



**COUNCILLOR  
GEORGE DAVIES**

**CABINET**

**Monday, 27 November 2017**

**STRATEGIC ASSET ACQUISITIONS -  
EUROPA BUILDINGS**

**Councillor George Davies, Cabinet Member - Housing and Community Safety (and Deputy Leader of the Council), Cabinet Member - Transformation said:**

*“We have already pledged to create 5,000 new jobs, and to attract a quarter of a billion of new investment into Wirral by 2020.*

*“We are well on the way to achieving those targets, and making investment decisions like this one will help us drive forward the regeneration of major town centres such as Birkenhead – helping to revitalise the town, creating thousands of new jobs and quickening the pace of our exciting regeneration plans for the area.*

*“This is a bold and ambitious move. We are absolutely committed to regeneration in our borough – we will not stop until we have created a thriving local economy, where our residents have opportunity and can access good, high paying jobs on their doorsteps.*

*“This proposal is yet more proof of our commitment to that pledge. Following exciting recent announcements of a state-of-the-art student accommodation development in Hamilton Square, and the plans to open a branch of the world-renowned Eureka Children’s Museum to Wirral, it is clear that we are building real momentum.*

*“Later this year we will announce the next stage in the development of the Wirral Growth Company: a radical and ambitious new venture which will drive forward the redevelopment of many areas of our Borough. Bringing key sites such as the Europa Building into public ownership will allow us to restore Birkenhead Town Centre back to its former glory in a much quicker timeframe.”*

## **REPORT SUMMARY**

This report seeks Members' approval to acquire a property known as the Europa Building on Europa Square Birkenhead. The purchase of the building forms part of the Strategic Acquisition Programme that supports the key economic goals and aspirations of the Council as set out in the Strategic Regeneration Framework (SRF) and Wirral Growth Plan.

The SRF sets out the priorities and challenges for economic growth in the borough and has a particular focus on the areas of Wirral that offer significant growth potential as identified in the Growth Plan. These areas include Birkenhead Town Centre and its hinterlands, Woodside, Wirral Waters and the A41 Corridor including Wirral International Business Park.

Specifically for Birkenhead the ambition is to reinforce its position as Wirral's main focus for retail and commercial activity. This will be achieved by creating investment opportunities that will attract private sector investment to allow Birkenhead to re-establish itself as the principal retail destination for Wirral. Delivering on the aims and aspirations of the SRF will help to create new job opportunities and long term growth across the whole of the Wirral economy which in turn will benefit all Wirral residents. Specifically opportunities will be created to redevelop and redesign the centre with a range of quality food, retail and leisure offers, a refocused market dedicated to fresh produce and local goods that will sit alongside a reconfigured civic hub. To help deliver this plan the Council has identified a number of key strategic sites and buildings in Birkenhead that will need to be acquired and assembled to give the Authority the control and influence it will need to attract new investment to the area.

The Europa Building is the first of a number of strategic acquisitions that the Council will undertake to create these opportunities.

The strategic case for the acquisition is set out in the report below however the commercial details of the proposal is contained in the attached technical appendix which is exempt from publication due to commercial sensitivity considerations under Schedule 12A of the Local Government Act 1972.

The acquisition of the Europa Building supports the business category of the 2020 pledges and in particular the target of securing £250 million of private sector investment during the lifetime of the plan along with the pledge to create greater job opportunities in Wirral. The report has relevance to all wards and the proposed acquisition of Europa Centre is a key decision for the Council.

## **RECOMMENDATION**

**That subject to Members' approval the Council acquires the Europa Building on the terms reported.**

## **SUPPORTING INFORMATION**

### **1.0 REASON FOR RECOMMENDATION**

- 1.1 To commence a land assembly exercise that will allow the Council to gain control of a key town centre site. The building is currently tenanted which will produce an income for the Authority until the time that the building forms part of a wider redevelopment plan for Birkenhead Town Centre.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 The Europa Building is the first of a number of sites and buildings that have been identified for acquisition as part of a land assembly exercise for Birkenhead Town Centre. As such no other options have been considered.

