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Sefton Council

MEETING:	CABINET
DATE:	Thursday 6th November, 2025
TIME:	10.00 am
VENUE:	Birkdale Room, Town Hall, Southport

DECISION MAKER: **CABINET**

Councillor Atkinson (Chair)
Councillor Dowd
Councillor Doyle
Councillor Harvey
Councillor Howard
Councillor Lappin
Councillor Moncur
Councillor Diane Roscoe
Councillor Veidman

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The Cabinet is responsible for making what are known as Key Decisions, which will be notified on the Forward Plan. Items marked with an * on the agenda involve Key Decisions
A key decision, as defined in the Council's Constitution, is: -

- any Executive decision that is not in the Annual Revenue Budget and Capital Programme approved by the Council and which requires a gross budget expenditure, saving or virement of more than £100,000 or more than 2% of a Departmental budget, whichever is the greater
- any Executive decision where the outcome will have a significant impact on a significant number of people living or working in two or more Wards

If you have any special needs that may require arrangements to facilitate your attendance at this meeting, please contact the Committee Officer named above, who will endeavour to assist.

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A G E N D A

Items marked with an * involve key decisions

	Item No.	Subject/Author(s)	Wards Affected	
	1	**Apologies for Absence**		
	2	**Declarations of Interest** Members are requested at a meeting where a disclosable pecuniary interest or personal interest arises, which is not already included in their Register of Members' Interests, to declare any interests that relate to an item on the agenda. Where a Member discloses a Disclosable Pecuniary Interest, he/she must withdraw from the meeting room, including from the public gallery, during the whole consideration of any item of business in which he/she has an interest, except where he/she is permitted to remain as a result of a grant of a dispensation. Where a Member discloses a personal interest he/she must seek advice from the Monitoring Officer or staff member representing the Monitoring Officer to determine whether the Member should withdraw from the meeting room, including from the public gallery, during the whole consideration of any item of business in which he/she has an interest or whether the Member can remain in the meeting or remain in the meeting and vote on the relevant decision.		
	3	**Minutes of the Previous Meeting** Minutes of the meeting held on 2 October 2025		(Pages 5 - 24)
*	4	**Families First Partnership - A New Way of Working** Report of the Executive Director - Children's Social Care and Education	All Wards	(Pages 25 - 32)
*	5	**St William Of York - S106 Contributions and Proposal for Expansion** Report of the Executive Director - Children's Social Care and Education	Manor; Victoria	(Pages 33 - 42)

*	6	**Southport Town Square and Gardens Project Update** Report of the Executive Director – Regeneration, Economy and Assets	All Wards	(Pages 43 - 50)
*	7	**Community Assets Policy** Report of the Executive Director – Regeneration, Economy and Assets	All Wards	(Pages 51 - 60)
*	8	**Sefton Council and Sovini Group - Strategic Housing Partnership** Report of the Executive Director – Regeneration, Economy and Assets	All Wards	(Pages 61 - 76)
*	9	**Southport Pier** Report of the Executive Director – Regeneration, Economy and Assets	Dukes	(Pages 77 - 84)
*	10	**Treasury Management Position to September 2025** Report of the Interim Executive Director – Corporate Services and Commercial	All Wards	(Pages 85 - 96)
*	11	**Financial Management 2025/26 to 2027/28 - Revenue and Capital Budget Update 2025/26 – November Update** Report of the Interim Executive Director – Corporate Services and Commercial	All Wards	(Pages 97 - 122)

THE "CALL IN" PERIOD FOR THIS SET OF MINUTES ENDS AT 12 NOON ON WEDNESDAY, 15 OCTOBER 2025.

CABINET

MEETING HELD AT THE ASSEMBLY HALL, TOWN HALL, BOOTLE ON THURSDAY 2ND OCTOBER, 2025

PRESENT: Councillor Atkinson (in the Chair)
Councillors Dowd, Doyle, Harvey, Lappin, Moncur, Diane Roscoe and Veidman

50. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Howard.

51. DECLARATIONS OF INTEREST

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

52. MINUTES OF THE PREVIOUS MEETING

Decision Made:

That the Minutes of the meeting held on 4 September 2025 2025 be confirmed as a correct record.

53. CHILDREN'S OFSTED OUTCOMES

The Cabinet considered the report of the Executive Director – Children's Social Care and Education that provided an overview of the findings from the recent inspection of Local Authority Children Services (ILACS) of Sefton Children Services, conducted from 23 June to 4 July 2025.

The following Appendix was attached to the report:

- Sefton's OFSTED ILACs report for Children Social Care June 2025

Cabinet Members raised the following matters:

- The report and the findings of the recent inspection were welcome.
- Everyone in the Council was a Corporate Parent.
- Thanks to everyone who took part in the inspection, particularly the Chief Executive; the Executive Director – Children's Social Care and Education; and all Children's Services staff.
- The strengthened relationship with partners.
- Expectations remained high.

Decisions Made:

That

(1) the report and the outcome of the ILACS of Children's Social Care which has been rated as 'Good', be noted;

(2) the fact that the improvement plan will be led by the Executive Director – Children's Social Care and Education, in collaboration with the Cabinet Member - Children, Schools and Families, and that regular reporting on progress will be made to the Overview and Scrutiny Committee (Children's Services and Safeguarding), be noted; and

(3) Children's Social Care will continue to ensure that the children, young people, and the families of Sefton, together with partner agencies, are fully engaged in co-producing the improvement plan.

Reasons for the Decisions:

The Council was extremely proud of its social care workforce in Sefton Children's Services and their achievement in relation to the OFSTED ILACs report. The Council wished to recognise and thank people with lived experience of children, parents, carers, and partners in carrying out its plans and providing feedback to OFSTED.

The report reflected that the approach to children and their families had significantly improved across Sefton Council and the partnership. This improvement had involved significant investment, in terms of finance and resources, to address previous failings of the Council to provide good enough services for children. The future of Children's Services would continue this trajectory of improvement at pace, whilst recognising that the foundations of improvement were now in place and a culture of family-focused and child-centred practice now existed within Sefton.

Alternative Options Considered and Rejected:

Not applicable.

54. FINANCIAL MANAGEMENT 2025/26 TO 2027/28 - REVENUE AND CAPITAL BUDGET UPDATE 2025/26 – OCTOBER UPDATE

The Cabinet considered the report of the Executive Director – Corporate Services and Commercial informing the **Cabinet** of:

1) The current position relating to the 2025/26 revenue budget.
2) The current forecast on Council Tax and Business Rates collection for 2025/26.
3) The monitoring position of the Council's capital programme to the end of August 2025:
    - 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 2025/26 to 2027/28

Cabinet Members raised the following matters:

- Challenges in demand-led services such as Children's Services and Adult Social Care that were being experienced both regionally and nationally.
- Additional funding to restore Southport Pier.
- The mitigations identified and actions being taken on them.

Decisions Made:

That

Revenue Outturn

(1) the current position relating to the 2025/26 revenue budget be noted;

(2) the actions being taken to refine forecasts and identify mitigating efficiencies to ensure each service achieves a balanced position be noted;

(3) the remedial action plan measures, previously approved by the Cabinet and new potential mitigations, outlined in section 3 of the report, be noted;

(4) the financial risks associated with the delivery of the 2025/26 revenue budget be recognised and it be acknowledged that the forecast outturn position will continue to be reviewed, and remedial actions put in place, to ensure a balanced forecast outturn position and financial sustainability can be achieved;

Capital Programme

(5) the spending profiles across financial years for the approved capital programme, as set out at paragraph 7.1 of the report, be noted;

(6) the latest capital expenditure position as at 3l August 2025 of £22.737m, as set out at paragraph 7.7 of the report, and the latest full year forecast of £129.786m, as set out at paragraph 7.8 of the report, be noted; and

(7) it be noted that capital resources will be managed by the Interim Executive Director - Corporate Services and Commercial 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.

Reasons for the Decisions:

To ensure the Cabinet was informed of the current position in relation to the 2025/26 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 2025/26 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 so that they could be applied to capital schemes in the delivery of the Council's overall capital strategy.

Alternative Options Considered and Rejected:

None.

55. LGA CORPORATE PEER CHALLENGE REVIEW

The Cabinet considered the report of the Interim Executive Director – Corporate Services and Commercial indicating that on 20 June 2025, the Local Government Association (LGA) conducted a Corporate Peer Challenge Review, providing robust, strategic and credible challenge and support to the Council, bringing together political and managerial leadership, using member and officer peers. The report presented the outcome of the Corporate Peer Challenge Review, and the Local Government Association feedback report.

The following appendices were attached to the report:

- Annexe A - The Sefton Council Position Statement for the LGA Corporate Peer Challenge Progress Review June 2025
- Annexe B - The LGA Corporate Peer Challenge – Progress Review, Sefton Metropolitan Borough Council (Friday 20 June 2025) Team Feedback report

Cabinet Members raised the following matters:

- Improvements made since the previous Corporate Peer Challenge Review Report.

- Development of the Corporate Plan, Transformation Plan and Performance Management Framework.
- Improvements in services throughout the Borough, particularly the progress made in Adult Social Care.

Decision Made:

That the Corporate Peer Challenge Review Report be received.

Reasons for the Decision:

The written report from the Local Government Association set out the findings and recommendations following the revisit in June 2025, included at Annexe B.

The peer team had formally recognised the clear and structured approach that the Council had implemented in responding to the original recommendations, and the notable progress that had been made in several key areas.

Alongside these positives, under the umbrella of sector led improvement, the peer team had suggested that the Council might wish to consider four areas for improvement. The Council's Executive Leadership Team was already responding to the financial challenges through robust financial monitoring and development of the Medium-Term Financial Strategy (MTFS), and the other recommendations made by the peer review team would be considered and actioned by the Council's Strategic Leadership Board as part of the established service planning process, ensuring alignment with the priorities identified in the Corporate Plan and Transformation Plan.

Alternative Options Considered and Rejected:

None.

56. Q1 (2025/26) CORPORATE PERFORMANCE REPORT

The Cabinet considered the report of the Interim Executive Director – Corporate Services and Commercial indicating that on 9 January 2025 the Cabinet had received and considered the corporate performance report for Q1 and Q2 of 2024/25, against the Sefton Corporate Plan (2024 to 2027). This was followed up by further reports on 6 March 2025 presenting the corporate performance report for Q3 of 2024/25, and on 24 July 2025 presenting the corporate performance report for the final quarter (Q4) of 2024/25. The report now submitted presented the Corporate Performance Report, set out at Annexe A, for Q1 of 2025/26, which demonstrated performance against the commitments agreed in the Sefton Corporate Plan (2024 to 2027).

The following appendix was attached to the report:

- The refreshed Corporate Performance Report, including data for operating/fiscal quarter Q1 2025/26, set out in Annexe A.

Cabinet Members welcomed the report and noted the reduction in use of agency workers in Social Care.

Decision Made:

That the corporate performance report for Q1 of 2025/26, against the Sefton Corporate Plan (2024 to 2027) be received.

Reasons for the Decision:

The refreshed Sefton Corporate Plan 2024 to 2027 stated the specific corporate objectives to deliver the Council's key strategic priorities over the next period and would be used as an opportunity to ensure that underpinning strategies and plans across the organisation also reflected the key priorities of the Council over the next period. It would help to keep the Council priorities front and centre, corporately, with partners, and collectively owned.

Alternative Options Considered and Rejected:

None.

57. COMMISSIONING AND PROCUREMENT OF JAMES HORRIGAN COURT EXTRA CARE SCHEMES

The Cabinet considered the report of the Executive Director - Adult Social Care, Health and Wellbeing (Place Director) seeking approval to undertake the commissioning and procurement for the care and support at James Horrigan Court Extra Care Housing (ECH) scheme.

The following Appendix was attached to the report:

- Appendix A - Equality Impact Assessment

Decisions Made:

That

(1) utilisation of the Liverpool City Region Flexible Purchasing System Extra Care Housing Framework (LCRFPS) to commission, procure and contract the care and support provider for James Horrigan Court Extra Care Housing Scheme for a period of three years with the option to extend for a further period of up to two years through separate one year extension options, be approved; and

(2) throughout the life of the commissioning and procurement arrangements established, delegated authority be granted to the

Executive Director - Adult Social Care, Health and Wellbeing (Place Director), in consultation with the Cabinet Member - Adult Social Care and Health, to make decisions on the procurement process, award of contracts, the contracting model, contract terms and conditions, service specification, any revised contract value and contract extension periods.

Reasons for the Decisions:

The commissioning of Extra Care Housing remained a key strategic priority for Sefton Adult Social Care to ensure that services were available which supported people to remain living independently in their own home and to provide a viable alternative to other services, such as residential care.

The Cabinet was asked to endorse the recommendations and proposals for the commissioning and procurement exercise, to ensure that there was ongoing provision of care and support at the James Horrigan Court Extra Care Scheme.

Alternative Options Considered and Rejected:

1. Decommission the Extra Care service - this was considered and rejected due to our strategic strategy to increase Extra Care housing across the borough and to reduce the need on residential care settings amongst other factors.

2. Maintaining the status quo – This was not considered a viable option due to identification of the need to establish new commissioning and contractual arrangements in Sefton for the Extra Care sector that will improve outcomes for individuals accessing these services whilst achieving system wide efficiencies for the Council.

58. CORPORATE HEALTH AND SAFETY POLICY

The Cabinet considered the report of the Interim Executive Director – Corporate Services and Commercial indicating that Health and Safety remained a corporate priority for Sefton Council, and that was reflected in the continued review of and improvement to the policy and procedures. The existing Corporate Health and Safety Policy had been updated and revised with a number of changes having been made to the following sections:

- Corporate Health and Safety Team
- Duty Holders / Building Managers
- Building Services / Property Service Managers
- Team Managers / Supervisors
- Employees
- Contractors
- Volunteers (Council Instigated)

- Schools
- External School Trips

The revised policy provided a strong foundation to further enhance the Council's approach to health and safety across the organisation.

The following appendices were attached to the report:

- Corporate Health and Safety Policy

Decision Made:

That the revised Corporate Health and Safety Policy be approved.

Reasons for the Decision:

Having an up-to-date Health and Safety Policy helped the Council to meet its statutory obligations and embed health and safety across its operations. The Corporate Health and Safety Policy had been revised to reflect the current operations in the Council.

Alternative Options Considered and Rejected:

Not revising the Health and Safety Policy which would be against the legislative requirements and could prevent the embedding of health and safety across the Council.

59. BULK PRINT AND HYBRID MAIL PROCUREMENT

The Cabinet considered the report of the Interim Executive Director – Corporate Services and Commercial that set out the background to the Council's current bulk print and mail arrangements and proposed a procurement route for a new bulk print and mail contract.

Decisions Made:

That

(1) the Interim Executive Director - Corporate Services and Commercial be authorised to conduct a procurement exercise for bulk print and hybrid mail services, as outlined in the report, with a view to entering into a contract for a period of 5 years with the option of 2 optional 12-month extensions; and

(2) the Interim Executive Director - Corporate Services and Commercial, in consultation with the Cabinet Member - Corporate Services, be granted delegated authority to award the Contract resulting from the procurement and to award any extension thereof.

Reasons for the Decisions:

The Council had a requirement for the printing and mailing of letters and documentation sent out to members of the public and staff on behalf of Revenues and Benefits, Transactional HR and Planning. The existing contract for these print and mail services was due to end in August 2026, therefore the Cabinet was asked to agree that a procurement exercise could be conducted to implement a new contract for these services.

Alternative Options Considered and Rejected:

Not applicable.

60. PROCUREMENT STRATEGY FOR LES TRANSFORMATION DE SOUTHPORT PHASE 2

The Cabinet considered the report of the Assistant Director - Highways and Public Protection that sought approval to appoint Balfour Beatty under the Scape Framework to provide Early Contract Involvement in the development of the works information for the second phase of the Les Transformation de Southport scheme with a view to a further appointment to deliver the works. The report indicated that Les Transformations de Southport aimed to improve connectivity across the town centre, including improved pedestrian and cycling routes with the waterfront, and the creation of new public spaces for hosting events. Phase 2 focused on The Promenade and the streets linking the waterfront with the town centre. The Scape Framework allowed a contractor to be appointed during the scheme design and development; to provide a Feasibility report at no cost, followed by an Early Contractor Involvement (ECI) stage during which a Target Cost was established and other pre-construction activities undertaken, leading to a Contract to deliver the works.

Cabinet Members welcomed the report and raised the following matters:

- The social value aspect of the scheme contributed towards the One Council approach.
- Phase 1 of the scheme was due to be delivered in November 2025, on time and within budget.
- It was hoped that Phase 2 of the scheme would be completed before delivery of the Southport Marine Lake Events Centre.

Decisions Made:

That

(1) the appointment of Balfour Beatty under the Scape Framework to offer Feasibility input into the development of the Les Transformation de Southport Phase 2 Scheme at no cost to the Council, be approved;

(2) delegated authority be granted to the Assistant Director - Highways and Public Protection, following consultation with the Cabinet Member - Housing and Highways, to award the Contract for Early

Contractor Involvement (ECI) for the construction of Les Transformation de Southport Phase 2 works to Balfour Beatty, subject to the Feasibility Input (above);

(3) delegated authority be granted to the Assistant Director of Highways - Public Protection, following consultation with Cabinet Member - Housing and Highways, to award the Contract for the construction of Les Transformation de Southport Phase 2 works to Balfour Beatty, subject to the Feasibility Input and ECI (above) and receipt of a Grant Funding Agreement; and

(4) delegated authority be granted to the Chief Legal and Democratic Officer, following consultation with the Cabinet Member - Housing and Highways, to sign the Grant Funding Agreement for the necessary works funding to enable the construction stage of the project to be undertaken.

Reasons for the Decisions:

Les Transformations de Southport was one of the key projects identified in the Southport Town Investment Plan and in the Business Case used to secure funding from the Town Deal Fund for Southport. The project aimed to provide the transport and public realm infrastructure needed to support the ambition of the Investment Plan and the changing patterns of travel demand and movement around the town.

Alternative Options Considered and Rejected:

The works could be delivered using a tendering process. This would introduce some further competition into the procurement process. However, the project planning would not have the benefit of contractor input until following the award of the contract for the works, thus increasing the risk of delay and claims. There was also the risk that contractors might chose not to tender due to current workloads. The tender appraisal process would result in works commencing later and perhaps extending into the summer months.

61. BOROUGH-WIDE ARTICLE 4 DIRECTION – HOUSES IN MULTIPLE OCCUPATION

The Cabinet considered the report of the Chief Planning Officer that sought approval for the making of an immediate Article 4 Direction in relation to Houses of Multiple Occupation in areas currently not covered by existing Directions. This would ensure there was a borough-wide Article 4 Direction in relation to Houses of Multiple Occupation.

The following appendices were attached to the report:

- Appendix A – Draft Article 4 Direction
- Appendix B – Areas in Which the Article 4 Direction Would Apply
- Appendix C - Draft Article 4 Direction Notice

Cabinet Members raise the following matters:

- The report demonstrated that the Council listened to the concerns of residents and tried to assist where possible.
- The process provided an opportunity for residents and communities to have their say.
- Attempts were being made to raise the standard and quality of accommodation and living standards, whilst protecting neighbourhoods.

Decisions Made:

That

(1) the making of an immediate Article 4 Direction, as attached at Appendix A to the report, for the reasons set out in the report, in relation to Houses in Multiple Occupation, which, when introduced, will now apply across the whole of Sefton, be approved;

(2) the required notifications, as set out in the report and the publication of a public notice as shown at Appendix B to the report, be authorised;

(3) the preparation of a report, following notification and consultation, seeking Cabinet approval as to whether or not to confirm this immediate Article 4 Direction, be authorised; and

Rule 27

(4) it be noted that the proposal was a Key Decision but had not been included in the Council's Forward Plan of Key Decisions. Consequently, the Leader of the Council and the Chair of the Overview and Scrutiny Committee (Regeneration and Skills) had been consulted under Rule 27 of the Access to Information Procedure Rules of the Constitution, to the decision being made by the Cabinet as a matter of urgency on the basis that it was impracticable to defer the decision until the commencement of the next Forward Plan because of the need to issue an immediate Article 4 Direction across the remainder of Sefton to remove the permitted development rights to change from a house to a House in Multiple Occupation without planning permission.

Reasons for the Decisions:

It was proposed to progress with what would be a borough-wide immediate Article 4 Direction for Homes to HMOs as set out in the report. If approved, the Council would make the direction and give notice in accordance with the regulations. This included notifying the public and Secretary of State. Once notice was served, the Direction would come into force. A period for comment was to be given, of at least 21 days, and the Direction must be confirmed within 6 months of it being made.

Alternative Options Considered and Rejected:

Option 1 – do not introduce an Article 4 Direction across the remaining parts of Sefton. The Council would not have control of conversion to small HMOs (i.e. for occupation by between 3 and 6 unrelated people) across most of Sefton. There was a risk of clusters of HMOs occurring which might impact on residential amenity. Larger HMOs (i.e. those with accommodation for more than six unrelated people) already required planning permission and would not be affected by the Direction.

Option 2 – Consider the introduction of an Article 4 Direction with non-immediate effect across the remaining parts of Sefton. This would mean that the control of use from homes to small HMOs would only be in place 12 months after the Direction was made. However, in the meantime, a number of properties could be converted without permission and the anticipated harm might already occur.

Option 3 – Consider a targeted approach and introduce Article 4 Directions only in certain neighbourhoods which had recently identified issues/concerns. This piecemeal approach was likely to only address issues in the short term and was too reactive. Problems might be directed to nearby neighbourhoods that were not covered by Direction. This option would also create unmanageable workloads for officers when each new Direction was requested. It could lead to inconsistent decisions and messages.

Options 4 – Introduce an Article 4 Direction across Sefton and revoke the existing Directions in parts of Bootle, Seaforth, Litherland and Waterloo; central Southport; and Aintree Village. However, these directions were well established. There was a risk of a new single borough-wide direction being directed by the government for withdrawal, leaving currently protected areas without a Direction.

62. 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 reasons set out below.

The Leader of the Council indicated that the agenda suggested seeking to exclude the press and public to enable the Cabinet to discuss confidential information that supported the items at agenda 14-16. However, as the information was confidential only because it contained commercially sensitive valuation evidence, it was proposed to continue in public and move straight to Agenda Item 18 – The Salfordian, Southport - Acquisition.

Decision Made:

That the press and public be not excluded from the meeting.

63. THE SALFORDIAN, SOUTHPORT - ACQUISITION - EXEMPT APPENDIX

The Cabinet had received exempt information provided by the Assistant Director – Communities in relation to The Salfordian, Southport – Acquisition, and the exempt information would be considered as part of the report in relation to The Salfordian, Southport – Acquisition, in order that an informed decision might be made. (Minute No. 67 below refers).

64. SOUTHPORT MARINE LAKE EVENTS CENTRE - EXEMPT APPENDIX

The Cabinet had received exempt information provided by the Executive Director – Regeneration, Economy and Assets in relation to the Southport Marine Lake Events Centre, and the exempt information would be considered as part of the report in relation to the Southport Marine Lake Events Centre, in order that an informed decision might be made. (Minute No. 68 below refers).

65. ASSET DISPOSAL VINE HOUSE, SEAFORTH - EXEMPT APPENDIX

The Cabinet had received exempt information provided by the Executive Director – Regeneration, Economy and Assets in relation to the Asset Disposal Vine House, Seaforth, and the exempt information would be considered as part of the report in relation to the Asset Disposal Vine House, Seaforth, in order that an informed decision might be made. (Minute No. 69 below refers).

66. THE SALFORDIAN, SOUTHPORT - ACQUISITION

The Cabinet considered the report of the Assistant Director – Communities indicating that Sefton Council continued to experience an increase in homelessness. The number of households in temporary accommodation had risen sharply and this increase was driven by factors such as an increase in demand for accommodation and a lack of suitable supply.

