

WIRRAL WATERS

Scrutiny Report of the Business Overview & Scrutiny Committee

OCTOBER 2018



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1. INTRODUCTION

As part of the Business Overview & Scrutiny Committee's Work programme for 2018/19, it was agreed to undertake a scrutiny workshop on the latest development relating to Wirral Waters. As a result, a scrutiny workshop was held on 16th October 2018 and was open to all Overview & Scrutiny Committee Members.

It was agreed by the Chair and Party Spokesperson of the Business Overview & Scrutiny Committee that it would be useful for both representatives of Wirral Council and Peel Holdings Land & Property to attend the scrutiny workshop and deliver presentations.

2. OVERVIEW OF WIRRAL WATERS

Wirral Waters is one of the largest regeneration projects in the UK. It is focused on the semi-derelict Wirral Dock system on the banks of the River Mersey. The Wirral Waters project seeks to utilise the unique water assets of the Liverpool City Region to drive growth across various sectors, especially energy (linked to City Region priorities for offshore renewables, civil nuclear and tidal energy generation), maritime (linked to Liverpool 2 investment and Cammell Laird), automotive and the SME sector. It represents a nationally significant project, capable of contributing to a 'rebalancing' of the economy aligned with the vision for the Northern Powerhouse.

The Mersey Waters Enterprise Zone was established in 2012. Peel, in its capacity as land owner, has secured planning consent for over 600,000 sq meters of new mixed use floorspace, including up to circa 13,000 homes, as part of a long-term vision for Wirral Waters.

The masterplan groups approximately 60 development plots within seven zones:

Four Bridges – an initial phase of commercial office, culture and education related activity, building upon recent investment to deliver a new campus for Wirral Metropolitan College and new office accommodation. The restoration of the Hydraulic Tower and associated new development to create a Maritime Knowledge Hub lie at the heart of proposals for this area. This will act as a catalyst for investment and development activity projects coming forward, which also includes a further Grade A office development and an amenity / arts hub with cafes and workspace;

Northbank East / West – the focus for new high density, innovative residential development, extending along Dock Road and either side of the existing East Float apartments. This comprises of three residential schemes, with plans well advanced for two of the schemes. The development of this area will firmly establish Wirral Waters as a residential location and ensure that the benefits of designation as a Housing Zone are maximised;

West Float – located at the western end of the Wirral Waters area, this industrial zone is the focus for the MEA Park (Marine, Energy and Automotive), providing a focus within the Liverpool City Region for the development of key energy infrastructure within the maritime, civil nuclear and renewables growth sectors;

Vittoria Studios – located at the junction of Corporation Road and Duke Street, this will be a mixed use area for both office, workshop and residential use and further extending activity at Marina View over the longer term.

Sky City –the focus for long term investment, the Sky City zone will be transformed into a high density mixed use environment.

The overall masterplan for Wirral Waters is shown below as Fig 1.

Fig1. Wirral Waters Masterplan



3. SUMMARY OF KEY DEVELOPMENTS

Presentations were delivered to Members attending the scrutiny workshop by the Council's Assistant Director for Growth, Regeneration & Place and the Director of Development for Wirral Waters before the session was opened up for a question and answer session. A summary of the presentations is detailed below, followed by Members' comments and observations.

Background and context of regeneration in Wirral

In respect of regeneration in Wirral, the Council is working with Peel to bring forward development in Wirral Waters,

Job density and economic output have improved over the last few years in Wirral, but there are still approximately 33,000 economically inactive residents. Wirral has the lowest economic output in England and there is an overreliance on public administration. Market failures have been a hurdle to successful regeneration and Wirral has worked to address barriers to delivery by using a range of regional, national & E.U. funding. This has been particularly important within areas such as Wirral Waters where there are issues with ground conditions, including polluted and contaminated land, as well as poor transport infrastructure around the dock area.

Wirral Waters benefits from Enterprise Zone status to enable growth as well as the simplification of planning. However, there are viability issues and a need for funding not just at Wirral Waters but across the northwest. Wirral Council and Peel are looking to maximise support from regional and national government.

Peel is working with Wirral Council to develop the Place Shaping agenda in the context of Wirral Waters. Housing is critical as well as other industrial and commercial projects, and Wirral Waters One should be an enabler for future projects. Wirral Council has worked with Peel to ensure that local needs are met. This includes a proposal for more affordable housing (20% rather than 10%) and prioritisation of local amenity offers (i.e. food retail). There is an appetite to attract new people to live in Birkenhead's dock areas and town centre. These plans include the desire to encourage more students to live in the area, something that has started with the launch of the University of Chester's nursing facility in Birkenhead and subsequent Hamilton Hub development. Wirral Met College provides technical courses in essential skills to maximise local value.

Wirral needs facilities and services to match business needs. Wirral Waters will help provide space for local businesses to grow by linking regeneration to key sector and spatial priorities. The needs of local and inward investing businesses are central to the regeneration plans, with regular engagement on skills provision and wider business requirements taking place at sector forums with Wirral Chamber of Commerce and Wirral Met College.

