

Bootle Canalside Project DRAFT Business Case

April 2022



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4202_PR30_RevA
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Canalside MU Risk
Register March 22.xls

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Bootle_Budget_Cost-
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EPR Report Bootle
Canalside March22vs:

1. EXECUTIVE SUMMARY

1.1. Introduction

This Business Case has been developed for the Bootle Canalside project, a key town centre regeneration project for Bootle town centre and the first phase of Bootle Strand's transformation and repurposing programme.

This business case sets out the justification for investment of both Capital and Revenue resources into the Bootle Canalside project, as a key site in the heart of the town centre. The site location is between the Bootle Strand Shopping Centre, and the Bootle stretch of the Leeds Liverpool Canal (See location plan attached.) For the purposes of this Business Case, the use proposed is to be of a Meanwhile Use development adjacent to the Strand Shopping centre. However, it is envisaged that the principle of open space next to the canal will form a key component of any repurposing proposals for the Strand, help diversify the town retail offer, generate additional footfall, and help optimise the canal corridor location.

This project therefore forms a key catalyst project and first phase of the larger Bootle Strand transformation and wider Bootle town centre regeneration programme. It will help stimulate new uses, encourage and provide a platform for community uses and provide an established venue for events and activities throughout the year. The Business case sets out the case of investment and the management arrangements for the site operation over a 5 year period.

It is anticipated that the Bootle Canalside project will last for up to 5 years, and in August 2020 Sefton Council secured planning permission for the development which will provide a site for a range of uses, events and activities on the new outdoor public space created next to the canal. Uses proposed include a brand-new food and drink offer, street-food, market and outdoor events destination as well as a focal point and space for community uses and public events and activities to take place within the heart of the town centre, diversifying uses and generating additional footfall. The new site and temporary installations will enable it to be used flexibly for a range of programmed events and activities throughout the year supporting the local community, generating new business and employment opportunities, encouraging more active lifestyles and access to the canal corridor as well as greening and enhancing the landscaping of the area. The site will include a new pedestrian access to the canal edge, opening it up for activity and use as well as new seating and planters to enhance the area and create a sense of place.

This report sets out the justification for investment based on the Treasury Green Book '5 cases' model covering the following areas;

- **Strategic Case** - The purpose of the strategic dimension of the business case is to make the case for change and to demonstrate how it provides strategic fit. It demonstrates that the scheme provides synergy and holistic fit with other projects and programmes within the strategic portfolio by making reference to all relevant local, regional and national policies and targets.
- **Economic Case** - The purpose of the economic dimension of the business case is to identify the proposal that delivers best public value to the community, including the wider social and environmental effects and particularly benefits. It seeks to demonstrate public value which requires a wide range of realistic options to be appraised in terms of how well they meet the spending objectives and critical success factors for the scheme.

- **Financial Case** - The purpose of the financial dimension of the business case is to demonstrate the affordability and funding of the preferred option, including the support of stakeholders and customers, as required. In order to demonstrate the affordability and fundability of the preferred option requires a complete understanding of the capital, revenue and whole life costs of the scheme and of how the project/deal impacts upon the balance sheet, income and expenditure and pricing arrangements of the Council.
- **Commercial Case** - The purpose of the commercial dimension of the business case is to demonstrate that the preferred option will result in a viable procurement and a well structured deals between the public sector and its service providers. This section will demonstrate that the procurement routes chosen are viable and incorporated an understanding of the market place, knowledge of what is realistically achievable by the supply side and research into the procurement routes that will deliver best value to all parties.
- **Management Case** - The purpose of the management dimension of the business case is to demonstrate that robust arrangements are in place for the delivery, monitoring and evaluation of the scheme, including feedback into the Council's strategic planning cycle. This evidences that the preferred option can be successfully delivered, and that the scheme is being managed in accordance with best practice, subjected to independent assurance and that the necessary arrangements are in place for change and contract management, benefits realisation and risk management.

In accordance with the approved planning permission the site will provide for a

“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 containers for community use (up to 22 converted containers in total), hard and soft landscaping, car parking and new pedestrian accesses from Washington Parade and Stanley Road”.

The site is in Council ownership and the project will be managed and delivered through a project management team comprising officers from across the Council (details included in Section 6 – Management Case). It is anticipated that delivery and operation will be managed as follows:

Delivery of the capital project will be led by the regeneration team with support from the Canalside Project Team comprising officers from relevant disciplines, and a dedicated design team, separately appointed. The Team will provide advice and support for funding, procurement, and management of design and implementation services to project handover.

Delivery of the subsequent operational services will be led by the Tourism and Events Team who will undertake the management of the project branding and roll out, and organising and managing an ongoing programme of events to include – food and drink festivals, artisan markets, regular weekly activities, comedy/music festivals, other specialist events ie light installations, ice rink, Christmas markets, pop up cinema, and community events.

The role of site management will be undertaken by Sefton Council but will include

- Management and maintenance of the site facilities
- Management of the site to accommodate the events programme
- Continual presence on site during opening hours in dedicated premises

- Regular maintenance of the hard and soft landscaping elements of the project in collaboration with local community organisations
- Co-ordination of necessary site security.

The capital and revenue costs of providing the above services is detailed in Section 5 - Financial Case

Background

The site was formerly occupied by the Post Office counter and sorting office building, and Easirent van hire business. Being in various ownerships, in 2020 Sefton Council acquired all outstanding interests in the site and in 2021 demolished and cleared the site through a support package of circa £1.6 million from the Liverpool City Region Combined Authority Single Investment Fund, LCR Town Centre Commission, and Sefton SMBC resources. Further funding support was made available through the Welcome Back Fund, and other Council capital and revenue resources.

This Business Case seeks approval to investment of Council capital and revenue resources into the site to both complete the fully approved scheme as per the planning approval and manage and operate the site over the next 5 years. The details of this investment are detailed in Section 4 – Financial Case.

1.2. The Strategic Context

The project will meet the key objectives of the Council Vision 2030 and Core Purpose. The Vision will guide long term planning - helping to stimulate growth, prosperity, set new expectation levels and focussing on what is important for Sefton. The Core Purpose provides an outline on how the Council will contribute to achieving those ambitions set out in the Vision 2030. The Council's major change programme the Framework for Change, supports the Council Vision.

The Bootle Canalside Project objectives align closely with the Council Vision 2030 and Core Purpose are seeking to achieve and will assist in delivering those outcomes. The project will also assist in meeting the objectives of our partners.

We have identified several investment objectives for the delivery of the Bootle Canalside project to secure investment into the site as follows:

Investment Objective 1

Generating inclusive economic growth – by aiding economic recovery, retaining and creating new jobs.

Investment Objective 2

Acting as a catalyst for Town Centre Regeneration and Culture – the project is a key component of town centre regeneration strategy in terms of place making and community cohesion and forms the first phase of the repurposing Bootle Strand.

Investment Objective 3

Providing investment into Bootle town centre – the investment in meanwhile uses will provide a clear route for delivery for a more diverse town centre offer and provide a significant catalyst for the support and development of other business and educational investment proposed.

Investment Objective 4

Providing a wider and more diverse range of uses - which will act as a catalyst for the wider town centre regeneration and transformation ambitions, and raise the profile of the Town Centre

Investment Objective 5

Creating a sense of place and place-making – through creating a quality open space in the heart of the town centre and encouraging healthier lifestyles and improving wellbeing,

1.3. The Case for Change

The main drivers for change relate to the Canalside Regeneration project being an important first phase of the wider Strand Transformational Programme, especially in the context of Covid. The first step of the process was the support for the acquisition and demolition of the site, with funding provided by the Combiner Authority and Town Centre Commission Fund.

The project is a new type of regeneration project for the Council to deliver including opportunities for community engagement in regeneration proposals. It brings in opportunities presented by the Canal – specifically education, leisure, and wellbeing, whilst lining into other potential initiatives such as EFC, the NCAS project, and strategic linkages with Partners – Hugh Baird, CRT, Business Groups.

Benefits will accrue relating to improving derelict land, providing additional direct and indirect jobs, and community related initiatives and partnerships.

1.4. The Economic Case

The Economic Case determines the value for money of the investment proposed. It includes an analysis of monetised and non-monetised benefits, which are aligned to the objectives set out in the Strategic case to show alignment.

The Economic Case considers

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

The project appraisal process deals with 2 related elements – the capital investment necessary for the physical infrastructure works, and the investment necessary for the operations and management of the project. The Critical Success Factors identified against which evaluation was undertaken included

- Generating inclusive economic growth
- Achieving regeneration and culture benefits
- Providing investment in town centres
- Providing a wider and more diverse range of uses
- Encouraging place-making

Infrastructure Investment

The 2 options considered related to the do-nothing/do minimum option (manage the current vacant site awaiting future development proposals), and the 'Meanwhile use' development as outlined in the planning approval.

- The analysis related to evaluation relating to
- Strengths/Weaknesses/Opportunities/Threats (SWOT) Analysis
- Identified Critical Success Factors (CSF's)
- Financial Performance.

The detailed analysis is shown in the Economic Case of the report, and the conclusion was to recommend the approval of the meanwhile use investment.

Operational Investment

In considering the operational management implications of the project, and in consideration of how other meanwhile uses are managed, 3 options were considered which were

- Option 1 Council Direct Delivery and Management: whereby the Council employs staff directly to manage the site utilising Green Sefton and dedicated Events Manager for site working within Tourism Team, and the provision of other site related services.
- Option 2 Private Sector Operator: whereby a private sector operator is employed on a fixed term basis to manage the site. The Council tenders out the management of site to private sector operator as per the roles and responsibilities required. Operator either runs containers or tenders out, or combination of both and takes all of the revenue to cover their costs. No cost to council with some key areas guaranteed. This option would require an open procurement process.
- Option 3: Council Engage an Operator: whereby the Council engages with an organisation to act in partnership to share risk and reward. Not only would there be minimal cost to council but additionally any share in profit realised. This option would require an open tender process.

The above option evaluation was undertaken in relation to the critical success factors and the recommended approach being Option 1 Council Direct Delivery and Management

1.4.1. Key Findings

In addition to the above, economic analysis has been undertaken by Ekosgen identifying both direct economic impacts and wider social benefits, summarised as follows

Direct Full Time Equivalent Jobs

Annual economic output (measured by GVA)

Hectares of Cleared Land

Audience spend in the local economy

There are also wider social benefits to be delivered via the project including;

- Health Benefits
- Skills Training

- Public Realm Improvements
- Healthy and Resilient Environment
- Local Inclusive Growth
- Connected Communities

1.5. Commercial Case

The delivery of the project will be undertaken by the Bootle Canalside Project Team. The regeneration team will continue to lead on delivery of the site development in consultation with the Project Team and Operational Management lead for the project. This approach will ensure that the project elements are delivered to budget with the appropriate contractual conditions and that the scheme is delivered against the timetable provided. Works contracts will be procured in compliance with public sector procurement rules and the process will be managed by the experienced Sefton Council procurement team.

The operational management of the site will be undertaken by an experienced events manager who will be responsible for management of the site and the development and delivery of the events programme for the site and will be supported by the Council's Tourism and Events Team, Green Sefton and Regeneration Team.

The Project Team will also work closely with the Strand Project Team to ensure coherence and coordination of activity and transition of this temporary project into a permanent provision.

1.5.1. Procurement Strategy

The Council, in relation to its procurement strategy for the works and services, will act in compliance with the government agreements and the European Union (EU) Procurement Directives and the Regulations that implement them in the UK which set out the law on public procurement. The Procurement Strategy will also need to comply with the Council's Financial Regulations relating to Procurement. Prior to procurement, soft market testing would be undertaken to ensure interest in the market and to inform the specific procurement requirement. All works are expected to be within the thresholds outlined above

1.5.3. Potential for Risk Transfer and Potential Payment Mechanisms This should be in Management Case)

All risks have been identified and considered through a Risk Register for the development, delivery, and post completion phases, and have been assessed in relation to Design Stage, Client Side, Regulatory Matters, Legal Issues, the Procurement Stage, and Construction Stage.

