

CABINET**04 NOVEMBER 2019****Growth & Regeneration**

Councillor Tony Jones, Cabinet Member, Regeneration & Growth, said:

“We want to create ambitious and prosperous communities.

Given the well reported decline of the high street nationally and a challenging retail market, it is the responsibility of the Council as long term stakeholder and investor to take greater control of the area and ensure that future developments have a positive impact in terms of placemaking and broader regeneration.

Our plans for economic growth are about creating community wealth. They’re about creating opportunities for local people, regenerating our commercial areas and inspiring ambition. Prosperous communities are happier, healthier and better places to live.

This report sets out our initial plans for the much-needed regeneration of Birkenhead’s commercial town centre and beyond. It specifically focuses on our vision and ambition to see Birkenhead, once again, become a thriving town with neighbourhoods of choice and a strong commercial heart, generating footfall and visitors alongside a revitalised retail and leisure provision with new streets and squares.

The regeneration of the town centre is a long-standing priority for the Council and was the original backdrop to the formation of the Wirral Growth Company.”

REPORT SUMMARY

This report seeks approval of a strategic acquisition of property by the Council (referred here to as ‘Milton Pavements’) in the heart of Birkenhead town centre and approval to the incorporation of this site into the Wirral Growth Company Limited Liability Partnership (LLP) Option Agreement on appropriate terms at an appropriate time. Acquiring and assembling this land will contribute significantly towards town centre regeneration aspirations

The report also seeks approval for a key, council owned, neighbouring site, Birkenhead Market building, to be transferred into the Wirral Growth Company Option Agreement on appropriate terms and subject to approval of the LLP. Also, for approval that the site referred to as ‘Allport Lane - Bromborough’ be removed from the Wirral Growth Company Option Agreement in line with the Board decision of the LLP.

The regeneration of the town centre is a long-standing priority for the Council and is reflected in The Wirral Plan: A 2020 Vision. This sets out the vision for the borough and has economic growth at its heart to ensure residents are able to access good, high paying jobs in a stable and thriving economy. The Plan identifies 20 key pledges that the Council, and its partner agencies, must deliver and the proposals in this report directly supports the following pledges:

- Increase inward investment
- Greater job opportunities
- Thriving small businesses

This matter affects all Wards within the Borough.

The decision is a key decision.

EXEMPT INFORMATION

This report contains exempt information in the Appendices as defined in Schedule 12A of the Local Government Act 1972. It is in the public interest to exclude the press and public under Paragraph 3 'Information relating to the financial or business affairs of any particular person (including the authority holding the information).'

Appendix 1 includes the full business case for the purchase of Milton Pavements and is commercially sensitive.

Appendix 2 includes the heads of terms for the purchase of Milton Pavements and is commercially sensitive.

RECOMMENDATIONS

It is recommended that Cabinet:

- 1 Approve the Full Business Case for the acquisition of the land and rights of Milton Pavement and unit 13-15 at St Werburgh's Square thereby agreeing in principle for the Council to purchase these sites.
- 2 Thereby authorise the Director of Economic and Housing Growth, in consultation with the Director of Finance and Investment to finalise the purchase of the sites on terms that are substantially in accordance with the draft Heads of Terms set out at Appendix 2, noting that the Heads of Terms contains a number of conditions that must be satisfactorily met before the purchase can be deemed unconditional.
- 3 Agree that, once 'Milton Pavements' is acquired, this asset can be incorporated into the LLP Option Agreement on appropriate terms subject to approval of the LLP and the outcomes of consultation on regeneration plans.
- 4 Agree that, once 'Milton Pavements' is acquired, this asset subject to planning permission and surveys can be demolished subject to the outcome of consultation on the regeneration plans.
- 5 Agree that the Council owned Birkenhead Market site can be incorporated into the LLP Option Agreement on appropriate terms and subject to the outcome of consultation on the regeneration plans.
- 6 Agree that the site referred to as 'Allport Lane - Bromborough' be removed from the LLP Option Agreement.

