

## **ECONOMY REGENERATION & DEVELOPMENT COMMITTEE**

Wednesday, 26 January 2022

<u>Present:</u>	Councillor	T Jones (Chair)	
	Councillors	K Greaney P Martin T Smith G Wood	D Burgess-Joyce A Hodson C Povall D Mitchell

### 62 **WELCOME AND INTRODUCTION**

The Chair opened the meeting and reminded everyone that the meeting was being webcast and a copy is retained on the Council's website for two years.

### 63 **APOLOGIES**

Councillor Andrew Gardner gave apologies and was deputised by Councillor Max Booth.

Councillor Emily Gleaves gave apologies and was deputised by Councillor Pat Cleary

### 64 **MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST**

Members were asked to declare any disclosable pecuniary interests and any other relevant interest and to state the nature of the interest. There were no declarations of interests.

### 65 **MINUTES**

Resolved (by assent) –

That the minutes of the meeting of Economy, Regeneration and Development Committee held on 22 November 2021 be approved and adopted as a correct record.

### 66 **PUBLIC AND MEMBER QUESTIONS**

No questions, statements or petitions from the public or Councillors had been received.

#### 66.1 **Public Questions**

No Public Questions had been received

#### 66.2 **Statements and Petitions**

No Statements or Petitions had been received

#### 66.3 **Questions by Members**

No Questions by Members had been received.

### 67 **REVISED LOCAL DEVELOPMENT SCHEME**

The Assistant Director: Chief Regeneration Officer presented the report which recommended the approval of revisions to the future timetable for the preparation of the Wirral Local Plan, as set out in the revised Local Development Scheme. Members also were informed that the revised scheme had replaced the Local Development Scheme adopted by the Council in October 2020.

Members asked question of officers and confirmed that there was a budget in place for IT and Technological support. The issue of residential land supply was also discussed.

A query was also raised about the costs of legal support and split between internal and external legal support involved in the development of the Local Plan. Officers confirmed they will provide Members with a written response.

**Resolved: that,**

**the adoption of the revised Local Development Scheme as set out at Appendix 1 of the report be approved.**

### 68 **DISPOSAL OF INDUSTRIAL ESTATE AT QUARRYBANK STREET, BIRKENHEAD**

The Assistant Chief Executive presented a report which sought approval for the disposal of Quarrybank Industrial Estate, Quarrybank Street, Birkenhead, a Council owned investment asset. This disposal will assist the Council in meeting targets for the generation of capital receipts from the sale of non-operational property assets.

Members discussed the report and queried the reserve price for the premises and the Assistant Chief Executive agreed to provide this information to members separately. Concerns were raised about disposing of the premises and loss of rental income. Also discussed was the spend required to bring the premises up to a 'C grade' Energy Performance Certificate. The Assistant

Chief Executive responded to say that this had been considered and would be untenable due to age of the estate and investment required.

**Resolved: that Policy and Resources Committee be asked to recommend that:**

**(1) Quarrybank Industrial Estate, Quarrybank Street, Birkenhead be declared surplus to requirements; and**

**(2) Delegated authority be given to the Director of Law and Governance, in consultation with the Director of Regeneration and Place, to arrange for its disposal by auction and subsequent sale on the basis as set out in paragraph 3.3 of this the report**

69 **APPOINTMENT OF A PREFERRED DEVELOPER FOR THE NEW FERRY REDEVELOPMENT SCHEME**

The Chair asked Members if they agreed to alter the order of the agenda so that this item could be considered in a closed session if required. This was agreed by assent.

70 **ACQUISITION OF FORMER CO-OP BUILDING - 100 NEW CHESTER ROAD, NEW FERRY**

The Assistant Director for Special Projects introduced the report which sought approval for a recommendation to be made to Policy and Resources Committee for the purchase of the former Co-op building in New Ferry as a strategic acquisition to support the delivery of the master plan for the area. The regeneration of the town centre was a priority for the Council following the explosion in March 2017. The Co-op building was situated at the heart of New Ferry district centre and therefore forms a key site in respect of enabling any future redevelopment of the area to take place.

Members were reminded that a previous version of this report had been presented to the Economy, Regeneration and Development Committee in November 2021 but a review of the valuation was requested by members. This review was undertaken by the Council's independent property consultant who advised that the acquisition of this site would provide the opportunity to provide more residential units and the original proposed acquisition price was correct.

Members confirmed that they were content with the acquisition of the property and the recommendations within the report.