Of all risks assessed, the risks which rate as Highest Risk relate to

- Securing necessary funding to complete the project
- Agreement to Operational Arrangements
- Securing Partner Legal Agreements
- Securing Client Approvals
- Ability of Contractors to deliver to timescales give, especially, external market conditions, and supply chain issues, which will have a direct on construction costs and consequential budgetary issues.

However, the above can be managed by establishing a clear timetable and a prompt commencement on approval, with clear progress monitoring.

It is important to note that the delivery and management of a Meanwhile Use project in Bootle project represents a challenge in that it is unusual for a project of this type to be driven and managed by a Local Authority, and such a project hasn't been delivered in Bootle.

1.6. The Financial Case

Capital Works

Significant investment has already been undertaken at the site with support through the Liverpool City Region Combined Authority for site acquisition, demolition and site clearance, and site infrastructure works. Other investment has taken current investment in the project to c. £1.65m. Taking into account the requirement to complete the project as agreed, and outlined in the approved Planning Permission, the attached cost plan shows a requirement for £556,862 of capital resources to complete the project. All infrastructure projects are designed to RIBA Stage 4

Operation and Management

Officers have assessed the most viable option operate and manage the site once complete and in order to assist in our decision an industry expert, EPR Hospitality, was engaged to provide advice on both anticipated costs and expected income considering aspects relating to the site, location, and the challenges involved in delivering such an original project such as Canalside in Bootle. Details the cost, income, and assumptions are outlined in the relevant section below. The conclusions confirm

- The most effective management option for the site is for a council led approach, detailed in the economic section of the report,
- This option will have a total budget subsidy requirement of £333,000 in year 1 through to £304,000 in year 5, as outlined in the Financial Case section of the report

A review of financial projections was undertaken by EPR Hospitality and their report is at Appendix 5.

1.7. Management Case

The project will be managed in accordance with the well-established assurance and management framework established by Sefton Council. Within this framework a programme, cost plan, risk register and evaluation process has been defined.

1.7.1. Project Management Arrangements

The Project, during the development and delivery phases, will be managed by the Senior Responsible Officer (SRO) and will progressed and monitored via regular review meetings which will be a detailed review of current activities and progress towards delivery of the agreed 'Outcomes', which will form the content for the Growth and Strategic Investment and programme Board reporting.

Once completed, the ongoing operation and management of the project will be managed by a Council/ approach – the details of which are to be agreed, utilising a combination of Council Resources and income generating activities.

1.7.2. Benefits Realisation and Risk Management

Risk Management will be undertaken with reference to the Project Risk Register and actions taken by the project Team under the Leadership of the client and Senior Responsible Officer.

1.7.3. Post Project Evaluation Arrangements

The project has received funding from the CA and as such a Grant Funding Agreement is in place with the Council. Contained within the GFA are requirements for monitoring and evaluation to ensure effective delivery of outputs. A project 'Monitoring and Evaluation' process is in operation which will monitor both the progress of the project delivery, and project outputs during both the delivery of the capital project, and post completion delivery of education and training outputs.

1.8. Recommendation

It is recommended that the project is granted approval by the Growth and Strategic Investment Board.

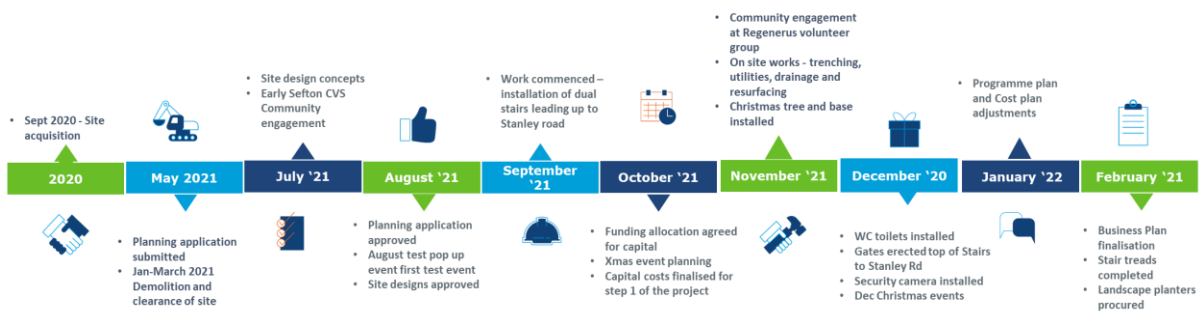
Signed:

Date:

Senior Responsible Owner Project

Project Team

Project Timeline



2. INTRODUCTION

2.1. THE PROJECT

The Bootle Canalside project is a key town centre regeneration project for Bootle town centre and the first phase of Bootle Strand's transformation and repurposing programme.

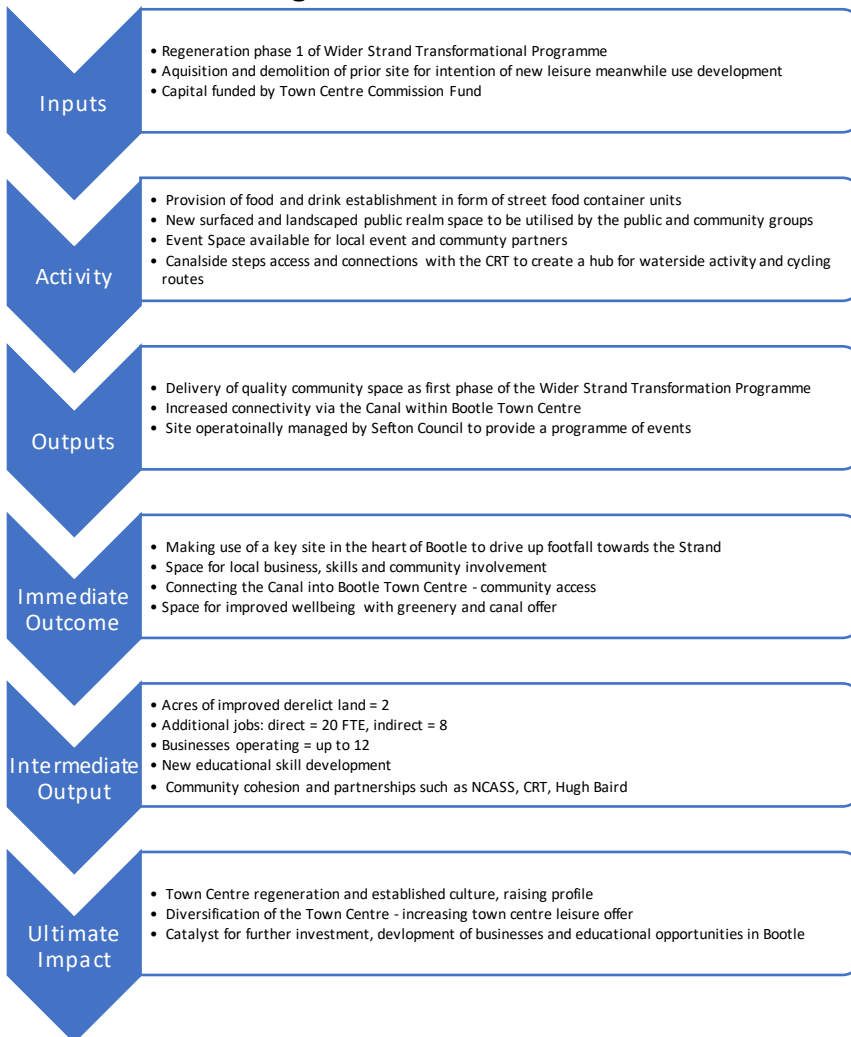
This business case sets out the justification for investment into "Bootle Canalside", as a key site in the heart of the town centre between Bootle Strand Shopping Centre, and the Bootle stretch of the Leeds Liverpool Canal. For the purposes of this Business Case, the use proposed is to be a temporary/meanwhile use in nature, pending the permanent repurposing of the adjacent Bootle Strand Shopping centre, however it is envisaged the principle of open space next to the canal will form a key component of any repurposing proposals for the Strand, help diversify the town retail offer, generate additional footfall, and help optimise the canal corridor location.

This project therefore forms a key catalyst project and first phase of the larger Bootle Strand transformation and wider Bootle town centre regeneration programme. It will help stimulate new uses, encourage and provide a platform for community uses and provide an established venue for events and activities throughout the year. This Business case sets out the case of investment and the management arrangements for the site operation over a 5 year period.

It is anticipated that the Bootle Canalside project will last for up to 5 years, and in August 2020 Sefton Council secured planning permission for the uses proposed. Bootle Canalside will provide a site for a range of uses, events and activities on the new outdoor public space created next to the canal. Uses proposed include a brand new food and drink offer, street-food, market and outdoor events destination as well as a focal point and space for community uses and public events and activities to take place within the heart of the town centre, diversifying uses and generating additional footfall. The new site and temporary installations will enable it to be used flexibly for a range of programmed events and activities throughout the year supporting the local community, generating new business and employment opportunities, encouraging more active lifestyles and access to the canal corridor as well as greening and enhancing the landscaping of the area. The site will include a new pedestrian access to the canal edge, opening it up for activity and use as well as new seating and planters to enhance the area and create a sense of place.

The project will, in accordance with the approved Planning Permission deliver a site for a street-food, market and outdoor events destination, comprising the siting of temporary hot food takeaway stalls, the siting of up to 22 converted shipping containers for food and drink purposes, storage, welfare and site management facilities, bicycle storage and toilet facilities, community uses, hard and soft landscaping; car parking and new pedestrian access., The concept is shown on the Attached site plan at Appendix 1

Bootle Canalside Logic Model:



2.2. THIS BUSINESS CASE

The business case has been provided in line with the Treasury Green Book 5-case business case and as such the details which follow are:

- The Strategic Case setting out the strong rationale for the development.
- The Economic Case which establishes what the project offers in terms of value for money/quantifiable as well as qualitative benefits.
- The Financial Case which sets out the cost structure of the proposal.
- The Commercial Case setting out the route to delivery and operation and the commercial structure proposed.

- The Management Case demonstrating that the project has the appropriate levels of governance in place to ensure delivery and effective operation.

3. THE STRATEGIC CASE

3.1. Vision

Our Vision is to reshape and grow Bootle’s reputation as a fantastic place to live and visit, as well as do business. We will do this by building on the rich history in our town centre, providing new transport infrastructure, animating the waterfront, enhancing our education and health facilities, as well delivering a vibrant mix of uses in the town centre

3.2. Organisational Overview

This Business Case is undertaken by Sefton MBC and relates to the justification for investment into a ‘meanwhile use’ project on a site between the Strand Shopping Centre, and the Leeds Liverpool Canal known as ‘Bootle Canalside’. For the purposes of this Business Case, the definition adopted for a meanwhile use scheme is

“Temporary use of vacant buildings or land as a space to develop local projects, until such a time that the land or building can be brought back into full commercial use”

It is anticipated that the project will last for an initial 5 years, and on this basis has therefore secured a temporary planning permission for 5 years. It will provide a site for a street-food, market and outdoor events destination, comprising the siting of temporary hot food takeaway stalls, the siting of **up to** 22 converted shipping containers for food and drink purposes, storage, welfare and site management facilities, bicycle storage and toilet facilities, community uses, hard and soft landscaping; car parking and new pedestrian access.

The site is in Council ownership and the project will be managed and delivered through a project management team comprising officers from across the Council (details included in Section 6 – Management Case). Delivery and operation will be managed as follows.