Wirral Waters will have links to both Wirral Growth Company and Birkenhead Town Centre. The growth in the number of businesses and residents in Wirral Waters aims to revitalise Birkenhead Town Centre through service demand.

'Eureka! Mersey', the National Children's Museum will be located at the Spaceport site next to the Seacombe Ferry Terminal and is planned to open in Spring 2021 with projected visitor

numbers of 187,000. Eureka! Mersey Is aimed at children and families and promotes STEM subjects, Science, Technology, Engineering and Maths.

Wirral Waters aims to support revenue streams whilst contributing to the growth of the local economy by increasing Council Tax and Business Rates collection thorough housing and commercial developments.

Wirral Waters Project Overview

Peel has interests across the Northern Powerhouse and, through working partnerships, aims to deliver over 150 projects with investment totalling over £5 billion. Over £1 billion of this is currently committed by Peel and its partners in projects that support Central Government's ambitions for the Northern Powerhouse.

Peel is keen for Wirral Waters to be a significant contributor to the Northern Powerhouse initiative and is dedicated to making this happen. Peel expressed the view that a stronger dockland area will assist in the regeneration of Birkenhead. Members were informed that the success of Salford Quays should be used as a benchmark and it was suggested that the Mersey dock real estate is superior to Salford Quays. To deliver Wirral Waters, Peel is keen to build on the existing partnership with the Council.

The International Trade Centre was considered a key project. However, it was explained that Peel considered the project too high risk which resulted in the project being terminated/ Peel reported that it has undertaken a lot of work since 2012 to address the hurdles to delivery. These include:

- Planting trees in the area in conjunction with the Forestry Commission and Mersey Forest to bring the greenery of West Wirral to the harsh dockland area.
- Securing government support. Wirral Waters is the only development in the UK to hold both Enterprise Zone and Housing Zone status. Peel is keen to involve construction students from Wirral Met College in any building works to add social value to the project
- Securing funding from various strands, including European Regional Development Fund, Single Investment Fund, and Coastal Communities Fund.

Peel will match money from grant funding to make their contribution go further and there is a robust funding strategy in place to address market failure.

Wirral Waters - Areas of Development

The Wirral Waters Programme Overview, shown at the workshop, is attached as **Appendix 1** to this report and a summary of the key areas being developed within Wirral Waters is detailed below:

- *Maritime Knowledge Hub* – A project that creates an education, research and development, training and skills facility for the maritime and marine sector. Peel has already appointed an architect for this project, which is located at the former Hydraulic Tower building

- *Egerton Village* – A local amenity village with retail units (coffee shops, bars, food hub, restaurants) alongside managed studio and workshop spaces for the creative and arts Industries of Wirral.
- *Wirral Waters One* – An innovative, high density and sustainable new waterfront development of 500 units with ancillary amenities. Following an international design competition, the £90m project is due on site in 2019.
- Northbank Phase 3 – a multi-phased £65m project on both Northbank East and West is to be delivered as a joint venture between Urban Splash and Peel. It will comprise of 347 units in differing typologies / products, including family housing and apartments delivered in modular form.
- *Belong Village Extra Care Facility* – Residential supported living facility comprising 38 apartments and 12 dementia care households. This project is likely to go to the Planning Committee towards the end of the year.
- *MEA Park* – Waterside manufacturing campus serving west coast energy projects (offshore wind, civil nuclear, and tidal energy) all of which require off- site manufacturing.
- *No.1 Tower Road South* – A 30,000 sq ft waterside BREEAM Excellent office building.
- *Skills Factory* – Peel are working with a Government Catapult Centre to create a new Skills Factory at MEA Park.
- *Modular Development Centre* – Located at the former Mobil building, this 30,000 sq ft project provides industry-led prototyping and testing centre for Modular Construction in marine, maritime, energy and construction sectors. This project compliments the adjoining Skills Factory.

4. MEMBER COMMENTS AND OBSERVATIONS

- Members queried the plans for the development of the wider area, particularly around Birkenhead North station, and if this will be linked with the Wirral Waters project. Members were informed that a residential redevelopment scheme was scoped out for this area but construction costs were not found to be viable. The developer did not have the capacity at the time to take the project forward. However, the team is actively looking at that area and will revisit the plans.
- In response to any unresolved issues remaining, the difficulty of regeneration and the complexities of delivering projects were highlighted to Members. There have been issues around the International Trade Centre facility and the proposed Rolls Royce site that have not come to fruition, resulting in frustration from Peel. Although acknowledged by Members, disappointment at this was expressed. Members were assured that Peel fund the application and design process so any failed projects do not financially impact the Council.
- Members sought assurances that the current projects would gain pace and become reality. It was explained that the larger projects, such as the ITC, come with more risk, whereas the planned commercial and residential buildings are not on the same scale. Additionally, the Council has changed to become a facilitator of the work, and there is now a better partnership between the public and private sector organisations – effectively, striking the right balance.
- Members were interested in the planned Eureka! Mersey Children’s Museum and clarifying who will be responsible for it. It was explained that Merseytravel own the land so will in effect be

landowners. However, the benefit for Wirral will be based on the increased patronage of the ferry, with more people coming to Wirral and potentially utilising services in the vicinity.

