

CABINET

**MEETING HELD AT THE COMMITTEE ROOM, TOWN HALL,
BOOTLE
ON THURSDAY, 7 DECEMBER 2023**

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

ALSO PRESENT: Councillor Sir Ron Watson CBE

85. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Fairclough.

86. DECLARATIONS OF INTEREST

In accordance with Paragraph 9 of the Council's Code of Conduct, the following declarations of personal interest were made and the Member concerned remained in the room during the consideration of the items, but took no part in the consideration of the items and did not vote thereon:

Member	Minute No.	Nature of Interest
Councillor Veidman	Minutes Nod. 94 and 97 - Crosby New Library Outline Business Case Update - Exempt Appendix; and Crosby New Library Outline Business Case Update	He is the Chair of the Planning Committee and a planning application on the matter is in progress.

87. MINUTES OF THE PREVIOUS MEETING

Decision Made:

That the Minutes of the meeting held on 2 November 2023 be confirmed as a correct record.

88. SEFTON HOSPITALITY OPERATIONS LIMITED - BUSINESS PLAN

The Cabinet considered the report of the Executive Director – Place providing an update on the performance of Sefton Hospitality Operations Limited relative to the previous Business Plan for the company and to the original Business Case for the Crosby Lakeside Adventure Centre project, part of which was now operated by the company. The report provided an update on operational activities, alongside recent and forecast financial performance in the context of current and future conditions and outlook for the economy and for the sector, highlighting key decisions required by the Council.

Decisions Made:

That:

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

Reasons for the Decisions:

The role of Sefton Hospitality Operations Limited (SHOL) remained focused on the delivery of an experience for customers that aligned with the vision and objectives of the borough and the Council. In addition to the revitalisation of, and the maximisation of opportunity from, underused assets in Sefton, SHOL and its strategy continued to enable support for local people with access to higher-quality career opportunities in the hospitality sector. As previously, this model also delivered best value to the Council (via the removal of the subsidy formerly required to the previous hospitality offer at Crosby Lakeside Adventure Centre (CLAC).

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

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

Alternative Options Considered and Rejected:

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

89. SANDWAY HOMES LIMITED PHASE 1 BUSINESS PLAN UPDATE

Further to Minute No. 60 of 7 September 2023, the Cabinet considered the report of the Assistant Director of Place (Economic Growth and Housing) providing an update on the progress and delivery of new homes as part of the Phase 1 Business Plan for Sandway Homes Limited and which followed on from the revised Business Plan approved by Cabinet in September 2023.

The report provided an update on the delivery of construction activity and forecast financial performance, comparing this to the previously agreed Business Plan. Details of the current progress in respect of Phase 2 Business Planning was also provided.

Decisions Made:

That:

- (1) the updated position of the Phase 1 Business Plan, as approved by the Cabinet in September 2023, be noted; and
- (2) the range of external economic factors and risks that have the potential to impact the delivery and financial performance of the Phase 1 Business Plan be noted and acceptance and understanding of these and the material impact that they may have, be confirmed; and
- (3) the current position in relation to the Phase 2 Business plan, and the intention for any further material variations to this to be reported to the Cabinet at the earliest opportunity, be noted.

Reasons for the Decisions:

Since 2016 the Council had been considering its role in the provision of housing throughout the Borough to complement an active third and private sector market.

There was significant demand for housing sites and housing development within Sefton, with over 11,000 housing units being required, over the Local Plan period, to meet with the local housing demand. There was a national shortfall of circa 1m homes (of which 400,000 fell into affordable homes) whilst across the Liverpool City Region a total of circa 50,000 housing units would be required in the medium term. There was currently a 'housing crisis' driven by a shortage of high quality, secure and affordable homes for residents. Sandway Homes had helped meet some of this shortfall, and the recommendations, and the proposals for future phases outlined in the report would ensure that they continued to do so. The homes that Sandway were developing in the Borough would increase housing completions and the availability of choice for residents and those wishing to live in Sefton.

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

Alternative Options Considered and Rejected:

There were no alternative options to be considered.

90. MICROSOFT AZURE AND OFFICE 365 LICENCES

The Cabinet considered the report of the Executive Director of Corporate Resources and Customer Services setting out the background for the Council's main Microsoft provision which comprised of Office 365 end user licences, including email services, PowerBI subscription, used for business intelligence and reporting, Sefton's Azure cloud environment, the Azure managed service and Server Cloud Enrolment for SQL databases. These functions made up a large portion of the Council's ICT provision used by officers to conduct their day-to-day duties, helping provide services to the public and the Council's stakeholders.

The report also detailed the associated procurement route(s) available to the authority to renew these licences and services due to the current contract expiring on 30 April 2024.

Decisions Made:

That:

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

period of 3 years plus an optional 1-year extension period for contingency; and

- (2) the Executive Director of Corporate Resources and Customer Services, in consultation with the Cabinet Member - Regulatory, Compliance and Corporate Services, be granted delegated authority to award the Contract resulting from the procurement exercise and any subsequent contract extensions.

Reasons for the Decisions:

To ensure that Council staff could continue using Microsoft Office 365 applications and that software applications and data stored within the Council's cloud environment (Microsoft Azure) were still available for use upon the expiry of the current contract.