SUPPORTING INFORMATION

1.0 REASONS FOR RECOMMENDATIONS

Milton Pavements

- 1.1 Milton Pavements is situated at the heart of Birkenhead town centre and therefore forms a key site in respect of enabling any future redevelopment of the town centre to take place. A plan outlining the site is attached as Appendix 3. The current owners of this asset, the Mars Pension Trustees Limited (Mars Pension Fund) are looking to reduce the number of retail units in the town centre as a number are empty and failing. The Council's intervention will enable the Council to obtain greater control of the town centre and ensure that future developments on this site have a positive impact in terms of placemaking and broader regeneration within the area. Current proposals for the site include the demolition of Milton Pavements and this will be informed by the outcome of the consultation on the regeneration plans.
- 1.2 The Council are freehold owners of a number of assets in close proximity to the Milton Pavement asset (Appendix 3). It is therefore appropriate to consider the potential marriage value of assets in this context – i.e. the ability to leverage greater value through critical mass and/or open up wider development opportunity and therefore value.
- 1.3 Of specific note in this regard is the Market Hall building, located immediately adjacent to the Milton Pavement asset. With Milton Pavement in situ the development and investment potential at the Market Hall is more limited – fronted by retail service yards. This presents a development constraint and would impact on future use and value generation within the Market Building.
- 1.4 However, the prospective acquisition of this asset has a much wider context than its relationship with the Market Hall asset. The site, both in isolation, and alongside other assets owned by the Council including surface level car parking and key assets on Europa Boulevard, could make a substantial contribution to the wider regeneration of Birkenhead town centre.
- 1.5 The regeneration of the town centre is a long-standing priority for the Council and was a key part the original backdrop to the formation of the Wirral Growth Company. In this context the Council are currently in the process of preparing a full business case relating to taking the head lease on a new commercial district within the town centre - to include potential for civic accommodation to drive footfall within the core of the centre in the short term, and deliver wider regenerative benefits, and are further considering the creation of a refreshed market offer within the town centre - with a food and drink focus.

Birkenhead Market

- 1.6 On the 18th December 2018 full Council approved the acquisition of the residue of the long leasehold interest in Birkenhead Market to facilitate its assimilation into the Council's freehold title.
- 1.7 The opportunity to purchase the balance of the leasehold interest in an asset in such a strategically important location will help to drive the redevelopment plans for Birkenhead which will be delivered by the Growth Company. These plans include a redesign of the town centre to include a range of quality food, retail and leisure offer

along with the direct opportunity to develop a refocused market dedicated to fresh produce and local goods to sit alongside a new commercial district that establishes this part of Birkenhead as the prime business district for the borough.

- 1.8 The site (as set out in Appendix 4) is currently not included in the Wirral Growth Company's Option Agreement and so we are seeking agreement to transfer.

Allport Lane

- 1.9 On the 18th August 2019 full Council, with reference to the Wirral Growth Company Options Agreement, resolved to accept a petition that Allport Lane Car Park be removed from the Local Plan as a development site because of the strength of opposition to any proposals to redevelop the site e.g. for housing.

- 1.10 The site is set out in the plan at Appendix 5 to this report.

- 1.11 It was agreed at the Wirral Growth Company LLP JV Board meeting that, in line with the motion agreed by full Council, this site would be removed from the LLP Option Agreement.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The options of 'Do Nothing' and the acquisition by the Wirral Growth Company of Milton Pavements and unit 13-15 St Werburgh's Square are considered within the Full Business Case which is attached to this report as Exempt Appendix 1.

3.0 BACKGROUND INFORMATION

- 3.1 The Council has set out a compelling case for economic growth across Wirral through its Strategic Regeneration Framework (SRF). The SRF was approved by Council in 2017 and has an initial focus on Birkenhead Town Centre, Birkenhead Hinterland, Wirral Waters Enterprise Zone (EZ) and the A41 corridor.

- 3.2 The ambition outlined in the SRF is that 'Birkenhead town centre will once again be a thriving town centre of choice, a destination in its own right as a result of the range and quality of its retail, food and leisure offer, and our civic hub'. The delivery of this ambition is a key priority underpinning the formation of the LLP.

- 3.3 Milton Pavements and the unit 13-15 within St. Werburgh's Square are owned by Mars Pension Trustees Limited and managed on their behalf by AEW UK & LLP. There are currently a number of vacant units within Milton Pavements and there is an opportunity to obtain greater control of the town centre through acquisition by the Council of the Milton Pavements site, thereby ensuring that future developments on this site have a positive impact in terms of placemaking and broader regeneration within the area. Given the well reported decline of the high street nationally and a challenging retail market, the acquisition of this asset will enable the Council, as long-term stakeholder and investor in the town, to directly influence change and ensure that wider regeneration aspirations can be delivered.

- 3.4 Draft Heads of Terms have been agreed in principle to acquire the freehold interest with vacant possession in the buildings shown hatched red on the attached plan (Appendix 3). Ownership of the 13-15 St. Werburgh's Square single unit will ensure

that a new service road out of the new development can be gained to any part of the new development on the Milton Pavement site.

- 3.5 The Council wishes to purchase with vacant possession and an independent valuation of the site for redevelopment is being undertaken to provide a fair value assessment to support the purchase price.