- In relation to ensuring slower traffic on Tower Road, Members were informed that £3m will be invested into the Tower Road area with a focus on improving functionality and safety. Improvements, which have already gained pace, will be put in from the Tower Road/Rendel Street roundabout to the bridge. Although the road will remain primarily as a carriageway, there will be a civilised street scene and a much improved access route for pedestrians and cyclists.
- Members encouraged Peel and Wirral Council to ensure that the approach to projects ensures that they are more sustainable, such as what is currently underway with the tree planting work and improving transport infrastructure. Members were informed that other approaches to sustainability include the development of cycleways which have made up a large part of the plans. In addition the 500 residential flats at Wirral Waters One will have car parking spaces for 350, thereby encouraging the use of more sustainable methods of transport for residents. To support this, the Council is liaising with Merseytravel to look into options with the immediate objective to “get people here”. Improving public transport to the docklands is critical to save money on highway improvements and maintenance. Members were informed that there was an - appraisal for a streetcar service using the existing tramway, and work is on-going to ensure that options for high quality feeder services into the current public transport network are advanced.
- Members queried the European funding streams available and the impact on these following Britain leaving the European Union. It is understood that funding related to this area has been received through the European Regional Development Fund (ERDF) and wider European Structural and Investment Fund (ESIF) grants. It is anticipated that withdrawal from the E.U. there should be access to funding through the Government’s proposed Prosperity Fund, but the Council is awaiting further information regarding this.
- Members required clarification on what financial contribution is expected from the Council towards the Wirral Waters projects. Members were informed that there is no specific Council capital budget funding expected for these schemes. . However, the Council has established the Wirral Waters Investment Fund so that any uplift in business rate collection will be will be reinvested back into the Fund. In time, this will kick start other investment projects which should create further Business Rates or Council tax income. This fund will work alongside other funding streams such as SIF and ESIF.
- Members highlighted the importance of placing social value with all Wirral Waters projects. Assurances were given that it will be a ‘place for all’ and will cater for all income streams. Additionally, there is an objective to create diverse community, with affordable housing included within the private rental market. Peel also wants to ensure that the project works sustainably and cohesively and aims to make it the most sustainable project in the UK. Peel will work with local organisations and businesses to support the employment of local people. This was evidenced by the building of Wirral Met College where Peel actively engaged with students and local people during the development.

- It was noted that Peel will be involved in tidal technologies through the Mersey Tidal Scheme, which they were involved in approximately 2010. It is understood that this scheme is now back on the agenda with projects looking at harnessing the tides of the River Mersey. It was explained that Wirral Waters will support the development of the skills and construction opportunities which are needed in this sector and this is why the development of the Wirral Met site was one of the first projects to take place to ensure time was given to build up the workforce.
- It was highlighted that the unattractive surrounding area could potentially be a barrier to encouraging people to live in the area. This was acknowledged by Peel and Council officers but clarification was given that areas north of Dock Road and Seacombe are all part of the wider regeneration plan. Additionally, the regeneration of Salford Quays was cited as a similar example of an unattractive area which was in close proximity to a deprived estate. It was explained that over the period of ten years, people began to see the changes for themselves, until enough had been done to boost local confidence. For Wirral Waters, Members were assured that over time the new community will flourish, and that this has been seen through other regeneration zones in Newcastle Gateshead and Hartlepool.
- Members queried how much of the project depends on the success of the first phase. Members were informed that when maximising potential, every phase needs to be a success and some stages are inter-related. It was also emphasised that amenity provision is key to projects such as this. An example would be the synergy between the Maritime Knowledge Hub and the success of the hotel development. With this project, Peel is looking to create momentum and then focus on 2023 and beyond.

APPENDIX 1 – Wirral Waters Programme Overview

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Appendix 2 – Workshop Attendance

Cllr. Pat Hackett (Chair)

Cllr. Phil Gilchrist

Cllr. Alan Brame

Cllr. Chris Carubia

Cllr. Dave Mitchell

Cllr. Tony Norbury

Cllr. Angela Davies

Cllr. Leslie Rennie

Cllr. Steve Williams

Cllr. David Elderton

Cllr. Pat Cleary

Cllr. Jo Bird

Cllr. Tom Usher

Cllr. Jean Stapleton

Wirral Council Officers

Alan Evans, Assistant Director Regeneration & Inward Investment

Brian Bailey, Director for Economic & Housing Growth

Sally Shah, Lead Commissioner: Place and Investment

External Representatives

Richard Mawdsley, Director of Development – Wirral Waters

James Dunningham, Director, Kenyons Marketing

Chris Hargreaves, Director, Vector