In February 2025, Council approved the Revenue and Capital Budget Plan 2025/26-2027/28, which included an allocation of £1m for potential acquisition and refurbishment works to premises which were assessed as suitable for the provision of temporary accommodation. The consideration of individual business cases and the decision to proceed was a Cabinet decision.

The Salfordian Hotel in Southport had been a refuge for those most in need for more than sixty years. It had been owned by Salford City Council since the 1960s and had operated as a hotel offering respite and support to Salford residents and their carers. Oversight of its operations had been managed by the Salfordian Trust. In more recent times, the hotel had been leased to a hotel operator. Recently, negotiations had been underway with its current owners, Salford Council, regarding future arrangements for use of the premises.

The report set out the business case for acquisition of The Salfordian Hotel, 37 Park Crescent, Southport, PR9 9LJ, for the purpose of providing temporary accommodation to qualifying households in Sefton, initially as accommodation for homeless single adults.

Qualifying households were defined as:

Homeless households where the local authority had reason to believe that an applicant might be homeless, eligible for assistance and had a priority need following an assessment (Homelessness code of guidance for local authorities).

The following Appendices were attached to the report:

- Appendix 1 - Acquisition – Exempt Appendix
- Appendix 2 – Frequently Asked Questions

Representations had been received by the public, including objections to the scheme and Freedom of Information requests.

Cabinet Members raised the following matters:

- The national housing crisis and increasing number of homeless people, resulting in the need for more temporary accommodation.
- The Council's statutory obligations regarding homelessness.
- Circumstances which led to homelessness.
- How the public would be consulted on the proposals through the planning process.
- How to ensure people were moved into sustainable housing.
- The importance of building new affordable housing and protecting the most vulnerable.

Decisions Made:

That

(1) the acquisition of The Salfordian Hotel, 37 Park Crescent, Southport, PR9 9LJ for the purpose of providing temporary accommodation to eligible homeless households in Sefton to the value set out at Appendix A to the report and subject to the appropriate planning permission being secured, be approved;

(2) subject to (1) above, authorisation be approved for the Assistant Director - Communities, in consultation with the Cabinet Member - Communities and Partnership Engagement, to be granted delegated authority to procure an appropriate third party registered

provider (RP) to carry out operational management of the temporary accommodation service at The Salfordian and be authorised to award the Contract(s) resulting from the procurement exercise and to award any extension or amendment thereof following a review of the original award; and

(3) the delivery of priority repair and maintenance works to The Salfordian, as identified in the condition survey, be approved.

Reasons for the Decisions:

Sefton Council had a statutory duty to prevent and relieve homelessness for its residents. The proposal would incorporate The Salfordian within the breadth of support services that were in place for Sefton residents that were housed in temporary accommodation where they could be helped to find a permanent home.

The transfer of the premises to Sefton from Salford Council would ensure that the premises remained in public ownership.

Alternative Options Considered and Rejected:

The Council might continue to lease self-contained dispersed properties from registered providers for use as temporary accommodation.

There was high demand for affordable accommodation across the housing market and from social housing provided by registered providers.

If social housing properties were extensively used for the purpose of providing temporary accommodation, it would reduce the availability of affordable accommodation for other Sefton residents. The impact of this could lead to further rises in homelessness as some households could find themselves in unaffordable private sector tenancies.

67. SOUTHPORT MARINE LAKE EVENTS CENTRE

The Cabinet considered the report of the Executive Director – Regeneration, Economy and Assets updating on the progress of the Southport Marine Lake Events Centre (MLEC). The MLEC was the signature project included within the Southport Town Deal, which secured £37.5m of Government funding. It would be the Council’s new Event Centre in Southport, generating over £19m to the economy annually, attracting over 500,000 visitors and operated by Legends Global, one of the world's leading companies in live events, venues, and brands. The report provided an update on the following:

- Demolition and enabling works
- Route to main contract
- Current budget pressures
- External funding
- Business plan update

- Appropriation of land

The report sought to reaffirm the Council's absolute commitment to ensuring delivery of the project. Despite cost inflationary pressures since the bid to the Government for funding was submitted in 2020, the business case for the project remained robust, and the importance of the project to the local and regional economy remained significant.

The following appendices were attached to the report:

- Appendix 1 – Commercial Summary (Exempt Appendix)
- Appendix 2 – Red Line Boundary

Cabinet Members raised the following matters:

- The need to balance project delivery with best value for public finance.
- The aim was to secure a main contractor and commence the project in 2026.
- Benefits to the local economy if the project was delivered.
- The project was not in jeopardy.

Decisions Made:

That

(1) progress in relation to the Demolition and Enabling works, along with future works that will continue up to main contract mobilisation, be noted;

(2) authority be delegated to the Executive Director - Regeneration, Economy and Assets, in consultation with the Cabinet Member - Regeneration, Economy and Skills, to approve the procurement and award of the main contract as a direct award via a compliant framework;

(3) authority be delegated to the Executive Director - Regeneration, Economy and Assets, in consultation with the Cabinet Member - Regeneration, Economy and Skills, to approve the procurement and award any future enabling works contracts via a compliant framework;

(4) the budgetary pressures as set out in the report be noted, along with the proposed funding solutions, and that it be noted that the finance arrangements for the Council's contribution will be agreed following consultation with the Council's Treasury Management advisors, with the final proposal to be included within the Council's budget reporting once the project budget is finalised;

(5) the Executive Director - Regeneration, Economy and Assets be authorised, in consultation with the Cabinet Member -

Regeneration, Economy and Skills, to sign any future Grant Fund Agreements with the Liverpool City Region Combined Authority;

(6) under Section 122 of the Local Government Act 1972 the land edged red on the plan attached at Appendix 1 to the report, be appropriated to planning purposes under Sections 226 and 227 of the Town and Country Planning Act 1990 for Sui generis; and

(7) the Executive Director - Regeneration, Economy and Assets be authorised, in consultation with the Chief Legal and Democratic Officer, to negotiate any statutory compensation payable to the owners of Southport Waterfront Hotel and The Scarisbrick Estate under Section 204 of the Housing and Planning Act 2016 on application of Section 203 of the 2016 Act for the loss of value in a right or interest in land that is interfered with or breached due to the development; and this will be met from within the approved project budget.

Reasons for the Decisions:

The Cabinet previously agreed to progress with a new multi-purpose events centre in Southport as part of the successful Town Deal submission, following a major consultation and engagement exercise that informed the Council-led bid for funding from Central Government. Further approvals took place in 2021 and 2022 to progress with this ambitious and economically significant scheme. The report provided updates in a number of relevant areas.

Alternative Options Considered and Rejected:

Since the increased cost pressures further alternative options have been considered, these included:

1. Stop the Project and Mothball the site.

This would involve cancelling the project and not to progress, there would be further work to landscape the site to ensure it was safe, this could cost circa £1m.

A high risk that all Town Deal Monies would be clawed back leaving the Council to fund £12m-£13m already committed expenditure for a gap site. There would be further implications for private sector development in Southport, unlikely the adjacent hotel would be sold while other proposed private sector investments such as Southport Cove might not take place.

The recently commissioned Visitor Accommodation study for Sefton indicated that The MLEC would create a demand for two new hotels in Southport by 2028 and a further hotel by 2034. With no MLEC the study indicated Southport might only need one hotel by 2034 and see no additional hotel demand in the next few years.

2.Smaller £73m Scheme

This would substantially reduce the footprint of the building, and a complete redesign would be required. The outcome would be a singular building capable of holding conference and entertainment, but it would lose its flexibility to hold multiple events. This would substantially delay the project by possibly 18-24 months due to the redesign and the need to resubmit a new planning application. This might cause the loss of any remaining town deal funds circa £21.3m.

Due to the change in venue size and operation a new operator procurement would have to be undertaken with a high chance the current operator would not be interested in managing a centre of this size. The Council's venue and planning consultants had also undertaken due diligence to the forecast P&L for the scheme; it would be very likely the Council would have to underwrite and subsidise any operator similar to the previous STCC contractual arrangements. Therefore, the Council revenue budget would have to serve the borrowing along with annual revenue payments to an operator.

68. ASSET DISPOSAL VINE HOUSE, SEAFORTH

Further to Minute No. 108 of 13 February 2025, the Cabinet considered the report of the Executive Director – Regeneration, Economy and Assets indicating that Vine House was a former residential tower block located on Kepler Street, Seaforth and was shown edged red on the Plan at Appendix 1 to the report. Vine House was owned by the Council and had been vacant since 2006. The building had been previously marketed for sale unsuccessfully and in February 2025, a report had been considered by the Cabinet as part of the Capital Programme which had included an estimated sum of £1.5m to demolish Vine House.

Following publication of the previous report, the Council had received off-market approaches from two interested parties, who were both asked to submit their proposals for the building. One developer made an offer which involved refurbishment of the building, bringing all 58 apartments back into residential use. The provisionally agreed terms of the transaction were included at Appendix 2 to the report.

The following appendices were attached to the report:

- Appendix 1 – Site Plan
- Appendix 2 – Heads of Terms – Exempt Appendix

Cabinet Members raised the following matters:

- The report was welcomed.
- The positive outcome of the proposal.

Decisions Made:

That

(1) the disposal of Vine House, Kepler Street, L21 3TL, as shown edged red on the plan at Appendix 1 to the report, to the preferred purchaser under the terms at Appendix 2 to the report, be approved;

(2) it be noted that the agreed disposal price, as set out in Appendix 2 to the report, meets best consideration requirements in accordance with Section 123 of the Local Government Act 1972; and

(3) the Chief Legal and Democratic Officer be authorised to finalise the appropriate legal documentation to document the Transfer.

Reasons for the Decisions:

The disposal of Vine House for refurbishment would see a vacant tower block brought back into residential use. In addition to the environmental benefits from refurbishing the existing building, there would be 58 new apartments delivered for Sefton residents. Refurbishing the building would remove a blight to the neighbourhood and deliver benefits to the local community in Seaforth. It could be delivered with more certainty and should start sooner than the only other option available which would be to seek to demolish the building.

The method of disposal would see the Council retain control of the asset until a satisfactory refurbishment scheme was complete, ensuring that the building did move into private ownership and remained vacant.

Alternative Options Considered and Rejected:

Alternative Option 1 – Demolition of the building.

Risk: This option would result in a financial impact on the Council for demolition costs (estimated cost of £1.5m) and would not see the delivery of 58 new homes. The Council would reduce the holding costs incurred by demolishing the building but would likely incur additional costs in relation to keeping the vacant site safe and secure. There would also be cost and resource impacts in pursuing potential development and disposal options for the vacant site.

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Cabinet Report	Sefton Council		
Report Title Here	**Families First Partnership – A New Way of Working**		
Date of meeting:	6 November 2025		
Report to:	Cabinet		
Report of:	Risthardh Hare		
Portfolio:	Children, Schools and Families		
Wards affected:	All		
Is this a key decision:	Yes	Included in Forward Plan:	Yes
Exempt/confidential report:	No		

Summary:

This report provides Cabinet with a comprehensive update on the Families First Partnership (FFP) Programme. It outlines the national context and reform agenda, shares learning from Pathfinder areas, and details Sefton's current position and strategic direction. The report also explores the implications for system-wide change, alignment with Neighbourhood Health, and the anticipated benefits for families, partners, and the wider system. Finally, it provides initial feedback from engagement and awareness raising sessions with families, children, partners and staff.

Recommendation(s):

1. Note the national reform agenda and emerging learning from Pathfinder areas, which inform the direction of the Families First Partnership Programme.
2. Approve Sefton's strategic direction for the Families First Partnership programme, including its alignment with Neighbourhood Health, Public Service Reforms, and locality-based working alongside the VCF sector.
3. Endorse the continued implementation of the programme, including the commitment of resources and support for multi-agency engagement required to deliver the proposed model.
4. Agree to receive further updates as the programme progresses, including key milestones, impact measures, and any significant changes to scope or delivery.

1. The Rationale and Evidence for the Recommendations

1.1 National Context and Reform Overview

The Families First Partnership Programme was initiated in April 2025 following the Independent Review of Children's Social Care and the Child Safeguarding Practice Review Panel's National

Review. These reviews highlighted systemic failings and advocated for a shift from crisis-driven interventions to early, preventative, and family-led support. The programme builds on the Families First for Children Pathfinder (FFCP), which ran from July 2023 to March 2025 across ten local authorities. The Pathfinder areas tested reforms across four pillars: Family Help, Multi-Agency Child Protection Teams (MACPTs), Family Group Decision Making (FGDM), and stronger multi-agency safeguarding arrangements. The programme is guided by the 'Stable Homes, Built on Love' strategy and aligns with 'Working Together to Safeguard Children (2023)' and the National Framework for Children's Social Care.

1.2. Learning from Pathfinder Areas

Evaluation of the Families First for Children Pathfinder revealed several key insights. Successful implementation relied heavily on co-design with families, frontline staff, and partners. Education emerged as a vital partner, particularly where headteachers were actively engaged. Workforce development, including training and role clarity for Family Help Lead Practitioners (FHLPs) and Lead Child Protection Practitioners (LCPPs), was essential for embedding new practices. Common challenges included partner capacity, cultural change, and data integration. However, families reported feeling more heard, supported earlier, and empowered in decision-making. Dorset, a Wave 1 Pathfinder, achieved improved outcomes and was rated Outstanding by Ofsted in March 2025, demonstrating the impact of relational practice and co-created plans.

1.3. Requirements of Families First Partnership

Government guidance sets out the changes that are required by Local Authorities and wider systems; although how these are delivered are open to interpretation and many LA's have taken different approaches. Minimum requirements for implementation include:

A. Transition to Family Help

Local authorities must redesign their early help and child in need services into a single, integrated Family Help offer. This includes:

- Combining Targeted Early Help and Child in Need into one service pathway.
- Establishing multi-disciplinary teams (MDTs) that include professionals from social care, education, health, and voluntary/community sectors.
- Introducing the role of the Family Help Lead Practitioner (FHLP), who remains the consistent point of contact for families across the support journey.
- Developing a shared practice framework and multi-agency workforce development plan to support FHLPs.
- Ensuring management and supervision structures are in place for FHLPs, including those not employed by the local authority.
- Creating data-sharing agreements and systems that allow for shared access to family plans and assessments.

B. Establishment of Multi-Agency Child Protection Teams (MACPTs)

Local authorities must create dedicated MACPTs to respond to significant harm. Requirements include:

- Forming teams with police, health, education, and social care professionals as a minimum.
- Appointing Lead Child Protection Practitioners (LCPPs)—experienced social workers who lead strategy meetings, Section 47 enquiries, and child protection conferences.
- Locating MACPTs within or alongside Family Help teams to maintain relational practice.
- Designing MACPTs as centres of excellence, integrated with the multi-agency front door, Family Hubs, and court teams.
- Ensuring MACPTs are equipped to respond to all harm types, including those outside the home and online.
- Embedding shared vision, identity, and practice frameworks across agencies.

C. Embedding Family Group Decision Making (FGDM)

Family Group Decision Making (FGDM) must be a mandatory offer at pre-proceedings and embedded across Family Help and child protection. Requirements include:

- Using family networks to co-create sustainable plans that avoid care proceedings.
- Aligning FGDM with existing practices and integrating family network plans into statutory plans.
- Providing training and development for staff and partners to support FGDM.
- Ensuring FGDM is accessible, timely, and strengths-based, empowering families to lead change.

D. Revising the Threshold Document

Local authorities must revise their Threshold of Need document by March 2026. This includes:

- Creating a shared understanding of need levels across all professionals.
- Using accessible, family-friendly language to support confident conversations.
- Aligning thresholds with Families First principles and the national reform agenda.
- Providing clear indicators and tools for effective decision-making and referrals.

E. Developing a Single Assessment and Plan

A unified assessment and planning tool must replace fragmented systems. Requirements include:

- Co-producing a single, flexible, and relational assessment that adapts to changing family needs.

- Ensuring the plan is shared across agencies, practical, and strengths-based.
- Making the plan a living document that evolves over time and is accessible to all relevant practitioners.
- Integrating Targeted Early Help and Child in Need into a single case management system.

1.4. Implications for System-Wide Change

The reforms signify a comprehensive transformation of children's services. The shift is from siloed services to integrated pathways, from assessment-driven processes to relationship-based practice, and from gatekeeping to enabling support. The system is evolving from reactive responses to preventative interventions. This transformation necessitates changes in governance, workforce roles, data systems, and commissioning. It also requires a cultural shift towards shared accountability, professional curiosity, and continuous learning.

1.5. Alignment with Neighbourhood Health

Sefton is aligning the FFP Programme with an emerging Neighbourhood Health model, which shares core principles such as place-based working, joined-up care, early intervention, person-centred approaches, and tackling inequalities. This alignment facilitates truly integrated support across health, education, social care, and community services, ensuring that families feel known, supported, and empowered.

1.6 Alignment with Localities working

The Families First Partnership Programme emphasises place-based, integrated working across universal services and community assets. Sefton will embed the Family Help teams within local footprints to strengthen collaboration with schools, health, and other universal services, ensuring families receive timely and coordinated support. It also creates opportunities to deepen partnerships with the voluntary, community, and faith (VCF) sector, recognising their vital role in building trust, offering early help, and sustaining long-term resilience within communities. This alignment supports a whole-system approach where families are supported by a network of professionals and community partners who know their local context and can respond to their needs.

1.7. Sefton's Current Position

Sefton begins this journey from a position of readiness and ambition. The Team Around the School (TAS) and Team Around a Baby (TAB) models demonstrate effective integrated working. Trauma-informed and systemic practice foundations are well established, and multi-agency partnerships, particularly with health and education, are strong. Co-production and lived experience are embedded in service design, particularly across SEND and the move to a conversational model in the front door are all strong foundations.

1.8. Expected Benefits

The programme is expected to deliver significant benefits for families, partners, and the system. Families will experience consistent support from a lead practitioner, timely and relational interventions, and co-created plans that reflect their real-life needs. Partners will benefit from shared responsibility, improved information sharing, access to training, and stronger collaboration. The vision is for the system to see reduced escalation to statutory services, integrated locality-based delivery, a culture of continuous improvement, and data-driven insights for performance monitoring.

1.9. Awareness Raising & Engagement

Extensive engagement has been undertaken across Sefton to ensure the Families First Partnership Programme is shaped by lived experience and frontline insight. We have directly engaged with over 300 families who participated in community events and have had 638 surveys completed to date. Engagement spanned a diverse range of groups including SEND families, migrant communities, and home-educating parents. While many families reported feeling listened to, concerns were raised around service accessibility, long waiting lists, and the need to repeat their stories multiple times. Families expressed a strong desire for a single point of contact, clearer information about services, and more support embedded within schools and community settings. Community settings refer to accessible, everyday environments where families naturally interact with services – such as schools, children's centres, family hubs, libraries, health centres, and other universal service touchpoints. There was also a clear appetite for co-production, with families keen to be involved in shaping services through surveys, feedback sessions, and advisory roles.

Staff and partners echoed many of these themes, highlighting strengths such as trusted relationships with families, strong multi-agency collaboration, and a shared commitment to early help and family-centred approaches. Staff emphasised the need for co-location within existing community settings, such as Family Hubs, as a way to enhance visibility, accessibility, and coordination of support. Settings such as Family Hubs, libraries, and leisure centres already serve as familiar, non-stigmatising spaces where families engage with universal services, making them ideal considerations for co-location options. Staff also identified the need for clearer guidance on roles and responsibilities, and targeted training to support the transition to new models of practice that reflect the locality-based, whole-family ethos of the Families First Partnership.

These insights will continue to shape the implementation of the programme and ensure it remains responsive to the needs of those it serves.

1.10. Next steps

Effective, coherent governance arrangements will be established to oversee a co-produced model of delivery and implementation. The Families First Multi-Agency Implementation Board will oversee progress and development.

A wider governance structure has been developed to reflect the wider strategic integration across Sefton's Neighbourhood Health and Public Sector Reform programmes, which share core principles such as place-based support. Through shared governance structures and joint planning mechanisms, such as gateway reviews and touchpoint meetings, the FFP programme contributes to a cohesive system.

2. Financial Implications

Sefton has been allocated £1,260,793 for the implementation of the Families First Partnership Programme for this financial year. Additional funding has been indicated although the amount is yet to be disclosed. It is expected that 30-40% of this is used on transformation costs. Returns to the Department of Education on progress and spending is required.

Any grant funding will need to be used for the purposes it has been awarded for and the on-going financial implications of the programme will need to be fully understood to ensure if there is ongoing investment required as this will have to come from within existing resources once the grant funding is no longer available. This funding is ringfenced to support the development of children's social care.

3. Legal Implications

The implementation of the Families First Partnership Programme aligns with statutory responsibilities under the Children Act 1989 and 2004 and supports compliance with the updated *Working Together to Safeguard Children (2023)* guidance. The establishment of Multi-Agency Child Protection Teams (MACPTs), Family Help Lead Practitioners (FHLPs), and the integration of services necessitate robust data-sharing agreements and governance frameworks to ensure legal compliance, particularly with respect to safeguarding, information governance, and GDPR. Legal services will be engaged to support the revision of the Threshold of Need document and the development of shared assessment tools to ensure statutory thresholds and duties are met.

4. Risk Implications

The programme represents a significant transformation of children's services and carries associated risks, all of which are captured within a dedicated risk register, alongside identified mitigating actions to support safe and effective implementation. Risks include:

- Operational risks related to workforce capacity, cultural change, and integration of new roles and systems.
- Strategic risks around alignment with existing services, particularly where siloed commissioning and Family Hubs may hinder implementation.
- Financial risks due to reliance on transformation funding and the need for sustained investment beyond initial allocations.
- Reputational risks if outcomes are not achieved or if engagement with families and partners is insufficient. A comprehensive risk management framework will be developed, including mitigation strategies, performance monitoring, and feedback loops to ensure adaptive learning and continuous improvement.

5 Staffing HR Implications

The programme requires significant workforce transformation, including the creation and training of new roles such as FHLPs and LCPPs, and the development of multi-disciplinary teams. This will involve:

- Workforce modelling and planning to ensure sufficient capacity and skill mix.
- Training in trauma-informed and systemic practice.
- Role clarity and supervision structures, particularly for staff not directly employed by the local authority.
- Engagement with HR to support recruitment, retention, and transition planning.
- HR will play a critical role in supporting organisational change, embedding new roles, and ensuring staff wellbeing throughout the transformation.

6 Conclusion

The Families First Partnership Programme presents a unique opportunity for Sefton to lead the way in implementing national reforms that prioritise early intervention, family-led support, and integrated working. Building on strong foundations and existing models, Sefton is well-positioned to pilot a coherent, locality-based approach that includes universal services and voluntary and faith sector, whilst aligning with Neighbourhood Health and delivering meaningful change for children, families, and communities. Cabinet's endorsement and continued support will be essential in driving forward this ambitious transformation and realising the anticipated benefits across the system.

Alternative Options Considered and Rejected

N/A

Equality Implications: There are no equality implications at this stage
Impact on Children and Young People: Children and young people will be directly affected by future changes to how services are delivered going forward. They will continue to play a central role in co-design to mitigate and negative impacts or challenges.
Climate Emergency Implications: The recommendations within this report will have a Neutral impact. On climate emergency.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.9108/25) and the Chief Legal and Democratic Officer (LD.6308/25) have been consulted, and any comments have been incorporated into the report.

