details of proposed methods for safe material should be submitted.
- 5.26 Consequently, the health and wellbeing of construction site workers, local residents, local workers and visitors to the locality is unlikely to be significantly adversely affected by the demolition and construction works.

The Completed Development

- 5.27 Similar to the above, previous sub-sections (Geology, Ground Conditions and Contamination, Noise, Air Quality, Wind Microclimate, Water Resources, Flood Risk and Drainage and Socio-economics) demonstrate that the completed and operational Development is unlikely to give rise to significant effects in regard to contamination, air quality, noise, pedestrian comfort and safety, flood risk and / or socio-economic effects. As such, with the Development in place, these environmental factors are unlikely to significantly affect the health and wellbeing of local residents, local workers, users and visitors of the Development and the surrounding locality.

Cumulative Scenario

- 5.28 The justification above is also valid for the Cumulative Schemes. Consequently, there is no potential for significant cumulative health and wellbeing effects during any concurrent demolition and construction works or following completion and operation of the Development and the Cumulative Schemes.
- 5.29 In the Cumulative Scenario, it is not anticipated that the Development would result in any significant adverse effects in regard to Health and Wellbeing.

Waste

Demolition and Construction

- 5.30 There will be the waste created throughout the demolition and construction phase of the Development. A Site Waste Management Plan (SWMP) will be developed to ensure that at least 90% (by tonnage) or 80% by volume of the non-hazardous demolition waste will be diverted from landfill. Where possible the waste will be reused in the reprofiling of the Development. The SWMP will ensure waste is managed

in line with best practice guidelines and relevant legislation to ensure minimum waste generation and maximum recycling during the demolition and construction works.

- 5.31 The Site is located adjacent to the '*Former Railway cutting between Rimrose Road and Fernhill Road*' historic landfill site to the north of the Site. The Strand Shopping Centre has operated since the closure of the landfill site with no known significant adverse effects having arisen. Given that the Site would continue to operate under the same land uses and same environmental sensitivities, no significant adverse effects would be anticipated to arise as a result of the interaction between the Proposed Development and the historic landfill site.
- 5.32 Should there be any hazardous materials on the Site, the Demolition Contractor will comply with relevant legislation relating to protection of employees and others who may be affected from health risks.
- 5.33 In view of the above, the demolition and construction phase of the Development not anticipated to generate significant adverse effects in regard to Waste.

The Completed Development

- 5.34 The Development would generate waste through its operation. However, in-line with local and national requirements, the Development will be designed to ensure that sufficient space and facilities are provided for the storage of segregated general and recyclable waste. In addition, the servicing of the Development will allow for adequate waste collection and disposal, as necessary.
- 5.35 The operational Development will not include for any land uses or activities that will give rise to particularly hazardous waste materials.
- 5.36 In view of the above, the completed and operational Development not anticipated to generate significant adverse effects in regard to Waste.

Cumulative Scenario

- 5.37 As for the Development, the Cumulative Schemes are also expected to employ good waste management practices during the Works so that significant cumulative effects are unlikely to occur from the Development and Cumulative Schemes together.
- 5.38 The Cumulative Schemes are also expected to employ good waste management practices during the Works so that significant cumulative effects are unlikely to occur from the Development and Cumulative Schemes together.
- 5.39 In the Cumulative Scenario, it is not anticipated that the Development would result in any significant adverse effects in regard to waste.

Risk of Major Accidents and Disasters

Demolition and Construction

- 5.40 All demolition and construction works would be managed in accordance with best practice environmental management controls and relevant regulations. Furthermore, with standard, tried and tested construction related best practice environmental management controls in place, previous subsections (Geology, Ground Conditions and Contamination and Water Resources, Flood Risk and Drainage) demonstrate that the demolition and construction is unlikely to give rise to significant risks associated with contamination and surface water flooding.
- 5.41 According to Zetica's UXO risk map, the Site is located within an area of low to moderate risk from UXO, with the Site being located 600m from a strategic Luftwaffe Target. It is understood that a UXO desktop assessment is to be undertaken by the Applicant to understand what precautions would be required during the Works and in order to mitigate any risk from UXO.
- 5.42 As such, significant adverse effects in regard to the Risk of Major Accidents and Disasters during the demolition and construction would not be considered likely.

