

**APPOINTMENT OF CONSULTANCY SUPPORT FOR HOUSING MARKET RENEWAL
IN BIRKENHEAD**

1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to seek Cabinet approval for the appointment of the legal firm Hill Dickinson and cost consultants Tweeds using HMRI funding to assist in securing a successful appointment of Keepmoat Homes as the Council's preferred private developer for Housing Market Renewal in Birkenhead.

2.0 BACKGROUND

2.1 The appointment of preferred private developer partners is key to the successful implementation of the Council's Housing Market Renewal programme and the achievement of the over-riding objective to restructure the housing market of the urban areas of Eastern Wirral.

2.2 Following a competitive tendering exercise carried out in line with European Union Procurement Rules, Cabinet resolved on 26th May 2005 to select Lovell as its preferred developer partner for Tranmere and Rock Ferry and Keepmoat Homes as its preferred partner for Birkenhead. These selections were made on the basis of successful negotiation of legal agreements that provided acceptable levels of risk and value for money to the Council.

2.3 Since 2005, officers have prioritised the legal appointment of Lovell, reflecting the emphasis of the HMRI programme on Tranmere and Rock Ferry. Engagement of Keepmoat Homes has focussed on strategic planning, providing development advice to inform HMRI investment, contributing to regeneration studies, and community engagement. It is now timely to begin the formal legal appointment of Keepmoat Homes as detailed development proposals for Birkenhead can now be realised in the next few years. All legal and financial documentation has now been agreed and signed with Lovell to enable the first phases of development to begin. Lovell is now well advanced in Phase 1 of the Sevenoaks new build scheme in Rock Ferry and has also begun new development in the Church Road area of Tranmere. In order to reach agreements acceptable to the Council, advice has been required from the law firm Hill Dickinson and the cost consultancy Tweeds. Both companies were appointed through competitive tendering exercises. Hill Dickinson's appointment was approved on 26th May 2005 by Cabinet (minute 37). Tweeds was appointed under delegated authority by the Director of regeneration and noted on 26th September 2007 by the Housing & Community Safety Select Committee (minute 16). Both companies have provided high quality services to the Council since their appointments were made.

2.4 To maintain continuity, HMRI officers need to retain the services of Hill Dickinson and Tweeds within the Council's team in negotiating with Keepmoat Homes. Therefore, Cabinet is requested to approve the continued appointment of Hill Dickinson and Tweeds to help appoint Keepmoat Homes in line with 5.2 of the Council's Contract Procedure Rules as a new contract based on existing rates and terms procured via competitive



tendering. In line with Contract Procedure Rule 5.2, it is in the Council's interests to maintain continuity and make valuable, cost-effective use of work carried out to date with Lovell. Both Hill Dickinson and Tweeds have agreed to continue to work with the Council at the original hourly rates submitted in 2005 and 2007 respectively. They are both familiar with housing market renewal issues in Wirral; have provided the standard documentation to appoint Lovell that can be used in the appointment of Keepmoat (including Intellectual Property Rights that they hold over certain documents) and have provided good services to the Council in overcoming challenging tasks presented by the downturn in the housing market and the credit crunch.

2.5 The services of Hill Dickinson and Tweeds may be required for a number of years to deal with the legal and financial issues that house building presents in the current economic climate. Their engagement, however, will be reviewed in March 2011. HMRI funding has been confirmed for 2010-11 and negotiations are taking place with Central Government about securing funds beyond March 2011 to continue the programme. Should negotiations with Keepmoat continue beyond March 2011 the cost of employing Hill Dickinson and Tweeds to conclude any agreements will be met from HMRI funds if secured, or the Council's own housing investment resources, if necessary.

2.6 Initially the project will involve agreeing a strategic partnering agreement with Keepmoat Homes. This agreement will set out the parameters of the Council's relationship with Keepmoat Homes and specify their role as lead developer, in addition to the core function of building new homes. This includes the partnering services required to make a HMRI new-build scheme successful, including masterplanning, project and programme management, marketing, community involvement, supporting the local economy and performance management. This will be followed by site-specific development agreements, appraisals and leases which will be reported for Cabinet approval in the future when appropriate.