(B) External Consultations

Not applicable

Implementation Date for the Decision:

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

Agenda Item 4

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Appendices:

There are no appendices to this report

Background Papers:

N/A

Agenda Item 5

Cabinet Report	Sefton Council		
Report Title:	**Thornton - S106 Contributions and Proposal to Expand St William of York Catholic Primary School.**		
Date of meeting:	6 November 2025		
Report to:	Cabinet		
Report of:	Executive Director - Children Social Care and Education		
Portfolio:	Children, School and Families		
Wards affected:	Manor		
Is this a key decision:	Yes	Included in Forward Plan:	Yes
Exempt/confidential report:	No		

Summary:

Sefton's Local Plan, adopted in April 2017, allocated land for new homes across the borough, including four large sites in and around Thornton. Many of the homes have now been permitted, commenced and/or completed. To address the need to provide additional primary school places in the local area as a direct result of housing growth, section 106 financial contributions have been secured to extend a primary school in the local area. Due to the proximity of St William of York Catholic Primary School to the housing sites, the availability of land at the school, and with the support of the governors and archdiocese, it is proposed that this school is the preferred location to provide additional capacity through expansion.

Recommendation(s):

(1) Approve the publication of a statutory proposal to expand St William of York Catholic Primary School from 210 pupils to 315 pupils so this can be published during the 2025/26 academic year once Council has agreed the funding.

(2) That Cabinet recommends to Council the approval of a supplementary capital estimate of £1.075m for the expansion of St William of York Catholic Primary School (Phase1) funded by Section 106 contributions.

(3) Delegate authority to the Executive Director of Children's Services and relevant officers, in consultation with the Cabinet Member for Children, Schools and Families and the Archdiocese, to:

- Progress the proposal, including responding to any representations received during the statutory consultation period.

- Implement the approved expansion.
- Proceed with the procurement and delivery of the necessary works.

1. The Rationale and Evidence for the Recommendations

1.1 The Sefton Local Plan was adopted in April 2017. It allocated land for the development of over 11,000 new homes up to 2030.

1.2 The Local Plan included four large housing allocations in and around the **Thornton** area, namely:

- Land at Holgate, Thornton
- Land at Lydiate Lane, Thornton
- Land south of Runnell's Lane, Thornton
- Land at Southport Old Road, Thornton

1.3 Whilst the total number of homes on these sites has yet to be finalised, it is expected to be in the region of 800.

1.4 During the preparation of the Local Plan and subsequently officers from the Education and Planning departments have worked closely to ensure that the impact of new housing developments on school provision was fully considered. As a result, policies have been put in place to mitigate any potential impact.

1.5 In certain areas of Sefton (including Thornton), developers are required to make financial contributions towards local primary school provision. These contributions are secured through Section 106 planning agreements.

1.6 The housing sites are at various stages of development, with the **Runnells Lane** site largely complete; Holgate and Lydiate Lane] currently under construction; and a planning application expected shortly for the Southport Old Road site.

1.7 As a result, not all education contributions due under Section 106 agreements have yet been received.

1.8 The status of Section 106 contributions for education on these sites is as follows:

Site	Contributions Expected	Contributions Received so far
Land at Holgate	£459,380.00	£459,380.00 (received in full)

Land at Lydiate Lane	£624,612.20	£206,586.15 (remainder to be paid in instalments at commencement of each phase of development over next 2 to 3 years)
Land south of Runnell's Lane	£409,293.00	£409,293.00 (received in full)
Land at Southport Old Road	To be determined. We are expecting c110 homes on this site, which will secure over £300,000	To be determined within a future s106 agreement.

1.9 The total funding received so far (£1,075,000) or the total in signed agreements (£1,493,000) will not be sufficient to support a full expansion of St William of York from a 30-pupil per year intake (1 form entry) to a 60-pupil per year intake (2 form entry), increasing overall capacity from 210 to 420 pupils.

1.10 In any case, the level of housing development—both built and proposed—in the surrounding area does not justify such an expansion and may result in surplus places.

1.11 It is therefore proposed that the school be expanded to a 45-pupil per year intake (1.5 form entry), with the increase implemented in phases. The extension will be designed to 'future-proof' the school, allowing for further expansion to be added with minimal disruption, if and when required, including to reflect monies secured at Southport Old Road and/or other housing schemes in the local area.

2. Financial Implications

(A) Revenue Costs

The revenue costs associated with this initiative would be covered by the school's existing budget. This includes any operational expenses that arise as part of the implementation, ensuring that no additional financial burden is placed on external funding sources or the local authority.

(B) Capital Costs

The total cost of the Phase 1 expansion is estimated to be £1,075,259 fully funded from S106 monies that have already been received. The contributions currently secured towards the Thornton area from the 3 development sites; Land north of Lydiate Lane, Rear of 1-93 Runnells Lane and Land off Holgate (Orchard Place), Cunliffe's Property and Construction

Consultancy, which is commissioned by the archdiocese, is currently progressing the development of detailed plans for the project, including budget cost estimates.

3. Legal Implications

3.1 Under Section 14 of the Education Act 1996, local authorities have a statutory duty to ensure that there are sufficient school places available to meet the needs of children requiring primary and secondary education within their area. This duty includes ensuring that schools are sufficient in number, character, and equipment to provide suitable education for pupils of varying ages, abilities, aptitudes, and special educational needs.

3.2 Where additional places are required; the local authority may propose an enlargement of school premises to increase capacity. Such proposals must follow the statutory process outlined in the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013, as amended. This process includes formal consultation, publication of proposals, a representation period, and a decision-making stage, ensuring transparency and stakeholder engagement throughout.

3.3 The statutory process is outlined in the table below:

Stage	Description	Timescale	Comments
Stage 1	Publication (statutory proposal/notice)		Must be published on Sefton website
Stage 2	Representation (formal consultation)	Must be 4 weeks from date of publication	As set out in 'Prescribed Alterations' regulations
Stage 3	Decision (by Cabinet)	LA should decide proposal within two months otherwise it will fall to the Schools Adjudicator	Any appeal to the adjudicator must be made within 4 weeks of the decision
Stage 4	Implementation	No prescribed timescale	It must be as specified in the published statutory notice, subject to any modifications agreed by the decision-maker

4. Corporate Risk Implications

N/A

5. Staffing Risk Implications

N/A

6. Conclusion

6.1 In addition to increasing pupil capacity, the planned expansion of St William of York will significantly reduce travel distances for children, thereby improving accessibility and supporting families within the local community.

6.2 The proposed increase in school places would accommodate both catholic and non-faith pupils. This reflects the current demographic of the school, where over 50% of pupils are from non-faith backgrounds

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

7.1 As part of the development of the Local Plan, a range of options were carefully considered to identify schools suitable for expansion. St William of York Catholic Primary School was identified as a strong candidate due to its close proximity to the proposed housing developments and the availability of land within the school site, making it a practical and strategic choice for meeting future demand

7.2 The proposed increase in school places would accommodate both Catholic and non-faith pupils. This reflects the current demographic of the school, where over **50% of pupils** are from non-faith backgrounds.

Equality Implications:

The Equality Act 2010 says public authorities must comply with the public sector equality duty. In carrying out their functions, they need to have due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010 to:

- ✓ Eliminate unlawful discrimination, harassment and victimisation and any other conduct prohibited by or under this Act.
- ✓ Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it.
- ✓ Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The protected characteristics are:

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

In Sefton, a motion was approved by Council, at its meeting on 19th January 2023 to include Care Experience, as a protected characteristic. This decision is recognised in the Equality, Diversity and Inclusion Strategy.

Young people are a protected characteristic by age, but they may also have other protected characteristics too, for example they may also have a disability or care experienced.

According to the Census 2021 there are 71, 404 children and young people aged 0 – 24. In Sefton there are also currently over 400 cared for children and as of 1st October 2024, 3,595 children and young people who have an Education, Health, and Care plan which Sefton are responsible to maintain the EHCP for.

This proposal will positively impact on children and young people who have special educational needs. the number of school places for children of preschool age and thereby increasing opportunities for parental choice, in line with DfE guidance.

This proposal seeks to establish in house places that delivers for the current cohort of children within the borough and therefore ensures that we are taking due regard for their needs.

Wherever possible the needs of a young person should be addressed within their local community at a local mainstream setting. Children experiencing additional (special educational) needs benefit from opportunities to be educated alongside their peers, fostering peer acceptance and positive self-image and enabling them to develop local friendships.

Impact on Children and Young People: More local provision will allow pupils to travel to a school closer to home, reducing time spent travelling each day.

Climate Emergency Implications:
The recommendations within this report will have a positive impact.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD. 9120/25) and the Chief Legal and Democratic Officer (LD. 6320/25) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Extensive consultation was conducted as part of the Local Plan, but more recently additional consultation has been conducted with governors, staff at the school and the archdiocese.

Implementation Date for the Decision:

Following the expiry of the "call-in" period for the Cabinet decision.

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Appendices:

The following appendices are attached to this report:

1. **Appendix 1 Pupil Places and Pupil Numbers:**

Background Papers:

There are no background papers available

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Appendix 1

Pupil Places and Pupil Numbers:

Sefton is divided into planning areas for the purposes of pupil place planning. Schools located in Waterloo, Crosby, Blundellsands, Thornton and Hightown form part of the Crosby Planning Area.

The schools within this planning area had the following numbers on roll as of 6th October 2025:

School	PAN (Published Admission Number)	Reception	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Forefield Community Infant	90	90	91	91	0	0	0	0
Forefield Community Junior	90	0	0	0	90	89	90	91
Great Crosby Catholic Primary	90 (R, Yr 1, 3 & 6) 120 yrs 2, 4 & 5	89	71	101	93	117	120	92
Rimrose Hope CE Primary	45	47	45	35	41	36	45	45
St Edmund's/St Thomas' Catholic	30 R - yr 2 (capped), 45 yrs 3-6	27	17	24	42	41	41	40
St John's CE Primary Waterloo	30	22	27	26	30	25	29	29
St Luke's Halsall CE Primary	30	36	27	30	31	30	31	30
St Mary's Catholic Primary	15	13	12	15	16	14	15	15
St Nicholas' CE Primary	30	29	30	29	30	31	31	30
St William of York Catholic Primary	30	30	30	29	27	31	30	30
Ursuline Catholic Primary	60	58	60	59	59	57	57	60
Valewood Community Primary	30	30	28	30	30	30	30	30
Waterloo Community Primary	60	44	54	52	51	64	66	53

With the exception of two year groups (Years 3 and 4), St William of York is currently operating at full capacity. There are six pupils on the waiting list for Reception.

The following schools are located within a two-mile radius of St William of York catholic Primary School:

Forefield Junior (0.743)	at capacity
Forefield Infant (0.796)	at capacity
Great Crosby RC Primary (0.964)	other than year 1, at / almost at capacity in other year groups
Holy Spirit (1.25)	some surplus places
The Grange (1.269)	over subscribed
Netherton Moss (1.27)	only a few surplus places across the school
St Luke's Halsall (1.414)	at capacity
St Oswalds (1.638)	only a few surplus places across the school

Pupil projections

Below are the pupil projections for the Crosby Primary Planning Area, as submitted in the School Capacity (SCAP) return in July 2025:

Forecasts	Reception	1	2	3	4	5	6
2026/27	513	517	482	540	560	577	593
2027/28	480	514	520	489	545	561	579
2028/29	497	482	517	526	494	546	563
2029/30	494	499	485	523	531	495	558

St William of York Catholic Primary School has been rated 'Good' by Ofsted. The school maintains healthy pupil numbers and provides education to children from both Catholic and non-faith backgrounds. It draws pupils from a range of geographical areas, including Crosby, Thornton and Netherton.

Cabinet Report	Sefton Council		
Report Title:	**Southport Town Hall Square and Gardens Project Update**		
Date of meeting:	6 November 2025		
Report to:	Cabinet		
Report of:	Executive Director - Regeneration, Economy and Assets		
Portfolio:	Regeneration, Economy and Skills		
Wards affected:	All wards		
Is this a key decision:	Yes	Included in Forward Plan:	Yes
Exempt/confidential report:	No		

Summary:

The purpose of the report is to provide an update on the Southport Town Hall square and gardens project, including providing an overview of the early feedback of the consultation process. It also includes required procurement approvals, and confirmation of the chair of the Project Board.

Southport Town Hall square and gardens have long been an integral part of Southport's rich history, but in the wake of the tragic events of July 2024 it took on new meaning as a place of unity, healing, hope and remembrance. The legacy project in Southport Town Centre proposed by, and to be led by, the families of Elsie, Alice, and Bebe. Their collective vision is for a new town square and gardens that will be a child-friendly and family-focused flexible events space in the heart of Southport Town Centre, that will provide a lasting positive legacy for their girls and provides an opportunity to say "thank you" to the town for the support they have received from their community.

Recommendation(s):

Cabinet is asked to:

(1) To approve the appointment of Ridge and Partners as Lead Consultant, Project Manager and Quantity Surveyor for the duration of the project;

(2) To confirm support for the appointment of Lady Marina Dalglish as Independent Chair of the Project Board; and

(3) To note the feedback received via the first stage of the consultation and engagement process.

1. The Rationale and Evidence for the Recommendations

The recommendations in this report provide additional estimates to the capital programme so that they can be applied to the project as part of the Council's overall financial strategy. This enables the Council to deliver support to the families and to enable delivery of the legacy project.

Background

The families of Alice, Bebe and Elsie envisage the Town Hall gardens space as a safe and joyful place, full of energy and creative expression—particularly for Southport's younger generations. The proposed project has been presented to Sefton Council, the Liverpool City Region Combined Authority (LCR CA), the Ministry for Housing, Communities and Local Government (MHCLG), and the Prime Minister's office, seeking capital funding to deliver this legacy project, which as per announcements on 10th June 2025 has had funding approved by the Prime Minister and MHCLG, in addition to financial support from the LCR CA and Sefton Council.

Stage 1 Consultation

Stage 1 of the consultation process commenced on the 25th August 2025. Various specific engagement meetings have also taken place, including meetings with the families, Southport Access for Everyone, Southport Civic Society and Ward Councillors. Targeted engagement will continue with further meetings with local schools, neighbouring businesses and other interested parties over the coming months.

Stage 1 finished on 26th September 2025. However, any comments or feedback received after this date will also be considered. In total 67 responses were received, with key themes identified particularly including:

- Fountain / Water Feature – a strong theme throughout was the desire for a water feature in the scheme. It is recognised that a family friendly and child focused space will require a water feature of some sort. Consideration of appropriate memorial to Princess Diana must also be included in some form if the existing fountain is to be replaced.

- Heritage / Pavillion Buildings – Heritage will be assessed in the feasibility study and the planning application, in the context of the adjacent listed buildings. Information on the two pavilion buildings currently located on site is outlined in the FAQs on the Council's internet page. Engagement has taken place with Heritage England and local groups such as the Southport Civic Society.

- Greenery & Trees – comments have been received which raise concerns about the trees and greenery currently on site. This topic will be managed through the planning application through Biodiversity Net Gain and arboriculture reports. The project aims to improve the appearance of the space and will incorporate new greenery into the gardens space.

- Activation of the space / Maintenance / Social Issues – various comments received about the use of the space, how it will be maintained and potential social issues. The plans are to activate the space. The Council is undertaking maintenance planning and business planning for the space and the surrounding area. Ongoing engagement with Lord Street in Bloom will also consider ongoing maintenance from volunteer groups as part of the design.

- Vehicle Access / Parking – comments regarding vehicle access and parking have been raised. It remains that a family friendly and child focused space does not include moving vehicles or a through route. Engagement has taken place with Southport Access For Everyone to discuss the plans and potential mitigations. A vehicle task group is in place for the project that is currently looking at alternative locations for Blue Badge Parking in proximity to the site.

Project Board

As previously reported to Cabinet, it has been agreed that a Project Board will be established to provide oversight to the project and support to the families throughout the project development and delivery process.

It has been agreed with the families and with MHCLG that Lady Marina Dalglish will be the independent chair of this Project Board. Her experience and expertise, her perspective and her compassion will be hugely beneficial to the board, to the project, and most importantly to the families.

The project board will also include representation from the families of Alice, Bebe and Elsie, along with representatives from each funder (Ministry for Housing, Communities and Local Government; Liverpool City Region Combined Authority; and Sefton Council). Other board members may be appointed as beneficial to the project and to the process.

Terms Of Reference have been drafted for the project board, and these will be finalised at the first Project Board meeting, to be scheduled in due course.

Lead Consultant, Project Manager and Quantity Surveyor

The Council committed resources to the design and pre-development stages of the project in June of 2025 and will require additional external and specialist knowledge and expertise to support this process and the further development of the project.

One of the key tasks in this programme of work will be the Lead Consultant, Project Management and Quantity Surveyor support required in areas related to all Pre-Construction Design and including but not limited to architectural, structural, mechanical, electrical and cost management services.

In order to progress the project at pace and with the sensitivity required, given the scope of this work and level of technical expertise necessary the most appropriate way to resource the Lead Consultant, Project Manager and Quantity Surveyor and related design services is through direct appointment via a compliant framework.

Given the level of resource necessary and related outsourcing requirement, the use of a framework provider is recognised as the most beneficial manner to progress the procurement of the necessary expertise and capacity based on an employers' requirement (scope of works) for the project setting out the related design tasks.

In considering available commercial frameworks Fusion 21 include service lots appropriate to the required scope. A representative framework manager was contacted, and Fusion 21 was identified as the preferred framework under Lot 1: Project Management Multidisciplinary and Lead Consultant, and within that lot a direct award has been identified as both compliant with the Procurement Act 23 and beneficial in terms of value for money and social value.

Fusion 21 also align with the procurement policy for the project, which outlines the social value of using local suppliers. Ridge and Partners have been appointed to undertake the RIBA Stage 1 works in October 2025. This includes the feasibility study and the reports and surveys as outlined in the table below.

Ridge & Partners Surveys and Reports – RIBA Stage 1
Topo & GPRS
Ground Investigation
Ecology (PEA)
Bat / Nesting Birds Survey
Biodiversity Net Gain Assessment
Archaeological desktop & Heritage
Archaeological fieldwork Allowance
Arboricultural Impact Assessment
UXO Report
Air Quality Assessments
Noise & Vibration Report
Sunlight / Daylight Assessment
Pre-Demolition Audit
Drains CCTV Survey
Crime Impact Assessment
FRA
Transport Assessment
Sustainability Strategy
Servicing and Management Plan (inc waste management)

CEMP	
Allowance for Other (Contingency)	

Ridge and Partners have been identified as an appropriate consultant and have carried out a full review of all the draft design information of the project and have given due consideration to the Project Scope. On this basis Ridge and Partners have provided a cost of service for the required lead consultant, project manager and quantity surveyor role for the project. In addition, and in relation to sub-contracted design services Ridge and Partners can demonstrate value for money base on their own industry benchmarking and competitive assessment of costs provided by third party suppliers.

Ridge and Partners will be selected and procured, in compliance with the Council's Contract Procedure Rules and the Procurement Act 2023 as a result of choosing to appoint a uniquely qualified supplier via framework under the approved pre-procured Lot 1: Project Management Multidisciplinary and Lead Consultant. The framework was procured under competitive process.

In addition to the evaluation and due diligence processes undertaken by the framework during procurement, the Council has undertaken additional and robust due diligence to ensure confidence in Ridge and Partners as lead consultant for the project. This is in terms of best value for money, proven track record of similar works that demonstrate experience and expertise, and also in terms of relationship and partnership ethos to work effectively as part of the team on such an important and sensitive project.

There is a £10 million project budget which has the full backing of Sefton Council, the Liverpool City Region Combined Authority, the UK Government and the Royal Family. This budget was previously approved by Cabinet and Council in the Cabinet report taken to meeting planned for 19th June 2025 and was re-arranged to 4th September 2025.

The total fees for Ridge are £1,493,067.00. This total covers the cost of professional fees (core design team), allowance for additional consultants required for monitoring post contract, surveys, reports, planning fees and public consultation allowance. Additional subcontractors and subconsultants would be procured by, and contracted to, Ridge and Partners directly.

It is recommended to appoint Ridge and Partners as the Lead Consultant, Project Manager and Quantity Surveyor.

Pre-Project Improvement Works

Prior to the project starting on site, some short-term works have been undertaken to improve the appearance of the gardens, including new planters on site. There are currently two vacant retail units on site, namely the old Crave unit and old Pavillion Unit. Rather than the two existing retail units staying vacant and being boarded up with hoardings, the opportunity to provide the two units to a local business on a short-term lease has been explored.

Sefton Council has agreed with Southport Football Club Community Foundation and The Big Onion Community Hub to proposals to take over the two retail units located within the Southport Town Hall square and gardens. This would be on a short term basis, until works commence on site. This duration of occupation will depend on timing of commencement of the works, which in turn will be determined by the ongoing consultation and design processes.

The Southport FC Community Foundation proposal outlined a plan to operate as a community café and serve as a visible, active community hub in the centre of Southport offering positive social outcomes over profit. 100% of the profits made will be donated to Southport FC Community Foundation, which directly supports local programmes and outreach projects across the town. The café would be open 7 days a week, providing consistent engagement and support for residents and visitors.

A proposal has been received from The Big Onion Community Hub CIC to take over one of the units (the Crave unit), in partnership with nine local CICs from Southport and the wider Sefton borough whose work focuses on social inclusion agenda, to support people becoming more socially connected and economically independent. Freedom to Flourish and the nine CIC's have committed to delivering a 6/7 day a week offer, focussing on delivering a diverse programme of sessions and activities targeted at families and local people of all ages.

The units required some minor works such as electrical periodic test, fire alarm, emergency lighting, legionella risk assessment, and an intruder alarm for both units.

Next Steps

The next steps for the project are to work with Ridge and Partners to procure subconsultants and progress with feasibility study, reports and surveys; to incorporate the consultation feedback received into the ongoing design process; to continue to work with Sefton Procurement with the support of Ridge and Partners to ensure onboarding of the construction contractor via a compliant route, as per previous Cabinet approvals;

and to convene the first meeting of the Project Board, led by the appointed independent chair.

2. Financial Implications

The project is made possible via a £10 million investment, with both Sefton Council and the Liverpool City Region Combined Authority providing £2.5 million, and the UK Government (MHCLG) allocating £5 million to the works.

Revenue implications relating to maintenance or activation of the space, or any capital requirements relating to adjacent buildings in Council ownership, will be progressed separately. The funding above is solely for the project to be led by the families.

3. Legal Implications

The procurement exercise will be compliant with both legislation and the council's contract procedure rules in order to satisfy the delegation in the recommendation. Appropriate contract documentation will be prepared to secure the works.

The governance arrangements proposed, to enable the families continued leadership of the scheme will work within the council's existing decision-making structures.

4. Corporate Risk Implications

The project will have a risk register, as per Council processes and procedures, to manage all risks relating to the works, particularly in relation to the capital budget for the works.

5 Staffing HR Implications

There are no staffing implications associated with this report.

6 Conclusion

This project will deliver a fitting legacy for Alice, Bebe, and Elsie, and will transform space with untapped potential at this time. A child-friendly and family-focused square and gardens at the heart of Southport town centre will not only support the families in fulfilling their ambitions to say “thank you” to the town, but will also support togetherness in the community alongside economic and place-based benefits.

Alternative Options Considered and Rejected

No other options have been considered. There is absolute commitment to supporting this project which is being led by the families of Elsie Dot Stancombe, Alice Da Silva Aguiar, and Bebe King to ensure their vision is fully realised.

Equality Implications: There are no equality implications at this stage. A full Equality Impact Assessment will be produced and published as part of the project development process.
Impact on Children and Young People: This project will have a positive impact on children and young people within Southport and across the Borough. Children and young people are at the heart and focus of this project and will be consulted throughout the process.
Climate Emergency Implications: The recommendations within this report will have a neutral impact. Relevant opportunities in relation to environmental sustainability will be progressed as part of the project development process.

What consultations have taken place on the proposals and when?

Agenda Item 6

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD.9119/25) and the Chief Legal and Democratic Officer (LD.6319/25) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

The first stage of the public consultation process has been completed, with feedback to be incorporated into the design development process – ongoing consultation and engagement will continue as design progresses.

Implementation Date for the Decision :

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

Contact Officer:	Stephen Watson
Telephone Number:	0151 934 3370
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Appendices:

There are no appendices to this report.

