

POLICY AND PERFORMANCE - REGENERATION AND ENVIRONMENT COMMITTEE

Monday, 18 January 2016

Present: Councillor M Sullivan (Chair)

Councillors KJ Williams D Realey
J Crabtree C Spriggs
R Gregson J Stapleton
J Hale A Sykes
D Mitchell S Williams
S Niblock

Deputies: Councillors D Elderton (In place of G Ellis)
A Leech (In place of M Daniel)

In attendance: Councillors A Brighthouse

32 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST/PARTY WHIP

Members were asked to consider whether they had any disclosable pecuniary interests 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.

Members were reminded that they should also declare, pursuant to paragraph 18 of the Overview and Scrutiny Procedure Rules, whether they were subject to a party whip in connection with any item(s) to be considered and, if so, to declare it and state the nature of the whipping arrangement.

No such declarations were made.

33 MINUTES

Resolved:

That the minutes of the meeting held on 2 December 2015 be approved.

34 **NOTICE OF MOTION: HAMILTON SQUARE - EFFECTIVE SCRUTINY OF CONTROVERSIAL SCHEME**

Prior to consideration of the motion, the Chair informed Members that a statement had been made by the Leader of the Council in the past few days stating that:

“based on conversations with businesses, residents and other partners, we have decided that the changes to Hamilton Square are not the best use of this money at the moment”.

Given the announcement by the Leader, the Chair informed that the options available to the proposer were to either withdraw the motion, or that he exercise his right to speak, and that the Committee purely note its content.

Councillor Alan Brighthouse thanked the Chair and took the opportunity to discuss issues relating to economic development and the administration of similar such projects. The motion as referred from Council (minute 92(i), 14 December 2015 refers) stated that:

“Council notes that a public consultation was recently carried out regarding the redesign of the access to Hamilton Square, Hamilton Street and the area in front of Birkenhead Town Hall.

Council is aware that many principled objections have been raised to this scheme, with concerns around the re-introduction of unnecessary traffic and noise, the removal of the expensive landscaping and paved areas introduced by the Hamilton Quarter and the overall purpose of the scheme.

Given the Council's limited financial resources, it is important that this project is tested against the 2020 Vision. Before an investment of £1.1m is committed, the Regeneration and Environment Policy and Performance Committee is requested to examine, in detail, the criteria used to justify this investment.

Council, therefore, suggests that the Highways and Traffic Representation Panel is not the most appropriate forum for this fundamental study and requests that the project be the subject of full consideration by the Policy and Performance Committee.”

Resolved:

That the Notice of Motion referral from Council, minute 92(i) 14 December 2015, be noted.

35 **DEVOLUTION - VERBAL UPDATE**

Ms Rose Boylan, Policy and Strategy Manager provided an oral update on the subject of the devolution package and economic growth plans for the Liverpool City Region.

The Committee was informed of the key aims of the devolution deal i.e. to accelerate economic growth, growing jobs and to promote public service reform, reducing costs. The Committee also noted the proposed opportunities for greater control, powers and resources in relation to:

- Economic development and energy
- Transport infrastructure
- Housing Development & planning for growth
- Employment & Skills

As part of implementing Phase 1 and development of Phase 2 devolution deals, members were also informed of the a review of political and officer arrangements that had been taking place, namely confirmation of the following appointments:

December 2015:

- Mayor Joe Anderson elected Chair

The new Combined Authority cabinet with portfolio leads:

- Economic Development: Cllr Phil Davies
- Transport: Cllr Rob Polhill
- Housing and Planning for Growth: Cllr Barrie Grunewald
- Employment and Skills: Cllr Ian Mayer
- Health and Wellbeing: Cllr Andy Moorhead
- Public Service Reform: Mayor Joe Anderson

The Policy and Strategy Manager advised that each of the portfolio leads were to co-ordinate review of existing working arrangements in their areas of responsibility between now and an Annual Meeting of the Combined Authority scheduled for June 2016. She further explained that this would enable the Annual Meeting to establish formal 'shadow' arrangements, if it so wished, in advance of the introduction of a new Liverpool City Region Mayor in May 2017.

The Policy and Strategy Manager informed that Wirral Council would have ongoing involvement in developing the devolution project, as well as wider City Region activity e.g. the 'Growth Deal'. The Committee were told that

Members would continue to be provided further detail about implementation of the devolution agenda, and the implications for Wirral, in the coming weeks.

Members raised a number of questions concerning the matter of competing for the advancement of development projects on the Wirral, where the developers were already involved in projects on the Liverpool side of the River Mersey. It was noted that this particular issue – making Wirral attractive to investors - would be covered under the following agenda item. Councillor Hale requested that for future devolution reports, a written report or copies of the presentation slides be circulated with the agenda papers in advance of the meeting. Officers confirmed that this would be actioned.

Resolved: That the presentation be noted.

36 **CREATION OF A PROPERTY DEVELOPMENT FRAMEWORK**

The Strategic Investment and Partnerships Manager presented the report of the Strategic Director Regeneration and Environment that updated the Committee on the Property Development Framework supporting the development of new commercial floor space in Wirral, initially presented to the Cabinet at its meeting held in March 2015.

The report informed that the industrial and office property market in the Liverpool City Region faced challenges with end values remaining relatively low and grant funding still being required to enable developments to take place. That is, the total cost of constructing speculative and bespoke accommodation being greater than its value on completion.

