



POLICY AND RESOURCES COMMITTEE

Wednesday, 17 March 2021

REPORT TITLE:	WIRRAL WATERS ENTERPRISE ZONE INVESTMENT FUND - MARITIME KNOWLEDGE HUB
REPORT OF:	DIRECTOR OF LAW AND GOVERNANCE

REPORT SUMMARY

The report provides for consideration the final recommendations of the Economy, Regeneration and Development Committee in respect to Wirral Waters - Wirral Waters Enterprise Zone Investment Fund - Maritime Knowledge Hub. The report recommends the acceptance of funding from the Wirral Waters Investment Fund to the Council to support the development of new high quality mixed use floorspace at the Maritime Knowledge Hub

The full report was presented to the Economy, Regeneration and Development Committee on the 4 March and is attached as an appendix.

RECOMMENDATION/S

That Economy Regeneration and Development Committee request that Policy and Resources Committee approve the following recommendation:

1. Approve funding from the Wirral Waters Investment Fund to the Council to support the development of new high quality mixed use floorspace at the Maritime Knowledge Hub.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 This matter is being referred to Policy & Resources Committee because the Economy, Regeneration and Development Committee is requesting that committee approve funding from the Wirral Waters Investment Fund to the Council to support the development of new high quality mixed use floorspace at the Maritime Knowledge Hub and in accordance with the Council's Constitution this decision is reserved to Policy & Resources Committee.
- 2.1 In accordance with the Council's Constitution this decision is reserved to Policy & Resources Committee because it has responsibility for a decision on any virement between Budget funds (capital) or any amendment to the Capital Programme requested by a Committee or officer in excess of £100,000.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 A number of other options have been considered and were discounted as follows:

a) Provide a loan rather than a grant: An independent appraisal of the application has concluded that the project is not currently viable and therefore requires grant funding rather than loan funding.

b) Adopt a "do nothing" approach: The development could be jeopardised, as the project is reliant on securing funding from other public sources to meet the identified viability gap. The Wirral Waters Investment Fund ("WWIF") grant will enable the delivery of a high quality development which will support the Wirral Growth Plan. Without grant funding the project may not proceed at all.

3.0 BACKGROUND INFORMATION

- 3.1 Cabinet approved the development of an investment framework for the re-investment of business rate uplift within the Wirral Waters part of the Mersey Waters Enterprise Zone at its 12 March 2015 meeting (Minute 156 refers). On 5 November 2015 Cabinet formally approved the creation and operation of the Wirral Waters Investment Fund and the incorporation of the investment potential for Phase 1 (£16m by 2020) into the Council's Capital Programme (Minute 62 refers). The Cabinet report also identified potential for the Fund to enable longer-term investment of up to £47m by 2037.
- 3.2 The Investment Fund has been created on the basis of reinvesting uplifted business rates and/or prudential borrowing against future business rates into the Enterprise Zone up to 2037, to support new projects through grants and loans and generate further business rates income. The Wirral Waters Business Plan (August 2018) together with an updated summary note outlines the pipeline of projects that will be brought forward through the Investment Fund process.

- 3.3 The Business Plan sets out that intervention in the early years of the programme if invested in the right projects and in cluster locations will have a transformational impact in terms of attracting significant investment and enhancing the image of the area in and around Birkenhead.
- 3.4 The area in and around the Birkenhead Dock system suffers from a number of interrelated market failures following decades of industrial decline and lack of investment. New development in the area is often not viable without some form of public sector support. The low values and associated impact on viability are caused by the historically poor external perceptions of the area, the lack of occupier confidence across all sectors and associated uncertainties about investment returns.
- 3.5 The Wirral Waters Investment Fund therefore provides a mechanism to support the following:
- Development viability support - funding support for commercial, industrial and residential development schemes, to close the gap between costs and values, allowing commercial development schemes to proceed.
 - Land remediation and servicing – on-site and off-site works to address poor ground conditions through land remediation and the installation of key services.
 - Environmental improvements – on-site and off-site works aimed at enhancing the quality of the environment across the Wirral Waters area including the improvement of road corridors and gateway locations.
 - Infrastructure investment – on-site and off-site works targeted specific infrastructure weaknesses to enhance access and traffic flows.
 - High quality communities – a programme of on-site and off-site investment aimed at enhancing amenity to create a sustainable environment for businesses and residents moving into the area.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The financial information is set out in detail in Appendix 2 to this report. Appendix 2 is exempt from publication under Paragraph 3 of part 1 of Schedule 12A of the Local Government Act 1972 as it contains commercially sensitive information.

5.0 LEGAL IMPLICATIONS

- 5.1 In accordance with the Part 3B of Constitution (Committee Terms of Reference), the Policy and Resources Committee has two main areas of responsibility, which is to provide strategic direction to the operation of the Council, including making decisions on policies and co-ordinating spend not reserved to full Council, and to maintain a strategic overview of outcomes, performance, risk management and budgets.

- 5.2 the Policy & Resources Committee is charged by full Council to provide a co-ordinating role across all other service committees and retain a 'whole-council' view of performance, budget monitoring and risk management. In particular, this includes specific responsibility for a decision regarding land and property including major acquisition and disposals, which includes reserved decision making concerning any purchase, sale or transfer of a value in excess of, or likely to exceed, £100,000;

As part of the matter of business that was the subject of the report to Economy, Regeneration and Development Committee falls under that responsibility reserved to the Policy and Resources Committee, the Economy, Regeneration and Development Committee's proposed resolution is presented as a recommendation.

- 5.3 As the decision in this matter is the subject of a recommendation from another Committee, the Policy and Resources Committee must take into account the resolution of that Committee and give due regard to the guidance and comments made by its members. The Policy and Resources Committee must not, however, consider itself bound by that Committee's recommendations or otherwise fetter its discretion; its Members must come to their own decision. In doing so, the Committee must satisfy itself that it has been provided with all relevant information or a suitable précis to enable it to comply with its duties and make a lawful decision.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 5.1 The resource implications are detailed within the report submitted to Economy Regeneration and Development Committee on 4 March 2021.

6.0 RELEVANT RISKS

- 6.1 The relevant risks are detailed within the report submitted to Economy Regeneration and Development Committee on 4 March 2021.

7.0 ENGAGEMENT/CONSULTATION

- 7.1 The engagement/consultation are detailed within the report submitted to Economy Regeneration and Development Committee on 4 March 2021.

8.0 EQUALITY IMPLICATIONS

- 8.1 The equality implications are detailed within the report submitted to Economy Regeneration and Development Committee on 4 March 2021.

9.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 9.1 The environment and climate I implications are detailed within the report submitted to Economy Regeneration and Development Committee on 4 March 2021.

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APPENDICES

Appendix 1 – Minute Extract

Appendix 2 – Full Report

BACKGROUND PAPERS

A number of background papers to this report are exempt from publication under Paragraph 3 of part 1 of Schedule 12A of the Local Government Act 1972 as they contain commercially sensitive information.

Outline planning consent for Wirral Waters Reference OUT/09/06509 Wirral Waters Investment Fund Business Plan - Exempt

Amion Summary update note - Exempt Avison Young WWIF Maritime Knowledge Hub report - Exempt

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Economy, Regeneration and Development Committee	4 March 2021