Delivery of the capital project will be led by the regeneration team with support from property services, which includes the funding, procurement, and management of design and implementation services to project handover

Delivery of the Operational Services - On completion of the Capital Project the management structure for the subsequent operation and management will comprise

- Continual presence on site during opening hours in dedicated premises
- Co-ordination of the regular maintenance of the hard and soft landscaping elements of the project
- Co-ordination of required Council Services
- Managing the delivery of the Food and Beverage offer
- Organising and managing an ongoing programme of events to include – food and drink festivals, artisan markets, regular weekly activities, comedy/music festivals, other specialist events ie ice rink, christmas markets, pop up cinema.

- Management and Maintenance of the site to accommodate the events programme

The capital and revenue costs of providing the above services is detailed in Section 5 - The Financial Case

The case for investment is being made through the Regeneration Team to the Growth and Strategic Investment Programme.

The location of the investment will be into the site at Bootle L20 3LQ (see attached plan at Appendix 1). The site was formerly occupied by a Post Office counter and sorting office building, and an Easirent van hire business. The site acquisition and site clearance work and infrastructure works to date has been funded through a support package of circa £1.65 million from the Liverpool City Region Combined Authority Single Investment Fund. The site has also benefitted from investment from the Government's Welcome Back Fund.

3.3. Business Strategies

The following documents provide the key strategic context for capital investment into developing the Bootle Canalside project.

- Sefton MBC Vision 2030 and Core Purpose
- Sefton Economic Strategy Action Plan – December 2019
- Liverpool City Region Combined Authority (LCRCA) - Vision and Priorities
- Liverpool City Region Industrial Strategy – Emerging Strategic Priorities August 2019
- Bootle Town Centre Investment Framework – August 2016

3.4. Sefton Metropolitan Borough Council Vision 2030 and Core Purpose

Sefton Council has developed a new and exciting vision for the future of the borough through working closely with partners, businesses, private sector organisations, the voluntary, community and faith sectors and the wider Sefton community. The aim behind the work is to understand and focus on what is important for the borough and its communities in the future. As a result, Vision 2030 was agreed in November 2016, together with the Vision Outcomes Framework and Sefton Council's Core Purpose.

The **Vision** will guide long term planning - helping to stimulate growth, prosperity, set new expectation levels and focussing on what is important for Sefton. The **Core Purpose** provides an outline on how the Council will contribute to achieving those ambitions set out in the Vision 2030. The Council's major change programme the Framework for Change supports the Council Vision.

Vision 2030 states that Sefton will become a confident and connected borough through being;

- Together a stronger community
- A Borough for everyone
- A Clean green beautiful Borough
- Living working and having fun

- On the Move
- Visit explore and enjoy
- Ready for the Future
- Open for Business

The Council's core purpose which sets out its role in delivering the 2030 Vision will be to;

Protect the most vulnerable: i.e. those people who have complex care needs with no capacity to care for themselves and no other networks to support them. For those who are the most vulnerable we will have a helping role to play, we will challenge others to ensure we all protect the most vulnerable and where we need to, we will intervene to help improve lives

Facilitate confident and resilient communities: The Council will be less about doing things to and for residents and communities and more about creating the capacity and motivation for people to get involved, do it for themselves and help one another. We will create an environment in which residents are less reliant on public sector support and which have well developed and effective social support

Commission, broker and provide core services: The Council will directly deliver fewer services but will act as a broker and commissioner of services which meet the defined needs of communities, are person-centred and localised where possible. We will deliver services which can't be duplicated elsewhere or where we add value.

Place-leadership and influencer: making sure what we and what others do are in the best interests of Sefton and its residents and has a contributing role to the 2030 vision of the borough. This includes strong leadership and influencing partner organisations to work towards common goals and building pride in the borough.

Drivers of change and reform: The Council will play a key role in leading change and reform to improve outcomes for Sefton residents and continuously improve the borough

Facilitate sustainable economic prosperity: that is, people having the level of money they need to take care of themselves and their family; creating the conditions where relatively low unemployment and high income prevail, leading to high purchasing power; and having enough money to invest in infrastructure.

Generate income for social reinvestment: The Council will develop a commercial nature and look to what it can do either by itself or with others to generate income and profit that can be reinvested into delivering social purpose.

Cleaner and Greener: The Council will work with others to maintain Sefton's natural beauty and ensure that its many assets provide a contribution to Sefton's economy, peoples wellbeing and the achievement of the 2030 Vision.

The Bootle Canalside project objectives align closely with what the Council Vision 2030 and Core Purpose are seeking to achieve and will assist in delivering those outcomes.

3.5. Other Organisational Strategies

3.5.1. Sefton Economic Strategy Action Plan - November 2019

The Economic Strategy Action Plan is a working document, the progress and performance of which will be reviewed at key stages in 2020 and beyond, enabling the Council to share its findings and progress, with partners, businesses and communities.

There are three foundation pillars to the Strategy

Places - giving priority to new housing and commercial development, the regeneration and revitalization of Sefton's towns and broader investment in place-making and low carbon activities

Productivity - recognizing that the priority of creating more jobs, more businesses and business growth in Sefton should be balanced with action to improve the quality of work and how much it pays

People - putting Sefton's residents at the heart of the economic framework and equipping them with the skills and confidence needed to participate in a tough labour market and make a positive contribution to Sefton's economy

The Places, Productivity and People pillars encompass the following thematic areas for action:

- Development and Infrastructure
- Business Growth and Enterprise
- Education and Employment
- Reconfiguring public services
- Promoting Sefton
- Inward Investment
- Generating new sources of finance

The Vision for the Bootle Canalside project relates to several of the above thematic areas, but more specifically to the Development and Infrastructure, Business Growth and Enterprise, and Inward Investment themes.

3.5.2. The Liverpool City Region Combined Authority Corporate Plan 2018-20,

The LCRCA Vision Statement comments that;

'The Combined Authority uses the policy making and investment powers our game-changing devolution agreement brought, to make the city region more prosperous, productive, sustainable and inclusive'.

The Vision is supported by 8 Strategic priorities;

Priority One: A dynamic, prosperous, inclusive economy which benefits every part of the city region

Priority Two: Jobs, skills and career opportunities for all

Priority Three: A high speed digital network that connects the whole region to the world

Priority Four: A transport network that connects people, goods and business

Priority Five: Good quality and affordable housing

Priority Six: A greener and cleaner place to live

Priority Seven: A world class culture and visitor experience

Priority Eight: More decisions taken locally

Relating to the above strategic priorities, the Bootle Canalside project relates more specifically to Priorities One, Two, and Seven.

3.5.3. Liverpool City Region Local Industrial Strategy – Strategic Investment Fund Skills Capital and Funding prospectus

In 2016, the Local Enterprise Partnership, acting as a link to the region’s private sector, published ‘Building our Future,’ a growth strategy for the City Region. This sets out the ambition for driving economic growth in the City Region based on three pillars:

- Productivity – focusing on businesses where the opportunity for growth is greatest
- People – ensuring residents and workers are equipped with the right skills
- Place – making the most of the City Region’s physical and cultural assets and infrastructure

This Investment Strategy builds on the 2016 growth strategy, the metro mayor’s election manifesto and the City Region’s devolution arrangements and is designed to provide a sound basis for taking investment decisions. It foreshadows a longer-term strategy to be built on the City Region’s Local Industrial Strategy, due to be developed. This Investment Strategy will be updated to reflect the Local Industrial Strategy

3.5.4. The Bootle Town Centre Investment Framework

This framework:

- Identified the Strand as a key priority for the town centre regeneration.
- Identified the need to diversify town centre offer and create a sense of place.
- Identified the need to improve and provide quality open space and public realm in the area.

The work that followed identified six priorities for Bootle Town Centre:

- To develop Bootle’s cultural and environmental assets;
- To develop Bootle as a destination for business and social enterprise;
- To develop an accessible and connected Town Centre;
- To put in place a ‘whole’ town centre approach;
- Retail to remain a core function of Bootle Town Centre, including provision of a strengthened leisure, food and beverage offering;
- The town centre should develop its role as a place for modern services and accommodation that the community can depend on to live, grow and achieve;

3.6. Investment Objectives

We have identified several project investment objectives for the delivery of the Bootle Canalside project to secure investment into the site as follows:

Objective 1

Generating inclusive economic growth – by aiding economic recovery, retaining and creating new jobs, which offers a range of uses and services, and is digitally enabled

Objective 2

Regeneration and culture – the project will provide phase 1 regeneration benefits to the Strand, which is a key strategic investment project within the wider Bootle regeneration framework in terms of the town centre offer, sense of place and community cohesion.

Objective 3

Providing investment in town centres – the investment in meanwhile uses will provide a clear route for delivery for a more diverse town centre offer and provide a significant catalyst for the support and development of other business and educational investment proposed in Bootle town centre.

Objective 4

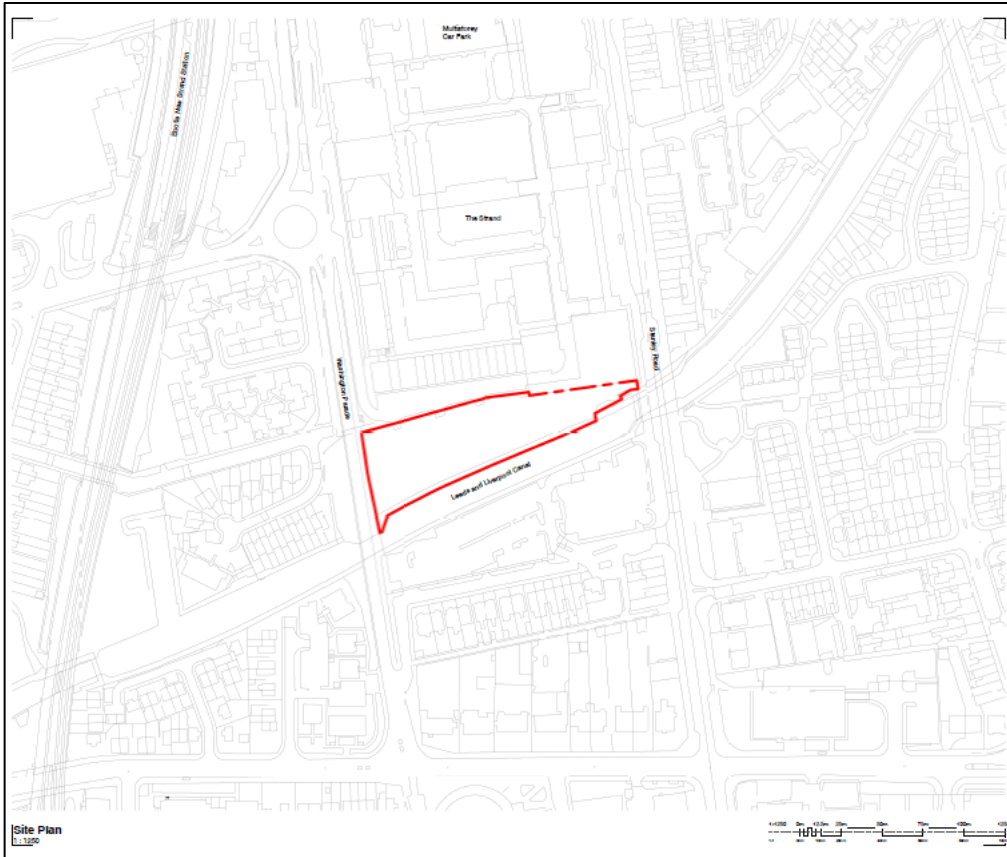
Providing a wider and more diverse range of uses - which will act as a catalyst for the wider centre repurposing and town centre regeneration ambitions, and raise the profile of the Town Centre

Objective 5

Encouraging place-making – through creating a quality open space which will encourage healthier lifestyles and improve wellbeing,

3.7. Existing Arrangements

Sefton Council now own the site identified for the delivery of the Bootle Canalside project (see Location Plan below) and will be managing the ongoing existing and potential uses on the site, as detailed elsewhere in this report.



