

REPORT TITLE	WIRRAL WATERS INVESTMENT FUND – AMENDMENT TO FINANCIAL ASSISTANCE GRANT
REPORT OF	ASSISTANT DIRECTOR – GROWTH, REGENERATION & PLACE

Councillor Tony Jones, Cabinet Member for Regeneration and Growth, said:

“This is a significant step forward in the delivery of high quality industrial floorspace. The Wirral Waters Investment Fund was set up to enable regeneration at the site.

“This will play an important part of ensuring the development at Wirral Waters, helping to bring more businesses, jobs and growth to the area.”

REPORT SUMMARY

At its meeting on 25th March 2019 the Cabinet approved a grant of £1,500,000 from the Wirral Waters Investment Fund to support the delivery of Marine Energy and Automotive (MEA) Park Phase II, which comprises 12 new industrial units for light industrial uses as part of the wider MEA Park Masterplan, which is targeted to provide a sector-focused environment to support business growth and capacity.

The report seeks approval for a minor variation to the original Grant Funding Agreement. This would involve changing the applicant and recipient from Peel Investments (Intermediate) Limited (the "Original Applicant") to Wirral Waters Land No1 Limited (the "New Applicant") to reflect the change in ownership of the site.

The project to which this report refers is time critical and for commercial reasons a decision is required before the next Cabinet meeting takes place.

This matter affects all wards within the borough.

This is a key decision.

RECOMMENDATIONS

It is recommended that:

- 1.1 The Grant Funding Agreement be amended to reflect the change in the applicant from Peel Investments (Intermediate) Limited (the "**Original Applicant**") to Wirral Waters Land No1 Limited (the "**New Applicant**");

- 1.2 The Grant Funding Agreement be amended to accommodate a slight change to the location of the new industrial units (attached as Appendix 1).
- 1.3 The Director of Governance and Assurance be authorised, in consultation with the Director of Regeneration & Place, to amend the legal agreement between the Council and the new landowners, Wirral Waters Land no1 Limited, and subject to the detailed contracting process.
- 1.4 That officers continue to progress the project and the Grant Funding Agreement as agreed by Cabinet, but with the new applicant, Wirral Waters Land no1 Limited.

SUPPORTING INFORMATION

1.0 REASONS FOR RECOMMENDATIONS

- 1.1 To enable the Grant Funding Agreement to apply to the revised location and new landowner of the new site, Wirral Waters Land no1 Limited.
- 1.2 To enable Wirral Waters Land no1 Limited (New Applicant) to create new, high-quality industrial floorspace at MEA Park Phase II, to support the priorities of the Wirral Waters Investment Fund (WWIF).
- 1.3 To release Peel Investments (Intermediate) Limited (original applicant, owner of the existing site and current beneficiary of the grant) from their commitment to deliver.
- 1.4 Peel Land & Property has confirmed that MEA Park Phase II will still be delivering the same floorspace to the originally submitted WWIF application.
- 1.5 Peel Land & Property are keen to exchange on the GFA for MEA Park Phase II early in the New Year to avoid delays and continue to move forward with delivering the new commercial space at Wirral Waters.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Following a design review, Peel Land & Property has confirmed that the new site is their preferred option in order to maximise functionality. The existing site proposed for MEA Park Phase II is no longer considered the best option. The Council is supportive of delivery of MEA Park Phase II in the revised location.

3.0 BACKGROUND INFORMATION

- 3.1 At its meeting on 25th March 2019 Cabinet considered the report 'Wirral Waters Investment Fund Application for Financial Assistance'. Minute 69 refers to the Cabinet resolution that:
 1. A grant awarded to Peel Investments (Intermediate) Limited through the Wirral Waters Investment Fund to support the development of new high quality industrial floorspace be approved; and
 2. The Director of Governance and Assurance, in consultation with the Corporate Director of Business Management be authorised to draw up and sign a legal agreement between the Council and Peel Investments (Intermediate) Limited that is within State Aid regulations and subject to the conditions contained in Appendix 1 to the report.
- 3.2 The grant of £1,500,000 was subsequently approved to be awarded to Peel Investments (Intermediate) Limited from the Wirral Waters Investment Fund. The grant will support the delivery of Marine Energy and Automotive (MEA) Park Phase II, which comprises 12 new industrial units for light industrial uses as part of the wider MEA Park Masterplan, which is targeted to provide a sector-focused environment to support business growth and capacity.