Alternative Options Considered and Rejected:

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

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

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

- 1) The current position relating to the 2023/24 revenue budget;
- 2) The current forecast on Council Tax and Business Rates collection for 2023/24; and
- 3) The monitoring position of the Council's capital programme to the end of October 2023 relating to:
 - The forecast expenditure to year end.
 - Variations against the approved budgets and an explanation of those variations for consideration by Members.
 - Updates to spending profiles and proposed amendments to capital budgets necessary to ensure the efficient delivery of capital projects .

The following appendix was attached to the report:

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

Decisions Made:

That:

Revenue Budget

- (1) the current position relating to the 2023/24 revenue budget be noted;
- (2) the actions being taken to refine forecasts and identify mitigating efficiencies to ensure each service achieves a balanced position be noted;
- (3) the financial risks associated with the delivery of the 2023/24 revenue budget be recognised and the fact that the forecast outturn position will continue to be reviewed, and remedial actions put in place, to ensure a balanced forecast outturn position and financial sustainability can be achieved, be acknowledged;

Capital Programme

- (4) the spending profiles across financial years for the approved capital programme, as set out at paragraph 7.1 of the report, be noted;
- (5) the latest capital expenditure position as at 31 October 2023 of £18.642m, as set out at paragraph 7.6 of the report; together with the latest full year forecast of £55.731m, as set out at paragraph 7.7 of the report, be noted;
- (6) **the Council be recommended to approve** a supplementary capital estimate for £0.148m for ICT Service Developments funded by prudential borrowing; and
- (7) the fact that capital resources will be managed by the Executive Director of Corporate Resources and Customer Services to ensure the capital programme remains fully funded and that capital funding arrangements secure the maximum financial benefit to the Council, as set out at paragraphs 7.11-7.13 of the report, be noted.

Reasons for the Decisions:

To ensure the Cabinet was informed of the current position in relation to the 2023/24 revenue budget.

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

To keep Members informed of the progress of the Capital Programme against the profiled budget for 2023/24 and agreed allocations for future years.

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

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

Alternative Options Considered and Rejected:

Not Applicable.

92. EXCLUSION OF PRESS AND PUBLIC

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

Decision Made:

That, under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the press and public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 7 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972. The Public Interest Test has been applied and favoured exclusion of the information from the Press and Public.

93. ICT SERVICE DEVELOPMENTS

The Cabinet considered the report of the Assistant Director of Corporate Resources and Customer Services (Strategic Support) seeking authority to commence a procurement exercise in connection with ICT service provision.

Decision Made:

That the recommendations contained within the report be approved.

Reasons for the Decision:

For the reasons specified within the report.

Alternative Options Considered and Rejected:

Do nothing – rejected due to the risk profile to the authority.

94. CROSBY NEW LIBRARY OUTLINE BUSINESS CASE UPDATE - EXEMPT APPENDIX

The Cabinet considered exempt information provided by the Executive Director - People in relation to the Crosby New Library Outline Business Case Update (Minute No. 97 below refers).

Decision Made:

That the exempt information be considered as part of the report in relation to the Crosby New Library Outline Business Case Update (Minute No. 97 below refers).

Reasons for the Decision:

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

Alternative Options Considered and Rejected:

None.

95. BUSINESS CASE FOR PROCEEDING WITH PHASE 1 OF THE STRAND RE-PURPOSING PROGRAMME - EXEMPT APPENDICES

The Cabinet considered exempt information provided by the Assistant Director of Place (Commercial Development) in relation to the Business Case for Proceeding with Phase 1 of The Strand Re-purposing Programme (Minute No. 98 below refers).

Decision Made:

That the exempt information be considered as part of the report in relation to the Business Case for Proceeding with Phase 1 of The Strand Re-purposing Programme (Minute No. 98 below refers).

Reasons for the Decision:

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

Alternative Options Considered and Rejected:

None.

96. RE-ADMITTANCE OF THE PUBLIC

Decision Made:

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

97. CROSBY NEW LIBRARY OUTLINE BUSINESS CASE UPDATE

Further to Minute No. 17 of 25 May 2023, the Cabinet considered the report of the Executive Director – People on the agreement to proceed

with the development of a new Library in Crosby as a stand-alone project. Support had also been reiterated for the existing Library in Waterloo and that position was unchanged and work was proceeding in relation to both.

The report indicated that there was a need to revisit the previous Outline Business Case for the New Library and to refresh this. Work was continuing in progressing the Crosby New Library project with a planning application in progress to secure alongside other highways and car park works, an outline consent for the new library on the Green Car Park site in accordance with the Crosby Investment Strategy and Crosby Village Supplementary Planning Document.

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

The following appendices were attached to the report:

- Appendix A: Outline Business Case (OBC) (Exempt)
- Appendix B: Outline Business Case Redacted
- Appendix C: Options Appraisal

Decision Made:

That the content of the revised and updated Outline Business Case for the Crosby New Library Project be approved.

Reasons for the Decision:

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

Alternative Options Considered and Rejected:

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

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

98. BUSINESS CASE FOR PROCEEDING WITH PHASE 1 OF THE STRAND RE-PURPOSING PROGRAMME

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

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

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

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

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

The following Annexes and Appendices were attached to the report:

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

Decisions Made:

That

- (1) proceeding with Phase 1 of the Strand Transformation Programme be approved;

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

Reasons for the Decisions:

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 remained the Council's priority in relation to the Strand.

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

Alternative Options Considered and Rejected:

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

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