

CABINET

Monday, 8 July 2019

<u>Present:</u>	Councillor	P Hackett (Chair)	Leader of the Council
	Councillors	E Grey	Environment and Climate Change
		C Jones	Adult Care Health and Wellbeing
		T Jones	Regeneration and Growth
		A Leech	The Local Plan
		J McManus	Community Services
		C Spriggs	Culture and Tourism
		T Usher	Children Families and Education
		S Whittingham	Housing and Planning
		J Williamson	Finance and Resources

13 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

Councillor Pat Hackett, Leader of Council welcomed Members, and residents to the meeting of the Cabinet.

Members of the Cabinet were asked to consider whether they had any disclosable pecuniary and/or any other relevant interest, in connection with any item(s) on the agenda and, if so, to declare them and state the nature of the interest.

No such interests were declared.

14 CELTIC MANOR RESORT

Councillor Pat Hackett, Leader of the Council introduced the main item of business, that was to review the recommendation of the Business Overview and Scrutiny Committee which informed that, as part of the Celtic Manor Resort project, the Council had received an application from Nicklaus Joint Venture Group (NJVG) for a loan to progress to the next stage of the project.

The application formed part of an existing Development Agreement between the Council and NVJG, whereby if certain conditions of the agreement were met, the Council could offer a loan opportunity to the company to continue to the next stage. The conditions in the agreement were sequential and the first condition, to provide a funding and phasing agreement had been met.

The funding and phasing report was considered by the Business Overview and Scrutiny Committee on 27 June 2019, and the resolution of the Committee was as follows:

1) The financial and investment landscape has changed significantly since the Council sought the option to further invest in this project in 2016 to sit alongside its commitments under the development agreement.

2) In that time, the Council has expanded its acquisition and investment portfolio considerably, seeking to create income to invest in services, to make wider economic and social returns, to regenerate areas and to continue to attract high quality investment by businesses in the Borough.

3) This has led to increased borrowing by the Council to invest elsewhere than that envisaged by Cabinet when it last looked at the development agreement and outline proposals, a revised risk profile for those wider investments and further thought to the priorities that the Council should employ in making investment decisions.

4) In the light of that, this Committee considers that the Council's investment profile and limited resources would be better served if this business venture was funded on the open market, rather than through Council borrowing, and it is therefore recommended that Cabinet do not enter into a separate agreement to fund the Celtic Manor project at this time.

The minute of Council (25 February 2019), and draft minutes from the Business and Overview Scrutiny Committee (27 June 2019) were attached at Appendix A to the confidential report. The funding and phasing report considered at the Business Overview and Scrutiny Committee contained commercially sensitive information and was included at Appendix B to this report, together with the Overview and Scrutiny Committee Report.

The Leader informed those present that Cabinet was not to decide on whether to allow the scheme to go ahead, that was a decision for a different time, Cabinet would purely be considering the investment element of the scheme.

The Leader also took the opportunity to place on record his thanks to the Members of the Scrutiny Committee who had reviewed the detailed proposals and provided the recommendation to the Cabinet.

Councillor Janette Williamson, Cabinet Member Finance and Resources commented on the proposal and stated that the benefits of the scheme were clear: jobs, visitors, support for the local high street, and it was also clear that a great deal of work was still to be done with regard to the environmental impact – to ensure that concerns expressed were accounted for. Councillor Williamson added that this was a huge investment for the Council, and that she believed that it was not the right time to make a commitment of this scale, and other priorities i.e. protecting the vulnerable, building community wealth and ensuring a better range of social housing were higher up the agenda than the investment in this specific project.

Councillor Tony Jones also stated that the project was from a different time, and whilst he agreed with the potential for jobs and economic growth associated with the scheme, he did not feel that it was something the Council should be putting its own money into. He added that other priorities such as provision of more social housing and investment in Children's Services were all going to require major financial resources, and unfortunately he did not believe that the Council had sufficient capacity to invest into schemes that could, and probably should be funded directly by the private sector.

On a motion moved by the Leader, Councillor Pat Hackett, duly seconded by Councillor Janette Williamson, it was:

Resolved (10:0) (No abstentions) That –

- 1) Wirral is open for business. We've secured more than £140million in new investment into the Borough over the past four years and, through our partnership with Muse in Wirral Growth Company, we're moving forward with major developments at Birkenhead, Bromborough and Moreton;**
- 2) This Council is determined to bring investment, jobs and prosperity to Wirral. That's why major players like Celtic Manor and Redrow want to build here in the first place. This is a scheme which will create hundreds of new jobs and give Hoylake high-street a huge boost;**
- 3) However, it is a massive investment for the Council. We are a new Leadership, with new priorities, and after much deliberation, we've decided the money we would borrow to invest in this scheme would be better spent on securing affordable and social housing for the many residents who need it elsewhere in our borough; and**
- 4) Therefore, we won't be investing in the Hoylake development. Instead, we will immediately start work on a plan to increase social housing in our borough, meeting our pledge to deliver good quality housing to everyone who needs it, and will also move forward on developing an action-plan to provide real support to our struggling high-streets.**