Background Papers:

There are no background papers to this report.

Cabinet Report			Sefton Council
Report Title:	**Community Asset Policy**		
Date of meeting:	6 November 2025		
Report to:	Cabinet		
Report of:	Executive Director - Regeneration, Economy and Assets		
Portfolio:	Regeneration, Economy & Skills		
Wards affected:	All Wards		
Is this a key decision:	Yes	Included in Forward Plan:	Yes
Exempt/confidential report:	No		

Summary:

The Asset Management Strategy and Asset Disposal Policy are documents which provide a framework for the planning, prioritisation, management and funding of the Councils asset base. These are statutory documents that the Council is required to have in place and are reviewed on an annual basis.

The Asset Management Strategy and the Asset Disposal Policy are next due for review in January 2026. Work has been ongoing throughout the year, within the Strategic Asset Management team, to review the council's approach to the management of its property portfolio.

As part of this work, to complement the Asset Management Strategy and Asset Disposal Policy, the council have identified a need to further supplement our existing policies and processes with the development of a Community Assets Policy (a copy of which is attached in Appendix 1).

Recommendation(s):

(1) Cabinet are recommended to approve the Community Asset Transfer Policy.

1. The Rationale and Evidence for the Recommendations

1.1 Sefton council is committed to the empowerment of local communities and the delivery of sustainable public value. The council has been working with local communities and third sector organisations for many years as we recognise that in many instances, community groups, voluntary organisations, and social enterprises are best placed to deliver local services, drive regeneration, and increase participation through access to publicly owned land and buildings.

The introduction of a Community Assets Policy allows the council to be specific in the way it deals with this type of asset disposal. Having a policy will allow the council to be consistent in its approach to dealing with this type of property transaction. It allows the council to transfer assets in a structured, transparent, and legally sound manner, supporting the wider goals of civic empowerment and social value creation.

1.2 The process outlined in the policy requires applicants to provide a robust business case which will be subject to evaluation prior to any agreement being made. Where the council identifies a property may be best suited to a community use, or where there is demonstrated interest from the community for the use of a property for this purpose, the policy sets out a process whereby the council will seek expressions of interest from all eligible parties to ensure the process is open and transparent.

1.3 The policy offers guidance about who can apply, what assets are available and the types of uses that can be considered. The policy also reserves the right of the council, not to enter into any agreement, where it is deemed not to be in its best interests to do so.

2. Financial Implications

The financial considerations for the council of each community asset related property transaction will be considered as part of each property transaction, with the necessary financial approvals being sought and obtained as necessary in line with the councils financial procedures.

3. Legal Implications

The legal considerations for the council of each community asset related property transaction will be considered as part of the normal due diligence which is carried out for each property transaction. Any necessary governance will be undertaken in line with the councils constitution.

4. Risk Implications

It is possible that some applicants may not have the skills and resources necessary to operate the asset effectively for the benefit of the community, which could have Health and Safety implications for the public or may result in an asset not being managed and maintained to an acceptable standard.

The aim of the policy is to try to mitigate this risk by evaluating applicants prior to any agreements being reached. This is achieved by carefully and robustly considering the business case for the use of the asset.

5 Staffing HR Implications

Community Asset transactions will be managed within the existing Strategic Asset Management team.

6 Conclusion

The approval of the Community Assets Policy will allow the Council to continue to harness the innovation and responsiveness of the third sector, reduce underutilisation of public assets, and contribute to the broader objectives of social cohesion, environmental sustainability, and economic development. The policy will ensure in turn that any such transfers are aligned with our strategic priorities and result in demonstrable benefits for residents.

Alternative Options Considered and Rejected

The council could continue to manage transactions related to community assets under its existing disposal policy, however, it was considered that the addition of a specific policy for Community Assets provides a clearer process, which is open and transparent for all parties and would create better outcomes for local communities.

Equality Implications: There may be equality implications related to individual community asset property transactions, however, these will be considered on a case by case basis.
Impact on Children and Young People: It is likely that many of the community uses which are related to the property transactions which come about from this policy will have a positive impact on Children and Young People.
Climate Emergency Implications: These will be assessed based on each individual transaction. However, it is possible that some of the community asset transactions will have a positive impact on the decarbonisation of council assets.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD9113/25) and the Chief Legal and Democratic Officer (LD6313/25) have been consulted and any comments have been incorporated into the report.

The Overview and Scrutiny Committee (Regeneration and Skills) have considered this report in September 2025.

(B) External Consultations

The council regularly works in partnership with Sefton CVS, and has consulted with the CVS in relation to matters contained within the Community Assets Policy.

Implementation Date for the Decision :

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

Contact Officer:	Lauren Reynolds, Assistant Director – Property and Strategic Asset Management
Email Address:	Lauren.Reynolds@sefton.gov.uk

Appendices:

The following appendices are attached to this report:

Appendix A – Community Assets Policy

Background Papers:

Sefton Council – Asset Management Strategy

Sefton Council – Disposals Policy

Appendix A – Expression of Interest (EOI) Form Template

Organisations interested in Community Asset Transfer should complete and submit this initial Expression of Interest form.

Organisation Name:

Legal Structure:

Charity/CIC Number (if applicable):

Address of Organisation:

Website (if applicable):

Primary Contact:

Name:

Position:

Email:

Telephone:

Proposal Summary:

Asset of Interest (name and address):

Current Use (if known):

Proposed Use:

Intended Community Benefits:

Anticipated Opening Hours/Access Arrangements:

Other Supporting Comments:

Governance and Capability:

Summary of governance structure (e.g., board of trustees, committee):

Number of staff/volunteers:

Experience in managing premises or services:

Consideration of Health and Safety Matters or area's of required Statutory Compliance:

Initial Financial Outline:

Known or expected sources of funding:

Will you seek capital investment?

Estimated annual running costs:

Appendix B – Business Plan Guidance Template

A full Business Plan will be required if your EOI progresses. It should address the following:

1. Executive Summary
2. Community Need and Benefits
3. Description of Activities
4. Stakeholder Engagement
5. Governance and Staffing
6. Asset Management
7. Financial Forecast (3-5 years)
8. Funding Strategy
9. Risk Management/ Health & Safety Statutory Compliance
10. Monitoring and Evaluation Framework

Appendix C – Risk/Benefit Assessment Matrix

To be used by Sefton Council in assessing applications.

Assessment Criteria:

- Strategic Fit: Does the proposal support Council priorities?
- Community Benefit: Are the benefits wide-reaching and measurable?
- Organisational Capacity: Is the group capable of delivering its aims?
- Financial Viability: Are projections sound and sustainable?
- Compliance: Are H&S and legal responsibilities addressed?
- Risk Level: Are the risks identified and manageable?
- Inclusion: Will the asset benefit underrepresented groups?

Appendix D – Glossary of Terms

- CAT: Community Asset Transfer
- EOI: Expression of Interest
- FRI Lease: Full Repairing and Insuring Lease
- ACV: Asset of Community Value
- Subsidy Control: UK legal framework for public support
- Stakeholders: Those affected by or involved in the project
- Governance: How an organisation is controlled and operated

Cabinet / Council Report

Sefton Council

Sefton Council and Sovini Group – Local Strategic Partnership

Date of meeting:	6th November 2025		
Report to:	Cabinet		
Report of:	Executive Director of Regeneration, Economy and Assets		
Portfolio:	Housing and Highways		
Wards affected:	All Wards		
Is this a key decision:	Yes	Included in Forward Plan:	No
Exempt/confidential report:	No		

Summary:

Social and affordable housing supply is a key priority for the Council and has been identified as such through the Social Housing Transformation Project. The current housing crisis is impacting residents of Sefton as it is across many other Local Authorities, and the Council is experiencing record numbers of households in temporary accommodation. To help to address the pressures for more accommodation as well as wider need and demand across general needs, supported and specialist housing, the Council has been exploring ways in which it can directly intervene to increase the supply of social and affordable housing across Sefton.

A Local Strategic Partnership between the Council and Sovini is proposed, not only to help with the challenge bringing forward land, capacity, skills and resource at pace but to delivery wider added value benefits for residents and the borough across training and development, economic and community benefits.

Recommendation(s):

That Cabinet:

(1) Agree the Local Strategic Partnership between Sefton Council and Sovini and delegate authority to the Executive Director of Regeneration, Economy and Assets in consultation with the Cabinet Member for Housing and Highways to finalise the details and enter into the Partnership Agreement as included at Appendix A.

(2) Note that each site will be reported back for further approval on a case-by-case basis in line with the Asset Disposal Policy and Council Constitution and once terms have been negotiated with Sovini.

(3) Authorise the Chief Legal and Democratic Officer to issue licences to Sovini to allow feasibility work to be progressed on the sites identified in the report at section 1.15.

(4) It be noted that the proposal was a Key Decision but had not been included in the Council's Forward Plan of Key Decisions because of the practicalities around the timing of discussions

relating to this proposal. Consequently, the Leader of the Council and the Chair of the Overview and Scrutiny Committee (Regeneration and Skills) had been consulted under Rule 27 of the Access to Information Procedure Rules of the Constitution, to the decision being made by the Cabinet as a matter of urgency on the basis that it was impracticable to defer the decision until the commencement of the next Forward Plan because of the predicament facing residents who are in desperate need for new affordable homes in the borough, particularly those in Temporary Accommodation. The Leader of the Council and the Chair of the Overview and Scrutiny Committee recognise the importance of ensuring that there is no undue delay to progressing this crucial piece of work.

1. The Rationale and Evidence for the Recommendations

Introduction and Background

1.1 The need for social and affordable housing in Sefton is set out in the Sefton Local Plan which was adopted in 2017. The Local Plan provides the spatial framework to addressing housing needs and other economic, social and environmental priorities in Sefton to 2030. The Local Plan 2017 identifies an affordable housing need in Sefton of 434 new homes per annum. This need was later amended down to 391 new homes per annum in May 2023 through the adoption of a new Supplementary Planning Document.

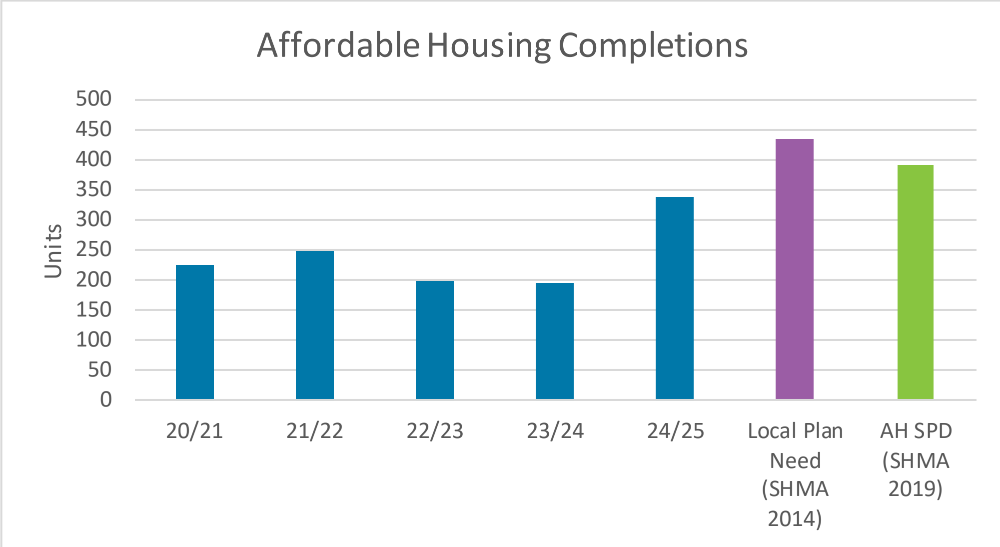
1.2 Social and affordable housing includes a range of tenure types including social rent, affordable rent, specialist housing, low-cost home ownership and intermediate tenure types such as rent to buy. Since the introduction of affordable rent in 2011, delivery of new social rent homes which offer the lowest rent and most affordable for households in the context of housing costs has seen a rapid decline.

1.3 Affordable housing is developed in a range of different ways across Sefton, including:

- Registered provider land led affordable housing schemes – typically 100% affordable housing developments on land acquired by a Registered Provider and developed with the support of Homes England grant funding.
- On-site development contribution (s106 contribution) – provision of on-site affordable housing as part of a wider open market sale development constructed by a private developer. These properties are developed as part of Sefton's Planning Policy requirement which requires 30% affordable housing to be provided on sites of over 15 units (15% in Bootle and Netherton). Most of these homes are developed and sold to a Registered Provider.
- Off-site financial contribution (s106 financial contribution) – financial contribution in lieu of on-site provision to invest in affordable housing elsewhere in Sefton. This is only where it has been accepted to be inappropriate for a development to provide affordable housing on-site provision.
- Council Housing Programme – delivery of approximately 46 new homes has been approved at Cabinet for the Council Housing Programme. The first 18 are due to be handed over towards the end of 2025 at Buckley Hill Lane, Netherton.

1.4 Supply of social and affordable housing in Sefton has fallen below the identified need as can be seen at Figure 1 below. Over the past 5 years, the average supply of social and affordable housing has been 241 new homes per annum. Delivery is heavily informed by prevailing economic conditions and although the Council's planning and housing services seek to facilitate and enable the delivery through both private sector and registered provider led schemes, the influence is much weaker than wider economic trends.

Figure 1: Annual Social and Affordable Housing Supply (April 2020-March 2025)



1.5 Despite ongoing economic challenges, the current pipeline for social and affordable housing delivery is looking much healthier over the next 5 years as a result of several large Local Plan sites coming forward.

1.6 Another element of the borough's housing need is to consider the current need for temporary accommodation and associated move-on accommodation enabling households to move out of temporary accommodation. Sefton like other Local Authorities continues to experience an increase in homelessness with the number of households in temporary accommodation having risen sharply in recent years, but notably over the last 12-months. Need has largely been driven by an increase in demand for accommodation and lack of suitable supply. By the end of August 2025, the Council had 274 households in temporary accommodation, compared with 100 in August 2023. The Council is adopting new approaches to securing temporary accommodation, but the supply of permanent housing and move-on accommodation is essential to enable households to move out of temporary housing. The Council currently has over 3,000 households registered on Property Pool Plus.

<u>Social Housing Transformation Project</u>

1.7 Sefton's Transformation Programme Plan 2024-2027 sets out the strategic aims for social and affordable housing in Sefton focused on the supply of new homes to help meet the current housing crisis as well as building future housing resilience. The project aims to provide addition to and supplement the wider delivery being brought forward by Registered Providers and Developers and fill the gaps in order to meet demand and address housing need.

1.8 As noted at paragraph 1.4, officers anticipate a healthy supply of social and affordable housing to be completed over the next 5 years largely to key Local Plan development sites being under construction and/or having received planning permission to commence development. However, the Council wants to intervene to ensure that more social and affordable homes can come forward above and beyond what is forecast as well as bringing forward added value benefits for residents, communities and for the borough. The Council's role will go beyond the current facilitator role and will actively seek to bring Council owned land forward specifically for social and affordable housing development supporting strategic and social objectives and prioritising new social rent homes.

1.9 With this in mind, officers have been in discussion with the Sovini Group with a view to developing a Local Strategic Partnership (LSP) aimed at promoting and enhancing the economic, social and environmental well-being of Sefton. Whilst the LSP will see Council owned land being brought forward for social and affordable housing and developed out by Sovini, it will see wider added value benefits though the support and leadership of both organisations with a clear Sefton focus. The full Local Strategic Partnership Agreement is provided at Appendix A which will act as a Memorandum of Understanding between the two organisations and is therefore not legally binding. The Agreement identifies the following benefits to include but not be limited to:

- Meeting housing need and prioritising new homes for social rent.
- Development of new homes across the borough to meet Nationally Described Space Standards.
- Deliver a place-making approach to housing development.
- Listening to communities and collaborative working to improve neighbourhoods and shared spaces, enhance community safety, reduce anti-social behaviour and improve health and wellbeing.
- Provision of training places, apprenticeships and employment opportunities, working collaboratively with Sefton@Work.
- Commitment to opportunities for care leavers and care experienced young people.
- Economic benefits to the local economy of Sefton including local spend and use of Sefton-based suppliers where at all possible as well as supporting SMEs.
- Explore working with other Sefton partners to achieve strategic priorities.

a. Sovini have a current development pipeline through which they anticipate delivery of around 500-600 new social and affordable homes in Sefton over the next 6 years. By working together with the Council to develop Council owned land it is hoped that this pipeline of potential new homes can be as much as doubled in order to increase social and affordable housing supply and aligned to the strategic priorities as set out in the Sefton Housing Strategy 2022-2027. The LSP has an ambition to deliver 1,000 new social and affordable homes by 2030.

b. This represents a significant uplift in the delivery of affordable homes in the borough, which has averaged 240 affordable homes per annum over the last five years, compared to the 390 per annum estimated requirement.

<u>Site Disposal – Principles and Strategic Context</u>

1.12 Sefton's Asset Disposal Policy sets out the objectives in relation to how the Council uses its assets and the principles when making asset disposal decisions. The Policy recognises that land and property is a key enabler to promote economic, housing and community activity in the borough.

1.13 One of the themes of the Council's Housing Strategy 2022 – 2027 is to effectively utilise Council assets to support housing delivery.

1.14 The terms of any disposals of publicly owned land will be subject to the relevant legislation and considered by Cabinet on a site-by-site basis based on a scheme proposal, outline of anticipated benefits, and terms of disposal in line with the Asset Disposal Policy.

1.15 As part of a **first phase of activity** the following sites within the Council's existing portfolio have been identified as having residential development potential and it is proposed that these are ringfenced in order to give Sovini exclusivity to allow housing proposals to be developed, before being brought back to Cabinet for a formal disposal decision based on agreed terms. Additional sites are also being considered and assessed for inclusion, and these will be discussed with Cabinet Member and brought back to Cabinet at a later date as part of a progress update.

First Phase Sites:

Site	Estimated number of new homes
Bootle High Phase 1	53 (disposal to Sovini/One Vision previously approved)
Bootle High Phase 2	70
Back Forest Road, Southport	39
Former Dale Acre School (Harps Croft), Netherton	59
St Raymonds, Netherton	100
Former Rawson Road School, Seaforth	33
Kings Centre, Bootle	8
Viola Street and Bedford Road Garages, Bootle	3
Former Youth Centre, Redgate, Formby	12
Oxford Road, Waterloo	15
TOTAL	**392**

2. Financial Implications

2.1 It is expected that there will be revenue savings resulting from the disposal of the sites identified in this report including from the current maintenance and insurance costs across the sites. Further savings and/or cost avoidance are also anticipated once new social and affordable homes are built by supporting housing options teams with move-on accommodation for households in temporary accommodation as well as across adult social care for any specialist or supported housing that is developed. This would be considered site by site according to local strategic priorities.

2.2 The LSP will develop a range of ‘added value’ proposals that will operate in the borough with a view to meeting a range of different priorities, including place making, operational efficiency, and social value benefits. Some of these are expected to have positive revenue implications.

2.3 Capital receipts will be considered on a site-by-site basis. Each receipt will be assessed against the independently determined ‘best consideration’ and take account of the monetised benefits delivered by the affordable housing-led scheme.

3. Legal Implications

3.1 The Council is expected under an obligation to achieve best value through its site disposals. As noted in the body of the report, sites will be brought back to Cabinet at a later date once negotiated terms have been agreed.

3.2 Consideration will need to be given to UK Subsidy Control and support from the Legal Team will be required to ensure compliance with all legal requirements as well as statutory duties associated with the LSP and any land disposals brought forward.

4. Risk Implications

4.1 The Local Strategic Partnership as set out in Appendix A is a Memorandum of Understanding style agreement and is therefore not legally binding, it sets out the principles and objectives to the LSP including the delivery of social and affordable housing. Financial risk is low as the Council will be bringing forward land for disposal with Sovini carrying the development costs.

4.2 A decision relating to the disposal of the site(s) will be brought to Cabinet at a later date once negotiated terms for the disposal(s) are confirmed and risks with respect to the disposal set out in the report.

5 Staffing HR Implications

5.1 The LSP will be supported using existing Council staff and led by the Social Housing Manager with support from the Strategic Asset Management Team. Initial support for the Project will be required from the Council's Legal Team as well as Finance Teams.

5.2 Resource will be required across Planning Teams to support sites to come forward at pace. The LSP will explore options to move forward at pace including increasing planning capacity through Planning Performance Agreement.

6 Conclusion

6.1 The Sefton Council and Sovini Local Strategic Partnership provides an ambitious, exciting and positive opportunity for two organisations with a local Sefton presence and residents and communities of Sefton at the heart of what they do to bring new and additional benefits to the borough. Not only will the LSP bring forward land for the development of much needed social and affordable housing, but it will also bring added value benefits for residents and communities across training, apprenticeships, employment opportunities, community safety and antisocial behaviour, support of local businesses and the opportunity to work with other partners to develop the borough.

Alternative Options Considered and Rejected

Direct Delivery - The Council could progress the direct delivery of sites to develop further Council Housing though it does not have the skills, capacity, expertise or finances to be able to progress a housing development programme at the present time at scale or pace. Direct delivery still has a place, and a new strategy will be developed to enable the Council to add value to the boroughs social and affordable housing delivery.

Site Disposal to Registered Providers – Disposal to a wider market of Registered Providers has been considered through this approach would not deliver the place making approach to development that the Council wants to see for its communities and would not deliver the added value benefits for residents and communities that the LSP is able to offer nor meet wider strategic objectives.

Disposal to the market – Disposal on the open market would test the market with respect of values and would create a competitive process ensuring "bidding up the land" to maximise the capital receipt. This would require Council investment prior to bringing to market including site due diligence to provide sufficient information for developers to progress bid proposals and enable assessment of offers on a like-for-like basis. Completion of a land sale would be conditional upon the site delivering affordable housing in line with current planning policy.

Equality Implications: There are no negative equality implications. The proposal will bring forward quality affordable housing across a range of housing needs from supported and specialist housing to general needs housing that will include accessible and adaptable housing. Both younger and older people will potentially benefit from the new homes.
Impact on Children and Young People: Sovini/OVH are committed to the Caring Business Charter and Care Leaver Career Commitment and through the LSP will offer opportunities to care leavers and care experienced young people. Further, the development of new homes will help to support families with young children to move on from temporary accommodation into permanent housing and care leavers to move to live independently with the support of tenancy sustainment initiatives.
Climate Emergency Implications: The development of new homes negatively impacts the Climate Emergency as a result of the construction and build process, though the design and development will need to be complaint with Planning Policy EQ7 Energy Efficient and Low Carbon Design. Each site will benefit from its own design which will be considered against the policy and energy efficiency measures maximised.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Services and Commercial (FD/9132/25) and the Chief Legal and Democratic Officer (LD/6332/25) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Not applicable.

Implementation Date for the Decision:

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

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Appendices:

The following appendices are attached to this report:

Appendix A – Sefton and Sovini Local Strategic Partnership Agreement

Background Papers:

None

Sefton Council and Sovini Group

Local Strategic Partnership Agreement

Executive summary:

Strategic Alliance – a Local Strategic Partnership between SMBC/SOVINI working together for the people of Sefton.

This proposal outlines the establishment of a Local Strategic Partnership (LSP) aimed at promoting and enhancing the economic, social, and environmental well-being of Sefton.

The initiative seeks to build on the existing relationship and bespoke services, such as the Alleyways Clearance Service and the Care Experienced Young Persons Housing initiative 'Roots,' created in partnership between Sefton Metropolitan Borough Council (SMBC) and Sovini.

The partners will collaborate to achieve shared strategic objectives and positive outcomes for the residents of Sefton.

The LSP will operate under a partnering agreement, which will include provisions related to land and development opportunities, service development and delivery, employment and housing opportunities whilst driving financial and commercial enhancements, as well as risk and reward sharing, as mutually agreed upon by the partners.