### **3.0 BACKGROUND INFORMATION**

- 3.1 This report seeks Members' approval to acquire a property known as the Europa Building on Europa Square Birkenhead. The purchase of the building forms part of the Strategic Acquisition Programme that supports the key economic goals and aspirations of the Council as set out in the Strategic Regeneration Framework (SRF) and Wirral Growth Plan.
- 3.2 The SRF sets out the priorities and challenges for economic growth in the borough and has a particular focus on the areas of Wirral that offer significant growth potential as identified in the Growth Plan. These areas include Birkenhead Town Centre and its hinterlands, Woodside, Wirral Waters and the A41 Corridor including Wirral International Business Park.
- 3.3 Specifically for Birkenhead the ambition is to reinforce its position as Wirral's main focus for retail and commercial activity. This will be achieved by creating investment opportunities that will attract private sector investment to allow Birkenhead to re-establish itself as the principal retail destination for Wirral. Focusing regeneration activity in this area will help to create new job opportunities and long term growth across the whole of the Wirral economy bringing benefits to all Wirral residents. Specifically opportunities will be created to redevelop and redesign the centre with a range of quality food, retail and leisure offers, a refocused market dedicated to fresh produce and local goods that will sit alongside a reconfigured civic hub. To help deliver this plan the Council has identified a number of key strategic sites and buildings in Birkenhead that will need to be acquired and assembled to give the Authority the control and influence it will need to attract new investment to the area.

- 3.4 The Europa Building is the first of a number of strategic acquisitions that the Council will undertake to create these opportunities. It comprises a mixed use property fronting Europa Square currently having four tenancies occupied by Wilko Retail Ltd., Poundstretcher Ltd., Courtesy Shoes Ltd. T/A Wynsors and Mecca Bingo Ltd. In addition there is a vacant unit last occupied and operated by Wetherspoons. The property is being openly marketed and so the provisional purchase price agreed and the rentals passing are detailed in the Appendix attached. Negotiations have been undertaken by the Council's property consultant Lambert Smith Hampton.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 The acquisition price and Consultant's fees will be met from the Capital Programme (Strategic Acquisitions Fund). The price has been externally assessed and it is reflective of the current level of occupancy and agreed lease and rent arrangements.
- 4.2 The consideration to be paid is detailed in the attached Appendix and will be funded through borrowing.
- 4.3 The Council will benefit from a revenue stream which exceeds the borrowing costs whilst the property is held by the Council making it an 'invest-to-save' project.
- 4.4 Should the asset be transferred to the Growth Company the details will be clarified as part of the final agreement with the JV Developer. At this stage the Growth Company Competitive Dialogue process continues.

#### **5.0 LEGAL IMPLICATIONS**

- 5.1 Legal support to complete the appropriate documentation will be provided in-house.

#### **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

- 6.1 The proposed transaction will place the Council in the position of commercial landlord and appropriate management arrangements of tenants will be needed.

#### **7.0 RELEVANT RISKS**

- 7.1 These have been covered in Section (4), Financial Implications.

#### **8.0 CONSULTATION**

- 8.1 This is a sensitive commercial transaction and so no consultation has been undertaken.

## 9.0 EQUALITY IMPLICATIONS

9.1 There are no equality implications.

## 10.0 PLANNING IMPLICATIONS

10.1 There are no direct planning implications arising from acquisition. The site is designated as part of a Key Town Centre in the Wirral Unitary Development Plan (UDP) where provision is made for main town centre uses such as retail leisure, entertainment, intensive sport and recreation, subject to UDP Policy SH1 – Criteria for Development in Key Town Centres and Policy CS26 – Criteria for Development within Existing Centres in the emerging Core Strategy Local Plan Proposed Submission Draft (CSLP).

10.2 The proposed acquisition should support the Council's objectives to sustain and enhance the vitality and viability of Birkenhead Town Centre as set out in Policy SHO1 – Principles for New Retail Development in the UDP and Policy CS5 – Priorities for the Commercial Core of Birkenhead in the CSLP.

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## APPENDIX

Appendix                         Provisional Heads of Terms (exempt)

## SUBJECT HISTORY

<b>Council Meeting</b>	<b>Date</b>