

## WIRRAL COUNCIL

### DELEGATED DECISION LEADER OF THE COUNCIL

<b>SUBJECT:</b>	<b>BIRKENHEAD TOWN CENTRE PREFERRED DEVELOPMENT AGREEMENT NEPTUNE DEVELOPMENTS LIMITED</b>
<b>WARD/S AFFECTED:</b>	<b>POTENTIALLY ALL WARDS WILL BE AFFECTED BY THIS REPORT</b>
<b>REPORT OF:</b>	<b>STRATEGIC DIRECTOR REGENERATION &amp; ENVIRONMENT</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>REGENERATION AND PLANNING STRATEGY</b>
<b>KEY DECISION</b>	<b>YES</b>

#### 1.0 EXECUTIVE SUMMARY

- 1.1 This report seeks the Leaders delegated authority to enter into a Preferred Development Agreement with Neptune Developments Limited (NDL) to allow them to work up a comprehensive redevelopment proposal for Birkenhead Town Centre incorporating Council owned land on Europa Boulevard and involving the re-modelling and offer of Birkenhead Market

#### 2.0 BACKGROUND

- 2.1 Birkenhead Town Centre is Wirral's main focus for retail and commercial activity in the Borough. The main retail area is centred around Grange Road, the Grange and Pyramids shopping centre and Birkenhead market. The Centre faces challenges from a revitalised Liverpool City Centre, Chester and out of centre retailing both within and outside the Borough. Although there has been recent investment by Asda and TJ Hughes , operator interest has generally been limited and many shop units in the older part of the town centre do not satisfy modern market requirements. Assessment against health check indicators suggests a continuing decline in overall vitality and viability, falls in the national retail rankings, a predominance of middle market and 'value' retailers, high vacancy rates, a sub standard physical environment on approaches to and within the Town Centre and a limited food and drink offer.
- 2.2 The 2010 Integrated Regeneration Strategy for Birkenhead and Wirral Waters stated that the retail offer of the town centre needs to be strengthened to provide a sustainable blend of multiples and independent retailing, including an improved market and retail anchor, either through improving the existing floorspace or through redevelopment activity. The Council's Corporate Plan 2013/16 now includes a commitment to develop a clear master plan for Birkenhead Town Centre
- 2.3 The Council is always looking at ways of addressing these issues and in particular positioning the town centre so that it is able to attract in sufficient private sector investment to allow it to re-establish itself as the principal retail destination for Wirral residents.

- 2.4 To support this aspiration and with Members endorsement (Minute 131 refers) two of three sites under Council ownership on Europa Boulevard were marketed in September 2010 in an attempt to bring vital new and improved facilities to the Town Centre. A company called William Tarr Developments (WTD) bid for both plots but had only worked up a development proposal for a Casino on one of the sites. They envisaged that they would work up a development scheme for the second site as their casino plans progressed. In September 2010 the Council decided to reject WTD's bid for the two sites as it wanted to review how it could get a more comprehensive redevelopment proposal for them rather than have them sold off piecemeal.
- 2.5 At the same time and in response to the marketing exercise Neptune Developments Limited (NDL) submitted a proposal requesting that the Council move away from disposing of the sites separately and instead work with them to develop a wider regeneration scheme for Birkenhead. NDL had already secured an interest on a vacant site on Conway Street and they suggested that this coupled with Council owned land on Europa Boulevard could be combined to allow a more comprehensive redevelopment scheme to be worked up and in turn would give a far greater regeneration impact than if the sites were developed separately.
- 2.6 This proposal was considered by Members in December 2010 and it was resolved that the Council should explore the potential for a more comprehensive scheme and negotiations have been continuing with NDL since the completion of the marketing exercise.
- 3.0 **NEPTUNES PROPOSAL**
- 3.1 Neptune's proposal recognises the need for Birkenhead Town Centre to re-establish itself as the principal retail destination for Wirral residents, utilising all available assets in the area
- 3.2 Neptune proposes that the project is taken forward on the basis of a two stage agreement. The first, which is the subject of this Report, will involve granting NDL Preferred Developer Status which will be extendible to a period of 12 months and will be subject to NDL meeting the following performance targets:
- Work up the Master-plan into a detailed implementation strategy for approval by the Council
  - Working with the Council, NDL will develop proposals which will reposition the town as a retail and leisure destination
  - NDL will negotiate further site acquisitions if necessary to deliver the agreed strategy.
- 3.3 Subject to securing Members approval to the Strategy and Master-plan NDL would then be required to enter into a second Conditional Development Agreement which would commit them, at their own risk, to work up the proposals into a position where they could be implemented and to deliver the returns that are needed to secure the wider regeneration of this part of the Town.
- 3.4 It is proposed that the Conditional Development Agreement with NDL will be structured to ensure the Council receives the best value obtainable for the 3 sites on