It is important to note that the LSP agreement is not intended to be legally binding, but it serves as a framework for collaboration between two partners who are committed to improving Sefton.

1. Introduction (WHAT)

The partners have reached an agreement to collaborate on developing a strategic alliance aimed at identifying opportunities to create social, economic, and environmental improvements for the residents of Sefton.

This collaboration will involve identifying a ringfenced pipeline of SMBC owned housing land for disposal to Sovini, for housing development and regeneration, subject to the agreement of terms and valuation approach between the parties.

This initiative will also facilitate service development and provision, create employment and training opportunities, and generate social value outcomes aligned with the needs of Sefton's population.

This Partnering Proposal outlines a strategic alliance between SMBC and Sovini, structured as a LSP, who together will aim to do what is best for Sefton.

The proposal details the objectives, deliverables, key commitments, and added value of the LSP, offering a solution that enables SMBC to meet housing need, environmental targets, generate employment opportunities, and ensure value for money as well as a social return on investment. This will be delivered by the Sovini Groups members – who collectively 'create opportunities and change lives'.

2. Objectives

The core objectives of the LSP include:

1. Identifying SMBC owned land suitable for development by Sovini. Expanding Housing and Regeneration across Sefton to meet housing need, prioritising social rent with more affordable homes whilst improving living standards.
2. Collaboratively working to improve neighbourhoods and shared spaces, to enhance community safety, reduce anti-social behaviour and improve health & wellbeing.
3. Empowering people to live independently in a safe and inclusive environment, including Care Experienced Young Adults.
4. Driving financial and economic gain for Sefton, through business and commercial improvements delivered by Sovini through; Effectiveness, Efficiency, and Experience.

3. Deliverables

The key deliverables of the LSP include:

1. The intention of the LSP is to accelerate and increase the number of homes developed in Sefton. Identifying and transferring SMBC owned land allows Sovini to build up to an initial 500 new homes in Sefton, with the potential to build an additional 500 new homes on One Vision Housing owned land and other potential schemes currently being considered by Sovini. Development of up to 1000 new homes represents the scale of our shared ambition, and we will work jointly to explore land owned privately, by the Council, and by other public sector bodies to meet this shared objective.
2. As an active member of the Corporate Parenting Board, Sovini will continue to deliver an improved housing offer, via an agreed Housing Protocol, for Care Experienced Young people via the 'Roots' initiative, enabling them to sustain tenancies and live independently.
3. Increasing local employment through job opportunities provided by Sovini and its members, working collaboratively with Sefton@Work in relation to recruitment. Sovini will commit to new apprentices/employment opportunities for Sefton residents on SMBC land led developments. SMBC and Sovini will explore opportunities with Tertiary Providers to set up a Training Academy for Construction Skills in the borough.
4. Sovini are committed to the Caring Business Charter and Care Leaver Career Commitment and as such will offer opportunities to care leavers and care experienced young people.
5. Encouraging new local businesses to open, boosting the local economy commencing with 3 new commercial units on Moore Lane development scheme, in addition to our existing portfolio of 40 commercial units across Sefton occupied with local businesses.
6. Sovini will continue to encourage the use of Sefton-based suppliers in the supply chain for all LSP schemes by organising meet-the-buyer events and providing support to local SMEs during the procurement process.
7. The partners agree to explore a bespoke enabling agreement (planning or otherwise).
8. Commitment for Sovini and Sefton to work collaboratively to support communities and neighbourhoods including but not limited to developing strategies for the management and maintenance of shared open space, tackling anti-social behaviour, enhancing community safety, supporting and improving the health and wellbeing of Sefton residents, supporting tenancy sustainment and supporting residents with training and employment opportunities.
9. Sovini are committed to include communal green space where possible on each SMBC Land Led development and Sovini Land Led development.

10. Enhancing Sefton's portfolio and reputation as a great place to visit.
11. Produce Added Value Reports capturing what the LSP has delivered and the impact (promotion/ improvement) on Sefton Communities (economic, social and environmental).

4. SMBC/Sovini in Local Strategic Partnership (WHY)

The LSP will enable SMBC to benefit from the added value provided by Sovini, a major employer, investor, developer, and housing provider in Sefton.

Sovini's mission, 'Creating Opportunities and Changing Lives' has led to the establishment of a unique business model, with an integrated supply chain that is unmatched in Sefton and the Northwest. With a long legacy of creating and enhancing value in and around Sefton for almost 20 years, through business and social entrepreneurship, the entire group follows an 'All roads lead to home' roadmap. This approach not only ensures cost-effectiveness but also elevates quality, fosters pride, and maximises value in every outcome.

5. Sovini – A legacy of Added Value

The following table sets out how partnering with Sovini, SMBC will benefit from its unique offer, commitments and the added value to be delivered across Sefton.

Social Value & Return on Investment	**Sefton Social Value:** £15m generated in 23/24 and £17m for 24/25. This includes £10m social impact for Sefton from the Morris Meadows development.
	Employment opportunities: For every scheme developed in Sefton on land provided through the LSP/alliance, Sovini will commit to a minimum of *one* apprenticeship/employment opportunity, for Sefton residents prioritising care experienced young people, in partnership with Sefton@Work and in line with the Sefton Caring Business Charter and Care Leaver Career Commitment .
	Housing Need and Homelessness: Sovini have committed to direct match properties identified by care experienced young people via a local lettings policy with an enhanced offer including decoration, household items and support. This person-centred approach supports independent living and tenant sustainability.
	Place Making: A place making approach will be taken to development considering local areas and local communities to deliver the maximum benefits for Sefton. Partners will collaborate on opportunities to deliver reinvigoration and regeneration across the borough.
	Specialist / bespoke services: Alleyway Clearance Programme coupled with community engagement , education and enforcement. Also, the

	Care Experienced Young Persons Housing initiative are examples of Sovini's bespoke services designed to meet core strategic objectives for SMBC and the local community. Explore opportunities to fund additional staffing resource within the Council to help deliver the shared objectives outlined in this LSP agreement.
	Integrated supply chain offer: Sovini provides a complete service designed to support SMBC's strategic goals and enhance its current offerings and supply chain.
	Sovini Charities: Activities can be dedicated/centred around Sefton residential and community projects/initiatives as prioritised by SMBC. Dedicated charitable fundraising event for 'Roots', Sefton Care Experienced Young Peoples Housing initiative.
	Sefton Enterprise Partner: Upskilling and educating children and young adults across Sefton. Empowerment and development for the community of Sefton.
Local Economy	**The Sefton Pound:** With a 'Build Local, Buy Local' ethos, over 70% of Sovini's supply chain is made up of local suppliers and partners, contributing to the Sefton economy including SMEs based in Sefton.
	Sefton - Integrated supply chain: Sovini's unique integrated supply chain has everything required to regenerate SMBC owned land, from the supply of materials, construction, repairs and maintenance services, housing management right through to waste disposal. All based in Sefton.
	One of the largest private employers in Sefton: 54% of Sovini employees working and housed in Liverpool North.
	Business to Business Opportunities: Sefton Arc supplying surveillance and care line monitoring.
Environmental & Innovation	**ESG to support Zero Carbon plans & MMC:** • Electric/ Hybrid vehicles to deliver materials, collect waste, deliver maintenance works all reducing CO2 outputs. • 100% recycled construction waste (ISO14001). • All construction delivered in line with Part L compliance to decrease fuel and power. • 100% NDSS compliant house types maximise space available whilst considering communities and customers. • Renewable and sustainable energy efficient products installed such as alternative heating options, electric charging points and solar panels. • Energy efficient homes with EPC rating of C and above.

	• Currently building using a sustainable Timber Frame method, with all materials supplied through Sovini. • Sovini are currently developing a wider sustainable MMC solution with local partners.
	Future Proofing: All construction is designed and constructed to Part M compliance. Suite of Standard House Types to provide standardisation, cost and quality assurance.
	Innovation: Sovini prioritise innovation and advanced use of technology, AI and machine learning, Power Bi reporting and data analytics supporting greater transparency and visibility within service delivery. High level cyber security platform in place.

6. Sovini/SMBC Land Owned Development (HOW)

Resources & Priorities:

The LSP has the potential to deliver up to 1000 homes in Sefton. Initially, 500 homes on Sefton owned land identified and shared with Sovini, and potentially 500 homes on One Vision Housing owned land and additional projects on potential Sovini-led sites, for example, Merton Road and Poverty Lane.

By combining these resources, the LSP seeks to fulfil the Bootle Area Plan objectives and support Sefton's regeneration's ambitions.

The Local Plan planned for a total housing requirement of 11,520 for the period 2012-30. The Strategic Housing Land Area Assessment 2024 found that there is a healthy supply of housing over the next 15 years with land available for 10,346 homes.

The Bootle Area Plan includes:

Hawthorne Rd / Canal corridor	Capacity 1042 units
Town Centre / Bootle Strand Hub	Capacity 1082 units
Bootle Office Quarter	Capacity 708 units

Other priority areas are areas where Sovini have a significant number of affordable homes , investment and therefore influence include:

Southport Town Centre and Waterfront
Maghull Town Centre
Village East and Health Park
Crosby Village
Coastal Gateway of Crosby and Ainsdale

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Cabinet / Council Report			
Report Title:	**Southport Pier**		
Date of meeting:	6 November 2025		
Report to:	Cabinet		
Report of:	Executive Director - Regeneration, Economy and Assets		
Portfolio:	Regeneration, Economy & Skills		
Wards affected:	Dukes		
Is this a key decision:	Yes	Included in Forward Plan:	Yes
Exempt/confidential report:	No		

Summary:

In September 2022, Cabinet approval was granted to replace the pier decking at a cost of circa £3m. Subsequently Following a period of extreme cold weather in December 2022, safety concerns regarding the decking were raised. Structural engineers were engaged to carry out an emergency visual inspection of the pier decking. Assurances that the pier/decking was safe for public access could not be provided and the decision was taken to close the Pier to visitors until further notice on health and safety grounds.

Since then, the Council has instructed detailed structural reports that confirmed the decision took in December 2022 was the correct one. Following on from these reports further detailed opening works were carried out to determine the full scope of future works. The Council in this time has focused on securing the required external funding, but has also secured listed building consent, assembled a design and delivery team and procured a main contractor to ensure Pier works could start as soon as possible subject to external funding.

On the 11th June 2025 the Government announced it would launch a new growth mission fund to expedite local projects that are important to growth, Southport Pier was mentioned as an example project. On the 27th September 2025 Government further confirmed that The Pier will receive funding of up to £20m.

Recommendation(s):

It is recommended that

1. The grant fund agreement and return of all project documentation to the Department of Business and Trade is delegated to the Chief Executive and the Executive Director of Corporate Services and Commercial, in consultation with the

Executive Director of Regeneration, Economy and Assets and the Cabinet Member for Regeneration, Economy and Skill and Cabinet Member for Corporate Services.

2. Delegate authority to the Executive Director (Regeneration, Economy & Assets) in Consultation with the Cabinet Member (Regeneration, Economy and Skills) to approve the procurement and award of enabling and demolition works as a direct award via a compliant framework.
3. Delegate authority to the Executive Director (Regeneration, Economy & Assets) in Consultation with the Cabinet Member (Regeneration, Economy and Skills) to approve the main contract award via a compliant framework
4. The Executive Director (Regeneration, Economy & Assets) in consultation with the Cabinet Member (Regeneration, Economy and Skills) be authorised to exercise delegated authority to appoint a range of consultancy services via a compliant framework to support the successful delivery of the project
5. Cabinet to recommend to Council the approval of a supplementary capital estimate for up to £20m for Southport Pier externally funded by grant from The Department for Business and Trade.

1. The Rationale and Evidence for the Recommendations

1.1 In September 2022 Cabinet approved the replacement of the timber decking for the whole pier, however the Pier was subsequently closed to the pubic in December 2022. As evidenced in this report it became apparent that the scope of works needed to increase to include all the steelwork.

1.2 As part of the project planning the procurement of the main contractor has been undertaken for the revised scope, the main contract will include enabling, demolition and main build.

1.3 The Government have allocated up to £20m from the Growth Mission fund for Southport Pier subject to a full business case. Officers have met with The Department for Business and Trade to understand the process for approvals. A full business case will be submitted to Government by the end of 2025 with the aim for works to start early 2026.

2. Background

2.1 Southport Pier is a grade II listed structure, the oldest cast iron pier in England and the second longest. The asset is a critical element to Southport's visitor economy along with the wider economy of the Borough. It consists of 68 bays and is 1,108 metres in length. It is estimated that the Pier contributes over £15m to the Southport economy.

2.2 The Pier underwent a major refurbishment / rebuild in 2000. This job was overseen wholly by private consultants (Harbour & General / Datrys). The works consisted of the Cast iron columns being removed above the pile caps, stripped & blasted off-site and put back to receive brand new and timber steel deck.

2.3 Owing to poor repairs carried out in 2000, work that should have lasted up to 30 years was sub-standard and the council inherited a structure that was flawed. The contractor in 2000 used the wrong screws, wrong wood and installed noggins incorrectly as well as failing to renew the steelwork and fixings correctly. Shortly after reopening, failure of the coating system and corrosion of the underlying steelwork was identified. Following arbitration, it was agreed that the surface preparation for the recoating works had been inadequate. Despite the Council winning its case against the contractor, the company went into liquidation.

2.4 Further defects identified include:

- Improvised site-fabricated packers with mating surfaces that were never painted at the time and cannot 'retrospectively be painted'
- Square edges / lack of radius edges to main truss top and bottom flanges causes problems with paint adhesion despite attempts at stripe coating in 2017
- Back-to-back mating surfaces and hard to reach areas like obscured top flanges where it is impossible or difficult to apply paint
- Poor steelwork details with numerous water traps causing pooling of salt laden water.
- Steelwork delamination (flaking at edges causing structural loss) due to edges not being chamfered correctly

2.5 By 2022 the Pier deck boards were reaching the end of their useful life and a decking replacement programme was required. To reduce the impact on public access and amenity by a prolonged closure of the whole pier, it was agreed that a phased decking replacement programme would be undertaken.

2.6 In May 2022, approval was granted to undertake phase 1 of the deck replacement. Phase 1 consisted of the replacement of the decking in bays 1-6 and was completed in October 2022 costing over £150k

2.7 In September 2022, Cabinet approval was granted to replace the remaining pier decking bays 7 – 68 inclusive at a cost of circa £3m. Subsequently, SMBC appointed external consultants Gardiner & Theobald to manage the project and to procure a contractor by competitive tender. The final scope of works approved for tendering purposes were:

- Replacement of the existing decking boards
- Replacement of timber joists
- Installation of new gates and CCTV.

2.8 In December 2022, following a period of extreme cold weather, safety concerns regarding the decking were raised. Structural engineers, Thomasons, were engaged to carry out an emergency visual inspection of the pier decking on 13th December 2022. Thomasons could not provide assurances that the pier/decking was safe for public access and the decision was taken to close the Pier to visitors until further notice on health and safety grounds.

3.0 Increased Scope of Works

3.1 In January 2023, discussions were held to determine the scope of surveys required to provide SMBC with the assurance that the pier and decking were safe for public access. Following agreement on the investigations required, Thomasons were appointed and commenced initial surveys.

3.2 Thomasons issued their final timber and steel reports. The steel report indicated significant degradation of structural elements, recommending substantial repairs/replacement be undertaken prior to opening to the public. The timber survey also recommended full deck replacement before opening up to the public.

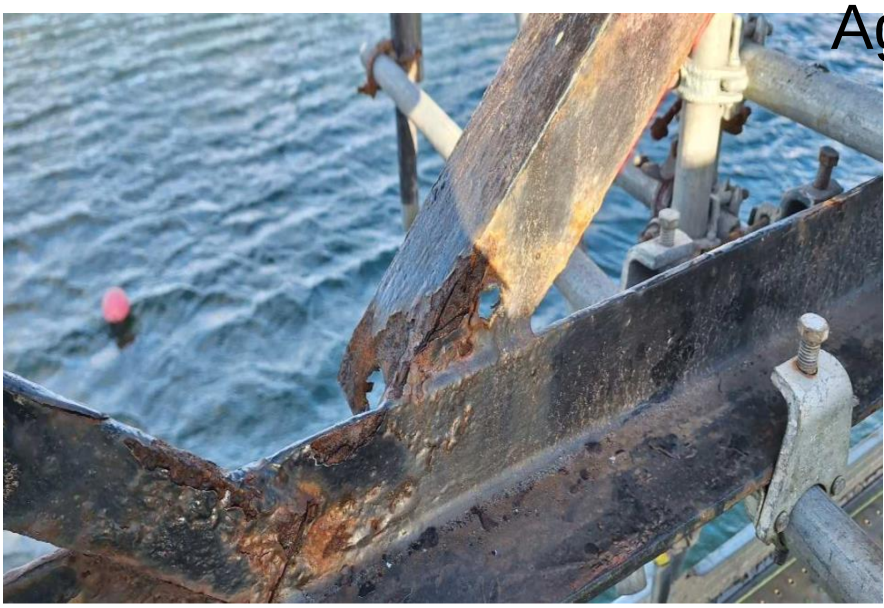
3.3 To de-risk the potential loss of funding opportunities it was agreed to tender the opening up and survey works as a separate package of works rather than include in the revised main contract works.

3.4 The opening up and survey works ('investigative works') was required to establish scope and quantum for the future main works now the full extent of works required is known. The investigative works consisted of:

• extend to four areas (circa 100LM, approx. 10% of pier)
• be sufficiently intrusive and extensive to inform a works package proposal
• provide evidential substantiation for cost & programme.

3.5 Thomasons were instructed by contractor A E Yates to produce a condition report of the Pier's steel work. A E Yates provided access to the Pier for surveys.

- Further surveys were undertaken between December 2023 and March 2024.
- The survey undertaken consisted of an intrusive visual inspection of the pier steelwork in four locations along its length, consisting of the removal of the timber decking and joists.
- The inspection involved identifying the most heavily corroded and delaminating steel which were then ground to bare, to allow Thomason's to measure and record the extent of section loss.
- The four inspected areas represent approximately 15% of the piers total decked area and were selected to provide a snapshot of the condition of the steelwork.
- Four sections of the Pier were selected to be surveyed to allow a representative sample of the whole to be achieved. Two seaward and two landward were surveyed - one over water and one in a sheltered location.
- Corrosion was sufficient in many places to cause the steel to laminate with a loss of material sufficient to impact on the structural adequacy



Key findings from the report –

- Due to the issues with the works carried out between 1998 - 2002, the opportunity to implement a cyclic maintenance programme has been lost and a new regime is required alongside the appropriate remedial works to the current structure.
- Due to the current condition of the Pier in the areas surveyed that any insitu repair/replace remedial works undertaken would not be capable of extending the life of the piers metal structure to 60 yrs.
- Carrying out insitu repairs and replacement of the individual members to prolong the current lifespan of the Pier would not achieve a cost-effective approach.

4.0 Repurposed Main works

4.1 In September 2022 Cabinet approved.

(2) The Executive Director (Place) in consultation with the Cabinet Member for Regeneration and Skills be authorised to exercise delegated authority to appoint a suitable contractor for the capital works and to appoint a range of consultancy services via a compliant framework to support the successful delivery of the project

(3) A £3m supplementary capital estimate to enable the scheme to be included within the Council's Capital Programme

4.2 A two-stage design & build procurement has been undertaken for the repurposed main works. By undertaking the opening up and survey works along with selecting a main contractor via a two-stage process the project is ready to commence when funding becomes available.

4.3 RIBA Stage 4 has been completed, listed building consent approved and information ready for construction, the council have also retained an experienced delivery and design team that have been engaged in the project through the RIBA stages and will oversee the delivery of the main contract.

4.4 A full procurement exercise has also been undertaken to secure a main contractor for the new scope of works, due to the time passed since the submission further cost work will now take place before the main contract is agreed. One agreed a final sum price will be agreed and the Contract will be executed.

4.5 The main contractor will complete the current Pier refurbishment scheme with two main sectional handovers for public access. Them being:

- Seaward bays (Bays 35 to 86)
- Landward bays (Bays 1 to 34)

4.6 These dates are based on specific assumptions as to the quantum of the works, the full construction works will take circa 14 months to complete.

4.6 The Council received a final tender price in November 2024 from the preferred main contractor; this price will now be updated working with the Councils appointed cost consultants. The overall cost will include building works, surveys, fees, inflation and contingency.

5. Financial Implications

5.1 The closure of the Pier has had financial implications on the tourism revenue budget, this has included loss of rental income along with increased security costs. It is anticipated both if these implications will be resolved once the Pier is fully operational.

5.2 The Council have been informed that up to £20m grant will be available from the growth mission fund subject to a satisfactory business case. The capital budget will be reviewed in line with the rest of the capital programme.

5.3 The business case will set out the up-to-date construction costs that will be within the envelope of the available funding. The business case will also address the need for ongoing yearly maintenance and how this will be funded. Regular annual maintenance programmes have been carried out on Southport Pier and this continued up until the temporary closure was put in place.

5.4 Since 2016 a total of over £3million has been spent on maintenance and repairs averaging approximately £462,000 per year.

5.5 A schedule of meetings has been set to engage with representatives of the Department of Business and Trade, who oversee this particular grant funding programme. This will enable engagement and progress on the detail and requirements of the business case, over and above the information already proactively prepared by the Council.

6. Legal Implications

Included within the report

7. Risk Implications

7.1 If the project is not delivered the closure of the Pier would continue to have a negative impact on the tourism revenue budget, while its closure will continue to impact heavily on the economic performance and perception of Southport and the wider Borough

7.2 The capital project will have significant risks due to the structure and location; these risks will be managed and mitigated through a comprehensive risk register.

8 Staffing HR Implications

None

Alternative Options Considered and Rejected

The other options that have been considered but rejected are:

- **Do nothing –** This would mean the Pier would remain closed having a detrimental impact on the tourism revenue budget and the wider Southport economy. This has never been considered as a viable option by Sefton Council.
- **Undertake a Phased Approach –** This would mean sections of the Pier would remain closed for a considerable amount of time with the total works cost also increasing.

The allocation of a government grant of up to £20m has now also contributed to why both options above have been rejected.

Equality Implications: The Design and Access Statement complied as part of the listed building application provides an overview on the accessibility provisions to be included
Impact on Children and Young People: Children and young people will be engaged in the project and currently through the councils and the wider team's commitment to social value. Children and young people will benefit from the completed Pier by being able to visit the Pier and contribute to
Climate Emergency Implications: The recommendations within this report will have a Neutral impact. The Pier spans an SSI home to vast amount of wildlife; the opening of the Pier will contribute to the future management of the Sefton Coast.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD9115/25) and the Chief Legal and Democratic Officer (LD6315/25) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

(As part of the listed building consent several organisations such as Historic England, The Southport Pier Trust and Pier Society have been consulted. Members of the public have also been regularly updated on progress via the Sefton website.

Implementation Date for the Decision :

Following the expiry of the "call-in" period for the Cabinet decision.

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Appendices:

There are no appendices to this report

Cabinet / Council Report			Sefton Council
Report Title	**Treasury Management Position to September 2025**		
Date of meeting:	6 November 2025 13 November 2025		
Report to:	Cabinet Council		
Report of:	Executive Director of Corporate Services and Commercial		
Portfolio:	Corporate Services		
Wards affected:	All wards		
Is this a key decision:	Yes	Included in Forward Plan:	Yes
Exempt/confidential report:	No		

Summary:

This report provides Members with a review of the Treasury Management activities undertaken to 30th September 2025.

Recommendation(s):

Members are requested to note the Treasury Management update to 30th September 2025, to review the effects of decisions taken in pursuit of the Treasury Management Strategy and to consider the implications of changes resulting from regulatory, economic and market factors affecting the Council's treasury management activities.