**Resolved: that**

**Policy and Resources Committee be asked to recommend that the Director of Law and Governance, in consultation with the Director of Regeneration and Place, be authorised to acquire the Co-Op building in New Ferry, as shown on the plan referred to within the report, at a price of £700,000.**

## 71 **SUSTAINABLE URBAN DEVELOPMENT WORK PACKAGE 7**

The Assistant Director, Chief Regeneration Officer presented the report which sought approval to enter into a Deed of Variation to increase the existing Grant Funding Agreement for Sustainable Urban Development Work Package 6, to accept a further £2.89m funding package from Liverpool City Region Combined Authority and to undertake appropriate consultation, procurement and appointment of a contractor to deliver 6.65km of walking and cycling infrastructure upgrades and 5.15ha of habitat improvements as part of Phase 1 of the Local Cycling and Walking Infrastructure Plan - the Sustainable Urban Development Green Sustainable Travel Corridors Programme.

Members discussed the report and the split between EU and Liverpool City Region Combined Authority funding. This was confirmed by officers at a 50% split. Members also queried if the scheme would be LTN1/20 compliant and questioned the capacity if the project should fall behind in terms of timescales. The Assistant Director: Chief Regeneration Officer confirmed that compliance had been taken into consideration when applying for funding and that projects are run in parallel to each other and extra capacity had been put in place to deliver within the time scales.

**Resolved: that,**

- (1) A Deed of Variation be entered into by the Council to accept £2.89 million of funding from the Liverpool City Region Combined Authority to deliver 6.65 kilometres of walking and cycling infrastructure upgrades and 5.15 hectares of habitat improvements as part of Phase 1 of the Local Cycling and Walking Infrastructure Plan - the Sustainable Urban Development Green Sustainable Travel Corridors Programme;**
- (2) Amendments be made to the individual phase programmes, if required, in consultation with Liverpool City Region Combined Authority and the Chairs and Spokespersons of the Economy, Regeneration and Development and the Environment, Climate Emergency and Transport Committees, having due regard to any issues that may arise during design or consultation stages of projects; and**

**(3)The necessary procurement process to appoint external contractors to undertake the necessary highway works associated with Phase 1 of the Local Cycling and Walking Infrastructure Plan - the Sustainable Urban Development Green Sustainable Travel Corridors Programme be carried out.**

72 **2022/23 BUDGET UPDATE**

The Lead Principal Lawyer (Regeneration, Planning and Property) introduced the report of the Director of Law and Governance which provided for consideration of the recommendations of the Policy and Resources Committee in respect of the 2022/23 Budget Update.

It was emphasised that the Council had a significant financial challenge and had to demonstrate financial viability, under the scrutiny of an independent Assurance Panel. The proposals outlined were part of a draft budget and were therefore not without prejudice, and it was for the Committee to focus on these specific proposals, any comments on which would be fed back to the Policy and Resources Committee.

Members questioned the details of some of the options in the report and noted:

- That the proposed closure of public conveniences would achieve operational savings. They also queried if disposal of the buildings to raise revenue had been considered.
- Concerns about the closure of public conveniences in Thornton Hough and Moreton Common and associated anti-social behaviour.
- The costs of maintaining empty corporate buildings and increases in energy tariffs.

**Resolved – that:**

**(1)the 2022/23 draft budget proposals be noted.**

**(2) the relevant director with portfolio be authorised to take the necessary action to consult on any proposals that require additional consultation and take necessary action to deliver the resulting service changes in consultation with the Chair and Group Spokesperson or reporting to the Economy, Regeneration and Development Committee as the Director considers appropriate.**

73 **LEGAL INPUT INTO MAJOR REGENERATION PROJECTS**

The Chair asked Members if they agreed to alter the order of the agenda so that this item could be considered in a closed session if required. This was agreed by assent.

74 **WORK PROGRAMME UPDATE**

The Economy, Regeneration and Development Committee was responsible for proposing and delivering an annual committee work programme. This work programme was to align with the corporate priorities of the Council, in particular the delivery of the key decisions which were within the remit of the Committee.

**Resolved: that**

**The content of the Economy, Regeneration and Development Committee work programme proposed in the report for the remainder of the 2021/22 municipal year be agreed**

75 **EXEMPT INFORMATION - EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED:**

**That, under section 100 (A) (4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information as defined by paragraphs 3 and 5 of Part I of Schedule 12A (as amended) to that Act. The Public Interest test has been applied and favours exclusion.**

76 **APPOINTMENT OF A PREFERRED DEVELOPER FOR THE NEW FERRY REDEVELOPMENT SCHEME EXEMPT APPENDIX**

The Assistant Director for Special Projects presented the report, informing Members that in March 2017 an explosion in New Ferry devastated the heart of the retail centre, destroying businesses and homes, having a significant impact on the local community.

Since that time, the Council had been fully supporting the recovery of the area, seeking additional funding to acquire the interests of key properties and parcels of land which would enable the regeneration and redevelopment of the town centre to proceed. These acquisitions were crucial to the delivery of the New Ferry Regeneration Plan. This Plan was produced by the Council

and consulted on in September 2017 and had led to a preferred development option being selected with the support of the community. The plan sought to protect local businesses and bring a mix of new residential and retail units into the town to create a sustainable future for New Ferry.

