

Report to:	Cabinet	Date of Meeting:	5 January 2023
Subject:	Bootle Strand Shopping Centre – Business Plan 2022/23 to 2024/25		
Report of:	Executive Director (Place)	Wards Affected:	Linacre / Derby
Portfolio:	Cabinet Members: Regeneration and Skills; and Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No but Appendices 3a and 3b of the Report are NOT FOR PUBLICATION by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended). The Public Interest Test has been applied and favours the information being treated as exempt.		

Summary:

This report comprises the three-year Business Plan for the fiscal years 2022/23 to 2024/25 for the Strand Shopping Centre, Bootle.

Given the current economic climate, the Business Plan includes an overview of impacts on the retail sector and the challenging environment in which the centre is operating. However, the acquisition of the Strand was for regeneration purposes, and these external factors (which have a greater impact in an area such as Bootle, for reasons outlined within the report) reinforce the importance of delivering the vision for the future of Bootle town centre and the Strand.

The report therefore includes a recommendation to agree to early surrender of the lease on a unit that has been vacant for several years, to enable progression of this vision in a manner that delivers best value to both the Council and the town centre.

Nevertheless, some uncertainty remains to the Business Plan at the time of writing, not only given the pressures of inflation and the cost-of-living crisis, but also the absence of feedback on the Council's bid submission for Levelling Up funding, which will be vital to progression of next steps.

Recommendation(s):

It is recommended that Cabinet:

- (1) Approve the three-year Business Plan for the Strand Shopping Centre noting the uncertainties of the current economic climate and the availability of Levelling Up funds;
- (2) Approve that any material variations to this financial forecast be presented back to Cabinet for further decision;
- (3) Approve the early surrender of the current lease of units 28-34, 259-273 The

Esplanade and 283-289 Stanley Road, for a surrender premium with delegation of the final surrender agreement and associated premium to the Cabinet Members for Regeneration and Skills and Regulatory, Compliance and Corporate Services and subject to them receiving the opinion of the Council's external auditor on the appropriateness and Value for Money of the transaction to support their decision; and

- (4) Approve that an updated Business Plan for the three years from the financial year 2024-25 be brought to Cabinet for approval in advance of the start of that financial year.

Reasons for the Recommendation(s):

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

Despite continued uncertainties given the current economic climate and its impacts on the retail sector and on Bootle, as well as given the absence of feedback on the Council's Levelling Up funding bid submission, this report and Business Plan provide updated forecasts for the coming years, recognising the impact that the absence of progression of the repurposing vision will have on that Business Plan.

However, operational decision-making must be made within the context of an approved Business Plan.

The proposed accounting treatment of the receipt for the lease surrender, detailed in Appendix 3 to this report, has been agreed with the Council's external auditor.

The Executive Director (Place) will lead an annual review with the external auditor of the Value for Money case for the lease surrender, as part of the annual audit.

Alternative Options Considered and Rejected:

No alternatives to the publication of an updated three-year Business Plan were considered.

What will it cost and how will it be financed?

(A) Revenue Costs

All revenue implications are addressed within the report.

(B) Capital Costs

There are no new capital requirements beyond those reflected in the Business Plan.

Implications of the Proposals:

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

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

All resource implications are addressed within the subsequent annexes to this summary.

Legal Implications:

All legal implications are identified and addressed this report.

Equality Implications:

The Council's focus for the Strand and for Bootle town centre remains on social and environmental outcomes, as well as economic and financial outcomes.

In the short-term, this is evidenced in the close partnerships in place with tenants including (but not limited to) the Bootle Tool Shed, the Big Onion, Kingsley and Company, and In Another Place. These partners are supported via agreements with the Council for occupancy of the centre in a manner that ensures their ability to both continue to deliver positive community outcomes in the short-term, and their opportunity to engage in and help shape the future of the centre in the longer-term.

Further information on these partnerships and positive outcomes is included within the Plan itself appended to this report.

Climate Emergency Implications:

The recommendations within this report will

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

The Business Plan itself will have a neutral impact in respect of climate emergency. The future development of the site will be in line with the Council's strategy and objectives in respect of climate emergency, with both the delivery of any construction projects and the operation and maintenance of the asset in mind. The intention is that the repurposing vision will closely align to the Council's strategic objectives in relation to climate emergency, and in the shorter-term operational actions are undertaken to deliver positive environmental outcomes where available.

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

The Strand provides essential amenities that are accessible for local people including the most vulnerable, particularly through the partnerships with Community Interest Companies as described above.

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

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD 7016/22) and Chief Legal and Democratic Officer (LD 5216/22) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

There have been no external consultations.

Implementation Date for the Decision

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

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

Appendices:

- **Appendix 1 – 22/23 to 24/25 Business Plan**
- **Appendix 2 – Details of the Canalside Meanwhile Uses Project**
- **Appendix 3 – Arrangement for the tenant’s surrender of units 28-34, 259-273 The Esplanade and 283-289 Stanley Road.**

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

The current tenant of these units has been consulted over whether the premium they have negotiated to surrender the lease should be placed in the public domain and they have confirmed that this is commercially sensitive information and requested that it should not be placed in the public domain.

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

Background Papers:

None.

1.0 Introduction and Background

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

The Council remains fully committed to supporting and securing investment in The Strand for the short, medium and long terms to reverse the decline it was suffering in the hands of private ownership and to respond proactively to the challenges of a changing retail market that have been accelerated and increased by the impacts of COVID-19. Feedback from industry experts and private sector engagement reaffirms that this was an appropriate strategic action for the Council to take. The current economic climate and challenges facing the retail sector further reinforce this point.