The Completed Development

- 5.43 The completed and operational Development does not propose any land uses that would increase the risk of major accidents and disasters by virtue of being hazardous or operating complex processes. Furthermore, previous sub-sections (Geology, Ground Conditions and Contamination and Water Resources, Flood Risk and Drainage) justify that the completed and operational Development would be unlikely to give rise to any significant contamination or flood risk and would not be susceptible to increased future flood risk.
- 5.44 The Huskisson Dock is a Lower Tier COMAH establishment located 2.1km south-west of the Site, activities at the COMAH establishment include fuel storage and distribution. The Proposed Development would not introduce any new activities on-Site which would impact upon the operation of the COMAH establishment, and activities at the COMAH establishment itself would be strictly controlled through a series of control measures in order to ensure ongoing compliance with the COMAH Regulations. Under the assumption that these control measures remain in place, the COMAH establishment is not seen to generate a significant effect in respect of the major accidents and disasters at the Site.
- 5.45 In view of all of the above, significant effects associated with the Risk of Major Accidents and Disasters as a result of the completed Development would be unlikely to occur.

Cumulative Scenario

- 5.46 The above statements regarding the Proposed Development in isolation are also valid for the Cumulative Schemes, given that the nature of the proposals for the Cumulative Schemes and the anticipated concurrent demolition and construction works.
- 5.47 In the Cumulative Scenario, it is not anticipated that the Development would result in any significant adverse effects in regard to Risk of Major Accidents and Disasters.

6. Summary and Conclusions

6.1 The Development has been screened under Schedule 2, Class 10 'Infrastructure Project' Subsection (b) 'Urban development projects'. The screening criteria for this type of development is if:

- The development includes more than 1 hectare of urban development which is not dwelling house development; or
- The development includes more than 150 dwellings; or
- The overall area of the development exceeds 5 hectares.

6.2 As such, an EIA Screening Report has been prepared on this basis. The report has identified the following key points:

- The Site is not located in a 'sensitive area' as defined by the EIA Regulations. Accordingly, the absorption capacity of the natural environment in and surrounding the Site is judged to be high; the Site and its immediate surrounds are resilient to change.
- The Development is considered to be consistent in scale and type with the existing context surrounding the Site.
- The effects associated with this type of development are not of a level of magnitude, complexity or significance such that an EIA would be required to evaluate them.
- The potential for significant effects is low and can be adequately dealt with via the standard legislative requirements and the implementation of best practice environmental management controls out-with the EIA regime.

6.3 As such, the Development is not considered to constitute EIA development.

6.4 In order to confirm this, we kindly request a formal EIA Screening Opinion on the requirement for EIA and would be grateful if SMBC would respond by way of a formal EIA Screening Opinion within three weeks.

Appendix I

Existing Site Plan

Appendix II

Preliminary Risk Assessment

Appendix III

Bat Activity Report

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The Strand

Social Value Report 2023

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The Strand: A shopping centre at the heart of community change

Foreword

Sefton Council acquired The Strand in 2017 for regeneration purposes - because it recognised how critical it is to the future of the Town Centre and that there was an increasing lack of investment from its private owners. The Business Case for acquisition was underpinned by the recognition that ownership of the Strand was essential to enable the wider regeneration of the town centre.

In 2020, Sefton Council's Cabinet approved the development of a clear strategy and plan to enable the long-term sustainability of the Strand within a programme known as 'The Strand Transformation'.

In March 2023 Sefton Council were awarded £20 million from Levelling Up Capital funding by DLUHC allowing progression of the first phase of the Transformation programme. The first phase of regenerating the site involved some site acquisitions, clearance and demolition to pave the way for the wider Strand masterplan.

The aim is place making, to create a new and transformative town centre heart that will restore a sense of civic pride and ownership by the community. Additionally, it will unveil a new southerly view down to the canal, creating an extraordinary high-quality public space that functions in harmony, integrates the current Salt and Tar event space and enhances the overall experience of by those using and visiting the centre.

Ultimately the overall Vision for the Strand is reinforce the 'Spirit of Place' for the people of Bootle with immediate impact, winning the hearts and minds of residents by connecting and framing the unique physical assets of the high street, through the Strand and down to the Salt and Tar

The repurposing of the Strand will catalyse development of a more sustainable and resilient town centre that provides improved opportunities for local communities, residents and businesses. It will increase pride and raise ambition across Bootle whilst improving perception and brand beyond the town.

canalside and waterfront, and beyond. This will significantly enhance and improve the perception of the town, increasing footfall, dwell time, and local spend. Furthermore, the plan involves positively contributing to the streetscape, with a focus on health and well-being at its very core.

It is vital that as we enter this period of delivery as part of as part of the first phase of the long term strategy for the redevelopment of the Strand, that we lay the foundations for Social Value and ensure we sow the seeds of best practice in order to garner wider benefits to drive forward change for the residents of Bootle and beyond.

This document sets out the current position on Social Value, Real Estate Social Value achieved to date as part of the day-to-day asset management of the shopping centre and Sefton Council's Social Value intentions as part of the repurposing.