3.8. Main Risks

The main risks associated with the delivery of the project are summarised below together with their counter measures. In addition, a Project Risk Register has been produced and will be maintained and updated as part of the project delivery and programme management arrangements – see Risk Register at Appendix 2

Main Risks and Counter Measures	Counter Measures
---------------------------------	------------------

Design and Client Side	
Timescales for ongoing design process is delayed leading to overall delay to key project activities	Agreeing programme with design consultants Early engagement and branding Early engagement with all Partners as part of design process Early engagement and branding Early procurement of services and reporting to Council Early public engagement event Early engagement with event providers to agree programmes Early progress reporting to funders Branding process to be engaged
No interested operators to take up and rent facilities – significant delay and loss of funding	
Approval from key partners not secured – will delay project implementation	
Delays to Operator procurement process – delay to project implementation	
Site costs come in over budget – delay to project implementation	
Lack of Public Consultation – project not fit for purpose and causes project delays	
Programme of Events not complete to align with timescales – delay and reputational damage	
Timescales extended - conflict with member aspirations and requirements of funding approvals.	
Delays to brand Implementation – limited awareness and negative effect on events plan	
Regulatory Matters	
Planning permission conditions not discharged	Engagement with Development Management Team Early engagement with Council officers Early advice from officers involved in regulatory matters.
Other Client Approvals not secured	
Operations do not satisfy due diligence requirements	

<p>Legal and Procurement</p> <table border="1"> <tr> <td data-bbox="193 264 1019 387">Partner Legal Agreements not secured – delays to programme</td> </tr> <tr> <td data-bbox="193 387 1019 560">Delays in selection of preferred contractors/suppliers – programme delay</td> </tr> <tr> <td data-bbox="193 560 1019 734"></td> </tr> </table>	Partner Legal Agreements not secured – delays to programme	Delays in selection of preferred contractors/suppliers – programme delay		<p>Early engagement with legal colleagues</p> <p>Ensure relevant procurement procedures followed</p>		
Partner Legal Agreements not secured – delays to programme						
Delays in selection of preferred contractors/suppliers – programme delay						
<p>Construction</p> <table border="1"> <tr> <td data-bbox="193 808 1019 931">Infrastructure requirement cannot be implemented leading to project delays</td> </tr> <tr> <td data-bbox="193 931 1019 1055">Key aspects not delivered on time to allow other elements to proceed – lack of co-ordination</td> </tr> <tr> <td data-bbox="193 1055 1019 1178">Deadlines not met causing reputational damage</td> </tr> <tr> <td data-bbox="193 1178 1019 1301">Key items unable to be delivered – compromising effectiveness of overall scheme</td> </tr> <tr> <td data-bbox="193 1301 1019 1408"></td> </tr> </table>	Infrastructure requirement cannot be implemented leading to project delays	Key aspects not delivered on time to allow other elements to proceed – lack of co-ordination	Deadlines not met causing reputational damage	Key items unable to be delivered – compromising effectiveness of overall scheme		<p>Early procurement route and due diligence completed</p> <p>Agreed programme of actions</p> <p>Close monitoring of programme changes and cost movements</p> <p>Programme monitoring and early reporting with value engineering if appropriate</p>
Infrastructure requirement cannot be implemented leading to project delays						
Key aspects not delivered on time to allow other elements to proceed – lack of co-ordination						
Deadlines not met causing reputational damage						
Key items unable to be delivered – compromising effectiveness of overall scheme						

3.9. Constraints

Refer to above and Project Risk Register.

3.10. Dependencies

The project is subject to the following key dependencies that will be carefully monitored and managed throughout the lifespan of the scheme. External influences will relate to

- Political – changes in local/national political priorities
- Economic – changes in the local/national economic environment
- Financial – changes to Council / Combined Authority budgetary priorities
- Social - changes in end user requirements
- Construction – changes to construction cost and programme timescales

4. THE ECONOMIC CASE

The Economic Case determines the value for money of the investment proposed. It includes an analysis of monetised and non-monetised benefits. Benefits and costs should be aligned to the objectives set out in the Strategic case to show alignment.

Net present social value and benefit-cost ratios should not be treated as a full representation of value for money. Rather, they should be used to summarise the benefits and costs that can be readily monetised or quantified. There may be wider strategic or social value to an intervention which may not be easily assimilated into calculations.

The Economic Case considers

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

4.2. Context

There are clear specific and wider regeneration benefits to investment into the Bootle Canalside site, which in summary are

- **Investment** – attracting new public and private investment into the site
- **Diversity of Uses** – attracting and introducing a vibrant new mix of uses into the site which will include a mix of public, private and community uses onto the site
- **Leisure** – animating the canal side and incorporating the canal into the wider canal side site to create significant leisure related opportunities
- **Community** – providing the opportunity to incorporate community engagement and ideas into the design and operation of the development
- **Education and Health** – the use of the site facilities allied to the benefits created by the canal will provide significant opportunity for education and health and wellbeing opportunities.
- **Social Value** – by delivering the above, significant social value can be achieved

4.3. Critical Success Factors

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

4.4. Methodology

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

Identified Evaluation Criteria

The critical success factors (CSF's) developed for assessing the different options are listed below. These have been informed by discussions with key stakeholders and each option has been assessed in terms of its likely effectiveness in terms of the level to which it would meet the following CSF's

- Generating inclusive economic growth
- Achieving regeneration and culture benefits
- Providing investment in town centres
- Providing a wider and more diverse range of uses
- Encouraging place-making

As outlined above, the Canalside Project requires the delivery of both the (1) Capital Works to deliver the project infrastructure, and the (2) Management Structure and ongoing Operations required to manage and deliver the project objectives over the next 5 years.

This section deals with the options for the **physical regeneration works** to the site.

Option 1 – The 'do nothing/do minimum' option

Scope:

As previously mentioned in this report, the Bootle Canalside site was purchased by Sefton Council in October 2020 with funding support from the Liverpool City Region Combined Authority. The site was able to be acquired and cleared, ready for future development opportunities in association with the potential for the repurposing of the Strand Shopping Centre which is also owned by Sefton Council. This option would leave the cleared site as existing for potential future development proposals in conjunction with the repurposing of the Strand Shopping centre. This option would require the ongoing management and maintenance of the vacant site pending development. Any ongoing management and maintenance regime will require ongoing revenue support from the Council. At present, no specific additional funding has been identified to manage and maintain the site which would be a requirement pending any future development.

Option 2 – Development of a Meanwhile Use development at the site

Scope:

The acquisition of this site is an important milestone for Sefton as this key waterside location provides the opportunity to deliver a meanwhile use project which will deliver a significant economic and leisure offer to the town centre and deliver much needed facilities for the resident and business communities. This will assist in transforming the perception of the area by attracting a new mix of uses which will increase the current offer and visitor numbers to Bootle including access to public transport and proximity to the Strand Shopping Centre. The proposed investment would negate the need for continued investment into a deteriorating site at the heart of the town centre.

Assessment of Options

In order to identify the effectiveness of the options, the tables below provide the details of the assessment of the 2 options identified in terms of their relative strengths and weaknesses in delivering the desired project. The options have been assessed via

- Strengths/Weaknesses/Opportunities/Threats (SWOT) Analysis
- Identified Critical Success Factors (CSF's)
- Financial Performance.

4.5. SWOT Analysis

SWOT Analysis is instrumental in enabling strategy formulation and selection. It is best when used as a guide, and not as a prescription. However, it enables us to build on the project, correct weaknesses and protect against internal weaknesses and external threats.

SWOT Analysis is important in that it will assist us in.

- A. Building project strengths.
- B. Overcome project weaknesses.
- C. Maximize project opportunities, and
- D. Overcome project threats.

It will also provide information that helps in best utilisation of the project's resources and capabilities to allow the implementation of an effective project.

Information referred to in the Options below is contained in the Meanwhile Uses Feasibility Study undertaken on behalf of the Council by Jones URC in September 2020.

Option 1 - the do nothing, do minimum scenario – no development or operational improvements to the site

Strengths	Weaknesses
Minimal requirement for major capital investment into the site	No capital investment into key facilities on the site
Cleared site will be available for any major development opportunities	Maintenance is unplanned
Site is in Council ownership	Development solution driven by external factors
	Need for clearance of former hardstanding and uses to enable development
Opportunities	Threats
Potential for expansion of development investment in association with Strand Shopping Centre repurposing project	Continued depreciation of a council owned asset
Canalside site location attractive to	Will act as a disincentive to town centre

potential developers	investment
	Loss of opportunity to link into other canal related activities

Option 2 - Development of a Meanwhile Use project at the site

Strengths	Weaknesses
Potential to change perception of Bootle - meanwhile use schemes have been proven to deliver opportunities for independent retail leisure operators helping to change the perception in areas where they have been successfully delivered	At 1.8 acres, the site is larger than other meanwhile use projects, consequently operators or partners will want to commence on a phased scheme rather than taking the site in its entirety. This will mean that for the short term, elements of the site may have to be hoarded and managed at expense to the Council,
Bootle Town Centre Investment Framework - The emerging vision contains a number of key development and regeneration aims relating to Bootle town centre. These include a more diversified offer within the town centre, delivery of a wider mix of uses including more cultural attractions and a much improved leisure offer. Also maximising the potential of the canal setting, improved public space strengthening the areas appeal to visitors as well as local residents, employees and students	The feasibility study evidence contained in the Jones URC report highlights that meanwhile use operators prefer edge of city areas rather than in the centre of Towns.
Site Size – The site size of 1.8 acres allows for the phased delivery of a major meanwhile use scheme where operations can grow according to occupier and visitor demand	When delivering a meanwhile use scheme, care has to be taken not to isolate the existing residents and business community. If the meanwhile use scheme is seen as gentrifying an area or taking business away from existing local retailers then this can polarise the existing community who will not support project delivery
Area Demographics – The success of a retail site is dependent on footfall and the sites proximity to the Strand shopping centre, public transport links and large existing workforce and student population	

<p>is appealing to meanwhile use operators. The Strand has an average footfall of in excess of 200 000 per annum prior to implementation of the Town Centre Investment Framework, the amount of potential passing trade is a key selling point to prospective meanwhile use operators</p>	
<p>Lack of competition – A key theme emerging from existing public consultation events is the current lack of diversified leisure offer in the town centre This current weakness in the town centre offer would be seen as an opportunity for a meanwhile use project which would be able to capitalise on the areas inability to satisfy the leisure demands of the local workforce, residents and student population</p>	
<p style="text-align: center;">Opportunities</p>	<p style="text-align: center;">Threats</p>
<p>Site Condition and Size – The site is well located for delivery of a meanwhile use scheme, and the size of the site means the site can accommodate a larger meanwhile use operator when used in its entirety.</p>	<p>Ongoing investment will be required by Sefton Council - evidence demonstrates that delivery of meanwhile use is not a traditional property transaction as it often involves investment of significant up front resources by the deliverer in order to get the project up and running It is clear that Sefton will have to allocate considerable financial and human resources to support the delivery of a meanwhile use scheme</p>
<p>Case study evidence shows that community led meanwhile use projects being delivered in town centre locations would be supported – although this requires continued involvement by local authorities</p>	<p>Financial Return – Whilst meanwhile use schemes have proven to assist in changing the perception of an area, delivering placemaking use and showcasing local talent, there is a lack of evidence that demonstrates robust financial return to landowners</p>
<p>Case study evidence demonstrates that extensive community engagement is required before finalising any site proposals Extensive engagement to understand what the local community want to see delivered, ensures that scheme</p>	<p>When delivering a meanwhile use scheme, care has to be taken not isolate the existing residents and business community If the meanwhile use scheme is seen as gentrifying an area or taking business away from existing local retailers then this</p>

delivery complements rather than detracts from delivering the long -term vision	can polarise the existing community who will not support project delivery
By understanding the local community needs at the project outset will help to gain project support through the design and planning process. Conducting a series of public consultation events throughout the pre planning and delivery stages of the project will help to generate community cohesion rather than polarise the existing community by delivering a scheme that the local community don't want or will not use	
This offers the opportunity for Sefton to develop relationships with local businesses, educational facilities to work together to deliver an innovative meanwhile use scheme to ensure buy in and support from the local business community	
Given that traditional property costs are often a barrier to entry from new business start-ups, meanwhile use schemes are proven to be the catalyst for the creation of new businesses and local start-up companies	
With a significant local community, local workforce and students there is a captive audience for operators who wish to provide facilities to those workers and students who wish to spend money in Bootle town centre	

Overall / Initial Assessment: Preferred option is Option 2

Evaluation based on identified Critical Success Factors

Options	1 – Do Nothing/Minimum	2 – Meanwhile Use Development
CSF's		
Generating inclusive economic growth	Minimum intervention will not assist in achieving economic growth	Investment into the site will create jobs and investment for all sectors of the community.
Achieving regeneration and culture benefits	Minimum intervention will not generate short term regeneration benefits.	Investment into meanwhile uses will create regeneration benefits and introduce a 'meanwhile use' culture into Bootle
Providing investment in town centres	Minimum intervention will not lead to short term investment although the site would be available for investment subject to future demand.	Investment into the site would act as a catalyst to further investment into the Strand and wider Town Centre
Providing a wider and more diverse range of uses	Minimum intervention will not deliver short term diversity of uses.	Investment will encourage a wide range of meanwhile uses on the site
Encouraging place-making	Minimum intervention will not deliver place making	Investment will help to deliver the creation of a meanwhile 'hub' which will create a wider range of offer within the Town Centre.
Summary	Meets few CSF's	Meets all CSF's

Summary of the assessment of options in terms of financial performance

The tables below summarise for each of the options the forecast financial performance of operations (Income and Expenditure') and the overall financial benefits in terms of surplus and deficit projections over the MTFP timescales.

