

# **POLICY AND RESOURCES COMMITTEE**

Wednesday, 24 March 2021

<u>Present:</u>	Councillor	J Williamson (Chair)	
	Councillors	T Anderson	A Hodson
		C Carubia	J McManus
		P Cleary	Y Nolan
		W Clements	L Rennie
		P Gilchrist	C Spriggs
		JE Green	P Stuart
		EA Grey	T Usher
<u>Deputies:</u>	Councillors	J Robinson (In place of A Leech)	
		S Hayes (In place of M McLaughlin)	

## 104 **WELCOME AND INTRODUCTION**

The Chair welcomed everyone to the meeting.

## 105 **APOLOGIES**

The Chair announced that apologies had been received from Councillors Anita Leech and Moira McLaughlin and that Councillors Jean Robinson and Steve Hayes were deputising for them respectively.

## 106 **MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST**

Members were asked to declare any disclosable pecuniary interests and any other relevant interest and to state the nature of the interest.

Councillor Julie McManus declared a personal interest in respect of agenda item 5, 'Edsential CIC – Letter of Comfort' by virtue of her employment.

It was also noted that Councillors Jeff Green and Janette Williamson, in their roles as members of the Shareholder Board, and Councillor Wendy Clements, in her role as Chair of the Children, Young People and Education Committee, had received briefings on Edsential.

## 107 **PUBLIC AND MEMBER QUESTIONS**

The Chair reported that no questions from either members of the public or Members had been submitted. Nor were there any statements or petitions to receive.

## 108 **EDSENTIAL CIC - LETTER OF COMFORT**

Philip McCourt, Director of Law and Governance, introduced a report on Edsential Community Interest Company, a company wholly owned equally by the Council and Cheshire West and Chester Council, which had experienced significant trading and financial difficulties as a consequence of the COVID 19 Pandemic. It had been in negotiation with officers of both the Council and Cheshire West and Chester Council with a view to obtaining additional financial support. In order for the auditors to sign off the company as a “going concern”, however, it needed to demonstrate that there was a reasonable expectation that the company had adequate resources to continue to be operational.

To this end, the shareholders, Wirral Council and Cheshire West and Chester Council, had been asked to provide a letter of comfort that they would provide a means to adequate funding to give assurance that the company would remain viable and have a realistic mechanism for recovering the recent and projected losses.

The core, underlying business (prior to Covid-19) had proven to be profitable and marginally cash generative. Subject to adequate revised business plans, consideration of the company’s resources and long term consequences of any short term support provided and the assessment of need at the close of lockdown and re-opening of Edsential’s activities, it was considered in the Council’s interest as a shareholder, together with Cheshire West and Chester Council, to provide such funding and the letter of comfort in advance of that detailed application.

Philip McCourt also referred to the Council’s current appointee to the board of directors of Edsential, Simone White, whose role within the Council had changed upon her promotion to Director of Children’s Services. It was considered, therefore, that her role was best taken up by another officer related to the delivery of education and youth provision and create a separation to respect the conflict of interest between company and Council.

In response to comments from Members, Philip McCourt confirmed that the purpose of the letter was about offering confidence that the company would be a going concern and was for funding and finance distinct from the £2m cashflow agreement over a five year period agreed by the Committee on 21 December, 2020 (minute 38 refers).

Members expressed support for the proposal as Edsential provided a valuable service to schools across the Borough.

On a motion by the Chair, seconded by Councillor Jeff Green, it was -

**Resolved – That,**

**(1) the Director of Law and Governance be authorised, in consultation with the Director of Resources, to:**

**(a) provide a letter of comfort to Edsential that financial support will be provided to the company over the forthcoming period, in the form of Covid related funding support and/or a commercial loan, to be offered in conjunction with Cheshire West & Chester Council and subject to approval by this Committee; and**

**(b) consider such a request for assistance from Edsential to this Council, which shall only be granted subject to the approval of this Committee and which consideration should include assessment of the request (due diligence), revised business plan(s) and any conditions considered appropriate to be applied at the point of offer;**

**(2) the Director of Law and Governance be authorised, in consultation with the Director of Children’s Services, to appoint a replacement officer as a director of Edsential.**

**109 ITEM OF URGENT BUSINESS - PROPOSED GRANT AGREEMENT WITH LCR COMBINED AUTHORITY FOR THE COSTS OF THE ACQUISITION OF 92 GRANGE ROAD, BIRKENHEAD**

The Chair stated that she had agreed to this item of urgent business, in view of the need for a decision before 31 March, 2021.