1. Social Value Context

Social Value can be explained as a commitment by Sefton to use our influence and spending power to help drive inclusive economic growth, improve the local environment and address inequalities whilst ensuring the best possible value for money when purchasing goods and works.

In 2022 Sefton Council confirmed its commitment that it wants to do business with suppliers who have a strong people, environmental and ethical focus within their business by adopting the [Social Value Policy 2022](#).

The policy ensures that Social Value principles are applied in a way that enables the Council to maximise economic, social and environmental benefits for Sefton and its residents.

The policy is complemented by several initiatives and policies including the Council’s commitment to mitigating the impact of climate change, the Treasury Management Policy and Strategy (which covers ethical investment), commitment to eradicate Modern Slavery, Staff Volunteering Policy, the Digital Strategy and commitment to Sefton Crowd.

The Council wishes to:

- Grow an **inclusive and resilient** Sefton economy, by engaging local suppliers and thereby encouraging re-spend within the **Sefton economy**, supporting micro and small businesses, social enterprises including charities and co-operatives.
- Increase the number of **jobs**, improve work related and life skills in Sefton and create a **local employment** opportunity programme for the long-term unemployed, economically inactive and other underrepresented groups in the Sefton labour market.

- Improve **living standards** and enhance the wellbeing of our residents by promoting socially responsible criteria for suppliers.
- Promote **environmental sustainability** by implementing environmental improvements, supporting reductions in waste and carbon emissions, supporting energy efficiency, and assisting the use of materials from renewable and sustainable sources within Sefton and our supply chain.
- Support **fair and ethical** trading in the supply chain, including full compliance to Human Rights legislation and Modern Slavery Act, whilst expecting our suppliers and contractors to demonstrate the same standards of commitment.

The Council will use its **influence and leadership** to deliver on these broad Social Value commitments by working collaborative and putting in place community, procurement, operational and financial activities to realise the following:

- Support for **community initiatives** about how to improve their financial position to gain funding via crowd funding and other resources/opportunities
- Encourage and **support suppliers** to operate and provide goods and services to offer maximum social, environmental and **economic benefits** to Sefton communities
- Encourage suppliers to **prohibit** the use of Zero Hour Contracts
- Review our Social Value scoring and weighting in tenders
- Commit to **prompt payment** of suppliers and encourage our suppliers to pass this on throughout the supply chain.

2. Real Estate Social Value Index (RESVI)

In addition to Social Value delivered through procurement works, goods and services as part of the Phase 1 £20m DLUHC funded repurposing scheme, Ellandi, acting as asset manager for The Strand on behalf of Sefton Council undertook a **RESVI assessment**.

RESVI is a social impact tool, created by the **Social Value Portal** and aligned to the Themes, Outcomes and Measures framework. It is used to assess the social and local economic value created by an in-use asset. The index is built around 67 initiatives that generate **social, economic and environmental** outcomes.

The RESVI diagnostic captures data on whether the initiatives are being completed. RESVI grade evaluates how well the social value initiatives are being carried out. Social and local economic value is calculated and verified using the National Social Value Framework, the UK's leading methodology of calculating Social Value.

There is a 3-step process that includes collecting data and information from the asset owner, the property manager, key suppliers and occupiers:

- 1. Diagnostic:** captures data on whether social value initiatives are being completed
- 2. Grading:** evaluates how well the social value initiatives are being carried out
- 3. Social Value Measurement:** captures output and outcome data to report a social value.

The measurements are mapped to proxy values that have been developed using publicly available data (e.g. from the Office of National Statistics) and are aligned with the National Themes, Outcomes and Measures framework.

This allows for activities to be reported in financial terms. Undertaking a RESVI assessment on a building enables the asset owner to understand where the opportunities lie to generate more social value through how it is managed and how its suppliers and tenants interact with it. This is valuable for both the local community it is located in and for society more widely. It also allows investors to understand the return on their investment from a social perspective.

In Q1 2024 Ellandi will be launching RESVI again, collecting data across 20 assets including The Strand. The results and best practice learnings will be shared with the centre management and property management teams at Ellandi's 2024 Centre Management Conference.

Sefton Council will use the RESVI report produced as a baseline and will work closely with Ellandi (our partners for current operation and future development at the Strand) to establish opportunities to generate additional social value opportunities/benefits through how the Strand is managed on a daily basis in conjunction with the social value generated through the Phase 1 repurposing project and the wider scheme.

3. Measuring Social Value

The National Social Value Measurement Framework underpin and empower the objectives of the Council’s Social Value Policy 2022, by allowing the Council to unlock, measure and report the social value provided by our suppliers during the development delivery cycle.