- 3.3 Peel Land & Property has recently undertaken a design review of the MEA Park site and, to maximise the functionality of the site, wish to amend the location of MEA Park Phase II (attached as Appendix 1). This represents a minor amendment to the original site location. The newly allocated plot of land falls under a different ownership, Wirral Waters Land no1 Limited, to the originally planned site, Peel Investments (Intermediate) Limited. Both companies are subsidiaries of Peel Holdings Land and Property (UK) Limited.
- 3.4 Peel Land & Property has requested a minor amendment to the Grant Funding Agreement (GFA) to reflect the change in the land ownership.

4.0 FINANCIAL IMPLICATIONS

- 4.1 A number of financial implications were reported to Cabinet in the original report. This report raises no additional financial implications over and above those previously reported. Some financial risks are covered in paragraph 7 – Relevant Risks.

5.0 LEGAL IMPLICATIONS

- 5.1 The Council has sought a legal opinion from DWF, the Council's contracted legal advisor, who did not raise any concerns, subject to due diligence checks and a requirement for the New Applicant to be required to have a Parent Company Guarantee. This guarantee was a requirement of the Original Applicant and will be carried forward to the New Applicant.
- 5.2 The Council has undertaken financial due diligence of the revised delivery/company arrangements and conclude that the arrangements are satisfactory. The outcome of this due diligence exercise is that security for the grant is requested, by way of a guarantee from the Parent Company.
- 5.3 The Council has sought an opinion from its development consultant Avison Young who have assessed the new delivery arrangements associated with the project and confirm that the principles that supported the original project remain unchanged.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 None as a result of this report.

7.0 RELEVANT RISKS

- 7.1 The financial due diligence exercise assesses risks in relating to the financial stability of the company.
- 7.2 The assumptions regarding the company and underpinning the proposed project appear reasonable. These assumptions involve investment of £5,980,371 in a 70,000 square foot development in the Enterprise Zone. This will be funded from Private sector (£3,480,371), Chrysalis Loan (£1,000,000) and the requested grant funding of £1,500,000 from the Wirral Water Investment Fund, which is 25% of the total costs.

7.3 The report received from Mint UK has no indication of credit worthiness of the company, which increases the potential risk of the grant. However, this risk is mitigated by the Peel Group parent company providing a guarantee for the company. This company has substantial assets and previously guaranteed delivery of the project by the original applicant Peel Investments Intermediate Ltd.

8.0 ENGAGEMENT/CONSULTATION

8.1 The Council has sought an opinion from its legal and development advisors. No further consultation or engagement, in addition to that reported in the earlier Cabinet report, is required.

9.0 EQUALITY IMPLICATIONS

9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.

9.2 The potential impact of the proposed development has been reviewed with regard to equality and links to the existing EIA conducted for Wirral's Growth Plan. The report makes no change to the existing EIA and is therefore still valid.

<https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments/equality-impact-assessments-2014-0>

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 The proposed Marine, Energy and Automotive Park is an exemplar, sustainable construction project and is being developed to support key growth sectors. This will include supporting businesses in the sustainable energy sector.

REPORT AUTHOR: Sally Shah
Assistant Director: Regeneration & Investment
telephone: 0151 691 8148
email: sallyshah@wirral.gov.uk