Philip McCourt, Director of Law and Governance, reported that the Council had embarked on an ambitious strategy to regenerate Birkenhead and on 21 December 2020 this Committee had agreed to the acquisition of the former House of Fraser building (92 Grange Road, Birkenhead) (minute 43 refers). Following the purchase of the property, the Council had been offered grant funding by the Liverpool City Region Combined Authority to enable it to recoup the purchase costs. The terms of the proposed grant provided for certain clawback provisions which were detailed in the report, and which in response to a Member’s comment he clarified for the Committee.

Alan Evans, Director of Regeneration and Place, referred to today’s launch of the Birkenhead Regeneration Framework and that this asset was a key gateway area, and would bring forward plans for the complete regeneration of the area. Responding to Members’ comments he stated that the Council was looking to work with Homes England in respect of the wider ‘left bank’ proposal. He was confident the deadlines were achievable with regard to full planning consent for residential housing on this site being submitted by 30 September, 2022. A number of options for a development partner would be

discussed and he would be bringing a report back to the Economy, Regeneration and Development Committee as soon as possible.

On a motion by the Chair, seconded by Councillor Julie McManus, it was -

**Resolved – That,**

- (1) the Director of Law and Governance, be authorised, in consultation with the Director of Resources, to enter into a grant agreement with the Liverpool City Region Combined Authority to secure up to £2,109,000 of funding to re-imburse the Council’s costs for the acquisition of 92 Grange Road Birkenhead; and**
- (2) agree that given that the funding offer is conditional on formal acceptance by 31 March 2021, this decision is urgent and not subject to call in.**

110 **PROPOSAL TO ACQUIRE UNITS FOR AFFORDABLE HOUSING USE**

Councillor Julie McManus, as Chair of the Housing Committee, introduced a report on that Committee’s recommendations in respect of increasing the number of homes in Wirral’s social housing sector, through the use of existing resources available from:

- commuted sums for affordable housing secured through the planning system;
- adaptations Budget passported through the Better Care Fund; and
- potentially also securing funding from Homes England from the Government’s Affordable Housing Programme.

Members welcomed the report and in response to a Member’s comment Councillor Julie McManus stated that there was no need to open a Housing Revenue Account, as with the current 28 properties the Council had, an additional six would not take the Council above the 199 limit, which the Council was allowed.

Alan Evans, Director of Regeneration and Place confirmed the threshold in respect of the Housing Revenue Account and that the associated costs would not be triggered. The Housing Committee work programme did include the issue of the Housing Revenue Account and that Committee would also be looking at future management options of the Council’s other homes, currently managed by Magenta until September, 2021, along with the use of future S106 monies, income which was ringfenced for affordable housing in the Borough.

Philip McCourt, Director of Law and Governance, in response to a Member’s question, commented upon the delicate balance to be struck by the Chair in

controlling the debate and questions asked during the meeting on reports before the Committee.

On a motion by the Chair, seconded by Councillor Jeff Green, it was -

**Resolved – That,**

- (1) the Director of Law and Governance, in consultation with the Director of Regeneration and Place, be authorised to negotiate the acquisition of six new social rented housing properties from Lovell Partnerships Ltd and to finalise all necessary associated legal documentation; and**
- (2) the Director of Regeneration and Place be authorised to enter into negotiations with Lovell Partnerships Ltd to negotiate an enhanced energy efficiency specification which may include the installation of solar photovoltaics for such properties.**

**111 EXEMPT INFORMATION - EXCLUSION OF THE PRESS AND PUBLIC**

On a motion by the Chair, seconded by Councillor Phil Gilchrist, it was -

**Resolved – 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.**

**112 PROPOSAL TO ACQUIRE UNITS FOR AFFORDABLE HOUSING USE EXEMPT APPENDIX**

**Resolved – That the exempt appendix to the Proposal to Acquire Units for Affordable Housing Use report, be noted.**