The Measurement Framework is built around a set of Themes, Outcomes and Measures and in recent years has become the most used framework in the UK.

The National Themes, Outcomes and Measures were launched in 2017 by the National Social Value Taskforce, chaired by the Local Government Association (LGA), with over 40 members from organisations representing central and local government, the private sector and the third sector.

The National Themes, Outcomes and Measures provide a flexible, measures-based calculation framework designed to articulate Social Value outcomes in terms that can be objectively assessed. It was conceived and developed to be evidence-led and applicable over the ‘whole life’ of a contract or single purchase, as well as throughout the delivery cycle.

Nationally there are 5 Themes and 48 Measures that are recognised.

The 5 National Social Value Themes:



Jobs

This Theme supports organisations to promote local skills and employment.



Growth

This Theme supports the growth of responsible regional business.



Social

Through this Theme, we aim to create healthier, safer and more resilient communities.



Environment

This Theme is focused on decarbonising and safeguarding our planet.



Innovation

This Theme aims to promote social innovation.

Sefton Council is signed up to the Social Value Portal and Sefton Council’s specific Themes and Outcomes can be found in Appendix 1.

The Strand repurposing project will ensure that Social Value is captured and reported via the [Social Value Portal](#) when procuring works, goods and services.

To communicate Sefton Council’s Social Value Policy’s performance and progress to all stakeholders, the Council will release an annual Social Value Statement from 2023 onwards to outline key areas of focus, future targets, operational procedures, successes and to communicate key messages to staff, partners, suppliers and other locally based organisations impacted by our Social Value performance.

In addition, there will also be ongoing reporting at a project level relating the Strand social value and as part of the Department for Levelling Up, Housing and Communities (DLUHC) bid for Levelling up, Sefton will be measuring the many non-monetised benefits associated with the project. This includes health and wellbeing outcomes, social value impacts (in terms of education and training outcomes for young people because of improved public resources and access), wellbeing impacts from greater community interaction and shared experiences, pride of place, productivity benefits to the target population, as well as benefits to visitors to the centre.



In terms procurement, the construction framework contracts, where used, include robust output focused KPIs including flexibility to allow the Council to specify social value and environmental sustainability (Net Zero) outputs as part of the evaluation and delivery requirements and to ensure the Councils standard terms and conditions are applied regarding social value capture when procuring works, goods and services. Where applicable and appropriate to do so, the Council will work with the Framework/Procurement Manager pre-contract to ensure any additional contract level KPIs appropriate for the work being commissioned are set out and agreed and then built into the procurement and contract documentation, including social value to be captured through the contract and how this is measured. Any sub-contractors used under the main contract will also need to adhere to these requirements.

For the LUF project, the Service Team working in partnership with Procurement will monitor social value commitments within the contracts, agree reporting periods to track progress for monitoring and evaluation purposes and ensure commitments made are undertaken in their entirety and using the Council’s leverage when suitable to support delivery. The Council will seek to hold suppliers to all their contractually specified social value commitments and these will be treated like any other commitment specified in the price or quality component of the supplier’s bid submission.



In JLL's view, social value in the built environment is about creating lasting positive social impact throughout the real estate life cycle for every stakeholder³ interacting with and within spaces.

4. The Strand – Social Value so far

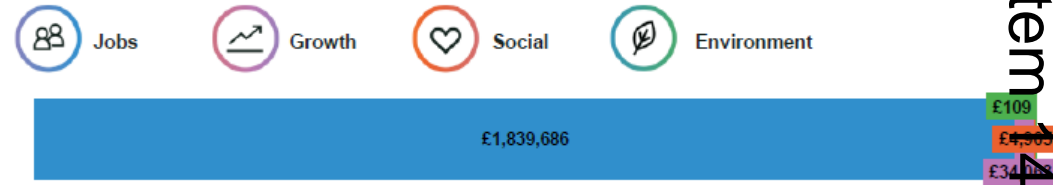
Throughout the period since acquisition in 2017, numerous Community Interest Companies (CICs) have been provided with vacant units free of charge. Local charities that have been supported as part of the day-to-day asset management, provided by Ellandi, have included: **Daisy Inclusive, Bootle Tool Shed & Bike Shed, Strand By Me, Kingsley and Co, In Another Place, The Big Onion, and Men’s Reach Centre** in offering essential services and workshops. This has ensured animation and vitality within these areas of the centre which would otherwise be vacant and also much needed support through these organisations for the local community through the services and help they provide.