- 1.2 The Council continues to work on a long-term strategy for investing in and improving The Strand to help address the challenges to trading that it (along with all similar centres across the UK) is facing and to enhance its value to Bootle Town Centre. However, feedback is awaited at the time of writing on the Council's 2022 bid submission for Levelling Up funding to enable the delivery of the first phase of this Strategy.
- 1.3 The detailed plans for The Strand (including the adjacent Canalside sites, and Bootle more widely) will continue to be developed in full consultation with local people and other local stakeholders, with whom engagement is ongoing. This particularly includes partnership working with community organisations including, but not limited to, The Big Onion, Bootle Tool Shed, Kingsley and Co. (Y-Kids), and In Another Place, to ensure continued collaboration to deliver positive social outcomes for communities in both the short- and the long-term.
- 1.4 This report includes an appendix comprising the three-year Business Plan for the Strand Shopping Centre and an overview of the emerging vision for the future of the Strand, and of the Levelling Up funding bid submission.

2.0 Business Plan 2022/23 to 2024/25

- 2.1 The Business Plan appended to this report includes detail on the current economic climate and medium-term forecasts, and their implications for the retail sector particularly. It also outlines how the impacts of inflation and the cost of living crisis are exacerbated in an area of deprivation such as Bootle. While this reinforces the importance of progressing the vision for the future of the town centre, there are further uncertainties created by the absence of Levelling Up funding bid feedback.
- 2.2 In the context of these external pressures, regular detailed monitoring remains in place, with analysis and assessment arrangements to ensure the Council is fully informed on a weekly basis of the issues, risks and requirements for intervention arising as a result of these impacts. This analysis is conducted at both an

individual tenant level and for the overall asset. In turn, the Business Plan and ongoing reviews are progressed on a tenant-by-tenant basis. However, the detail in this respect of course remains commercially sensitive and confidential, so is excluded from the Business Plan.

- 2.3 Ongoing reviews reaffirm the importance of the Strand as a community asset, reflected in the reductions in footfall throughout the pandemic relative to other retail centres, and the resurgence in footfall since. Moreover, the Plan outlines the platform for the future and economic recovery in Bootle town centre that the Strand provides. External feedback reinforces that the uncertainty referred to within this and previous reports would be exacerbated drastically if the asset had remained in private ownership, and validates the decision to acquire the Strand for regeneration purposes.
- 2.4 The Business Plan appended to this report includes two scenarios:
 - 2.4.1 The 'Business As Usual' plan for the Strand, assuming that the re-purposing programme is not progressed, which highlights the negative impact that not progressing this will have on the Business Plan.
 - 2.4.2 The 'Regeneration' plan for the Strand, assuming that the regeneration programme is delivered, which validates the decision to acquire for regeneration purposes and reinforces the importance of progressing the vision for the future.
- 2.5 This report recommends that the Business As Usual Plan is approved but also that the Regeneration Plan is progressed as soon as possible subject to a further Cabinet report in due course.
- 2.6 Both scenarios assume the early surrender of the current lease of units 28-34, 259-273 The Esplanade and 283-289 Stanley Road,. This importantly-located unit has been vacant for some time (other than community uses), and the early surrender of the lease not only secures a surrender premium for the Council, but enables control of a key unit for the future of the project. The Council's focus will remain on delivering best value from the asset, and therefore progressing at pace the repurposing of this unit in order to replace the lost annual income.
- 2.7 As previously, the financial impact will be funded through the Council's approved revenue budget, and any variance will be contained within this approved budget. Any material variations to this forecast will be presented back to Cabinet for further decision.

3 Strategy and plan for the future of The Strand

- 3.1 Work continues developing the strategy and plans for repurposing The Strand for the future. This is being progressed in partnership with key stakeholders and communities, and will include wider engagement on the town centre and the

whole of Bootle (with the Area Action Plan process underway). A Bootle Local Partnership Group comprising key organisations from across the region remains in place, to support with progression of that wider action plan for the town and its future. The Business Plan Appendix A includes further information on the emerging vision for the future of the centre.

- 3.2 Works also continue on the recently acquired sites adjacent to the shopping centre, referred to as the Canalside. These works will be progressed over the coming months in advance of a further programme of events from Spring 2023. Appendix B to this report includes further information on the proposed works on the Canalside site, including the intended offer and a summary of the events programme for 2023.
- 3.3 The quality of the events programme on the newly-enhanced Bootle Canalside will support increased footfall in the Strand and across Bootle town centre. This is evidenced not only by consultation and engagement feedback, but by the tangible impacts of such events as the community Christmas light switch-on event on Saturday 19th November 2022. This collaborative event organised by local councillors and the centre included Christmas-related activities, a funfair, and activities within the centre focused on children and families. Footfall was up 62% on the same Saturday in 2021, and was up 220% on the lower Palatine mall compared to the same day in 2021. This data reinforces the important impact that activities and events programmes on the Canalside space will have on the performance of the centre.
- 3.4 Nevertheless, as the Plan states, positive and prompt feedback on the Council's Levelling Up funding bid submission remains vital to progression of this longer-term vision, which will enable diversification of uses in the town centre and will support economic recovery and resilience in this challenging economic environment. At the time of publication of this report feedback on the bid submission is not expected from Government until early 2023.