In summary, performance of each option was assigned a relative weighting against each of the options from 1-3 as follows

Assessment Criteria	Option 1	Option 2
SWOT Analysis	1	2

Critical Success Factors	1	2
Financial Performance		
Economic Benefits	1	2
Totals	3	6

The above concludes that Option 2, development for a Meanwhile Use is the preferred option.

4.6. Management and delivery of the Operational Requirements

SITE OPERATION AND MANAGEMENT

In order to inform the approach to Bootle Canalside a study was undertaken in 2020 which explored the feasibility of delivering meanwhile uses on Bootle Canalside, pending the longer-term development and repurposing of Bootle Strand and as a key part of Sefton’s Vision for Bootle.

The acquisition of this site in 2020 was an important milestone for Sefton as its key waterside location, access to public transport and proximity to Strand Shopping Centre, also acquired by the Council in 2017, could help facilitate the delivery of significant change and transformation of this wider on the site. Bootle Strand and Canalside could help transform the perception of the area by attracting a mix of uses, events and activities, significantly increasing the current offer and visitor numbers to Bootle.

The proposal for the Strand will be a long term project and in the interim there is opportunity to deliver meanwhile uses on this site to deliver, in the short term, much needed facilities for the local residents and business community. The feasibility report outlined a series of potential options to Sefton relating to the delivery of meanwhile uses on the site. It provides an overview of the methods of delivering meanwhile uses, along with description of a number of case studies of meanwhile use projects in the United Kingdom.

The report outlined key management considerations that need to be considered and related observations about the site most notably the potential to deliver a new visitor attraction by creating visitor based canalside activities in or around the site. Following this report further Soft Market Testing was undertaken with meanwhile use operators, facilitators and external agents acting on behalf of meanwhile use operators to help inform the options for delivery.

The report highlighted that this is an important strategic site due to its canalside location, close proximity to public transport links, and emerging vision for the area set out in the Bootle investment Framework. It concluded that there is potential to deliver a wide variety of meanwhile uses at the site including community focused water based activities, increasing visitor numbers and providing amenity for the existing wider town centre users. However, the relative immaturity of the meanwhile use market and lack of operators operating in the North West, means this could take time to establish and commitment to invest resources and develop the concept.

Delivering a successful meanwhile uses on the site could deliver, in the short term, a number of key uses that will assist in increasing what’s going on in and around Bootle.

Whilst there is significant potential to deliver placemaking activities on the site, the positive outcomes will be in the form of placemaking and changes in perception rather than generation of any significant financial return.

Consideration has therefore been given to the different methods of delivery of meanwhile uses including the following case studies :

- Lease to an Operator eg Boypark/Mayfield
- Lease to Private Sector Developer eg Hatch ,Manchester
- Lease to Community Collective/CIC
- Partnership with Facilitator – eg Meanwhile Space /Central Parade
- Partnership with Collaborator eg Baltic Creative /Abbey Gardens
- Partnership with Non Placemaking Operator eg NCP

The feasibility study concluded that many of these models would not suit Bootle Canalside as they were required substantial subsidy or would not be workable in this location due to the short term nature of the use (5 years). As a consequence, Commercial operators would expect a longer period for establishment and return on investment and this would limit the longer term transformation of the area that is emerging.

DELIVERY MODEL OPTIONS APPRAISAL

In considering the management options for the site, reference was made to the models previously referred to, and the Council employed EPR Hospitality to undertake a review of the management and operational cost information, and provide financial projections based on assumed covers and average spends, in conjunction with the Sefton project team.

As part of the discussion into the best way to manage the Canalside site, 3 options were considered. The Option Tables below outline the SWOT (Strengths / Weaknesses / Opportunities / Threats) associated with each of the Options with a recommended approach.

OPTION 1 Council Direct Delivery and Management	
The Council employs staff directly to manage the site. This will require a minimal site presence and a dedicated Events Manager for site working within the Tourism Team, and the co-ordination of other site related services.	
Strengths and Opportunities	Weakness and Risks
<p>The council would employ staff directly and would cover the subsequent costs</p> <p>The council would keep several containers for community use and tender out the other opportunities privately. Depending on look and volume of use they could be used for other uses at certain times providing income to council.</p>	<p>This carries more risk but also potentially more opportunities for reward.</p> <p>This would likely produce a an overall loss against total operational costs – however, this could be mitigated by charging for entry to events/seeking sponsorship for events and activities.</p>

<p>Conclusion: Given short term nature of this site this option would optimise site yet keep it within Council control to enable it to transition into the longer-term Strand repurposing proposals.</p>	

OPTION 2 : Private Sector Operator	
<p>A private sector operator is employed on a fixed term basis to manage the site. The Council tenders out the management of site to private sector operator as per the roles and responsibilities required. Operator either runs containers or tenders out, or combination of both and takes all of the revenue to cover their costs. No cost to council with some key areas guaranteed. This would require an open procurement process.</p>	
Strengths and Opportunities	Weaknesses and Risks
<p>Operator would agree that the Council/Community retain use of certain areas</p> <p>Operator agrees some social value outcomes/community uses</p> <p>Operational management minimal cost to Council</p>	<p>Revenue generated would go to operator .</p> <p>Lease longer than 5 years would be required to make commercial investment worthwhile and get a return.</p> <p>Use and control of site through 3rd Party limiting options for alternative uses</p> <p>Cost to Council - likely need for subsidy/attractive lease terms or equity interest.</p>
<p>Conclusion: Operator may require longer term agreement with the Council to ensure financial viability which may conflict with the timescales for delivery of the main Strand repurposing project. There could also be the loss of social value aspects in pursuing this option.</p>	

OPTION 3: Council Engage an Operator	
<p>The Council engages with an organisation to act in partnership to share risk and reward. Not only would there be minimal cost to council but additionally any share in profit realised. This option would require an open tender process.</p>	
Strengths and Opportunities	Weaknesses and Risks
<p>Limited operational management cost to Council</p> <p>Knowledge of the sectors required to successfully manage site and deliver outputs</p>	<p>Limited or no profit or income generation</p> <p>Controlled through a third party</p> <p>Subsidy may be needed to optimise uses</p>
<p>Conclusion: the key benefits to this option would be the ability to engage on a flexible contract and ensure social value aspirations are captured, but also the benefit of existing</p>	

knowledge in this sector.

In addition to the above the above options have also been scored against the Critical Success Factors set out in the strategic case:

Critical Success Factor	Total	Option 1 Council led	Option 2 Private Sector	Option 3 Partnership
Weighting				
Generating inclusive economic growth	Y	Y 3	N 1	Y 3
Achieving regeneration and culture benefits	Y	Y 3	Y 3	Y 3
Providing investment in town centre	Y	Y 3	N 1	N 1
Providing a wider and more diverse range of uses	Y	Y 3	Y 2	Y 2
Encouraging place-making	Y	Y 3	Y 3	Y 3
Total		15	10	12

In conclusion, it is recommended that the Option 1 ‘Council Direct Delivery’ and Management is adopted as the way forward.

OPERATIONAL AND MANAGEMENT CONSIDERATIONS

As part of developing the preferred Option 1 for this site, the operational management arrangements for the site have been considered.

These include:

1. How the site will be used and operated.
2. Other users of the site
3. Who will be responsible for managing the site during events and at other times,
4. How the site will be maintained over the 5 year period,
5. The site interface with adjacent occupiers (businesses/residents) during events
6. Security and site safety

4.7. Assessment of effectiveness of delivery - overall summary

Considering all the above options collectively in terms of their effectiveness in delivering the primary objectives generating economic growth, achieving regeneration benefits, providing town centre investment, providing a diverse range of uses, and encouraging place making, the overall assessment has produced the following conclusions:

Development Option 1 – Do minimum whilst remaining in Council control and ownership, this option is unlikely to deliver the short/medium term future for the site and will not deliver the anticipated economic or social value outputs.

Development Option 2 – Meanwhile Use Development with current investment of the CA, and further investment from the Council, this is the only option which would deliver the viable and sustainable short/medium term future for the site and secure the substantial economic and social outputs anticipated.

Therefore, the option that has emerged with the highest level of assessment from this process is Option 2 - Meanwhile Use Development

In consideration of the Options for the Operation and Management Scenarios,

OPTION 1 Council Direct Delivery and Management

OPTION 2 Private Sector Operator

OPTION 3 Council Engage an Operator

the option that has emerged with the highest level of assessment from this process is **Option 1**

4.8. Economic Benefits

QUANTIFIABLE ECONOMIC BENEFITS

A report has been produced by Ekosgen Economic Development Consultancy (March 2022) to demonstrate the economic case for investment into the Canalside project, outlining the breadth and scale of benefits that are expected to be unlocked by the proposals and considering the value for money and return on investment that will be generated over the expected five-year lifetime of the project. The analysis is based on a capital investment of £500,000 for works required for the temporary use of the site for a period of up to 5 years, and an ongoing operating cost of £200,000 per annum for the operational five-year period.

The report demonstrates the economic case for investment, outlining the breadth and scale of benefits that are expected to be unlocked by the proposals and considering the value for money and return on investment that will be generated over the expected five-year lifetime of the project

In consideration of the details of the project and the key investment objectives, the report presents a high-level assessment of the gross economic benefits to be generated by the Bootle Canalside project. As the proposals are further developed it will be possible to refine this analysis and potentially monetise some of the additional wider benefits.

Direct economic impacts

The development proposition will help to support direct jobs accommodated within the town centre.

The proposals include ten food and beverage units which will provide new opportunities for local businesses and residents. The ten units are estimated to accommodate around 20 full time equivalent (FTE) jobs, generating **annual economic output (measured by GVA) of £591,000** based on the average GVA per FTE for Liverpool City Region for the accommodation and food service sector¹. This amounts to £3.0m over five years of operation.

There will also be additional temporary jobs associated with the programme of events and community uses which will be determined by the scale of activity and additional jobs associated with the operation of the meanwhile space itself (e.g. operational jobs and security). However, it is anticipated that many roles will be secured through contractors, as and when required, rather than representing full-time permanent roles. The impacts generated by the programme of events attracting visitors and additional expenditure to the town centre are explored in the visitor economy section below.