In 2022, Social Value Portal and Ellandi completed a study of the social value created at The Strand. The study analysed the asset management, property management, supply chain and tenants in place at the building, the findings of which were presented in a report entitled ‘Real Estate Social Value Index, Ellandi The Strand 2022 Report’. The findings of the report can be summarised in the following infographics:

Key stats & Highlights:

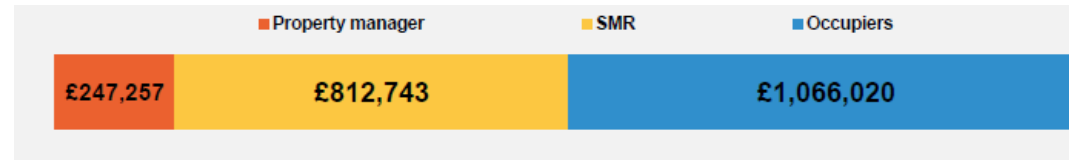


Social and Local Economic Value (SLEV) Generated at The Strand in 2022 by Theme:



(Jobs - £1,839,686; Growth - £34,063; Social - £4,905; Environment - £109)

SLEV Generated at The Strand in 2022 by Firm:



(Property Manager - Ellandi; SMR - Savills Management Resources)

How Social Value was Created at The Strand in 2022:



In addition, from a commercial operation perspective, the occupation of spaces in the Palatine has contributed to cost savings to the council (compared to vacancy of said units), and that these partners have contributed to the vibrancy and footfall of this area of the centre, as well as the centre as a whole, with their offer and their activities.

In summary there have been **19 CICs supported** within the Strand, and the terms of their lease vary from covering rates only (with small fees payable to agents) to full occupational cost coverage.

For the units the Council has given over to CIC's, over the years, the value of support this has provided is as follows:

c.£1.1m

of occupation costs that they have not had to pay like other tenants

c.£200k

of rent they have not had to pay as they would if paying market rent for that unit

c.£1.3m

total savings to the CICs over these years since acquisition due to the Council's actions. that unit

In some cases, where the CIC has been in a position to make a contribution towards costs or get rates relief this has provided a saving to the Council over what it would have incurred if the unit simply remained vacant, which totals c. £88k over the period.

In addition to the above, the centre has consistently offered support for a range of community events, for example supporting the Community Christmas Light Switch On event, a free, fun-filled day for the local community. This included live performances, photo opportunities with Children's characters, free Fair rides, Meet Santa and a free selection box. This year's event was on Saturday 25th November 2023.



Furthermore, the centre has allowed In Another Place to use WH Smith and an empty storage space for various **events and activities**; assisted Kingsley and Co in setting up events, including electricity feeds, craft zones, and fencing; supported the **ADHD Foundation's Umbrella Campaign**; provided units for storage to Kingsley and Co and The Big Onion for use as required; facilitated **Blood Pressure check-up** stalls by Strand by Me and Know Your Numbers events; and hosted **Job Fairs** and **Artisan Markets** facilitated by The Big Onion.

Additional **financial contributions** from the centre and from Ellandi have included covering costs for essential items, such as **£750** for audio equipment for In Another Place; funding a **£2,500** wrestling ring for The Big Onion's Comic Con event; contributing **£1,000** towards a giant Dragon for Kingsley and Co's Literary Festival; assisting in replacing a ruined classroom carpet for Kingsley and Co at a cost of **£1,000**; and financially contributing to In Another Place's building of a new **Christmas Grotto**.

In addition to this, the Salt and Tar project at Bootle Canalside commissioned Bootle Tool Shed to deliver planters and seating for the project, with a value of circa **£25,000**, which supports with operating costs for the company for two years.

Ykids literary fair 2023: the dragon lorry used Salt and Tar to park on for the event on 11/11. 100 free car parking passes were used as part of the event, with a face value of £7.50 per pass i.e. a days parking. A number of the community organisations are liaising with the Salt and Tar Manager to look at ways in which they can be involved in activities and events on the site going forward.

Further information regarding the Social Value that has been delivered can be found in the Case Studies in Appendix 2.



Ellandi and, by extension, Sefton Council's commitment to these groups has helped them grow, serve the local community, and provide essential services, events, and workshops where they are needed most.

5. Strand Social Value – The Vision

The repurposing of the Strand will be the catalyst for a more sustainable and resilient town centre in Bootle, providing improved opportunities for local communities, residents and businesses. It will increase pride and raise ambition across the town as well as improving perception and brand beyond Bootle.

The repurposing of the Strand will build on existing strengths and momentum facilitated by Ellandi to deliver Social Value.