The Rationale and Evidence for the Recommendations

To ensure that Members are fully appraised of the treasury activity undertaken to 30th September 2025 and to meet the reporting requirements set out in Sefton's Treasury Management Practices and those recommended by the CIPFA code.

1. Introduction

1.1. As recommended under CIPFA's revised 2021 Code of Practice on Treasury Management in Public Services, the Council's Treasury Management Policy and Strategy document for 2025/26 (approved by Council on 27th February 2025) included a requirement for regular updates to be provided on the investment activity of the Authority. This report is the second of such reports for the year and presents relevant Treasury Management information for the period ending 30th September 2025.

1.2. The report includes information on the investments held / entered into during the period and the interest rates obtained (with a comparison of performance against a standard benchmark figure). In addition, the report highlights whether there has been any variance from the

Treasury Management Policy and Strategy and the Council's approved Prudential Indicators (the operational boundaries within which the Council aims to work). Monitoring in this report will be against the revised Prudential Indicators as approved by Council on 11th September 2025.

2. Investments Held

2.1. Investments held at the 30/09/2025 comprise the following:

Institution	Deposit £m	Rate %	Maturity	Rating
Money Market Funds:				
Aberdeen	4.16	4.03	01.10.25	AAA
Aviva	4.16	4.10	01.10.25	AAA
Blackrock	3.76	4.00	01.10.25	AAA
BNP Paribas	4.16	4.03	01.10.25	AAA
Goldman-Sachs	4.16	4.02	01.10.25	AAA
Invesco	4.16	4.07	01.10.25	AAA
Morgan Stanley	4.16	4.04	01.10.25	AAA
Federated	3.94	4.09	01.10.25	AAA
Insight	3.94	4.09	01.10.25	AAA
Total	36.60			
Property Fund:				
CCLA	5.00	4.59	n/a	n/a
Total	5.00			
TOTAL INVESTMENTS	**41.60**			

2.2. The Authority holds significant invested funds, representing grant income received in advance of expenditure plus balances and reserves held. The cash is initially held in a number of highly liquid Money Market Funds to ensure security of the funds until they are required to be paid out. This approach is consistent with the Council's approved Treasury Management Policy and Strategy for 2025/26. The balance of investments is therefore expected to fall over the coming months as the income is fully expended.

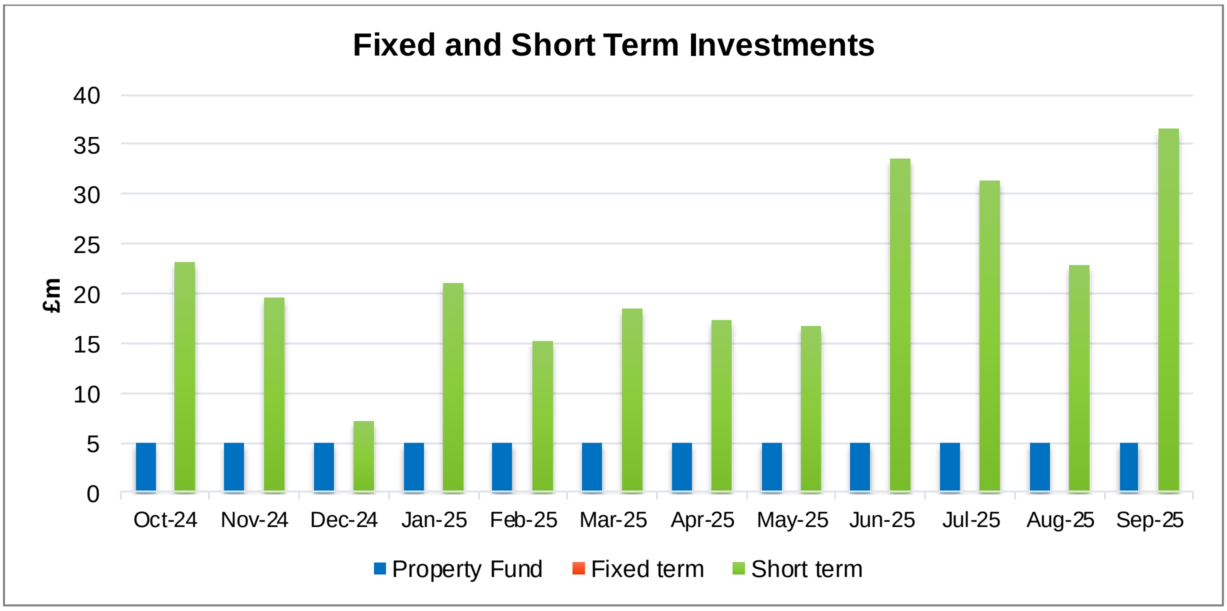
2.3. All of the investments made since April 2025 have been with organisations on the current counterparty list. The maximum level of investment permitted in the Treasury Management Strategy in any one institution, or banking group, is currently £15m. Whilst the maximum should be retained, in light of current economic conditions, a day-to-day operational maximum of 10% of the total portfolio is currently being imposed for investments. This will spread the risk for the Council but will have a small detrimental impact on the returns the Council will receive in the future. The Council has remained within that boundary during the year. At present, it is not expected that there will be any need to review this limit.

2.4. The Council will only invest in institutions that hold a minimum Fitch rating of A- for banking institutions, or AAA for money market funds. The ratings applied to investment grade institutions, and the much riskier speculative grade institutions, as defined by Fitch, have been placed into a risk matrix (paragraph 2.8).

2.5. An investment has been made with the Church, Charities and Local Authority Investment Fund (CCLA) in June 2014. CCLA invest in commercial property which is rented out to enterprises such as retail units, warehousing, and offices. The majority of properties owned are in the south of the country where the market is often more buoyant than the north. The Council has in effect bought a share of the property portfolio and returns paid are in the region of 4%. This is seen as a long-term investment with the potential for the capital value of the investment to vary as property prices fluctuate.

2.6. The Net Asset Value (NAV) of the Property Fund has increased over a 12-month period to September 2025 from 276.55p per unit to 282.99p per unit, an increase of 2.33%. The fund is considered to be a long-term investment and fluctuations in value are to be expected with this type of asset. The situation will continue to be monitored closely however, and advice taken from the Council's treasury advisers should its position in the fund need to be reviewed. The income yield on the Property fund at the end of September 2025 was 4.59% which is lower than returns received in the past but still represents a reasonable return on the Council's investment.

2.7. The ratio of overnight deposits (short term) to fixed term investments and the property fund is shown below:



2.8. The matrix below shows how the Council has set its risk appetite by being risk averse and putting security and liquidity before yield when investing:

Agenda Item 10

PROBABLITY of DEFAULT

INCREASING YIELD

High

High					
F1 A+ 6	F2 12	F3 18	B 24	C 30	D 36
F1 A+ 5	F2 10	F3 15	F3 20	B 25	C 30
F1+/AA- 4	F1 A 8	F2 12	F3 16	F3 20	B 24
F1+/AA 3	F1 A+ 6	F1 A- 9	F2 12	F3 15	F3 18
F1+/AA+ 2	F1+/AA- 4	F1 A+ 6	F1 A 8	F2 10	F2 12
F1+/AAA 1 £36.60m	F1+/AA+ 2	F1+/AA 3	F1+/AA- 4	F1 A+ 5	F1 A+ 6

Low

High SEVERITY of CONSEQUENCE

SEFTON RISK TOLERANCE:

Risk Level	Score	Grade	Amount Invested
LOW	1 - 4	Investment Grade	**£36.60m**
LOW - MEDIUM	5 - 9	Investment Grade	-
MEDIUM	10 - 20	Investment Grade	-
HIGH	21 - 36	Speculative Grade	-

2.9. The Council will continue to maximise any investment opportunities as they arise although it is not envisaged that any substantial increase in returns can be achieved for the remainder of the current financial year as balances available for investment will be held in short term deposits to allow the council to respond to any exceptional demands for cash as they arise. The security and availability of cash will be prioritised over improved yields as per the agreed Treasury Management Strategy and advice received from Sefton's treasury management advisors.

3. Interest Earned

3.1. The actual performance of investments against the profiled budget to the end of September 2025 and the forecast performance of investments against total budget at year end is shown below:

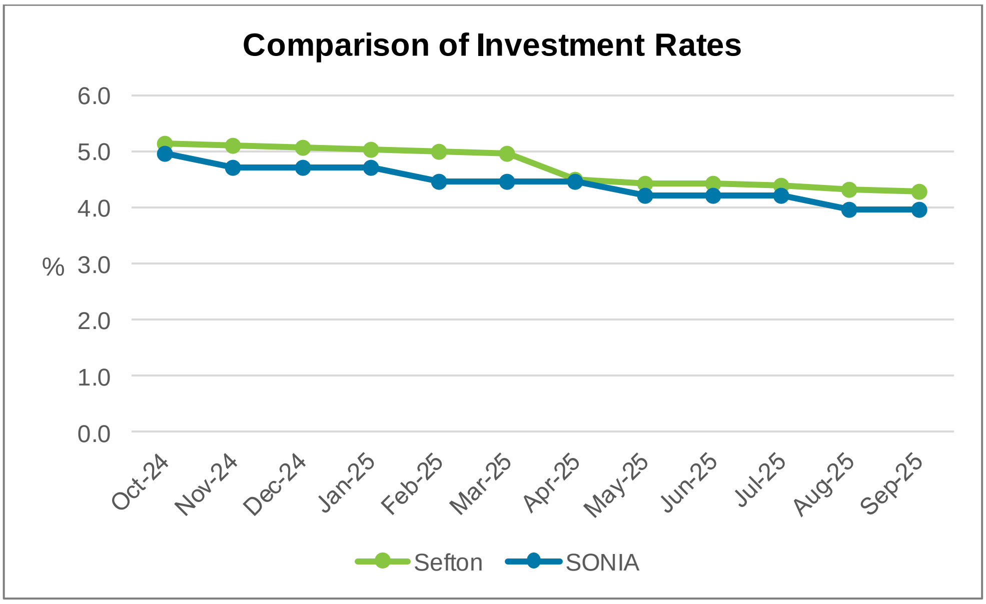
	Budget £m	Actual £m	Variance £m
Sep-25	0.528	0.707	0.179

	Budget £m	Forecast £m	Variance £m
Outturn 2025/26	1.185	1.683	0.498

3.2. The forecast outturn for investment income shows the level of income to be above target against the budget for 2025/26. Investment rates had remained at a higher level towards the beginning of the financial year (see 3.4. below) when compared to previous years largely in response to previous rises in interest rates. The budgeted income for 2025/26 was therefore set at a higher level when compared to prior financial years.

3.3. As mentioned in paragraph 2.9, it is not envisaged that improved rates will lead to a significant increase over and above the current forecast income from investments during 2025/26. Investment rates have begun decreasing as central banks have cut rates towards the second half of 2025. Sefton expects to be a net borrower in the current and future years and therefore cash balances are diminishing and will be held in short term deposits which are low risk but return a lower level of investment income.

3.4. The Council has achieved an average rate of return on its investments of 4.3%. The chart below shows the average rate of return plotted against the SONIA benchmark.



3.5. As can be seen from the chart above, Sefton's investments have performed in line with the SONIA to the end of September 2025.

4. <u>Borrowing Strategy</u>

4.1. As outlined in the Treasury Management Strategy approved by Council in February, the Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective. The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.

4.2. After substantial rises in interest rates since 2021 many central banks have now begun to reduce rates, albeit slowly. Gilt yields however have increased between April and September

2025 amid concerns about inflation, the UK government's fiscal position and general economic uncertainty.

4.3. The PWLB certainty rate for 10-year maturity loans was 5.38% at the beginning of the half year period to September and 5.53% at the end. The lowest available 10-year maturity rate was 5.17% and the highest was 5.62%. Rates for 20-year maturity loans ranged from 5.71% to 6.30% during the half year, and 50-year maturity loans from 5.46% to 6.14%. The cost of short-term borrowing from other Local Authorities has been similar to Base Rate during the period at 4.00% to 4.50%.

4.4. The Council has PWLB loan maturities of £11.616m scheduled during 2025/26 comprising several historic loans. The Council has pursued a strategy of internal borrowing in recent years as per the Treasury Management Strategy approved by Council. Cash balances have therefore been reduced to replace maturing loans where possible and when interest rates on deposits remain lower than PWLB borrowing rates. This position is however, considered temporary and must now be reversed in response to the ongoing liquidity needs of the Authority.

Impact of the High Needs Deficit:

4.5. Cabinet receives regular reports on the Council's High Needs Budget and the current deficit position that has been increasing over a number of years due to rising demand for provision coupled with a shortfall in funding made available from central government. The deficit position reported to Cabinet on 24 July 2025 was £67m as at the end of 2024/25. Due to the increased pressure the High Needs Deficit has placed on the availability of cash balances the Council has taken additional short-term borrowing of £65m to the period to September 2025.

4.6. The High Needs Deficit is fundamentally impacting the Council's treasury management activity and budget activity. It is forecast that the Council could be servicing a deficit that will be around £97m at the end of the financial year that will arise from the cumulative effect of High Needs expenditure incurred in excess of Dedicated School Grant (DSG) funding from central government over several years. It is anticipated that further external borrowing will therefore be required in 2025/26 to further reverse the Council's internal borrowing position and maintain prudent levels of liquidity.

4.7. Officers have sought clarification from MHCLG on the application of DSG debt costs and have been advised that this must be charged to the General Fund. It is therefore estimated that the impact of having to borrow to fund the deficit will be over £3m in 2025/26. Funding diverted to servicing these additional costs will reduce the amount of funding available for core services.

4.8. Officers will continue to take advice from the Council's external treasury advisers when undertaking new borrowing in order to ensure borrowing remains prudent and affordable and to minimise the financial impact to the Council.

5. Interest Rate Forecast

5.1. Arlingclose, the Council's treasury advisors, have provided the following interest rate view as at September 2025:

	Current	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28
Official Bank Rate													
Upside risk	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central Case	4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Downside risk	0.00	-0.25	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00

Underlying assumptions:

- The MPC voted 7-2 to maintain Bank Rate at 4.0% in September, in line with both our and wider market expectations. While continuing to signal the expectation of "gradual and careful" policy easing, the MPC minutes also emphasised some committee members' concerns about second round inflation effects. The shift in MPC focus over the past few months has increased uncertainty over the timing of the next rate cut.
- Inflation remained at 3.8% in August, but the expectation is for the CPI rate to peak around 4% this month and remain elevated into next year. The rise is largely the result of higher food and regulated prices, and labour costs. Services inflation remains elevated but has eased recently. Inflation expectations have picked up, but this is likely largely the result of the noticeable rise in food prices.
- Spare capacity has opened up in the labour market and wage growth is slowly moderating, which should place further downward pressure on services inflation.
- Underlying GDP growth remains subdued. While H1 2025 has been relatively strong, this was partly due to one-off factors. Q3 GDP growth is likely to slow, with July's GDP figures suggesting a lack of momentum. Downside risks persist, most notably the rising probability of fiscal tightening in the Budget.
- Business investment is lacklustre and private sector output is constrained by weaker domestic demand and spending. Ongoing uncertainty over the global outlook is still discouraging capital investment, particularly in the manufacturing sector.
- As the government struggles to meet fiscal rules amid a seeming lack of market confidence, fiscal consolidation is likely in the next Budget. This may place downward pressure on consumption and therefore economic growth.
- Our view remains that the risks to growth are weighted to the downside. While upside risks to inflation remain over the short-term, these wane into the second half of 2026. The MPC's stance, however, suggests the chance of a Q4 reduction in Bank Rate has declined.
- Gilt yields remain elevated, driven by concerns around UK and US fiscal credibility, general anxiety about bond issuance levels, and uncertainty over the impact of US monetary and trade policy. While the MPC reduced QT, due to these factors, longer term yields continue to include high term premia, the persistence of which is difficult to estimate.

Forecast:

- In line with our forecast, Bank Rate was retained at 4.0% in September.
- The MPC's sensitivity to higher inflation is partly offsetting the effect of the weak economic environment on Bank Rate expectations. However, we continue to forecast one more 0.25% rate cut in Q4 2025 to 3.75%, while recognising that uncertainty over the timing of this move has increased.
- While downside risks to our forecasts remain, the Committee's stance argues against further downward moves in our central forecast for Bank Rate at this time. We expect the UK Budget to be an inflection point that may materially change the interest rate outlook.
- Long-term gilt yields remain elevated for various reasons, both domestic and international. These issues may not be resolved quickly, but the UK Budget will be a key market driver.

6. Compliance with Treasury Management Limits

6.1. As at the end of September 2025, the Council has operated within the treasury limits for borrowing and investments set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury Management Practices.

6.2. Liability Benchmark: the Council monitors its levels of external debt (excluding long term liabilities) against a prudential indicator for the liability benchmark. The benchmark for 2025/26 and the following two financial years is shown below compared to the Council's forecast level of borrowing:

Liability Benchmark	31.03.26 Estimate £m	31.03.27 Estimate £m	31.03.28 Estimate £m

Loans CFR *	234.7	247.6	258.9
Less: Balance sheet resources	-2.7	25.5	29.0
Net loans requirement	**231.9**	**273.1**	**287.9**
Plus: Liquidity allowance	10.0	10.0	10.0
Liability benchmark	**241.9**	**283.1**	**297.9**
Forecast Borrowing	**316.5**	**248.2**	**229.8**

** CFR excluding other long-term debt liabilities*

6.3. The Council's forecast borrowing will exceed the liability benchmark at the end of March 2026 due to temporary liquidity requirements and the need to reverse the Council's internal borrowing position. As mentioned in 4.5 above, additional borrowing has been required due to exceptional demands from the High Needs deficit and a prudent estimate of this demand has been included above. The level of forecast borrowing will not exceed the Authorised Limit and Operational Boundary for 2025/26 agreed by Council in September.

6.4. Maturity Structure of Borrowing: This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

Maturity structure of fixed rate borrowing:	Upper Limit %	Lower Limit %	Actual %
Under 12 months	50	0	29
12 months to 24 months	50	0	5
24 months to 5 years	50	0	21
5 years to 10 years	50	0	17
10 years to 15 years	50	0	7
15 years +	50	0	21

6.5. External Debt: This indicator shows the levels of actual debt compared to the authorised limit and operational boundary set for the current financial year:

External Debt:	**2025/26 £m**
Authorised limit for external debt	355
Operational boundary for external debt	325
Actual external debt 30.09.25	246

6.6. Long-term Treasury Management Investments: The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management limits are:

Long-term Treasury Management Investments:	2025/26 £m	2026/27 £m	2027/28 £m	No fixed date £m
Limit on principal invested beyond year end	15	10	5	15
Actual principal invested beyond year end	0	0	0	5

6.7. Long-term investments with no fixed maturity date include strategic pooled funds, real estate investment trusts and directly held equity but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term. As at the end of September 2025, Sefton holds £5m with the CCLA Property Fund as a strategic investment with no fixed maturity date.

6.8. Interest Rate Risk Indicator: This indicator is set to control the Authority's exposure to interest rate risk. A target is set for the one-year impact of a 1% rise and a 1% fall in interest rates on the revenue account. This is measured by examining the parallel shifts in yield curves on borrowing net of treasury investments. The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at new market rates.

Interest Rate Risk Indicator	Limit £m	Forecast £m
Upper limit on one-year revenue impact of a 1% **rise** in interest rates	1.0	0.4
Upper limit on one-year revenue impact of a 1% **fall** in interest rates	1.0	0.4

Financial Implications

A surplus in investment income has been experienced for 2025/26.

Legal Implications

The Council has a statutory duty under the Local Government Act 2003 to review its Prudential Indicators and Treasury Management Activities.

Corporate Risk Implications

Treasury management risks are assessed and managed under the Treasury Management Policy and Strategy and the Treasury Management Practices. Having operated with the limits and parameters set at the beginning of the year, the Council has remained within its agreed risk appetite and there are no additional risk implications to be considered.

Staffing HR Implications

None

Conclusion

The Council has acted in accordance with the CIPFA Prudential Code for Capital Finance in Local Authorities and has reviewed its Prudential Indicators to comply with legislation and is acting prudently in that its capital expenditure proposals remain affordable.

Alternative Options Considered and Rejected

None.

Equality Implications: There are no equality implications.
Impact on Children and Young People: None.
Climate Emergency Implications: The recommendations within this report will have a neutral impact. The Council has during 2025/26, invested its reserves and balances overnight with either banks or money market funds in order to maintain high security and liquidity of such balances. It has not had the opportunity to invest in longer term financial instruments or investment funds for which there may be a chance to consider the impact on the Council's Climate Emergency motion. In the event that the Council has more surplus balances available in future that may lead to longer term investing, the Council will take account of the climate emergency when discussing the options available with the Treasury Management Advisors.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Services and Commercial (FD 9122/25) and the Chief Legal and Democratic Officer (LD6322/25) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

The Council's external Treasury Management Advisors: Arlingclose have provided advice with regards to Treasury Management activities undertaken during the financial year.

Implementation Date for the Decision:

Immediately following the meeting.

Contact Officer:	Graham Hussey

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Appendices:

There are no appendices to this report.

Background Papers:

There are no background papers to this report.

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Cabinet Report

Sefton Council

Financial Management 2025/26 to 2027/28 - Revenue and Capital Budget Update 2025/26 – November Update

Date of meeting:	6th November 2025
Report to:	Cabinet
Report of:	Executive Director – Corporate Services and Commercial
Portfolio:	Corporate Services
Wards affected:	All
Included in Forward Plan:	Yes
Is this a key decision:	Yes
Exempt/confidential report:	No

Summary:

To inform **Cabinet** of:

1) The current position relating to the 2025/26 revenue budget.
2) The current forecast on Council Tax and Business Rates collection for 2025/26.
3) The monitoring position of the Council's capital programme to the end of September 2025:
    - 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.
4) The latest prudential indicator information for 2025/26.

Recommendation(s):

Cabinet is recommended to: -

<u>Revenue Outturn</u>

1) Note the current position relating to the 2025/26 revenue budget.
2) Note the actions being taken to refine forecasts and identify mitigating efficiencies to ensure each service achieves a balanced position.
3) Note the remedial action plan measures, previously approved by Cabinet and new potential mitigations, outlined in section 3.
4) Recognise the financial risks associated with the delivery of the 2025/26 revenue budget and acknowledge that the forecast outturn position will continue to be reviewed, and remedial actions put in place, to ensure a balanced forecast outturn

position and financial sustainability can be achieved.

Capital Programme

5) Note the spending profiles across financial years for the approved capital programme (paragraph 7.1).
6) Note the latest capital expenditure position as at 30 September 2025 of £29.226m (paragraph 7.14); the latest full year forecast is £126.252m (paragraph 7.15).
7) Recommend to Council the approval of a supplementary capital estimate of £0.070m for Council Housing at Buckley Hill Lane funded by Right to Buy Sharing Agreement capital receipts (paragraph 7.7).
8) Approve a supplementary capital estimate of £0.268m for The Northern Forest Grow Back Greener Programme funded by external grant from The Mersey Forest (paragraph 7.9).
9) Recommend to Council the approval of a supplementary capital estimate of £0.011m for ICT Equipment at Birkdale Primary funded by prudential borrowing (paragraph 7.10).
10) Recommend to Council the approval of a supplementary capital estimate of £1.342m for the expansion of Newfield Special School funded by High Needs Provision Capital Allocation grant (paragraph 7.12).
11) Recommend to Council the approval of a supplementary capital estimate for £0.248m for the Solar PV Panels Project at Dunes and Meadows Leisure Centres funded by £0.225m grant from Liverpool City Region Mayoral Fund (pending receipt of a grant funding agreement) and £0.023m of Council Resources funded by existing resources with the Corporate Essential Maintenance Programme (paragraph 7.13).
12) Note the programme outputs and progress to September (paragraphs 7.18 – 7.28).
13) Note that capital resources will be managed by the Executive Director Corporate Service and Commercial to ensure the capital programme remains fully funded and that capital funding arrangements secure the maximum financial benefit to the Council (paragraphs 7.29-7.31).