Indirect and induced impacts

Induced and indirect impacts associated with the proposition will arise from expenditure on wages and suppliers, which is then recirculated in the economy. This will support additional jobs and GVA, a proportion of which will be captured in the local economy providing further opportunities for local residents and businesses.

Based on the direct jobs supported, the indirect and induced impacts are estimated to **support 7.6 jobs (FTE) and GVA of £224,000 per annum in the local economy**. This would amount to £1.1m over five years of operation and has been calculated by applying the HCA Additionality Guidance local area multipliers for recreation.

¹ Using ONS BRES and Regional Accounts datasets

Visitor economy benefits

The programme of events will help to improve the leisure and cultural offer, attract visitors and increase footfall and dwell time. While the exact programme of events and audience profile remains to be determined, a potential calendar of events with forecast covers per event has been provided within an EPR Hospitality Report. This suggests 24 event days throughout the year with 44,500 covers in total, including eight largescale event days with 26,000 covers. For the purpose of this assessment forecast covers per event have been used as a proxy for audience numbers.

The visitors to events will support economic benefits by supporting spend in the local area, for example on shopping, eating out, local transport and accommodation.

The assessment considers only the large scale events audience, on the basis that the majority of audiences to smaller events are likely to be local residents and typically spend from residents would be excluded in an economic impact assessment, given it is likely to be spent in the area in the absence of the project.

Applying the average day visitor spend from the 2015 Liverpool City Region Visitors Survey (converted to current prices) to the estimated audience number to large scale events suggests total visitor expenditure (including spend within the venue) will total £1.1m per annum. This is sufficient to **support 10.4 further jobs (FTEs)² and GVA of £464,000³** per annum, totalling £2.3m over the five-year operational phase.

This represents a high-level estimate based on information available at the time of the assessment, updated to reflect the EPR Hospitality Report profile of events and covers. To provide more robust figures a more detailed assessment would need to consider the potential for multiple visitors per day and the profile of where audience is drawn from to understand the additionality of spend.

Benefits to the public purse

Additional income will be generated for the public purse as a result of NI and Income tax contributions for the employment at the site. **Each year around £46,000 of national insurance and income tax** will be contributed to the public purse as a result of the jobs accommodated. This equates to £229,000 over the five years of operation⁶. This has been calculated using data from the ONS annual survey of hours and earnings dataset and tax calculator⁷.

Wider social benefits

Beyond the economic benefits set out in the section above, the project will also support wider social benefits to be unlocked. As set out in the investment objectives, the proposal will support regeneration benefits including by creating greater sense of place

² Based on the average cost per FTE in the North West for the retail; transport; accommodation and food; arts, entertainment and recreation; and other services sectors using ONS Annual Business Survey, BRES and Annual Population Survey.

³ Based on the average GVA per FTE for Liverpool City Region for the retail; transport; accommodation and food; arts, entertainment and recreation; and other services sectors using the ONS BRES and Regional Accounts datasets.

⁶ Gross benefit – based on assumptions set out above

⁷ <https://www.gov.uk/estimate-income-tax>

and community cohesion as well as creating a quality open space which will encourage healthier lifestyles and improve wellbeing.

Health and wellbeing benefits will be associated with the programme of arts and community events, sporting classes and facilities in addition to creating a quality open space encouraging healthier lifestyles.

There are various health and wellbeing benefits of engaging in arts and culture such as facilitating reduced stress levels, better life satisfaction, reduced risks of mental illness⁸.

Engaging in frequent exercise and having an active lifestyle can produce a number of individual health benefits such as the reduction in the likelihood and incidence of physical and mental health problems. It also reduces the risk of serious illness, leading to wider societal benefits through reducing health care costs and increasing economic activity.

Research by SIMETRICA and the Department for Digital, Culture, Media & Sport (DCMS)⁹, explored the wider benefits of participation and engagement in sports and arts and culture, and identified the costs savings for the NHS of the predicted reduction in GP visits and mental health services as a result of good health associated with participation in sports and arts and culture.

Further social value will be supported by the community uses and events as part of the project for example through creating opportunities for volunteering and supporting greater community cohesion and sense of belonging for residents.

Amenity, ecology and recreation benefits will be generated through new public realm and quality outdoor space with greater access to the Canalside and a new waterside urban garden with places to sit.

Value for Money Assessment

While the section above focuses on a range of gross benefits of the project, this element of the assessment considers the aggregate net benefits position relative to costs over the one-year development period and five-year operational period to estimate the Social Return on Investment.

This assessment includes the direct, indirect and induced employment benefits, as well as benefits arising from visitor spending in the local economy. It is worth noting that while the wider social benefits have not been monetised at this stage, they would provide an important contribution the value for money assessment.

Both costs and benefits have been discounted by 3.5% per annum in line with Treasury guidance to provide present values. This initial assessment draws on high

⁸ K. Cuypers, S. Krokstad, T.L. Holmen, M. Skjei Knudtsen, L.O. Bygren, J. Holmen Patterns of receptive and creative cultural activities and their association with perceived health, anxiety, depression and satisfaction with life among adults: the HUNT study, Norway J. Epidemiol. Community Health, 66 (8) (2012), pp. 698-703, 10.1136/jech.2010.113571

⁹ DCMS and SIMETRICA, Further Analysis to Value the Health and Educational Benefits of Sport and Culture (2015)

level assumptions for additionality (assumed at this stage to be 40% across all metrics).

Value for Money Findings

While the section above focuses on a range of gross benefits of the project, this element of the assessment considers the aggregate net benefits position relative to costs over the one-year development period and five-year operational period to estimate the Social Return on Investment.

This assessment includes the direct, indirect and induced employment benefits, as well as benefits arising from visitor spending in the local economy. It is worth noting that while the wider social benefits have not been monetised at this stage, they would provide an important contribution the value for money assessment.

Both costs and benefits have been discounted by 3.5% per annum in line with Treasury guidance to provide present values. This initial assessment draws on high level assumptions for additionality (assumed at this stage to be 40% across all metrics).

Value for Money Findings

The table below presents the value for money assessment results. A BCR has been estimated based on (i) the whole life costs of the proposals (the initial £557,000 plus c.£300,000 a year operating cost) and on (ii) the initial capital costs.

On the basis of whole life costs, we estimate a benefit cost ratio of 1.19. In this case the present value benefits are estimated to exceed the present value costs and the project can be considered as delivering value for money (within the ‘acceptable’ range of 1-2 based on MHCLG guidance). However, the whole life cost approach assumes that the site does not generate an income that would accrue to the council and can therefore be considered the worst-case position.

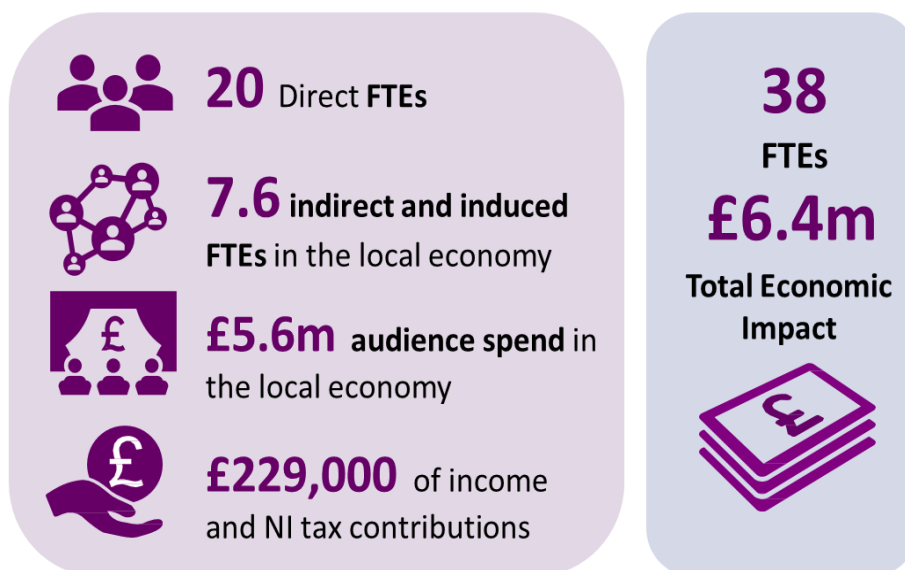
An alternative approach that only considers the initial capital costs, demonstrates that the present value benefits significantly outweigh the present value costs – with a BCR of 4.15, which represents ‘good value for money’.

In practice we would expect there to be some net cost to the council (particularly in the initial years of operation) and the true BCR is likely to lie somewhere between these two points. However, on either basis, the project is expected to achieve value for money – and this is before the potential for wider economic and social benefits are considered.

Forecast Return on Investment	
A: Whole Life Benefits (present value)	£2.3m
B: Whole life cost (present value)	£1.9m
C: Initial capital costs	£0.6m

Forecast Return on Investment	
(present value)	
BCR based on Whole Life Costs (A/C)	1.19
BCR based on Initial Capital Costs (B/C)	4.15

5 year total economic benefits*



* the figures presented are the gross economic benefits

4.9. NON QUANTIFIABLE BENEFITS (Qualitative Benefits)

Social Benefits

Social or public value includes all significant costs and benefits that affect the welfare and wellbeing of the population, not just market effects. For example, environmental, cultural, health, social care, justice and security effects are included. Some social benefits which the Canalside project will deliver include providing:

- Local Jobs
- Health Benefits
- Skills Training
- Public Realm Improvements
- Healthy and Resilient Environment

- Local Inclusive Growth
- Connected Communities

There are a number of initiatives currently being developed as part of the social and public value benefits which the Canalside project will provide. Specific initiatives include

Green Operations:

The whole ethos of the Bootle Canalside project and its development is based around the site usage for and with the “Community”, with this in mind as much of the materials and services to be procured are “Local”. This is exemplified in the organic growth of the project with listening and acting on the voice of the community at each phase in the projects development.

As the cost and model for ongoing “Green Operations” on the site developed (clearing, pruning, planting, watering etc), the use and opportunity for community involvement also evolved.

The first year of green maintenance is covered by the establishment agreement included in the initial procurement from local suppliers, the maintenance beyond year 1 is being developed with local community / charity groups who are already funded by Sefton 106 contributions, this work with Regnerus and Taking Root will provide a community volunteer model that not only keeps the future costs to an optimum but also maintains the value of the community having a “Hands On” say and approach to the sites future.

Engagement

The Bootle Canalside site has had a steady programme of ongoing stakeholder and community engagement since July 2021. The sessions have been in a series for formats including a community focus group, feedback postcards collected during summer (Aug 2021) and winter (Dec 2021) pop up events, Primary school site visits and direct consultation with local community groups (Nov 2021, Feb 2022) such as volunteers, Regenerus to discuss community input to the on-going site upkeep.

The aim is to encapsulate as many views and ideas during the process of design and site development so the community is continually involved. The continued engagement throughout, not only ensures ‘buy in’ but continued interest that could also present new opportunities capture social value into the project as a whole and maintain those community connections going forward.

Feedback from all sessions, events and consultations to date have provided the Project team with a comprehensive summary of key feedback which has been listened to and incorporated into the final designs and future vision. An outcome from this on-going exercise was the ‘You said, We Listened, We Did’ poster which was shared to the public via social media and a full scale hoarding erected onto the northern Canalside site outer fence. This demonstrates the importance of engagement and shows the steady progress.

YOU SAID WE LISTENED WE DID Bootle Canalside Engagement

Bootle Canalside is an organic site shaped around the Bootle community. Look how we've grown so far...

YOU SAID

There needs to be pedestrian access to the Canalside space from Stanley Road.

WE LISTENED

We agree! Bootle Canalside must be accessible from Stanley Road.

WE DID

We commissioned new dual stairs to give access from Bootle's main thoroughfare and are looking at additional options from Stanley Road.

YOU SAID

Bootle Canalside is an organic site shaped around the Bootle community. Look how we've grown so far...

WE LISTENED

You wanted a softer, greener space designed with the community in mind.