As part of the Social Value section of the demolition tender, contractors will be asked to provide a method statement outlining the activities they will undertake to deliver their Social Value Offer for the Strand Transformation Project. Answers will be expected to focus on the approach they would take in working with key stakeholders and consideration to Sefton's key drivers which include (but are not limited to):

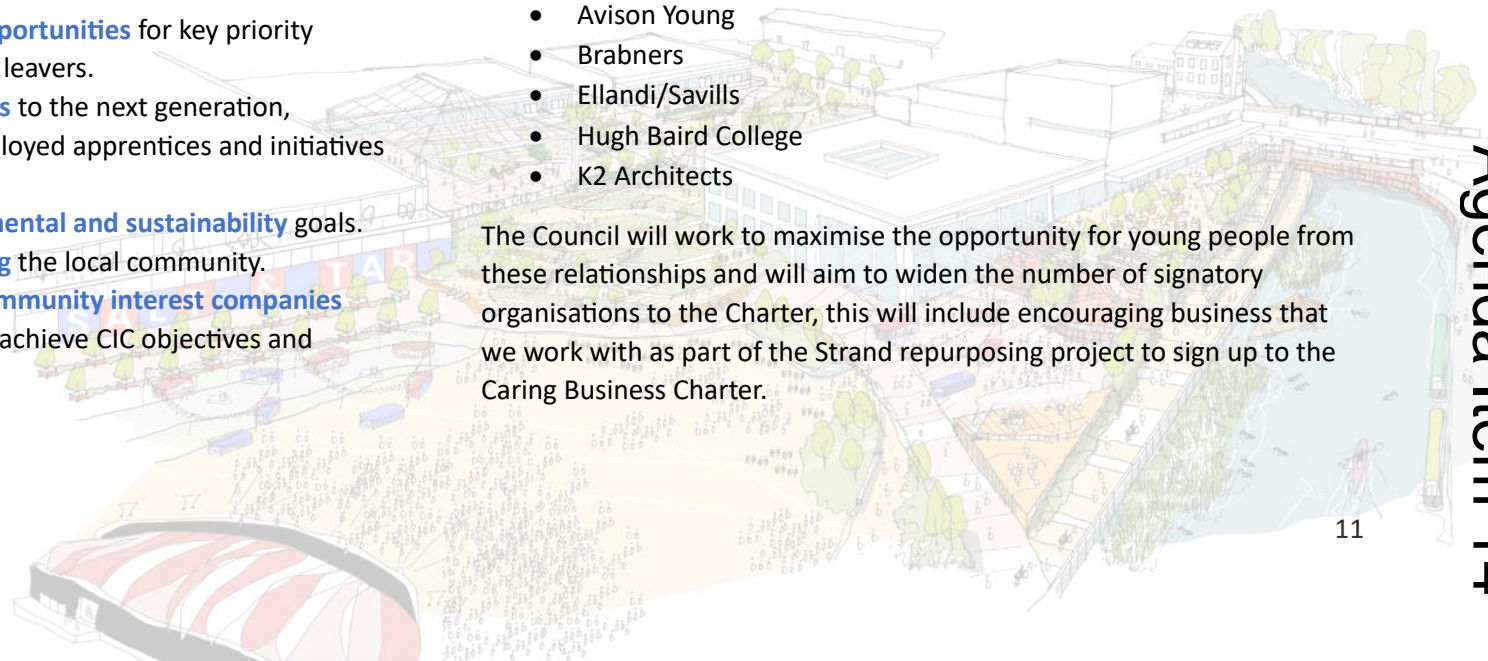
1. Consider **employment related opportunities** for key priority groups, in particular for local care leavers.
2. Provide **educational opportunities** to the next generation, including a number of locally employed apprentices and initiatives with local schools and colleges.
3. Contribution to Sefton's **environmental and sustainability** goals.
4. Support the **health and well-being** the local community.
5. Work in partnership with **local community interest companies** (CICs) throughout the contract to achieve CIC objectives and project outcomes.

Social Value for the Strand project will be encouraged to take into consideration and, where appropriate to do so, seek to align with various Sefton Council policies including (but not limited to): Sefton [Vision 2030](#) Core Purpose and Outcomes Framework; [Sefton Economic Strategy 2022 - 2024](#); [Sefton Child Poverty Strategy 2022](#); [Health and Wellbeing Strategy 2022 - 2025](#); active travel, community wealth building and the emerging Child Friendly Projects amongst others.

In a first for the North West, Sefton Council established a '[Caring Business Charter](#)' in 2022 - partnering with public and private sector organisations to offer employment, training, apprenticeship, work experience, mentoring and other opportunities to young people who have experience of the care system in Sefton. The list of signatories to date stands at some 62 businesses (many of whom are located in the Strand) and covers a range of industries from construction and project management to hospitality and healthcare including:

- Avison Young
- Brabners
- Ellandi/Savills
- Hugh Baird College
- K2 Architects

The Council will work to maximise the opportunity for young people from these relationships and will aim to widen the number of signatory organisations to the Charter, this will include encouraging business that we work with as part of the Strand repurposing project to sign up to the Caring Business Charter.