Prudential Indicators

14) Note the forecasts for the Prudential Indicators relating to capital expenditure and financing as at 30th September 2025.

1. The Rationale and Evidence for the Recommendations

To ensure Cabinet are informed of the current position in relation to the 2025/26 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 2025/26 and agreed allocations for future years.

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

To approve any updates to funding resources so that they can be applied to capital schemes in the delivery of the Council’s overall capital strategy.

To ensure Cabinet are informed of prudential indicators.

1. **Introduction**

1.1 On 28 February 2025, Members approved the Budget for the financial year 2025/26. This budget was developed throughout the preceding nine months and took account of all known issues at the time that would impact on the Council's finances, including specific services identifying and agreeing the resources that they would require for the following year, especially those with demand led budgets. Within that report, and as with previous years, the inherent financial risk within these budgets, especially with respect to Adult Social Care, Children's Services and Education Excellence (Travel Support), was identified. This was further reflected within the reserves' strategy for the Council, as reported in the Robustness Report also presented to Budget Council.

1.2 This report is the fourth of the Council's monthly budget monitoring reports for 2025/26 and provides an initial revenue forecast outturn position for all services, including the pressures that have materialised since the budget was set. The report also provides details of various mitigating measures being put in place early in the year to reduce the overall forecast outturn position.

1.3 The report also outlines the current position regarding key income streams for the Authority, namely Council Tax and Business Rates. Variations against expected receipts in these two areas will also affect the Council's financial position in future years.

1.4 The capital section of the report informs Members of the latest estimate of capital expenditure for 2025/26 and forecast expenditure for 2026/27 and 2027/28. The capital budget to date is presented in paragraph 7.1. Paragraphs 7.2 to 7.28 review progress of the Capital Programme. Finally, paragraphs 7.29 to 7.31 confirm that there are adequate levels of resources available to finance the capital programme.

1.5 This report also includes the half-year position on the Council's Prudential Indicators.

2. **Revenue Budget 2025/26 – Forecast Outturn Position as at the end of September 2025**

2.1 Members are provided with updates of the Council's forecast financial revenue position each month during the financial year from July. As would be expected, as the year progresses there is more certainty on activity levels, and the forecasts are refined with and any variations identified are managed accordingly

2.2 As at the end of September 2025, the forecast outturn shows a net overspend of **£22.047m**. It should be noted that all services are implementing specific remedial actions to move towards a balanced position at this stage – those identified to date where there is confidence in the value of savings that can be generated are reflected in the forecasts below. As with many local authorities at this time, the Council is operating in a very challenging financial environment. However, it is vital that the Council moves as close to a balanced forecast outturn position to ensure its ongoing financial sustainability.

2.3 The table below highlights the variations across services that make up the £22.047m forecast overspend:

	Budget	Forecast Outturn	Forecast Variance	Variance to July
	£m	£m	£m	
Services				
Strategic Management	4.063	4.063	0.000	0.000
Adult Social Care	135.195	137.243	2.414	-0.579
Children's Social Care	90.069	105.364	15.295	1.731
Communities	12.196	14.202	2.006	1.443
Corporate Resources	14.138	14.092	-0.046	-0.046
Economic Growth & Housing	7.372	7.372	0.000	0.000
Education Excellence	20.862	21.489	0.627	0.000
Health & Wellbeing	20.925	19.925	-1.000	0.000
Highways & Public Protection	11.445	11.389	-0.056	0.000
Operational In-House Services	21.150	21.150	0.000	0.000
Property and Strategic Asset Management	0.181	0.478	0.297	0.150
Total Service Net Expenditure	**337.596**	**357.133**	**19.537**	**2.699**
Council Wide Budgets	17.169	20.689	3.520	1.250
Levies	37.749	37.749	0.000	0.000
General Government Grants	-115.877	-116.887	-1.010	0.000
Total Net Expenditure	**276.637**	**298.684**		
Forecast Year-End Deficit			**22.047**	**3.949**

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

- **Adult Social Care** – Initial forecasts assume that the Adult Social Care budget has in-year pressures that will lead to an overspend by £2.414m during 2025/26. However, there are a number of significant assumptions and uncertainties that could impact on this position before the year-end. The service has committed to a number of efficiencies and savings that amount to £6.2m, in order to meet the savings as part of the approved 2025/26 budget as well as the balance of savings approved as part of the 2024/25 budget that weren't achieved in 2024/25. The achievement of these savings will be carefully monitored and managed throughout the year. At the end of September £2.6m of the £6.2m of savings have already been delivered, which is in line with expectations at this stage. The current position reflects the delivery of these savings in full during this year.

  Like all councils, the Service is experiencing pressure with demand for services and are seeking to meet the cost of this within the resources available. As reported in the Corporate Financial and Performance report presented to Cabinet in July 2025, these pressures resulted in an overspend in 2024/25. As would be expected with a budget of this size and volatility, this remains a key risk during the current year, with the added uncertainty of whether additional winter pressures or other grant funding would be received in year. Work will continue to be undertaken throughout the year to understand the pressures arising and refine forecasts.

  As an adverse forecast outturn position is currently forecast work is being undertaken to explore options to ensure that any potential overspend is mitigated as much as possible.

- **Children's Social Care** – The current forecast for the service shows a potential overspend of £15.295m. However, there are a number of significant assumptions and uncertainties that could impact on this position before the year-end.

  In producing the initial forecasts, significant in-depth work has been undertaken across all lines of the budget, focussed on staffing and placement activity. Further work will continue to be undertaken to understand the pressures and refine forecasts. As reported in the Corporate Financial and Performance report presented to Cabinet in July 2025, these pressures resulted in a significant overspend in 2024/25. Whilst additional growth was built into the Children's Social Care budget for 2025/26, based on assumptions made in January 2025, additional pressures came through towards the end of the year, which has had an ongoing impact on the forecast for 2025/26.

  The current forecast for staffing is an overspend of £2.4m. A report to Cabinet in May 2024 approved a new staffing structure within the Service, with the budget adjusted to reflect this structure. Whilst the new structure is being recruited to with permanent staff, existing agency placements have continued to be required to ensure that improvements within the Service can be maintained. Once the structure has been fully recruited to staffing costs will be contained within the approved budget.

  Certain areas of accommodation and support packages are now forecast to overspend by £11.9m. A significant element of this relates to Residential Care where there have been additional placements in excess of those assumed when the budget was set in February 2025 (based on the position in January 2025). In addition, since January 2025 the average cost of placements has risen. In addition, the costs of packages for Children with Disabilities has increased, although specialist work continues to be undertaken to ensure health are making the appropriate contributions to the cost of care. These are the two main areas driving the initial forecast overspend.

  Further work has also been undertaken to assess each individual case across the different care settings. This forensic analysis will continue each month to ensure forecasts for each individual case are as robust as possible.

  As an adverse forecast outturn position is currently forecast work will continue to be undertaken to explore options to ensure that any potential overspend is mitigated as far as possible. This will include continued focus on reviewing high-cost placements, increased commissioning activity and continued benchmarking activity to understand comparative costs and market factors

  In considering this forecast, work will also be undertaken to determine if any of this pressure is temporary or permanent in nature and needs reflecting in future budget setting processes. At present it is considered that some of the increase in cost of Residential Care packages is short-term in 2025/26 due to improvements continuing in this year and 2026/27, and so it is estimated that the future years impact will be less significant at this stage. Together with Adult Social Care this is clearly the biggest risk to the Council's budget and a comprehensive review of all residential and other placements, and all agency staff, will continue to be undertaken in order to inform revised forecasts in future months.

- **Communities -** The current forecast shows a potential net overspend of £2.0m, after various mitigations being implemented by the Service. The main pressure relates to the net cost of Temporary Accommodation for homeless people.

- **Education Excellence -** The current forecast shows a potential net overspend of £0.6m, which mainly relates to the additional cost of the SEND team which has come under further pressure due to the significant increase in the number of EHCPs being required to be completed. It is currently assumed that the costs of Education Travel Support will be maintained within the approved budget. Additional growth was built into the 2025/26 budget to "rightsize" it, as well as provide resources for the assumed increase in support required due to the increase in the number of EHCPs being approved. However, the 2025/26 approved budget also including savings from transformation work in this area. The forecast currently assumes that the approved savings will be achieved in full.

- **Health and Wellbeing -** The current forecast shows a potential net underspend of £1.0m. This is as a result of various mitigations being put in place which still allow for services to continue to be provided at existing levels.

- **Operational In-House Services –** This service area is currently showing a balanced forecast outturn position. However, there are pressures on certain elements of the service. Work will continue to understand these pressures and what action can be undertaken to reduce them or meet them from within other areas of the service. However, there is a risk that not all pressures will be fully mitigated.

- **Other Service Areas** – Most other service areas are currently showing a balanced position. However, based on the initial monitoring undertaken some services are forecasting minor overspends, but have identified mitigating actions that can be taken to meet these overspends. Work will continue to refine forecasts as more information on expenditure and income becomes available. Services will need to ensure that additional cost control measures are in place between now and the end of the year, and the mitigating savings are delivered to offset any forecast overspend, to ensure each service delivers a balanced position.

- **Corporate Budgets –** As reported in the Corporate Financial and Performance report elsewhere on the agenda, there were a number of corporate pressures that resulted in overspends in 2024/25. Some of these have continued into 2025/26 so are included in the overall Council forecast above. These include:

    - **Housing Benefits** - The net budget (excluding central recharges) is for a surplus to be achieved as subsidy is received on overpayments. The number of overpayments, and therefore the surplus, has reduced significantly in recent years, partly as claimants are moved across to Universal Credit. A net overspend on this budget of £0.500m is forecast for 2025/26.
    - **Bad Debt Provision** - The approved Base Budget doesn't include any provision for any increase required to the Council's Bad Debt Provision (relating to Sundry Debts). Any increase has previously been met from underspends across certain service areas, including Corporate Resources. In 2025/26 the assessment of the required increase in the provision is an increase of £0.750m, based on the increase required in 24/25.
    - **Energy Costs** – The Council has been treating increases in energy costs as temporary, funding them through one-off resources. The 2025/26 budget included growth on the basis that some of these increases should now be considered permanent. The estimated additional costs are in excess of the approved permanent budget, resulting in a forecast overspend of £0.9m. Part of this additional cost relates to additional borrowing costs relating to the Street Lighting project which has reduced the expected savings from the project.
    - **Treasury Management Costs** – as has been reported previously, the High Needs deficit is having a significant impact on the Council's Treasury Management costs. The amount of borrowing required to fund the deficit, and therefore the level of interest

payments, is increasing beyond that originally estimated. It is forecast that this budget will now overspend by £1.250m.

3. **Revenue Budget Summary 2025/26**

3.1 An overspend of £22.047m is currently forecast. However, as mentioned in section 2, this is a forecast based on a number of uncertainties and assumptions, particularly around Adult Social Care and Children's Social Care, which both can be volatile. Additional work will continue to be undertaken across service areas to refine the forecasts and identify mitigating efficiencies to ensure each service achieves a balanced budget position.

3.2 As mentioned, the Council must strive to achieve an overall balanced position to ensure its financial sustainability. Given the overall forecast overspend, a number of Council-Wide actions have been identified which can mitigate some of the current forecast underspend. These mitigations were approved by Cabinet in July.

Council-Wide Mitigations

3.3 The proposed actions are:

Additional Capitalisation

3.4 As part of a previously approved budget saving, the Council capitalises a set amount of Highways Maintenance expenditure each year. Based on the amount capitalised in 2024/25, it is expected that a further £0.5m can be capitalised in 2025/26 from Highways Maintenance, ICT and potentially other areas across the Council.

Elections

3.5 The budget for Elections is constant year on year regardless of what elections take place in that year. In certain years, e.g. when no elections take place, the budget isn't required and is reserved to fund expenditure in years where the budget isn't sufficient (e.g. when just local elections take place). As no elections take place in 2025/26 it is proposed to not reserve the underspend (£0.520m including previously reserved amounts). The actual estimated cost of elections in each year will be included in the Medium-Term Financial Strategy (MTFS).

Debt Management

3.6 As mentioned above, the Council increases the Bad Debt Provision each year to reflect an assessment of the debts outstanding at the end of the year. Work is being undertaken to review the Provision, levels of debt outstanding, etc. to ensure that it doesn't need to be increased in 2025/26 (£0.750m reduction in the forecast). A longer-term strategy will be put in place to ensure resources are included in the MTFS for future increases in the Provision.

Utilisation of Capital Receipts

3.7 The Budget for 2025/26 includes provision for capital expenditure incurred from the Growth Programme to be funded from Prudential Borrowing rather than Capital Receipts. The Council therefore has Capital Receipts set aside that can be utilised to fund the notional debt outstanding on expenditure from previous years that had been funded from Prudential Borrowing. It is estimated that this will result in a reduction in the Council's Minimum Revenue Provision charge of £3.000m in 2025/26. This saving will continue into future years, although at a declining rate.

Additional In-Year Funding

3.8 Any additional in-year funding that is made available by the Government will be utilised to offset the spending pressures being experienced. Additional funding already identified has been built into the initial forecast outturn position above.

Earmarked Reserves

3.9 Given the worsening position, it is proposed to temporarily utilise Earmarked Reserves in 2025/26 if required. However, further in-year mitigations will continue to be sought to meet these pressures. Should any Earmarked Reserves need to be released these will be replenished in 2026/27, funded by the Council Tax surplus referred to in Section 4.

Summary 2025/26

3.10 The implementation of these Council-Wide mitigations will reduce the forecast overspend to **£11.277m** as shown below:

	Budget	**Forecast Outturn**	**Forecast Variance**
	£m	**£m**	**£m**
Total Net Expenditure	**276.637**	**298.684**	**22.047**
Council-Wide Mitigations:			
Additional Capitalisation		-0.500	-0.500
Elections		-0.520	-0.520
Debt Management		-0.750	-0.750
Utilisation of Capital Receipts		-3.000	-3.000
Earmarked Reserves		-4.000	-4.000
Other Mitigations (see below)		-2.000	-2.000
		-10.770	**-10.770**
Total Net Expenditure	**276.637**	**287.914**	
Forecast Year-End Deficit			**11.277**

3.11 Remedial actions will continue to be explored to reduce this further, both within services and through Council-Wide thematic work, including:

- Specific work around income and debt management, including fees and charges
- Contract management review –reviewing high spend contracts across all services
- Identification of any additional Capital Receipts and how these can be utilised to support treasury management costs
- Balance Sheet Review

It is anticipated that these actions will identify opportunities to mitigate between £2m and £5m of the ongoing service pressures in the year (the table above assumes that £2m will be achieved in 2025/26).

3.12 Should a residual overspend remain at year-end then this will need to be met from General Balances. As part of the budget setting process for 2025/26 to 2027/28, the Council developed a strategy to increase General Balances over the MTFS period to take into account the risks faced by the Council and the assessment of their adequacy as described in the S151 Officer's Robustness report for 2025/26. This strategy will need to be revised to reflect any utilisation required in 2025/26, as well as the outturn position reported for 2024/25.

4. **Council Tax Income – Update**

4.1 Council Tax income is shared between the billing authority (Sefton Council) and the three major precepting authorities (the Fire and Rescue Authority, the Police and Crime Commissioner and the Combined Authority – Mayoral Precept) pro-rata to their demand on the Collection Fund. The Council's Budget included a Council Tax Requirement of £180.126m for 2025/26 (including Parish Precepts), which represents 84% of the net Council Tax income of £215.005m.

4.2 The forecast outturn for the Council at the end of September 2025 is a surplus of £4.229m. This variation is primarily due to: -

- The surplus on the fund at the end of 2024/25 being higher than estimated (-£1.767m).

- Gross Council Tax Charges in 2025/26 being lower than estimated (£0.196m).

- Exemptions and Discounts (including a forecasting adjustment) being lower than estimated (-£1.866m).

- Transactions relating to previous years being lower than estimated (-£0.792m)

4.3 Due to Collection Fund regulations, the Council Tax surplus will not be transferred to the General Fund in 2025/26 but will be carried forward to be recovered from the Collection Fund in future years.

4.4 A forecast surplus of £3.062m was declared on the 15 January 2025 of which Sefton's share is £2.571m (83.96%). This is the amount that will be distributed to the Collection Fund in 2025/26. Any additional surplus or deficit will be distributed in 2026/27 and future years.

5. **<u>Business Rates Income – Update</u>**

5.1 Since 1 April 2017, Business Rates income has been shared between the Council (99%) and the Fire and Rescue Authority (1%). The Council's Budget included retained Business Rates income of £69.262m for 2025/26, which represents 99% of the net Business Rates income of £69.961m. Business Rates income has historically been very volatile making it difficult to forecast accurately.

5.2 The forecast outturn for the Council at the end of September 2025 is a deficit of £0.183m on Business Rates income. This is due to:

- The deficit on the fund at the end of 2025/26 being lower than estimated (-£0.726m).
- Reduction in the gross charge on rateable properties (£0.247m).
- A number of reliefs announced for 2025/26 were assumed in the NNDR1 return with the loss of income as a result of these reliefs covered by Section 31 grant payments. It is now forecast that the value of these reliefs will be more than anticipated (+£0.476m).
- Adjustments relating to prior years (+£0.186m)

5.3 When taking into account the change in Section 31 grants due on the additional reliefs, a net surplus of £0.193m is forecast.

5.4 Due to Collection Fund regulations, a Business Rates surplus / deficit will not be transferred to the General Fund in 2026/27 but will be carried forward to be recovered in future years.

5.5 A forecast deficit of £2.742m was declared on the 30 January 2025 of which Sefton's share is £2.715m (99%). This is the amount that will be recovered from the Collection Fund in 2025/26. Any additional surplus or deficit will be distributed in 2026/27 and future years.

6. **High Needs Budget**

6.1 Cabinet and Council have agreed to receive regular reports from the Executive Director of Children's Social Care and Education and the Assistant Director of Children's Services (Education) with regard to the High Needs budget and the changes that are proposed, details of sufficiency planning, the Council's engagement on the Delivering Better Value Programme and the current high needs deficit and the risk around future central government decision making in respect of this deficit.

6.2 A separate report on the High Needs funding position of the Council will be presented to Cabinet in due course.

7. **Capital Programme 2025/26 – 2027/28**

Capital Budget

7.1 The Capital Budget and profile of expenditure for the three years 2025/26 to 2027/28 is as follows:

2025/26	**£126.542m**
2026/27	**£111.209m**
2027/28	**£3.630m**

7.2 The following updates have also been made to the capital programme budget since the previous report in October:

- **Communities**
  - £0.415m has been brought forward into 2025/26 for Temporary Accommodation following Cabinet approval in October for the purchase of the Salfordian Hotel, Southport.

- **Economic Growth and Housing:**
  - £2.096m has been rephased into 2026/27 for The Strand Repurposing Programme following an update to the project cashflow. A full update on the first phase of the Strand Transformation Programme was provided to Cabinet in September.

- **Education Excellence:**
  - £0.090m has been added to the programme for Hatton Hill Consolidation or Infants and Juniors Phase 1 funded by unallocated Basic Needs grant, following approval by Cabinet Member.
  - £0.152m has been rephased into 2026/27 for St Philip's Litherland Emergency Lights as works are due to start next financial year.

- **Highways and Public Protection:**
  - £2.726m has been brought forward into 2025/26 for Maritime Corridor following an update to the planned expenditure profile for Phase 1 of the project.

- **Operational In-House Services:**
  - £0.100m has been rephased into 2026/27 for Crosby Flood and Coastal Scheme whilst discussions are being had with Legal regarding ways to progress.
  - £0.200m has been rephased into 2026/27 for Natural Flood Management Alt Catchment as tender has not yet been awarded.

- £0.100m has been rephased into 2026/27 for Hesketh Park Legacy Programme as additional surveys are being done before bulk of work commences.
- £3.000m has been rephased into 2026/27 for the Vehicle Replacement Programme due to long lead times and services reviewing their requirements.

- **Property and Strategic Asset Management:**
  - £1.028m has been rephased into 2026/27 for Bootle Town Hall Masonry and Roof Replacement as the scheme is expected to commence in January 2026 with completion in the following financial year.

7.3 The following block capital grant allocations were approved by Council following recommendation by Cabinet for inclusion in the Capital Programme 2025/26:

Capital Grant	**2025/26 £**
Adult Social Care	
Disable Facilities Grant	5,985,019
Education Excellence	
Basic Needs	1,684,671
Schools Condition Allocation	1,766,869
High Needs Provision Capital Allocation	3,513,521

7.4 Authority has been delegated to Cabinet Members to assign funding to individual capital schemes up to a value of £1m for Adult Social Care and the Schools block allocations listed above. A £4.200m budget for Disabled Facilities Grants has already been approved by Council in February has been added to the programme. A further £1.767m of SCA and £0.834m of Basic Needs capital schemes have been approved by Cabinet Member for Children's Schools and Families under delegated authority and added to the programme.

7.5 The list of schemes to utilise the remaining grant for 2025/26 is being fully developed and will be presented to the individual Cabinet Members for approval. A full list of the approved capital schemes will be presented in future reports to Cabinet.

Council Housing at Buckley Hill Lane

7.6 A Council Housing Business Plan was approved at Cabinet in April 2023 which will see the delivery of around 50 new homes over a 5-year period. As part of this Business Plan, Council in January 2024 approved a £2.2m capital scheme for the acquisition of 18 homes (apartments) for social rent to be acquired from Sandway Homes at Buckley Hill Lane, Netherton financed by Historic Right to Buy Sharing Agreement capital receipts and Section 106 commuted sum monies.

7.7 The £2.2m project is nearing completion but due to a minor delay in the build programme and a commitment of enhancements for properties to be allocated to Care Leavers/Care Experienced Young People, completion dates have been reforecast from March 2025 to December 2025. Additional funding of £70,000 is therefore required to cover ongoing project management, enhancements for care leavers and contingencies. The additional capital cost will be funded by ring-fenced Right to Buy Capital Receipts.

The Northern Forest Grow Back Greener Programme

7.8 Currently in the capital programme is a project for the planting and establishment of 400 standard trees of a large species variety as part as the Grow Back Greener programme. The Grow Back Greener programme is led by the Woodland Trust, in partnership with Mersey Forest, City of Trees (Greater Manchester), White Rose Forest and Humber Forest, with funding from the Government's Nature for Climate Fund. The Fund aims to improve landscape connectivity outside woodland, increase natural colonisation where appropriate and provide benefits to ecosystems and society, such as carbon absorption, flood protection and support for biodiversity.

7.9 Additional funding of £0.268m has now been secured via the Northern Forest grant, provided by The Mersey Forest, for a further 400 standard trees which will be planted throughout the borough. Match funding by the Council is not required for this grant. Cabinet is therefore recommended to approve a supplementary capital estimate of £0.268m.

ICT Equipment – Birkdale Primary School

7.10 A renewal of ICT equipment is required at Birkdale Primary in order to comply with the mandatory school curriculum and to secure equipment that supports Windows 11 software and updated versions of Apple IOS before existing equipment becomes obsolete. The upgrade is estimated to cost £10,776 and will be funded by prudential borrowing.

Newfield Special School at Hatton Hill – Create a New Primary SEMH Provision

7.11 Hatton Hill Primary School has recently reduced from a two-form entry school to a one form entry school due to falling roll in the area. Works have been carried out to allow consolidation of the service that the school provides by relocating the infant pupils into the junior building and into newly constructed modular classrooms. This process will be completed early November 2025.

7.12 It is proposed that the vacant Infant school building will be refurbished to provide a Social, Emotional, and Mental Health (SEMH) unit which will accommodate 45 pupils. The provision will be a separate entity to Hatton Hill school and will be operated by the management team of Newfield Special School. Once works are complete, it has been calculated that the cost / saving mitigation on revenue budgets will be £0.071m per pupil per year, or approximately £3.200m per year. A feasibility exercise has been completed and the estimated cost to refurbish the building is £1.342m. The project will be externally funded from High Needs Provision Capital Allocation grant.