WE DID

We further engaged with our designers, and community volunteers to see how this can work.

YOU SAID

You wanted 24/7 access in order to walk through the space safely and at ease.

WE LISTENED

We incorporated this into our plans so once the space is fully up and running, it will be open to walk through at any time.

WE DID

We ensured the site will have suitable security surveillance, extra lighting and secure lockable containers for our vendors.

YOU SAID

You wanted the site to be a space for the whole community to use and enjoy.

WE LISTENED

We have taken a community approach to ensure nothing is fixed in stone and the site can evolve and change depending on what YOU want.

WE DID

We engaged with the community and ideas continue to flow in to help us grow the site organically.

YOU SAID

You wanted updates on the site progression and impact on the community.

WE LISTENED

We want to share the latest updates and increase awareness of what is happening on site.

WE DID

We have shared regular social media updates on site progress and will continue to promote events and consultations.

YOU SAID

You wanted the space to be suitable for disabled use and access so the whole community can enjoy it.

WE LISTENED

Use and access for all is so important to ensure a true community space.

WE DID

We have planned for disabled toilets, a changing places unit, ramp access and disabled parking.

YOU SAID

You wanted more events like the August Bank Holiday event with a mix of entertainment, food and drink.

WE LISTENED



We've taken on board all the comments and feedback that you've shared with us so far.

WE DID

We are looking at the development of a longer term event plan with a diverse mix of events.

BOOTLE CANALSIDE

We have been creating opportunities to listen and we will continue to engage at every possible occasion

Events

The aim of Sefton Council hosting 'Pop-up' style events throughout the site delivery process is to encourage Bootle Canalside's multi-use function and insert its presence into the local public psyche. Canalside event space as a catalyst to Bootle's area regeneration by providing a new multi-use space to the community will start to embed and show momentum and potential for Bootle as a destination. The events programme led by the Tourism team have so far orchestrated two small events centred around food, drink, local music and a light show is the next scheduled event to provide entertainment for the space. Once the space is further developed with further investment, the potential for larger events and expressions of interest to hold events there should become more prominent as exemplified at the new Southport Market.

Past and upcoming events include:

Summer Bank Holiday pop up food and music fest (26th-29th August 2021)

Christmas Gingerbread themed tipi bar (17th-19th December 2021)

Illuminos Light Show (26th March 2022)

Clear Air Day (TBC still in discussion)

Plus more events to be scheduled in coinciding with demand and availability

Local Suppliers and Local Employment

Through the various contracts and supply packages we have, through our approved procurement procedures, contracted with a number of local suppliers from the South Sefton/North Liverpool area to deliver the Canalside project, specifically

- **Planters for the Urban Garden** are being manufactured and supplied by The Toolshed, based in the Palatine of the Strand shopping Centre
- **The Civil Engineering works** being undertaken, including surfacing, groundworks, utilities, and canal edge works is being undertaken by Dowhigh Ltd, Netherton
- **Works to the Staircase and Fencing** works have been undertaken by Davies Construction, Burscough
- **The refurbished containers** have been supplied by Containers North West, Based in Vauxhall, Liverpool
- **The Design Team** employed for the design of the Capital Works are Owen Ellis Partnership, Liverpool.

4.10. Conclusions

Following the analysis of quantitative and qualitative benefits of investing in Bootle Canalside, it can be concluded that the preferred option for the project is good value for money and is expected to achieve many qualitative and quantifiable benefits.

5. THE COMMERCIAL CASE

5.1. Introduction

The preferred option requires the procurement of a series of contracts relating to both 'works' and 'goods and services'. The groundworks and infrastructure works will be procured through the Council's appointed term contractor for groundworks and any highways related works. The procurement of other elements of the development (professional services, landscaping, other services) will be via the Chest procurement platform to satisfy the requirements of the Council and partner funding bodies.

The Council, in relation to its procurement strategy for the works and services, will act in compliance with the government agreements and the European Union (EU) Procurement Directives and the Regulations that implement them in the UK which set out the law on public procurement.

The Procurement Strategy will also need to comply with the Council's Financial Regulations relating to Procurement.

Prior to procurement, soft market testing will be undertaken to ensure interest in the market and to inform the specific procurement requirement. All tenders will be sought in full compliance with Sefton Council's contract procedure rules and assess bidders' financial standing in the evaluation criteria.

Procurement evaluation criteria would ensure that only those bidders that can demonstrate appropriate capacity, financial standing for a contract of this size, capability, systems, expertise, evidence of ability to deliver to scope and timescales and recognition of desired social value will be considered.

5.2. Contractor Procurement

In relation to the groundworks/infrastructure elements of the scheme, given the challenging timescales to implement the works, it was agreed to employ the Council's highways and groundworks term contractor (Dowhigh Ltd) at the rates approved in their current competitively procured contract to ensure best value for money. This will enable engagement of the most economically advantageous contractor to be employed whilst maintaining control of time, cost and programme. The landscaping and container elements are being procured through a competitive tendering process.

Any procurement processes will be in accordance with the Council's Procurement Regulations as outlined:

1. The cost of goods and services will not exceed the relevant OJEU threshold and so it will not be necessary to procure the works in accordance with established EU procedural rules.
2. The proposed goods and services will be carried out by suitably qualified and experienced suppliers – ideally selected from a list of approved Contractors
3. The Suppliers invited to tender will have been vetted to ensure they meet the Council's requirements in terms of financial standing, capacity, quality of performance and approach to health and safety.

4. As all tendering suppliers will have met the necessary quality threshold the Council can be assured of obtaining the best value for the works by accepting the lowest tenders received.
5. A list of suitably experienced and qualified suppliers will be selected, capability and capacity checked, and a final shortlist identified
6. Chief Officer approval will be requested to invite tenders
7. The works/goods/services will be tendered using the Chest protocol
8. Submitted tenders will be checked arithmetically and technically in order to ensure no significant errors and a tender report prepared with recommendations for Chief Officer approval
9. Contract documents will be prepared by Sefton Council's Legal Services Team
10. Any IT works may be subject to a different procurement strategy established and delivered by Sefton IT/ Agiliys.

5.3. Contractual arrangements for the contractor.

Sefton Council will be named as the Employer for the purposes of the contract with any Contractor and Supplier for the works, and goods and services. A Contract Administrator would need to be appointed and named in any of the contracts to fulfil this specialist role.

5.4. Required Services

These will be Construction and Professional Services

5.5. Potential for Risk Transfer

The general principle is that risks should be passed to 'the party best able to manage them', subject to value for money.

This section provides an assessment of how the associated risks might be apportioned and shared between Sefton Council and a Private Contractor/Supplier.

A Risk Register Table showing the development, delivery and post implementation phases is at Appendix 2

Risk Transfer Matrix

Risk Category	Potential allocation		
	Public	Private	Shared
1. Design risk			✓
2. Construction and development risk			✓
3. Transition and implementation risk			✓

4. Availability and performance risk	x		
5. Operating risk	x		
6. Variability of revenue risks	✓		
7. Termination risks	✓		
8. Technology and obsolescence risks	x		
9. Control risks			x
10. Residual value risks	✓		
11. Financing risks	✓		
12. Legislative risks	✓		
13. Other project risks	✓		

5.6. Proposed Charging Mechanisms

The Council will make payment to the contractor/suppliers monthly in arrears upon the production of authorised certificates for payment

5.7. Proposed Contract Lengths

In accordance with the Programme attached at Appendix 4 the following key milestones are anticipated;

Design Team

Funding approved – July 2021

Design Team Appointed – July 2021

Length of Design Team Appointment – 6 months to be extended

Contract 1 – Groundworks and Infrastructure

Term Contractor Appointed (current term contract) – July 2021

Length of Term Contractor Appointment – to be agreed

Estimated Project Start on Site – November 2021

Estimated Project Completion – May 2022

Contract 2 - Containers

Supplier Procurement - August 2021

Estimated Project Start on Site – August 2021

Estimated Project Completion – April 2022

Contract 3 - Landscaping

Supplier Procurement – January/February 2022

Estimated Project Start on Site – March 2022

Estimated Project Completion – May 2022

5.8. Proposed Key Contractual Clauses

The Council will advise on any key contractual clauses to be included in the final contract documentation

5.9. Personnel Implications (Including TUPE)

Not applicable to this investment.

5.10. Procurement Strategy and Implementation Timescales

It is anticipated that the procurement strategy will conform to approved programmes.

5.11. FRS 5 Accountancy Treatment

The property will be owned, managed, and maintained by the Council during and following completion of the works. The asset will be on the balance sheet of the organisation.

Site management and operation

As outlined in section 4.6 above - management and delivery of the operational requirements, there are options identified for the management of the site following the implementation of the capital works programme. In progressing either of the non-council management options, an open tender process would have to be undertaken in order to ensure best value for money for the council. Any such procedure would need to comply with government agreements and the European Union (EU) Procurement Directives, and the council's financial regulations relating to procurement.

6. THE FINANCIAL CASE

6.1. Introduction

This section assesses the affordability of the investment, identifying cost, revenue and funding sources

This section sets out the forecast financial implications of the Recommended Options as set out in the Economic Case above.

The key features of this model are:

Net Present Value (NPV)

The Net Present Value (NPV) appraisal technique is used to assess the financial viability of the proposal. NPV represents the return / gain on initial investment in present day terms in line with the Treasury Green Book appraisal methodology using a standard discount factor. A positive NPV indicates that a project is worth undertaking from a financial point of view.

6.2. Financial Appraisal

Option	In House Delivery
	£000s
NPV*	2,081

*A positive NPV indicates that this is a worthwhile investment given the anticipated benefits from the project

6.3. Capital Implications

Option	In House Delivery
	£000s
Capital Cost	(556,862)

The table above includes the total capital cost as per the VEXTRIX consultancy report net of any costs that have already been funded.

The figure of £556,862 represents the costs to completion of the Capital project. This is in addition to the c. £1.65m already invested in the site through LCRCA in site acquisition, site clearance, and essential infrastructure works. This is shown in the attached cost plan

Works which needs to be completed to allow the site to be utilised effectively include

- Completion of Hardstanding
- Canal Edge Works (Towpath and Steps)
- Landscaping works
- Street Furniture
- Groundworks
- Repairs to Fencing, and
- Mechanical and Electrical works ie power, water, utilities, lighting

6.4. Revenue Implications

Option Year	In House Delivery					Total
	1	2	3	4	5	
	£000s	£000s	£000s	£000s	£000s	£000s
1 Rental Income	58	88	120	122	125	513
2 Events Income	1	1	1	1	1	7
Total Income	59	90	121	124	126	520
3 Management and Staffing	(76)	(80)	(84)	(88)	(93)	(422)
4 Marketing and Events	(130)	(133)	(135)	(138)	(141)	(677)
5 Other Site Costs	(186)	(189)	(191)	(194)	(197)	(957)
Total Expenditure	(392)	(401)	(411)	(421)	(431)	(2,056)
Total Budget Subsidy Required*	(333)	(312)	(290)	(297)	(304)	(1,536)

Therefore, based on the current assumptions, the Council would need to find an additional budget of £290k to £333k for the recommended Option and also funding for the Capital Cost of £557k.

6.5. Notes / Assumptions

(1) Rental Income

Rental income assumes a 10% turnover rent and these figures have been provided by an industry specialist. The specialist indicated that this might not be achievable in Year 1 and has been considered in the income phasing. At 100% activity levels, the industry specialist anticipates 84,806 covers per annum which is 343 per day on average. However, these will vary depending on size of events and seasonal fluctuations. Average spend per head is estimated to be £7.50 on food and £8.82 on drink. These are assumed to be inclusive of VAT. Days Open Per Annum (39 wks @ 4 days and 13 holiday weeks @ 7 days = 247)

(2) Events Income

No other events income has been assumed except for the August Food and Drink Festival. Other events are assumed to be provided free of charge with income generated through food and drink sales.