Closely aligned to the Strand is the activity of the Council’s in-house jobs brokerage service Sefton@work. This service supports more than 1500 local residents per year and assists them to build their skills and confidence, receive impartial advice and guidance and gain access to a wide range of professionally delivered support programmes and opportunities with local employers. Sefton@work offers quality assured personalised guidance for workless individuals together with an employer liaison function which deals directly with employers to deliver bespoke recruitment services including bespoke skills pathways and advocate on behalf of our clients on entry to jobs. The service is wholly centred upon delivering inclusive growth and is connected to all the regeneration initiatives across the borough and the city region through the development of employment and training agreements with investors and developers who are creating opportunities across Bootle Town Centre and the wider borough of Sefton.

In 2024, Sefton@work will be relocating its main Bootle base directly into the Strand and this will enable a more comprehensive service to be provided which will benefit both community members and the traders within the centre. The employment support on offer includes waged or unwaged work experience placements, support with financial barriers and access to a range of incentives for employers to recruit and candidates from vulnerable groups. The service will also provide a bespoke employment broker service on offer to businesses within the Strand to assist with recruitment and will also be able to provide open days, recruitment fairs and events to assist local recruitment as well as assisting with staff screening, on-site recruitment, staff turnover management during the construction and delivery phases of the project for the benefit of residents from across the borough.

In addition, the service will be delivering the Young Persons Guarantee on behalf of the LCR Mayor from the Strand and will provide incentives for the creation of opportunities through this alongside the award winning Ways to Work offer.

The new location will allow space for increased collaboration with stakeholders such as Citizens Advice who will offer complimentary support to service users alongside a vibrant programme of skills course delivered by Sefton’s Community Learning Service.

Sefton@Work will also work alongside the appointed contractors to ensure social value targets are facilitated and captured.



The repurposing of the Strand will catalyse development of a more sustainable and resilient town centre that provides improved opportunities for local communities, residents and businesses. It will increase pride and raise ambition across Bootle whilst improving perception and brand beyond Bootle.

Principles



People First



Connected



Resilient

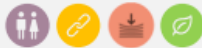


Green

Outcomes

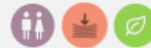
Improved resident wellbeing

- Supporting mental health through improved outdoor space and amenity
- Improved public services, with better access to health, employment and earning support
- Supporting community activity and ventures



Inclusive growth

- Supports future inward investment into Bootle
- Increases residents' access jobs
- Opportunities across all skill levels



Connected & integrated town centre

- The re-purposed Strand is seen as the heart of Bootle
- It better connects with the town centre (visually, permeability and access to other assets)
- Mixes public services and community activity in the heart of the town, creating a more animated place



A sustainably repurposed asset

- Reduced level of retail space
- Creates a sustainable balance between commercial, public service, residential and community uses
- Improved quality, configuration and flow of the asset
- Surplus space is positively repurposed
- Improved perceptions, pride and brand



A framework for success (principles to test options & shape evaluation criteria against)

Economic

- Jobs (number, quality)
- Investment attracted
- Levelling up & alignment to growth sectors
- Skills and training
- Future adaptability/ flexibility

Social

- Improved public services
- Access/ engagement with local communities
- New facilities/ amenities
- Health and wellbeing
- Bootle £

Environmental

- Quality of place
- Sustainable mix of use
- Sustainability
- Brand
- Heart of a connected Bootle (incl. Canal)
- Public realm/ space
- Gateway to Liverpool

Commercial

- Deliverability (incl. pace of change)
- Affordability/ VfM
- Risk exposure
- Market appeal
- Adaptability/ flexibility
- Resources/ commitment

Appendix 1: Sefton Council’s Social Value – Themes & Outcomes

Theme	Outcome
Jobs: Promote Local Skills and Employment	More local people in employment
	More opportunities for disabled/disadvantaged people
	Improved skills
	Improved employability of young people
Growth: Supporting Growth of Responsible Regional Business	More opportunities for local MSMEs and VCSEs
	Improving staff wellbeing and mental health
	Reducing inequalities
	Ethical Procurement is promoted
	Social Value embedded in the supply chain
Social: Healthier, Safer and more Resilient Communities	Creating a healthier community
	Vulnerable people are helped to live independently
	More working with the Community
	Carbon emissions are reduced

Theme	Outcome
Environment: Decarbonising and Safeguarding our World	Air pollution is reduced
	Safeguarding the natural environment
	Sustainable Procurement is promoted
Innovation: Promoting Social Innovation	Social innovation to create local skills and employment
	Social innovation to support responsible business
	Social innovation to enable healthier safer and more resilient communities
	Social innovation to safeguard the environment and respond to the climate emergency

Appendix 2: Case Studies

Kingsley and Co

Kingsley & Co held Pirate Fest, a two-week family event in the Strand Shopping Centre in Summer 2022. The purpose of the event was to offer free high quality and engaging activities for families in the local community who could not afford expensive days out over the summer.