Solar PV at Dunes and Meadows Leisure Centres

7.13 Sefton Council have been awarded £225k as part of the Liverpool City Region Mayoral fund to install solar PV at Dunes and Meadows Leisure centres before the end of March 2026. This offer is pending the receipt and acceptance of a formal grant funding agreement from the Combined Authority. Sefton will need to provide a minor contribution to the project of £22.5k to cover contract administration which will be reallocated from capacity within the Corporate Essential Maintenance Programme. This project will support the council's financial and carbon saving targets, and the installation of the solar PV will help to reduce ongoing revenue costs at the two sites.

Budget Monitoring Position to September 2025

7.14 The current position of expenditure against the budget profile to the end of September 2025 is shown in the table below. It should be noted that budgets are profiled dependent upon the timing of when works are to be carried out and the anticipated spend over the financial year. The budget to date in the table below reflects the profiles of each individual scheme.

	Budget to September	Actual Expenditure to September	Variance to September
	£m	£m	£m
Services			
Adult Social Care	2.699	2.699	-
Children's Social Care	0.251	0.251	-
Communities	0.318	0.308	-0.010
Corporate Resources	0.204	0.204	-
Economic Growth & Housing	5.656	4.981	-0.675
Education Excellence	2.597	2.515	-0.081
Highways & Public Protection	15.997	15.364	-0.632
Operational In-House Services	2.587	2.576	-0.011
Property and Strategic Asset Management	0.361	0.328	-0.033
Total Programme	**30.668**	**29.226**	**-1.443**

Capital Programme Forecast Outturn 2025/26

7.15 The current forecast of expenditure against the budget profile to the end of 2025/26 and the profile of budgets for future years is shown in the table below:

	Budget 2025/26	Forecast Outturn	Variance	Budget 2026/27	Budget 2027/28
	£m	£m	£m	£m	£m
Services					
Adult Social Care	8.322	8.320	-0.002	0.846	-
Children's Social Care	1.678	1.678	-	-	-
Communities	3.103	3.091	-0.012	0.585	-
Corporate Resources	0.722	0.722	-	-	-
Economic Growth & Housing	50.392	50.357	-0.035	60.709	-
Education Excellence	9.135	8.979	-0.156	7.400	-
Highways & Public Protection	40.434	40.434	-	26.236	1.616
Operational In-House Services	10.023	10.024	0.001	6.673	-
Property and Strategic Asset Management	2.733	2.647	-0.087	8.761	2.014
Total Programme	**126.542**	**126.252**	**-0.290**	**111.209**	**3.630**

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

7.16 The current 2025/26 budgeted spend is £126.542m with a budgeted spend to September of £30.668m. The full year budget includes exceptional items such as £42.597m for Growth and Strategic Investment projects, £2.832m for new Housing schemes, £1.822m for the Local

Authority Housing Fund, a £2.500m project for Southport Town Hall Square and Gardens, £14.233m for major Highways projects, a £2.376m project for Southport Pier Decking, £3.482m for the Vehicle Replacement Programme, £2.989 for Waste Management schemes, and a scheme to upgrade to LED Street Lighting (£1.805m).

7.17 It should be noted that based on evidence from previous years, it is likely that further reprofiling of spend into 2025/26 will occur as the year progresses, as £126m of capital expenditure would be a significant programme delivered in year. Project Managers are focused on delivery and spend of funding in year, but previous experience suggests potential optimism bias. It remains essential that all projects are reviewed in a robust manner in order that informed financial management and member decision making can be undertaken.

Capital Programme Outputs and Progress to September

7.18 The Council has spent £29.226m on its Capital Programme to the end of September 2025. The paragraphs below summarise the key areas of delivery and progress to date:

Adult Social Care

7.19 Disabled Facilities Grant Core Programme - from 1st April to 30th September, approx. 240 adaptations were certified as complete on behalf of clients including items such as stair lifts, vertical lifts, bathroom adaptations, extensions, and hoists.

Corporate Resources

7.20 ICT Data Centre Relocation – the closure of St Peters House necessitated the move of the remaining on-premises data centre footprint and ICT Support staff to a new location. This project is now nearing completion with one outstanding piece of work to complete. The capital monies have funded essential works relating to the move including building works to create new office accommodation for the support staff, network cabling and rerouting, corporate connectivity to the new site, essential networking equipment, associated hardware and ancillary services such as air conditioning, as well as specialist removal costs and decommissioning of the old site at St Peters.

7.21 ICT Equipment Refresh – the end of life of Windows 10 has necessitated the replacement of approximately a quarter of end user devices (laptop and desktops) across the estate to ensure compatibility with Microsoft imposed minimum standards for Windows 11. This work is nearing completion with the majority of new laptops now issued and desktops well underway.

Growth and Strategic Investment Programme

7.22 The Strand Repurposing Programme – The demolition contract started on site in June 2025 following demolition pre-construction work completion. Demolition is just over a 5-month programme and due to complete in November 2025. July- September saw the demolition of the Palatine Flats, atrium roof structures, Mayflower pub and escalators/stairs to lower ground floor level. In addition, the shop units on Stanley Road were opened up and internal walls removed along with planters and street furniture in the area. The main works pre-construction surveys and design work has also been progressing to inform main works contract due to start early in 2026. Work to discharge all pre-commencement planning conditions has also been progressed.

7.23 Marine Lake Events Centre - To date the demolition contractor has successfully demolished the Southport Theatre and Convention Centre, which has enabled them to now move onto critical enabling works. This has consisted of the design and installation of the sheet pilling along with the adjacent hotel infill works. The appointment was further expanded to include the reduce level dig that has also been completed. Further structural enabling works to the

Upper Promenade will be completed in November 2025. Detailed construction design work is also underway for the new access ramp off the Upper Promenade that will now also form part of future enabling works. It is envisaged that these works will commence early in 2026 by an infrastructure contractor before the main contractor mobilises.

Education Excellence

7.24 The following Special Educational Needs and Disabilities schemes have been completed as at September 2025:

- Birkdale Primary – Pitched Roofs, Fire Precaution, Windows and Brickwork
- Christchurch Primary – Playground Resurface
- Christchurch Primary – Remaining Flat Roof Junior / Halls
- Daleacre – Hall Windows
- Daleacre – Renew Floors / Ceiling
- Farnborough Rd Infants – Windows Install Actuators
- Farnborough Rd Jnr – Roof, RWPs, Gutters, Facias, Soffits
- Green Park – Fire Compartmentation and Tarmac to Courtyard
- Marshside Primary – Staff Toilets Refurb
- Freshfield Primary – Replacement Heating and Water Services
- Hudson Primary – Phase 4 Reroofing Works
- Impact – Reroofing Kitchen and Dining Hall
- Merefield – Roof Refurbishment and Playground Surfaces
- Merefield – Upgrade Heating and Pipework
- Netherton Moss – Drainage Upgrade
- Netherton Moss – Fire Doors
- Netherton Moss – Fire Shutter to Kitchen Servery
- Netherton Moss – Roof to Toilets
- Northway Primary – New Flooring to Classrooms
- Rowan High – Replace Flat Roof
- St Philips Primary – Phase 2 Reroofing Works

7.25 The following Schools Condition Allocation schemes have been completed as at September 2025:

- Bishop David Sheppard – Create New ASD Base Phase 2
- Merefield – Modular Classroom and Resources
- Netherton Moss – New Hygiene Room
- Rowan High – Car Park Additional Due to Mobile Staff / Minibuses
- Rowan Park – New Access Door and Corridor
- Waterloo Primary – Relocate Toilets and Extend ASD Base

Highways and Public Protection

7.26 Integrated Transport Programme –

- A59 Active Travel improvements are scheduled for completion in December 2025
- Les Transformation Phase 1 in town centre Public Realm works are scheduled for completion in December 2025
- Southport Eastern Access Phase 1 is underway. One junction is substantially complete, with the second scheduled for completion in February 2026

- Maritime Corridor improvements Phase 1 is ongoing, with works scheduled to be completed by February 2026.

Operational In-House Services – Green Sefton

7.27 The Coastal Monitoring Programme has undertaken the annual programme of beach surveys and is in process of completing coastal defence inspections across the northwest, it is making this data accessible to partners through online mapping to improve accessibility. Contractors have delivered vertical aerial photography for the northwest coast. The radar monitoring programme continues to collect data 24/7 at several sites across the northwest including north Crosby beach.

7.28 Vehicle Replacement Programme – the replacement programme has continued with twenty-two vehicles being purchased in the first two quarters of 2025/26.

Programme Funding

7.29 The table below shows how the capital programme will be funding in 2025/26:

Source	**£m**
Grants and Other Contributions	108.374
Prudential Borrowing	14.441
Capital Receipts	3.667
Revenue Contributions	0.060
Total Programme Funding	**126.542**

7.30 The programme is reviewed on an ongoing basis to confirm the capital resources required to finance capital expenditure are in place, the future years programme is fully funded, and the level of prudential borrowing remains affordable.

7.31 The Executive Director of Corporate Services and Commercial will continue to manage the financing of the programme to ensure the final capital funding arrangements secure the maximum financial benefit to the Council.

8. Prudential Indicators – Update to September 2025

8.1 The Authority measures and manages its capital expenditure and financing with reference to the revised Prudential Indicators approved by Council in September 2025. It is now a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis as part of the budget monitoring process. The actual values for 2024/25 and updated forecasts for the prudential indicators for 2025/26 and future years have therefore been calculated and are presented below for review.

Capital Expenditure:

8.2 The Authority has undertaken and is planning capital expenditure as summarised below.

Capital Expenditure

	2024/25 £m Actual	2025/26 £m Estimate	2026/27 £m Estimate	2027/28 £m Estimate
TOTAL	59.725	126.542	111.209	3.630

8.3 The estimates of the capital expenditure for the current year and future years have increased compared to those approved in June due to slippage of schemes from the 2025/26 capital programme and additional approvals of budget added following approval at Cabinet and Council. Change to estimates of capital expenditure are reported to Cabinet on a regular basis as part of the capital programme budget monitoring and it is anticipated that the profile of expenditure linked to the timing of schemes will be developed further during the financial year.

8.4 The main capital projects that have incurred expenditure to date have included:

- Disabled Facilities Grants £1.940m
- Marine Lake Events Centre £1.399m
- The Strand Repurposing Programme £3.482m
- Schools Programme £1.799m
- A59 Kenyons Lane £2.018m
- Southport Town Centre Investment Strategy £2.693m
- Highways Maintenance £2.395m
- LED Street Lighting Upgrade £1.189m
- Southport Eastern Approaches £2.795m
- Maritime Corridor £3.684m
- Vehicle Replacement Programme £2.012m

Capital Financing Requirement:

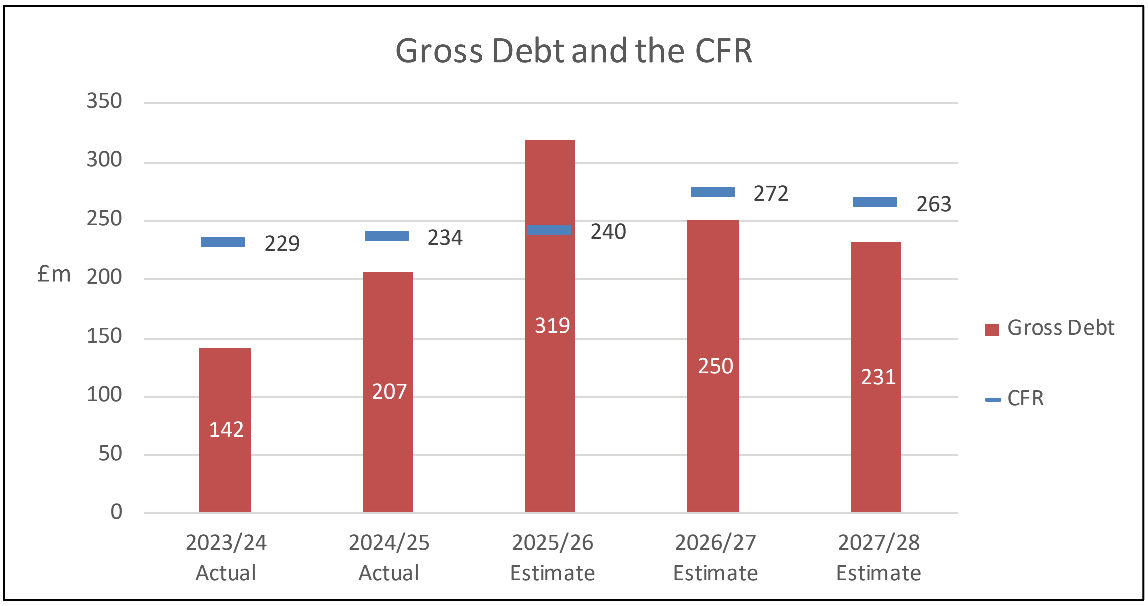
8.5 The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with Minimum Revenue Provision (the statutory amounts set aside to repay debt).

Capital Financing Requirement				
	31/03/25 £m Actual	31/03/26 £m Forecast	31/03/27 £m Forecast	31/03/28 £m Forecast
CFR	234.387	239.755	271.842	263.057

8.6 The estimates of the CFR over the next three financial years have increased compared to the original estimates in line with new borrowing for the capital programme approved by Council during 2025. The largest contribution to this increase was £10m approved for The Strand Business plan in September.

Gross Debt and the Capital Financing Requirement:

8.7 The statutory guidance provided by CIPFA is that debt should remain below the capital financing requirement, except in the short term. The Authority has complied with the statutory guidance in previous years and will continue to do so in the medium term, but it is expected to exceed the limit in the short term during 2025/26 as shown below.



8.8 Borrowing will exceed the Capital Financing Requirement due to the need to borrow additional sums for the Council's High Needs Deficit, further details of which are outline in the September Treasury Management update also on the agenda for this meeting. This position has been assumed to be temporary until the end of 2025/26, in line with the end of the current statutory override for recognising the deficit on the Balance Sheet. The Government have announced a review of High Needs, which will include consideration of levels of funding and the significant deficits currently being held by local authorities. Local authorities have been lobbying the Government, including through the Local Government Association and other representative bodies, to consider the impacts of the High Needs deficit on the overall level of borrowing, and the costs being incurred by councils to finance this borrowing. It should be noted that the Government has announced the intention for the statutory override to be extended to March 2028. Should the Council retain its deficit then the gross debt figures will need to be updated for 2026/27 and 2027/28 and will again exceed the Capital Financing Requirement.

8.9 It should be noted that the financing of approved schemes in the current capital programme will continue to remain within the CFR as per the statutory guidance.

Debt and the Authorised Limit and Operational Boundary:

8.10 The Authority is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit. The operational boundary is a management tool for in-year monitoring it is not unusual if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure under the CIPFA code. The limits below are the revised limits as approved by Council in September.

	Maximum Actual Debt To Date 2025/26 £m	**Actual Debt at 30.09.2025 £m**	**Authorised Limit £m**	**Operational Boundary £m**

Borrowing	246	245	350	320
Other Long-Term Liabilities	4	4	5	5
Total Debt	**250**	**249**	**355**	**325**

8.11 The table above shows highest level of debt during the year to date (the Maximum Actual Debt) and also the debt position as at 30th September compared to the Authorised Limit and Operational Boundary. Neither indicator has been breached, and it is not anticipated that this position with change for the remainder of the financial year.

Net Income from Commercial and Service Investments to Net Revenue Stream:

8.12 This indicator measures the proportion of the authority's net revenue stream that is derived from non-treasury investments such as service investments (loans to subsidiaries) and commercial investments (investment properties). Commercial investments relate to legacy arrangements such as concessions at Southport seafront, parks and gardens; the freehold interest in the Strand Shopping Centre; rents linked to small retail units; industrial units; clubs; and car park income. The indicator is a measure of the exposure to loss of income should the net return from those investments fall short of the target set in the budget.

8.13 As can be seen from the ratios below this is a relatively low percentage of the Council's revenue stream indicating that the Council's budget is not overly reliant on commercial and service investment income.

Net Income from Commercial and Service Investments to Net Revenue Stream				
	2024/25 Actual	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
Ratio	0.9%	0.9%	0.9%	0.8%

8.14 Variations to planned levels of income are reflected in the Council's Medium Term Financial Plan. Should a shortfall in investment income occur then the plan will be adjusted accordingly, and corresponding savings will need to be made to compensate for the loss of income.

Proportion of Financing Costs to Net Revenue Stream:

8.15 This indicator measures the total capital financing costs of capital expenditure as a proportion of the total level of income from Government Grants, local Council Tax and Business Rates payers. This measure demonstrates the affordability of capital plans by comparing the cost of borrowing undertaken to fund the capital programme (in previous years and for planned expenditure in future years) to the net revenue available to the Council in each of those years.

Financing Costs / Net Revenue Stream				
	2024/25 Actual	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
Ratio	5.8%	7.2%	7.4%	6.5%

8.16 The forecast ratios calculated as at September 2025 are broadly in line with the approved estimates (2025/26 indicator was set at 7.4%). The cost of borrowing for the current approved capital programme in 2025/26 still remains affordable and within the Council's current budget for debt repayment.

2. Financial Implications

All financial implications are reflected within the report.

3. Legal Implications

None

4. Corporate Risk Implications

This report highlights the financial position of the Council in 2025/26, which supports its Financial Sustainability in 2025/26 and future years.

5 Staffing HR Implications

None

6 Conclusion

Based on current forecasts, the Council is again faced with a challenging financial environment during 2025/26 as a result of service and Council-Wide pressures. A revenue overspend of £22.047m is currently forecast, which would reduce to £11.277m following the implementation of Council-Wide mitigations to support the budget position. Work continues to identify and quantify additional mitigations, and the forecast will be revised accordingly.

Alternative Options Considered and Rejected

None

Equality Implications: There are no equality implications.
Impact on Children and Young People:

None
Climate Emergency Implications: The recommendations within this report will have a **Neutral** impact. The allocations of capital funding outlined in section 7 may be spent on projects that will have a high climate change impact as they could relate to new build, rebuild, refurbishment, retrofit and demolition proposals. Environmental consideration will be taken into account when specific projects are designed and tendered – which will help to mitigate negative impacts.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Services and Commercial is the author of this report (FD9133/25).

The Chief Legal and Democratic Officer (LD6333/25) has been consulted, and any comments have been incorporated into the report.

(B) External Consultations

None

Implementation Date for the Decision:

Following the expiry of the "call-in" period for the Cabinet decision.

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Appendices:

The following appendices are attached to this report:

APPENDIX A – Capital Programme 2025/26 to 2027/28

Background Papers:

None

APPENDIX A – Capital Programme 2025/26 to 2027/28

Capital Scheme	Budget		
	2025/26 £	2026/27 £	2027/28 £
Adult Social Care			
Disabled Facilities Grants	4,200,000	-	-
Occupational Therapist Support	-	-	-
ICT Development & Transformation	621,731	-	-
ICT Connectivity in Care Homes and Support Living	13,158	-	-
Care Home Improvements	267,462	-	-
Integrated Health and Wellbeing on the High Street	34,814	-	-
Short Term Assessment Unit	2,436,516	546,034	-
New Directions Programme	173,724	300,000	-
Technology Enabled Care	232,398	-	-
Programme Support	-	-	-
Changing Places	36,071	-	-
Falls Prevention Schemes	100,000	-	-
Digitising Social Care	97,079	-	-
Mobile Clinic	31,508	-	-
Community Equipment	77,894	-	-
Children's Social Care			
Support for Fostering Placements	81,461	-	-
Community Equipment	13,222	-	-
Springbrook Works and Vehicle	2,167	-	-
Children's Social Care Transformation	1,580,830	-	-
Communities			
Swimming Pool Fund	-	-	-
Local Authority Housing Fund	1,822,239	-	-
Temporary Accommodation	415,000	585,000	-
Leisure Centres – Essential Works	654,948	-	-

Libraries Projects	183,226	-	-
Neighbourhoods Schemes	27,329	-	-
Corporate Resources			
ICT Development & Transformation	147,549	-	-
ICT Data Centre Relocation	176,955	-	-
ICT Equipment Refresh	307,895	-	-
Community Recovery Fund	90,000	-	-
Economic Growth & Housing			
Crosby Lakeside Redevelopment	7,720	-	-
Strategic Acquisitions – Ainsdale	524,303	-	-
Marine Lake Events Centre	29,409,785	32,553,386	-
Enterprise Arcade	62,527	38,929	-
The Strand – Maintenance & Improvements	35,005	-	-
The Strand – Repurposing Programme	11,661,721	20,616,192	-
UK Shared Prosperity Fund – Community & Place	216,038	-	-
Cambridge Road Redevelopment - Phase 2	680,000	-	-
	2025/26 £	**2026/27 £**	**2027/28 £**
Brownfield Housing Fund	1,032,281	-	-
Council Housing Early Acquisitions Scheme	750,000	-	-
Council Housing at Buckley Hill Lane	1,015,822	-	-
Red Rose Park Works	34,240	-	-
Southport Town Hall Square and Gardens	2,500,000	7,500,000	-
Southport Pier	2,462,667		-
Education Excellence			
Early Years	436,475	-	-
General Planned Maintenance	482,126	134,217	-
Schools Programme	4,957,377	6,358,188	-
Sporting Betterment of Schools	1,148,901	-	-
Special Educational Needs & Disabilities	2,109,971	907,399	-
Highways and Public Protection			
Accessibility	770,522	-	-
Healthy Lifestyles	705,489	-	-
Road Safety	182,458	-	-
A565 Route Management and Parking	492,219	-	-
A565 Northern Key Corridor Improvements	158,000	-	-
A59 Route Management Strategy	4,741,766	-	-
Strategic Planning	5,827,162	-	-
Traffic Management & Parking	22,000	-	-
Southport Eastern Access	5,389,009	12,470,217	-
Maritime Corridor	8,843,533	12,150,000	-
Highway Maintenance	6,271,215	-	-
Bridges & Structures	2,173,918	-	-
Drainage Improvement	150,000	-	-
Street Lighting Columns	400,000	-	-
Street Lighting LED Upgrade	1,804,569	-	-
Urban Traffic Control	885,864	-	-
Highways Capitalisation	1,616,000	1,616,000	1,616,000
Operational In-House Services			
Coastal Erosion and Flood Risk Management	2,615,325	2,941,153	-
Countryside Stewardship	1,740	-	-

Parks Schemes	479,095	402,989	-
Tree Planting Programme	464,156	94,879	-
Golf Driving Range Developments	-	-	-
Ainsdale Coastal Gateway	-	233,963	-
Green Sefton – Vehicles, Plant & Machinery	464,186	-	-
Street Cleansing	27,500	-	-
Waste Management	3,489,182	-	-
Vehicle Replacement Programme	2,481,874	3,000,000	-
Property and Building Services			
Council Wide Essential Maintenance	171,439	-	-
Council Wide Essential Maintenance Phase 2:			
- Corporate Buildings	810,000	4,021,690	-
	2025/26 £	**2026/27 £**	**2027/28 £**
- Other Civic Buildings	338,418	870,998	-
- Adult Social Care	102,488	93,744	-
- Car Parks	94,715	-	-
- Leisure, Health & Wellbeing	341,357	-	-
- Green Sefton	38,408	50,000	-
- Localities	67,700	-	-
- Economic Growth	-	169,000	-
- Asset Management	13,105	-	-
Sefton Climate & Retrofit Action Project	32,000	-	-
Warm Homes Local Grant	723,906	2,055,493	2,013,896
Vine House Demolition	-	1,500,000	-
Total Programme	**126,542,452**	**111,209,471**	**3,629,896**