The Strategic Investment and Partnerships Manager advised that the issue was further compounded by banks often refusing to lend against any kind of speculative development and limiting their lending against bespoke schemes, with a known end user, to a maximum of 60% of the projected end value. Members were told that one of the other constraining factors was that the availability of external grant funding from organisations including the UK Government and the European Union was reducing significantly.

Members were informed that the Council had been reviewing the current models that were available to it in terms of supporting private sector development and company growth, and exploration of new ways of supporting such developments.

The Strategic Investment and Partnerships Manager explained the three primary Development Models and the constraints associated, summarised below:

OPTION	DESCRIPTION	CONSTRAINTS
1. Site/ Acquisition Land Assembly	To strategically intervene in the marketplace to address constraints causing barriers to the private sector. This may include land assembly to create developable parcels of land.	Lack of available funding to support this type of option. Little or no return on the outlay.
2. GAP Funding	To address viability gaps by bridging the 'gap' between development costs and end values.	Again, the lack of available funding for this option presents a problem. However, the LCR LEP has been allocated some resources through the Growth Deal.
3. Council Head Lease	<p>Covenant strength allows a developer to secure higher levels of funding for a development, strengthening the yield of a development and addressing viability in a different way from GAP funding.</p> <p>The Council taking the head lease for a new developing significantly increases the viability of a development from the point of view of securing funding.</p>	Using the Council's covenant strength in this way brings opportunities and risks. It exposes the Council to potential costs if the sub lease ends and there are void periods. However, mitigating actions can be put into place and the risk depends on the development plus the potential return for the Council.

He further informed the Committee that all efforts to make Wirral attractive to investors had to be assessed against the financial risk to the Council, adherence to policy and effective due diligence.

Members expressed full support to any initiatives that encouraged investment in the Wirral, and promoted business growth and employment.

The Committee discussed a range of projects, past and current, funding sources including the Growing Places Fund and international funding / city region investment. A member questioned the sustainability of some of the funding models, but acknowledged along with others that some of the land

areas covered by the enterprise zone had been unused for 30 to 40 years, and noted the successes arising from 'pump priming' similar schemes elsewhere.

A question was asked that given the topic, whether members of the Planning Committee should declare an interest at this point. The attending solicitor informed that the discussion was considered general, and not specific to any particular application, and as such no declaration was required.

Members noted the value of investing in the clearance of contaminated land, thereby making it more attractive to investors.

The Head of Regeneration and Planning informed the Committee that as the economy picks up, the number of people looking to invest, or talking about investment opportunities was growing. The Strategic Investment and Partnerships Manager also pointed out that state aid shouldn't distort the market and that the Council must remain innovative in its efforts to attract investors and new businesses.

Resolved: That the report be noted.

37 **POLICY INFORM BRIEFING PAPER - JANUARY 2016**

The Policy and Performance Regeneration and Environment Committee noted the report of the Strategic Director Regeneration and Environment and the attached January Policy Inform Briefing Paper that included an overview of ongoing and recent national legislation, potential implications for the Council, and emerging policies.

The report and Policy Inform Briefing Paper outlined the key features of the Autumn Statement and the Spending Review, which was announced on 25th November 2015. The Policy Inform briefing also alluded to any potential implications for Wirral Council, and elaborated on any legislation or policy updates that had been implemented, or developed since the last policy briefing published in September.

The report further informed that the fourth (March 2016) Briefing Paper would focus upon the 2016 Chancellor of Exchequers Budget.

Resolved: That the contents of the January 2016 Policy Briefing papers be noted.

38 **LIVERPOOL CITY REGION COMBINED AUTHORITY - SCRUTINY ARRANGEMENTS**

The Policy and Performance Committee – Regeneration and Environment received a report of the combined authority scrutiny link member Cllr Mike Sullivan, that set out progress to date on the work carried out by the Liverpool City Region Scrutiny Panel.

The Committee noted that an LCRCA Scrutiny Panel meeting had been held on 13 January 2016 and an update would be provided to Members via the finalised minutes once published.

Resolved - That the progress to date regarding the work of the Liverpool City Region Combined Authority Scrutiny Panel be noted.

39 **WORK PROGRAMME UPDATE**

The Policy and Performance Regeneration and Environment Committee noted the report of the Chair that updated members on the current position regarding the Committee's work programme as agreed for the 2015/16 Municipal Year.

A Member requested that consideration be given to the inclusion of Street Lighting as a topic on the Committee's work programme, given the number of street lamps currently out of order / being reported, and delays in repairs being actioned. Another Committee Member suggested that two components be considered, firstly failure / repair / actions (repairs and maintenance), and secondly outages due to supply (Scottish Power).

The Head of Regeneration and Planning confirmed that a report on the matter of repairs and maintenance responses would be presented to the March meeting of the Committee. It was noted that given the number of items to be considered at the next meeting of the Committee that the report item on the outages due to failures in supply be deferred until after March.

Members further requested that the matter of dog fouling be reviewed, to consider mirroring the successful approach to prosecutions and penalties for littering. Officers advised that the request would be investigated and referred to the relevant service area and Committee. Members would be kept informed of the matter, should the topic fall to another Committee to review.

Resolved: That

- 1) the updated Regeneration and Environment Policy & Performance Committee work programme for 2015/16 as detailed in the report appendix be noted;**
- 2) additional reports into the matters of street lighting and dog fouling be prepared in the timeframe agreed, to be presented to the relevant Committee(s) as appropriate.**