Councillors discussed the political sensitivity of the project and queried the possibility of joint ventures for financial resilience. The Assistant Director: Special Projects confirmed there had been a very thorough procurement process and extensive due diligence had been undertaken. Members also commended the use of apprentices within the scheme.

**Resolved: that**

**(1) The tenderer set out within the exempt Appendix 3 to this report be appointed as preferred developer, being the highest scoring tenderer following conclusion of the competitive dialogue process (as outlined in the exempt Appendix 3) within the approved budget and in accordance with the Most Economically Advantageous Tender criteria;**

**(2) The Director of Law and Governance, in consultation with the Director of Regeneration and Place, be delegated authority to enter into all associated legal agreements with the preferred developer so as to finalise and complete the development agreement and all other associated legal documentation for sites A, B and C, (as shown in Appendix 1 to the report) with the option to include any other appropriate land/development opportunities that are within the defined wider area, as shown in the plan (attached as Appendix 2 to the report); and**

**(3) The Director of Law and Governance be authorised to draft and agree an appropriate Grant Funding Agreement with the preferred developer, for pass through of the Future High Street Funds grant allocation for New Ferry and a Grant Funding Agreement for additional capital up to £2,590,265.53 on appropriate terms and conditions for the grant**

77 **LEGAL INPUT INTO MAJOR REGENERATION PROJECTS EXEMPT APPENDICES**

The Lead Principal Lawyer introduced the report which had been produced further to a request from this Committee at its meeting of October 2021. The report was provided to enable the Committee to have regular updates on legal risk and project profile, for which the first of these was presented for the Committee's consideration.

Members were informed that a similar report went to the Audit and Risk Management Committee on 24<sup>th</sup> January 2022 in accordance with the request of this Committee at its meeting of October 2021. The debate and corporate

risk profile raised at the earlier Committee meeting centred on the LGA 'Planning Improvement Peer Challenge – Follow Up Review of July 2020'. This was due to the peer review being referenced on a slide presentation of the timeline to delivery. The risks associated with the broader regeneration programme had later been identified via a series of external reports. This included the Wirral External Assurance Review of September 2021 as commissioned by the Secretary of State. Members were informed that the Council had accepted these recommendations and implemented an action plan which included a response to the comment (as repeated by the Lead Principal Lawyer) that "an area of risk was ensuring that there is sufficient financial and legal expertise assigned to the very complex and fast moving delivery and investment vehicles in regeneration. Pleasure at seeing external funding secured and schemes progressing after many years of false starts may be bringing a degree of optimism that clouds a rigorous and healthily sceptical view of the financial risks."

This report, however, focused more on the legal services response to the challenges of the ongoing regeneration projects.

A general discussion was held around the procurement of legal support. The Chair asked for it to be noted that whilst the Chair, Groups Spokespersons and Regeneration Officers of the Committee had been invited to the procurement interview, this was in the capacity of observers and there was no input into the decision to appoint.

Questions were asked concerning the combative nature of legal engagement with partners of different companies that deal with regeneration and around the improvement of the Council's legal services, which was followed by discussion around the contents of the report. The Lead Principal Lawyer assured Members that changes had been made within legal services, alongside the appointment of a strategic legal partner. There was now a clear line of sight following the compilation of projects produced by regeneration officers to work on, which is set out as an Appendix to the report.

The Chair proposed setting up a working party to oversee the performance of legal support to the regeneration programme.

**After a discussion, members resolved that, under section 100 (A) (4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the exempt Appendices 3 and 34 of the report on the grounds that they involve the likely disclosure of exempt information as defined by paragraph 3 of Part I of Schedule 12A (as amended) to that Act.**

Members then resolved to consider the report in public and proceeded to ask the Director or Law and Governance to comment. He cautioned against establishing the working group meeting with external



stakeholders with whom there are ongoing negotiations. The Director of Law and Governance noted that Members wished it to be a supportive process and asked that thought be given to the terms of reference.

**Resolved: That:**

- 1) The contents of the report be noted;**
- 2) Given the importance of the regeneration programme to Wirral in respect of achieving financial stability and sustainability for the Council, as well as other accepted benefits, a working group of elected members comprising the Chair and Spokespersons of Economy Regeneration and Development Committee, with the Chair and Spokespersons of Audit and Risk Management Committee also invited, along with an observer from the current Independent Panel, to oversee the performance of legal support to the regeneration programme, with partners invited when necessary; and**
- (3) The working group is in acknowledgement of concerns raised by both Committees and will allow for scrutiny of the legal process that will include feedback from partners where needed as an assessment of the performance of the Council legal practice as it relates to the regeneration programme. Its purpose is not to micromanage the process but to allow scrutiny and offer assurance to elected members across both Committees and the wider Council chamber.**

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