August Food and Drink Festival

15 Producers @ £50 each (excl VAT)

5 Street Food & Specialist Bar @ £100 each (excl VAT)

Total Income Target = £1,250

(3) Management and Staffing

2 additional members of staff is assumed to be required to support the offer with other management of the site assumed to be met from existing Council resources.

(4) Marketing and Events

Marketing costs = £30k per annum and Events costs = £100k per annum

(5) General

Inflation - is assumed to meet the government's 2% target on average over the 5 year period. Additional information supporting the business case has been provided by the Industry Expert (See separate report at Appendix 5).

Other key assumptions relating to spend and detailed in the hospitality expert report are, based on Total Covers of 84,806,

- 75.5% of revenues will be generated on Event days
- Total Event Days will comprise 15 Large Scale Event Days and 55 Small Scale Event Days
- Average spend on Food is £7.50, and average spend on beverages is £8.82. Site F&B Revenues are therefore £1,153,362 net
- Event spend will be £9.92 on food and £15.46 on beverages, whereas
- Non Event spend on food will be £4.83 and £1.49 on beverages

In order to inform the Operational and Management Costs to the project, the Council engaged industry expert EPR Hospitality to review the Canalside financial projections aligned to the proposed design. Their report, which has formed the basis of the review, is at Appendix 5.

7. THE MANAGEMENT CASE

7.1. Introduction

This section assesses the deliverability of the investment, identifying timescales and project responsibilities. sets out how the project will be managed and delivered, setting out actions required to ensure its successful delivery. It sets out the project structure and governance arrangements.

PROJECT ORGANISATION AND STRUCTURE

The Bootle Canalside Project and Programme will need to adhere to governance procedures as set out in the following

- Programme Manual for Growth and Strategic Investment (GSI) (October 2019)
- Approved Route to Delivery (see diagram below)
- Project Delivery Organisational Structure (see diagram below)

The Growth and Strategic Investment Programme supports the Core Purpose of the Council which states that

“As place-leaders we will facilitate and enable happy, safe and resilient communities”.

Delivery of the Programme makes its greatest contribution to the Strategic Outcome

“Sefton People will contribute to and benefit from, economic growth”.

The Programme will also significantly benefit the Council through an increase in Council Tax and Business Rates, reduction in subsidies on Council-owned assets and services and receipt of net new revenue streams to pay for services. The Programme outputs are also positively influential in improvements in Social Value and Impact.

The Bootle Canalside project is an integral part of the Growth and Strategic Investment programme, which comprises a portfolio of projects for the delivery of the Vision and Core Purpose of the Council.

7.1. Programme Management Arrangements

Full Project Management Arrangements are as set out and agreed in the Programme Manual for Growth and Strategic Investment - October 2019.

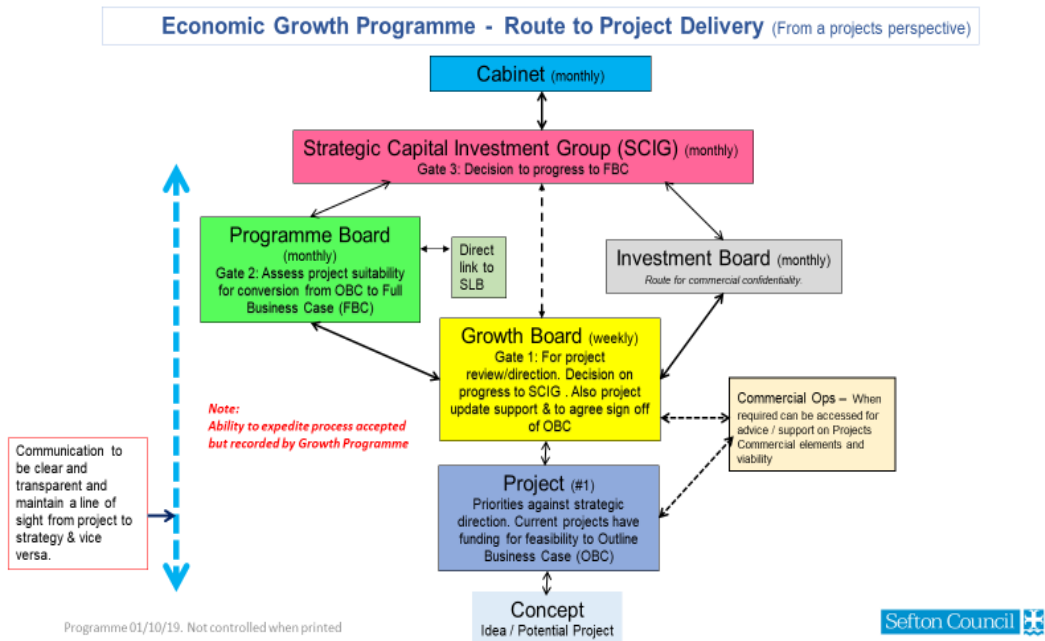
The Growth and Strategic Investment Board is managed at Director level, comprising Senior Council Officers, at Head of Service (HoS) level and their immediate reports. The expertise of these officers is combined to assure that the necessary skillsets required to conceive, develop and deliver projects is appropriately robust to support the decision-making process:

7.2. Project Management Arrangements

The Project will be managed by the Senior Responsible Officer (SRO) and at present is managed via a weekly detailed project review, and a fortnightly review managed by the project SRO. The meetings reviews are a detailed review of current activities and progress towards delivery of the agreed ‘Outcomes’, which will form the content for the Growth and Strategic Investment and programme Board reporting.

7.3. Project Reporting Structure

The reporting structure for the Bootle Canalside project is as follows:



The project delivery organisational structure is as follows:

Programme Management
Growth Board Programme Manager / Strategic Regeneration
Commissioner

Senior Responsible Officer
Stuart Barnes (Head of Economic Growth & Housing) reporting to Sefton
Corporate Growth Board

Project Board comprising representation from:

SMBC Project Sponsor– Stuart Barnes
SMBC Regeneration Team and Project Owner - Steve Power
SMBC Programme Management – Natalie Solaru
SMBC Corporate Finance – Andy Bridson
SMBC Corporate Property Design Team – Alan Lake
SMBC Management and Maintenance – Green Sefton – Mark
Shaw/Mike Morgan
SMBC – Management and Events and Tourism Service – Mark
Catherall/Sarah Townley
Engagement – Nicky Owen
SMBC Communications – Bridie Finnan
SMBC Planning – Derek McKenzie

SMBC Corporate Support
SMBC Procurement Service – Jane Taylor
SMBC Legal Team – Gill Brown
SMBC – Highways and Transportation – Stephen Birch

7.4. Project Roles and Responsibilities

The roles and responsibilities required to support project delivery are outlined in detail in the GSI Programme Manual and involve the following key roles and relationships

The **Senior Responsible Officer** (SRO) will act as the strategic guide and second point of escalation for support and advice. The SRO will not be expected to know the day-to-day project detail but will know enough to be able to support delivery from a Programme / Strategic level.

The **Project Sponsor** is the “*Project Champion*” and should be first point of call for the Project Owner to discuss project detail. The sponsor will have a good working knowledge of the project and may be expected to manage some elements of the day to day project delivery. The Sponsor will support the project through the delivery process advising and supporting in respect to the stakeholder management. The sponsor will give direction and advice in respect to the project stakeholder management and communications in accordance with agreed communication channels of Framework for Change. The Project Sponsor helps address and remove barriers to delivery. The Project Sponsor is also responsible for identifying the resources required to deliver the project, for keeping both the Growth & SI Board and relevant Heads of Service appraised of progress and assuring effective project management, progress and risk management. The Project Sponsor will identify any risk that requires escalation to the Growth & SI Board or immediate corporate awareness. The sponsor is expected to support the project at presentation through the phases of the project lifecycle e.g. presentation and Growth & SI and Programme Boards and advise during Business case production. The sponsor will also agree with the project owner any requirements in respect to scope changes, prior to formal agreement at relevant body.

The **Project Owner** is accountable for the overall project delivery, from concept to closure. The owner is responsible for the day to day delivery of the project, including but not restricted to Charter Production and delivery of agreed milestones and deliverables, these will form the project owner objectives. The Project Owner is the first point of call for project specific information and actions. The project owner is also responsible for production and delivering all relevant project documentation e.g. (Charter / Business case production) ensuring process compliance and reporting structures are followed throughout the delivery of the project. The Project Owner will also ensure stakeholder management is relevant and timely and will ensure communication of project progress is also timely and relevant.

7.5. Project Plan

The project plan is as set out in the following table:

Project Plan

Milestone Activity	Start	Completion
--------------------	-------	------------

Milestone Activity	Start	Completion
Appointment of Design Team	June 2021	May 2022
Design Stages 4 Work	June 2021	December 2021
Secure Planning Approval	July 2021	August 2021
Tender Period for works/goods	August 2021	March 2022
Tender Evaluation	August 2021	March 2022
Delivery Period Stage 5 (Phased)	August 2021	May 2022
Funding Approved by SCIG/Other	April 2022	April 2022
Project Handover Stage 6	May 2022	June/July 2022
Project in Use Stage 7	May 2022	Ongoing

7.6. Outline Arrangements for Change and Contract Management

It will be the responsibility of the (SRO/Sponsor/Owner) to manage the change control procedure in accordance with an agreed project management plan.

All Suppliers and Consultants will be employed by the Council and will report directly to the Project Owner who will monitor progress. It will be the responsibility of the Project Owner to ensure that all works are satisfactorily completed within the timescales set out in the Project Work Programme

7.7. Outline Arrangements for Benefits Realisation (ADD Benefits, Monitoring and Evaluation Section heading here)

Benefits management is centred around a partnership approach between the programme/ project teams delivering the change, and those parts of the business affected by it.

Often the benefits associated with a particular programme/project begin to appear after the programme/project has completed and the new facility is in place. While programme/project teams may facilitate and drive the benefits process initially, they do not own the benefits. Affected business areas always own the benefits and are responsible for ensuring they are managed and realised long after the programme/project is complete, and the structures are dismantled.

The Senior Responsible Owner (SRO) for the change programme/project is ultimately responsible for the management and delivery of business benefits

A copy of the project benefits register is included in the Project Delivery Plan and Monitoring and Evaluation Documents, included in the suite of Programme Management documents reviewed by the Council and the funding partners.

This sets out who is responsible for the delivery of specific benefits, how and when they will be delivered and the required counter measures, as required.

7.8. Outline Arrangements for Risk Management

The strategy, framework and plan for dealing with the management of risk are as follows

A Risk Management Plan and standard, well established risk management processes will be used to manage the risks to the Project (see Appendix 2). The interface between the Project Manager and the Project Team, contractors and sub-contractors is seen as crucial in providing a holistic approach to the management of risk throughout the life of the Project.

The management part of the process will be undertaken by continual periodic reviews throughout the life of the project. The Council recognises that risk assessment is just a snapshot in time, and that the situation is bound to change with risks maturing into problems, risks being resolved, risk probabilities and / or impacts changing either up or down, and new risks arising or being identified.

Following project approval, risk management will be undertaken at pre-defined lifecycle stages of the Project. This will ensure all risks are identified, analysed, planned and managed, again throughout the life of the Project.

The integration of risk on projects means that all parties need to be aware of all the potential risk to their elements of the work. Only by acting as an integrated team, and sharing information, can the team be truly effective. The Council's approach to risk management is therefore one of working collaboratively with its suppliers and consultants to minimise risks. The management procedures described earlier will encourage a team working approach with management procedures, actions and responsibility allocation agreed by the stakeholders.

This details who is responsible for the management of risks and the required counter measures, as required are contained within the register.

7.9. Outline Arrangements for Post Project Evaluation

The outline arrangements for post implementation review (PIR) and project evaluation review (PER) have been established in accordance with best practice and are as follows.

7.10. Post Implementation Review (PIR)

These reviews ascertain whether the anticipated benefits have been delivered and are timed to take place on a monthly basis.