Activities included:

- A giant sand pit full of 'Pirate Red Beards Treasure'
- A pirate ship
- A treasure hunt
- Interactive storytelling
- Pirate workshops
- Marauding pirates on mini galleons
- Singing sea shanty pirates
- Captain Jack Sparrow
- Virtual Reality walk the plank
- Pirate workshops



Outcomes:

3,500
people attended
events and
activities.

56%
of children that
attended were
on free school
meals.

30%
of children
attending had
additional needs



Case Study – Big Onion

The Big Onion, developed and run by Merseyside Expanding Horizons, seeks to support people to become more economically independent. Operating from its hub in Bootle Strand Shopping Centre the Big Onion offers a range of services and activities to help people:

Improve their skills.

Get back into work or move on with their careers.

Start a business or social enterprise or grow an existing business.

Opening in December 2020, after only 3 weeks of trading, the hub closed due to Covid and the enforced national and local lockdowns. Since reopening in April 2021, MEH and its Big Onion hub have delivered a series of impressive outputs including:

- Providing employment support via its **Youth Hub programme** to **813 Sefton residents** aged up to 25.
 - Supporting **268 participants** on the Youth Hub programme to get into **work**.
- Providing employment support, via its **New Horizons and Directions** programmes to **394** Sefton residents.
 - Supporting **129** of those New Horizons and Directions clients to get into work.
- Provided **business support and advice** to **374** local people.
- Supported **187 entrepreneurs** to start up a business or social enterprise or grow their existing business.
- Delivered a range of accredited and non-accredited **skills training** to **213** local residents.

- Delivered a programme of **special events** including Artisan markets, live music performances, Employment fairs, skills and job speed dating events and a Comic Con and live action wrestling Show.



Case Study - Crystalliz3D, Ceris Thomas

Ceris, 36, from Waterloo, walked into the Big Onion for the first time back in early 2022. Ceris had always wanted to start her own business, but due to the pressures of everyday living, including some health concerns, coupled with some early attempts to start trading, she was frustrated with progress and recognised she could do with some business support.

Ceris has had a unit within the Big Onion Trader Arcade since April 2022. Her business takes photographs from customers and converts them into 3D images within crystals. More recently Ceris has signed a contract to supply 10 North West based gift shops.

“I couldn’t believe it when I got the call about this opportunity. I spoke with Chris, my Business Mentor about this and he helped me with developing my pricing schedule and terms and conditions of sale.”

Ceris has now expanded her range of printable gift items and now offers personalised images printed on slate, wood, metals and various other materials.

“I feel so much more confident now in running my business and feel part of a growing community of entrepreneurs within the Big Onion.”

Ceris regularly attends the monthly Business Club within the Big Onion and is always keen to share her experiences and personal journey with newcomers in the group.



Case Study: Bootle Together – Christmas Event 2023

The Strand are working with Community groups from inside of the Strand and in the surrounding local area; Asda Community Champions, Local ward counsellors, Attitude Dance School, The Inclusivity Hub, One Vision Housing (OVH), Crosby Lions, The Big Onion, Ykids and In Another Place. Together these community groups form **Bootle Together**. They have all worked together to fund and plan this year's Community Christmas Tree Light Switch on. Last year was the first time working together and this year sees even more local groups joining in. The ward counsellors have funded the tree, lights and Fairground rides on Salt and Tar and OVH have provided funds towards these costs and provided around 500 selection boxes for children on the day. Crosby Lions have provided Santa and some staff to assist. Attitude dance are performing on the stage, IAP have provided a Gospel choir to perform carols on stage, The Big Onion have arranged an Artisan Market on the day and Claire (Ykids) has Xmas decoration crafts happening and has provided 2 x Xmas elves on the day. The other groups are providing volunteers on the day.

Assistance (to date) is as follows:

- A donation of **200 Cadburys selection boxes** for Santa to give out to children at the Xmas light switch-on. Cost **£340**.
- **Xmas themed vinyling and branding** of the area where Santa will give out the selection boxes in the ex H Samuels Unit . Cost **£2,250**.
- Assistance towards **Grotto** build: In Another Place . Cost **£1,000**.
- Wrapping of **Mayors Toy Appeal** donation Box. Cost **£200**.

