



# Cabinet

<b>Date:</b>	<b>Monday, 8 July 2019</b>
<b>Time:</b>	<b>10.00 a.m.</b>
<b>Venue:</b>	<b>Committee Room 1 - Wallasey Town Hall</b>

This meeting will be webcast at  
<https://wirral.public-i.tv/core/portal/home>

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## AGENDA

### 1. MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

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

### 2. CELTIC MANOR RESORT (Pages 1 - 8)

### 3. EXEMPT INFORMATION - EXCLUSION OF MEMBERS OF THE PUBLIC

RECOMMENDATION: That, under section 100 (A) (4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following item of business on the grounds that it involves the likely disclosure of exempt information as defined by paragraph 3 of Part I of Schedule 12A (as amended) to that Act. The Public Interest test has been applied and favours exclusion.

### 4. CELTIC MANOR RESORT (Pages 9 - 58)

#### ***Audio/Visual Recording of Meetings***

*Everyone is welcome to record meetings of the Council and its Committees using non-disruptive methods. For particular meetings we may identify a 'designated area' for you to record from. If you have any questions about this please contact Committee and Civic Services (members of the press please*

*contact the Press Office). Please note that the Chair of the meeting has the discretion to halt any recording for a number of reasons, including disruption caused by the filming or the nature of the business being conducted.*

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**Cabinet**  
**Monday 8 July 2019**

<b>REPORT TITLE:</b>	<b>Celtic Manor Resort</b>
<b>REPORT OF:</b>	<b>Deputy Leader and Portfolio for Finance and Income</b>

## **REPORT SUMMARY**

As part of the Celtic Manor Resort project, the Council have received an application from Nicklaus Joint Venture Group (NJVG) for a loan to progress to the next stage of the project.

This forms part on an existing Development Agreement between the Council and NJVG, 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 are sequential and the first condition, to provide a funding and phasing agreement has been met.

The funding and phasing report was considered by the Business Overview and Scrutiny Committee on 27 June 2019.

The resolution of the Business Overview and Scrutiny Committee is as follows:

That –

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) are attached at Appendix A.

The funding and phasing report considered at the Business Overview and Scrutiny Committee contains commercially sensitive information and is included at Appendix B to this report, together with the Overview and Scrutiny Committee Report.

## **RECOMMENDATIONS**

To enable the Cabinet to consider the recommendations from the Business Overview and Scrutiny Committee on 27 June 2019 in relation to the NJVG Funding and Phasing plan and the request for a loan.

## SUPPORTING INFORMATION

### 1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 To enable the Cabinet to consider the recommendations from the Business Overview and Scrutiny Committee on 27 June 2019 in relation to the NJVG Funding and Phasing plan and the request for a loan, as requested by Council on 25 February 2019.

### 2.0 OTHER OPTIONS CONSIDERED

- 2.1 To not accept the recommendations from the Business Overview and Scrutiny Committee either in part or in full.

### 3.0 IMPLICATIONS/RISKS/CONSULTATION

- 3.1 These are set out in the exempt Business Overview and Scrutiny Committee report and Appendix.

**REPORT AUTHOR:** Shaer Halewood  
Director of Finance and Investment.

### APPENDICES:

- A. Minute of Council 25 February 2019, and draft minutes of the Business Overview and Scrutiny Committee 27 June 2019.
- B. (Exempt) Business Overview and Scrutiny Committee Report 27 June 2019 and (Exempt) Funding Phasing Report Appendix.

### BACKGROUND PAPERS

#### SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet	7 November 2016
Cabinet	18 December 2017

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**EXTRAORDINARY COUNCIL 25 FEBRUARY 2019**

**MINUTE NUMBER 93 CELTIC MANOR RESORT**

Council notes the concerns which have been expressed about the proposed Celtic Manor Resort in Hoylake

Council also notes the potential financial and economic benefits of the proposed scheme: including 300 jobs, apprenticeship opportunities, up to £40m in one-off payments, and £1m to the Council in increased revenue every year to be invested in public services.

Council the notes the wider potential benefits of the scheme, including revitalising the Hoylake High street and providing a huge boost to the visitor economy throughout the borough.

Council further notes the support that local businesses have expressed for the scheme.

Council believes it would be inappropriate to make a decision on this scheme before we have the full facts. We have only recently – within days, received the funding proposal from the developer which is now under review.

Council further believes it is important to review the details of the various feasibility studies which will assess the environmental and economic impact of the scheme and believes residents should be consulted on these details as part of a robust planning application.

Council therefore agrees to ask the relevant Scrutiny Committee to hold a special meeting to consider all aspects of the scheme once negotiations have reached a point where a clear proposition can be placed before Members.

The Scrutiny Committee will then be able to make informed representations to the Cabinet.

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## **MINUTE EXTRACT**

### **BUSINESS OVERVIEW AND SCRUTINY COMMITTEE**

**27 JUNE 2019**

#### **5 CELTIC MANOR RESORT**

The Business Overview and Scrutiny Committee was requested to consider the content of the exempt report of the Director of Finance and Investment (S151), as circulated with the agenda, detailing requested funding arrangements in respect of the Celtic Manor Resort proposal.

It was moved by Councillor Jo Bird, and duly seconded by Councillor Steve Foulkes, that:

**It be recommended to Cabinet (13:0) (no abstentions)**

**That –**

- 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.**

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