3.0 **FINANCIAL IMPLICATIONS**

3.1 The additional costs of extending the engagement of Hill Dickinson and Tweeds will be met from the HMRI Programme for 2009-10 and 2010-11, £50,000 is required for Hill Dickinson's services to make substantial progress in appointing Keepmoat Homes and also to conclude ongoing legal issues arising from Lovell's appointment in Tranmere and Rock Ferry. It should be noted that the legal and financial work completed with Lovell is being used as the basis for negotiations with Keepmoat so retaining the existing support team represents good value for money. It should also be noted that the retention of Tweeds can be paid from the budget originally agreed in 2007 and that their contract is extended to deal with a new developer, Keepmoat, in a new neighbourhood, Birkenhead. The retention of Hill Dickinson requires a new budget allocation of £50,000 as previous Cabinet approvals amounting to £102,000 have been spent over the last 5 years in securing Lovell's appointment.

4.0 **STAFFING IMPLICATIONS**

4.1 There are no staffing implications arising from this report. The negotiations with Keepmoat and the engagement of Hill Dickinson and Tweeds will be led by the HMRI Manager with support from the Council's Legal Services and Asset Management teams.

5.0 **EQUAL OPPORTUNITIES/EQUALITY IMPACT IMPLICATIONS**

5.1 The HMRI programme has a positive impact on some of the most socially and economically deprived areas of Wirral and its impact has been assessed in an EIA for the overall HMRI Scheme Update, which is attached.



6.0 LOCAL AGENDA 21 IMPLICATIONS

6.1 Housing Market Renewal will improve the quality of living environments and environmental standards throughout many parts of Wirral. New high quality, decent homes with enhanced energy efficiency standards and better use of renewable building materials will contribute towards Local Agenda 21 priorities.

7.0 LOCAL MEMBER SUPPORT IMPLICATIONS

7.1 The HMRI areas are within the following wards: Bidston & St James; Birkenhead and Tranmere; Rock Ferry, Seacombe, Liscard, Cloughton, Oxtan and Bromborough. Keepmoat's appointment covers the Birkenhead HMRI neighbourhood.

8.0 HUMAN RIGHTS IMPLICATIONS

8.1 There will be some Human Rights implications under Article 8 and Article 1 of the first protocol, both of which concern the protection of private property. Article 8 of the convention on Human Rights requires a Local Authority to respect a person's home. A Local Authority may only affect a person's right to respect for his home if it is necessary, e.g. in the interests of economic well being, for the prevention of crime or the protection of health. Having access to a decent home is a basic human right to which HMRI contributes significantly.

9.0 COMMUNITY SAFETY IMPLICATIONS

9.1 HMRI will result in some clearance of poorly designed, unsafe obsolescent areas and the creation of safer, more secure living environments with new build housing.

10.0 PLANNING IMPLICATIONS

10.1 HMRI aims to bring about a fundamental change in the character of some of the most deprived areas of the Borough. Proposals for new development will be brought forward with the assistance of the preferred private developer and Registered Social Landlords and will be integrated with the Council's Local Development Framework, as either Supplementary Planning Documents or Development Plan Documents.

10.2 Residential redevelopment is in conformity with Policy HS4 of the Unitary Development Plan, whilst mixed use development incorporating retail use will be considered against retail policy including Policy SH4 of the Unitary Development Plan. Other uses will be considered against UDP Policy HS15.

11.0 BACKGROUND PAPERS

11.1 None.

12.0 RECOMMENDATION

12.1 Cabinet agrees to retain the services of Hill Dickinson and Tweeds to support the Council in concluding negotiations with Lovell and opening formal legal negotiations with Keepmoat Homes via a new contract in line with 5.2 of the Council's Contract Procedure Rules. This new contract will be based on existing rates procured via competitive tendering and provides continuity in the Council's dealings with private developers.



- 12.2 Cabinet agrees to use £50,000 from the HMRI Programme (Resources) for 2009/10 and 2010-11 approved by Cabinet 9th July 2008 (minute 121) to retain Hill Dickinson's services and agrees to use the previously agreed budget of £25,000 to retain Tweeds from the same HMRI Programme.
- 12.3 The retention of Hill Dickinson and Tweeds is reviewed in 2011 when the future of housing market renewal funding beyond March 2011 becomes known.

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