

<b>Report to:</b>	Audit and Governance Committee	<b>Date of Meeting:</b>	25 <sup>th</sup> May 2022
<b>Subject:</b>	Southport Theatre and Convention Centre – Disposal of fixtures and fittings		
<b>Report of:</b>	Executive Director Place	<b>Wards Affected:</b>	Cambridge and Dukes
<b>Cabinet Portfolio:</b>	Regeneration and Skills		
<b>Is this a Key Decision:</b>	No	<b>Included in Forward Plan:</b>	No
<b>Exempt / Confidential Report:</b>	No		

### Summary:

The purpose of the report is to obtain approval to dispose of fixtures and fittings currently in the Southport Theatre and Convention Centre that are no longer needed due to the plans to demolish the existing venue and to build the new Marine Lake Events Centre.

### Recommendation(s):

It is recommended that:

Audit and Governance Committee agree to the disposal, in accordance with Council procedures, of all redundant fixtures and fittings in the Southport Theatre and Convention Centre (STCC) as part of the Marine Lake Events Centre project.

### Reason for the Recommendation:

To ensure redundant equipment and fittings in the STCC are disposed of in a sustainable manner and the full value is secured.

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

Not to dispose of the fixtures and fittings and leave in situ as part of any future demolition works – Rejected. This would not be a sustainable process, nor would the Council secure any value from the fixture and fittings.

## What will it cost and how will it be financed?

### (A) Revenue Costs

Costs associated with the auction will be deducted from the final sales value of the assets. There will be no additional costs associated with the sale.

Any other support required for the overall process will be met from existing internal resources within the Tourism Service.

### (B) Capital Costs

Not applicable.

### Implications of the Proposals:

<b>Resource Implications (Financial, IT, Staffing and Assets):</b>	
Existing internal resources will be utilised to support the overall process	
<b>Legal Implications:</b>	
There are no legal implications	
<b>Equality Implications:</b>	
There are no equality implications.	
<b>Climate Emergency Implications:</b>	
The recommendations within this report will:	
Have a positive impact	Y
Have a neutral impact	N
Have a negative impact	N
The Author has undertaken the Climate Emergency training for report authors	N
The disposal of fixtures and fittings will allow items to be reused rather than included in a demolition work. A local weighting will also be attached to several items resulting in the potential of these items remaining within Sefton.	

## Contribution to the Council's Core Purpose:

Protect the most vulnerable: N/A
Facilitate confident and resilient communities: N/A
Commission, broker and provide core services: N/A
Place – leadership and influencer: The proposed new Events Centre will be an enabler for change and lead to further private sector investment in Southport.
Drivers of change and reform: This process will be part of a long-term sustainable future for a new multi functioning event space that will include conference facilities and auditorium along with new uses such as E-sports.
Facilitate sustainable economic prosperity: The new Events Centre will act as a major catalyst for the visitor economy contributing millions to the local economy by supporting local businesses and supply chains. It will also enable future private sector investment.
Greater income for social investment: The new Events Centre is projected not to require any large subsidies that have been required in the past, any revenue raised from the disposal of the fixtures and fittings will be reinvested back into the project
Cleaner Greener: The future operation will contribute to Sefton's aims to becoming net zero Carbon Neutral.

## What consultations have taken place on the proposals and when?

### (A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.6795/22) and the Chief Legal and Democratic Officer (LD.4995/22) have been consulted and any comments have been incorporated into the report.

### (B) External Consultations

The new Events Centre formed part of the Southport Town Deal consultation. This overall consultation resulted in over 7,000 responses with regards to the overall Town Deal. Feedback from the "Save Southport Theatre and Floral Hall" group has also been reviewed and informs what is to be retained and what is to be disposed of.

## Implementation Date for the Decision

Immediately following the meeting of the Audit and Governance Committee.

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### **Appendices:**

There are no appendices to this report

### **Background Papers:**

There are no background papers available for inspection.

## **1. Background**

- 1.1 Cabinet on the 24<sup>th</sup> June 2021 agreed not to pursue the short term re-opening of The Southport Theatre and Convention Centre (STCC) after its closure due to the operator Bliss Space going into liquidation due to the effects of Covid-19.
- 1.2 Subsequently Cabinet have agreed to pursue a comprehensive new Events Centre on the site of the existing STCC that will see a new major build project take place. As part of the new build a new operator will be secured and as part of the wider project the Events Centre will be fitted out with new up to date equipment.
- 1.3 Before the demolition of the existing facility, it would be good practice to dispose of the fixtures and fittings within the building such as catering equipment, redundant lights etc. rather than retain as part of the demolition process.
- 1.4 No historical elements will be disposed of it is anticipated that where possible these will be incorporated into the new events centre such as lighting, dance floor and projectors.

## **2. Process**

- 2.1 Due to the number of fixtures and fittings along with its specialist nature a specialist auction house is required to oversee the process from start to finish on behalf of the Council.
- 2.2 A specialist catering supplier has been engaged to value some of the higher value equipment to get a firm understanding on values before engaging with auction companies.
- 2.3 The project aims for the disposal are:
  - Achieve maximum value for money for sale of assets

- Deal with the project in a cost effective, orderly manner and within the required timescale
  - Managing every facet of delivery and completion through to final sales reconciliation
  - To dispose of assets in a way which compliments Sefton Council's sustainability objectives
  - Undertake a strategic sales and marketing plan to run parallel to the project plan to maximise the return on every single asset
  - Evidence the social, environmental, and economic impacts
  - Dispose of saleable assets while feeding a range of downstream supply chains
- 2.4 A social value element has also been included on some of the higher value items, this means Sefton as the Client will be able to make a final decision on the sale of these items considering location of the bidder.

### **3. Proposal**

- 3.1 It is proposed to commission NCM Auctions to manage the process of disposal. NCM Auctions have project managed many large-scale site clearances and specialise in the disposal of assets from leisure venues, colleges, universities, hotels, plants, factories etc. NCM provide a fully managed service, with a dedicated account manager as a single point of contact. They will lead on cataloguing, valuing, and promoting assets, and running the auctions across an advanced online platform – extending the reach and maximising sales.
- 3.2 NCM are entirely reliant upon the sales generated to profit from the auction. The initial, fixed setup fees are at cost for NCM and, as such, are highly incentivised to maximise the sales volumes to achieve the highest realised value they can.
- 3.3 NCM will provide Sefton Council with a 78% rebate of the auction hammer value achieved from all sales. This is consistent with market rates for such a service.
- 3.4 The auction and event fees cover the following:
- Auction catalogues build to be completed by our experienced Auction team
  - Asset photography and descriptions
  - Asset valuations, research, and reserve pricing
  - Sales and marketing campaigns to drive traffic to each client auction
  - Sales teams also conduct Private Treaty Sales after auction
  - Operational management of Buyer's Collections
  - Health and Safety management including a health and safety on-site manager
  - Health and Safety management to include risk assessments and method statements
  - Payment reconciliation and legal and admin charges