APPENDICES

Appendix 1 MEA Park Phase II revised location

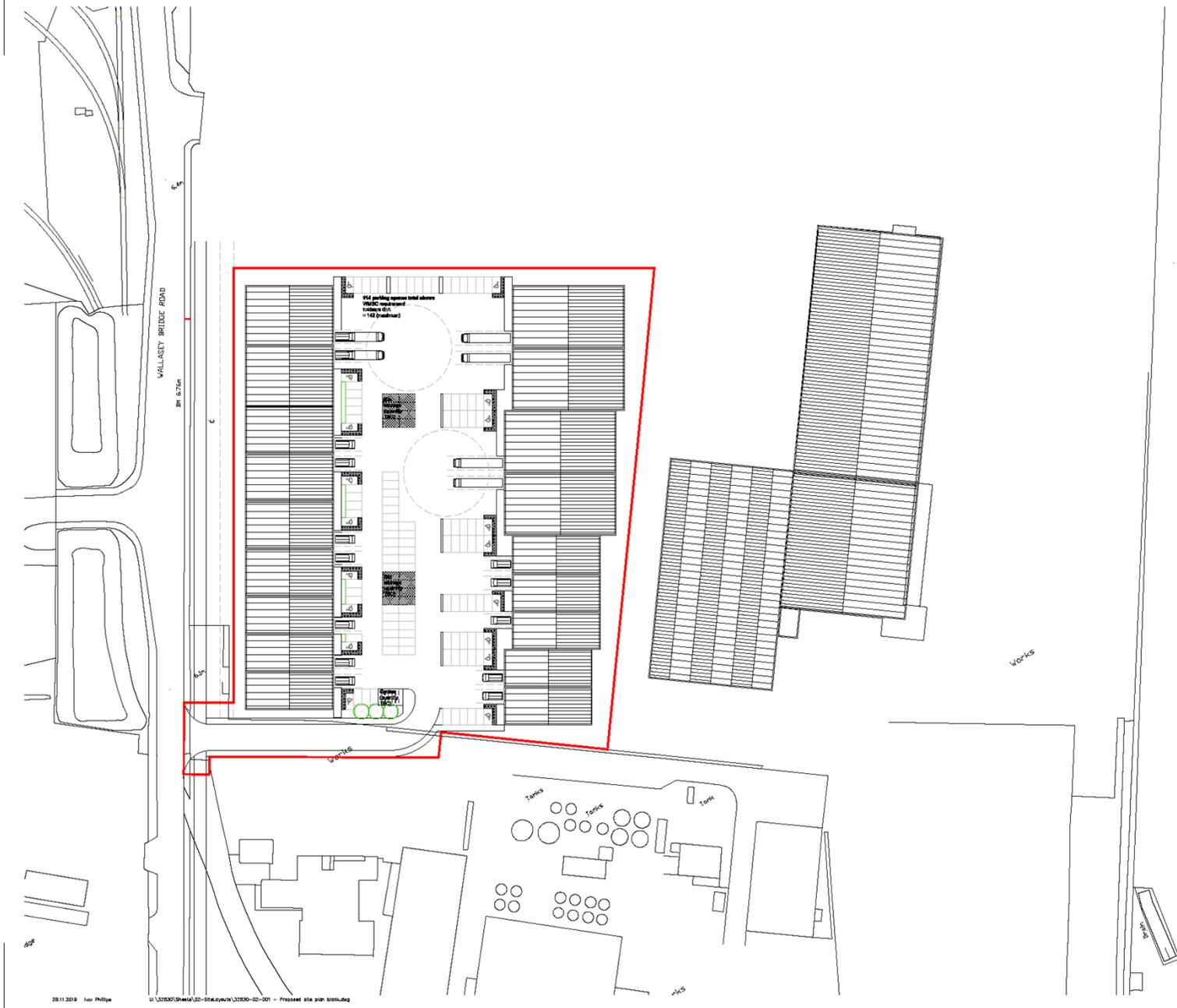
BACKGROUND PAPERS

A list of background papers on this issue is held with: Place & Investment Team

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet Meeting	25 March 2019

Appendix 1: MEA Park Phase II revised location



Contractors are not to scale dimensions from this drawing

Revision	Date	Description
C	28.11.18	Issued with new project file layout, numbering revised
B	17.04.18	Finalised unit numbering
A	17.04.18	Final unit numbering added, final layout to include VMS replacement
A	15.04.18	Issued to client for approval

BroadwayMalyan
 Architecture Urbanism Design
 Eastgate
 Castle Street, Cheadle
 Manchester
 M3 4LZ
 T: +44 (0)161 819 2077
 E: info@broadwaymalyan.com
 www.broadwaymalyan.com

Client: Peel
 Project: MEA Park Phase 2 Wirral Waters
 Description: Proposed site layout (without unit numbering)

Status: For Information
 Scale: 1:500 @ A1
 Date: Nov 17
 Drawn By: BM
 Checked: D
 Drawing Number: 32830 02-001
 Revision: D
 Original size 100mm @ A1 Copyright Broadway Malyan Limited