4.0 FINANCIAL IMPLICATIONS

- 4.1 In February 2018 Cabinet agreed a budget for the Capital Programme and Financing for 2018 - 2021. Within the programme there is £20million allocated to deliver the Strategic Acquisition Programme. This Strategic Acquisition programme supports the achievement of the key economic goals as set out in the Wirral Growth Plan and the Strategic Regeneration Framework. In addition, £10million had been included with the 2017/18 programme for capital expenditure to allow for strategic land and site acquisition. This report seeks approval to acquire the Milton Pavements site in line with the Strategic Acquisition programme.

- 4.2 Costs related to items such as acquisition, demolition, insurances, security, loss of business rate income, SDLT have been included in the Full Business Case.

- 4.3 Further specific financial details of the scheme are set out in the Full Business Case attached as Exempt Appendix 1.

5.0 LEGAL IMPLICATIONS

- 5.1 The Council has the power to buy land to support regeneration.
- 5.2 Further legal due diligence and input will be required to inform the purchase of the sites including title investigation and conveyancing.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 Internal officers to coordinate and manage all project related activities, undertake title investigation, conveyancing, financial modelling and monitoring, supplemented by an external surveying resource where necessary. These costs will be met from existing budgets.

7.0 RELEVANT RISKS

- 7.1 The immediate risks associated with the purchase of the two plots of land at Milton Pavement and the single unit 13-15 St. Werburgh's Square include the demolition contract risk and the cost risk under that contract. In managing the demolition process, an appropriate cost and programme contingency will be allowed.

- 7.2 Further ongoing risks are the market for redevelopment and the potential holding costs prior to that redevelopment. The Council would look to mitigate its holding costs either by reference to the Valuation Office Agency for business rates or via generating meanwhile income from events or temporary car parking.

- 7.3 Further risks are set out in the table below:

Risk	Mitigating Action	Impact
Freeholder withdraws from sale	AEW on behalf of Mars Pension Fund has stated that it wants to work collaboratively with the Council on the regeneration of Birkenhead town centre. As a last resort option the Council may also be able to exercise powers of CPO.	Low
Unexpected events or unknown conditions adversely impact costs and potential viability of any site or phase.	This will be managed through: <ul style="list-style-type: none"> • Programme governance arrangements, e.g., reporting and control mechanisms, ongoing risk and issue management, etc. • Sensitivity analysis on the financial calculations. • Ensuring that surveys are accurate. • Contingency costing is undertaken as part of Site Development Plans (SDP's). 	Low
Planning consent is not forthcoming for demolition	The proposed demolition is entirely consistent with planning policy.	Low
Site surveys identify abnormal costs of development	The demolition and clearance is likely to be to ground level only. The demolition contract itself will include a contingency.	Low

8. ENGAGEMENT/CONSULTATION

- 8.1 To be successful in our regeneration and economic growth ambitions we must generate awareness, interest and support from residents, businesses and other key stakeholders. Our strategy is informed by in-depth public consultation, outreach and engagement into the needs of Birkenhead with residents, workers, businesses and visitors. The first stage of consultation was to gather insight from those stakeholders as to their views and aspirations for Birkenhead. These findings have now underpinned, and been reflected in, the development of draft proposals for the town centre which will form the basis of the second stage of consultation. This second stage consultation will begin in the first week of November 2019.
- 8.2 The recommendation relating to Allport Lane Car Park responds to the representations made by the local community which were debated and supported at Full Council on the 18th August 2019.
- 8.3 In addition, further consultation will take place as part of the planning process.

9.0 EQUALITY IMPLICATIONS

- 9.1 The potential impact has been reviewed with regard to equality and links to the existing EIA conducted for Wirral's Growth Plan.
<https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments/equality-impact-assessments-2014-0>

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 Through the Wirral Growth Company the Council will be an advocate of promoting energy efficient buildings and of ensuring that any new developments minimise their impact on climate change.
- 10.2 The Council is putting in place a range of measures to accelerate progress to adopting a zero-carbon environment and the recommendations in this report will be taken forward to reflect these measures.

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APPENDICES

Appendix 1 – Acquisition Full Business Case (Exempt by virtue of Para 3, Part 1 of Schedule 12A of the Local Government Act 1972)

Appendix 2 – Acquisition Heads of Terms (Exempt by virtue of Para 3, Part 1 of Schedule 12A of the Local Government Act 1972)

Appendix 3 – Redline boundary for ‘Milton Pavements’

Appendix 4 – Redline boundary for ‘Birkenhead Market’

Appendix 5 – Redline boundary for ‘Allport Lane Car Park, Bromborough’

BACKGROUND PAPERS

Full Business Case
Heads of Terms

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Full Council (in relation to Birkenhead Market)	18 th December 2018
Cabinet	28 th February 2018
Full Council (in relation to Allport Lane)	18 th August 2019