Europa Boulevard which will be determined by an independent valuation and all works will be undertaken on an open book basis with NDL working on a fixed developer return on cost which varies depending on the nature of the risk.

#### **4.0 OTHER OPTIONS CONSIDERED**

4.1 An initial assessment of the NDL proposals confirms that if delivered the scheme will have the potential to revitalise an important part of Birkenhead Town centre delivering a far greater regeneration impact than if the sites identified in this report were developed out separately. No other options have therefore been considered as NDL has already secured an interest in the balance of the land that is needed to deliver the re-provided market.

#### **5.0 CONSULTATION**

5.1 There will be a need to carry out extensive consultation on the scheme prior and during the detailed planning process. This will be carried out jointly between the Council and NDL.

#### **6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

6.1 There are no implications for Voluntary, Community and Faith Groups arising directly from this report.

#### **6.0 RESOURCE IMPLICATIONS, FINANCIAL, IT, STAFFING AND ASSETS**

6.1 The sale of the Council owned land on Europa Boulevard will generate a capital receipt. The actual sum will be determined following completion of the independent valuation of the sites.

6.2 The final return to the Council will be calculated and reported when the proposed scheme has been fully developed. This will be prior to the Council entering into the second conditional development agreement with Neptune and will be calculated in a way that ensures the Authority received best value from the arrangement.

#### **7.0 LEGAL IMPLICATIONS**

7.1 In the event that Members want to pursue this proposal and to ensure that it is compliant with current EU procurement law, Officers have sought advice from Weightmans LLP and Counsel about its legality.

7.2 The advice has now been received and it concludes that the Council would at this stage be able to enter into a Stage 1 Preferred Development Agreement on the proviso that a final test of lawfulness is carried out when the Stage 1 work has been completed and the detailed arrangements can be assessed.

7.3 NDL is aware of this advice and would be prepared to complete the first stage obligations at risk to allow the final lawfulness test to be undertaken when the scheme has been fully worked up.

## **8.0 EQUALITY IMPLICATIONS**

8.1 The proposed redevelopment scheme that is the subject of this report will be available to all residents of Wirral, irrespective of their religion, creed, sexual orientation or race.

## **9.0 CARBON REDUCTION IMPLICATIONS**

9.1 There are no carbon reduction implications arising directly out of this report.

## **10.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

10.1 Any future application for the redevelopment of the sites named in this report will need to be assessed against the Council's Unitary Development Plan the emerging Core Strategy Local Development Framework and the National Planning Policy Framework.

## **11.0 RECOMMENDATION**

11.1 That the Leader agrees to the Council entering into a Preferred Development Agreement with Neptune Development Limited (NDL) to allow them to work up a comprehensive redevelopment proposal for Birkenhead Town Centre incorporating Council owned land on Europa Boulevard and a re-provided Birkenhead Market.

## **12.0 REASON FOR RECOMMENDATION**

12.1 To allow the delivery of a comprehensive redevelopment scheme for Birkenhead Town Centre.

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**APPENDICES:** None