

OFFICER DECISION FORM

DECISION TO BE TAKEN BY: DIRECTOR OF REGENERATION AND PLACE

KEY DECISION NO

DIRECTORATE: REGENERATION AND PLACE

WARDS AFFECTED: Bidston & St James

SUBJECT: Wirral Waters Investment Fund: Egerton Village – Variation to Grant recipient

1.0 DECISION:

- 1.1 The Director of Regeneration and Place approves that the recipient of the Wirral Waters Investment Fund (WWIF) Grant be amended and authorises the Director of Law and Governance to progress the legal Grant Funding agreement between the Council and Peel L&P Investments and Property Ltd (09246810) subject to the provision of a satisfactory parent company guarantee.

2.0 REASONS FOR THE DECISION

- 2.1 The development of Egerton Village is a key facility within the Wirral Waters area. The development consists of 14,671sq ft of commercial floorspace which will provide amenity space including an appropriate food and drink offer as well as providing studio and workspace accommodation and increasing the business rates being generated into the WWIF.

3.0 STATEMENT OF COMPLIANCE

- 3.1 The recommendations are made further to legal advice from the Monitoring Officer and the Section 151 Officer who has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been completed. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

4.0 DECLARATION OF INTEREST

- 4.1 None

Signed:

Officer: Alan Evans

Title: Director of Regeneration & Place

Date: 28th June 2022

A list of background papers on this issue is held with:

Contact Officer: Alison Pritchard – Regeneration Project Manager

Date:

Date of Publication:



[XXX June 2022]

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| Report Title: | Wirral Waters Investment Fund: Egerton Village – Variation to Grant recipient |
| Report of: | Director of Regeneration and Place |

REPORT SUMMARY

At its meeting on 4th March 2021, Economy, Regeneration and Development Committee approved the grant of £1,750,000 of Wirral Waters Investment Fund (WWIF) viability support for Egerton Village. The grant is to enable the development of 14,671 sq ft of commercial floorspace to support key sector development at the Four Bridges area of Wirral Waters. Egerton Village will serve existing and new businesses and communities, students, visitors and residents by providing much needed amenity space including an appropriate food and drink offer as well as providing studio and workspace accommodation.

Given the time that has elapsed since the grant was approved, the owners and developer Peel Land and Property have provided updated information in terms of the named Peel subsidiary Company that will undertake the development. This will represent a change from the Committee approval and hence the reason for this report. Peel is still committed to progress the development and the need for the grant remains.

This is not a key decision.

This matter affects the Bidston and St James Ward.

RECOMMENDATION/S

The Director of Regeneration and Place recommends that

1. The recipient of the WWIF Grant be amended.
2. Authorises the Director of Law and Governance in consultation with the Director of Regeneration and Place to progress the legal Grant Funding agreement between the Council and Peel L&P Investments and Property Ltd (09246810) subject to the provision of a satisfactory parent company guarantee.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 To enable the Grant Funding Agreement to be completed in the name of a revised applicant.
- 1.2 To enable Peel L&P Investments and Property Ltd (Peel). to progress the development of Egerton Village to support the priorities of the Wirral Waters Investment Fund (WWIF).

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The Council could choose not to approve amendment of the grant recipient. This could result in the development not being progressed and the benefits from the development not being realised. This option is not recommended.

3.0 BACKGROUND INFORMATION

- 3.1 Cabinet approved the development of an investment framework for the reinvestment 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. This will support the growth aspirations of the Wirral Plan and Wirral Growth Plan.
- 3.3 At its meeting on 4th March 2021, Economy, Regeneration and Development Committee approved the grant of £1,750,000 of WWIF viability support for the development of Egerton Village. The development consists of 14,671sq ft of commercial floorspace which will provide amenity space including an appropriate food and drink offer as well as providing studio and workspace accommodation. to support business and residential growth in the Wirral Waters area as well as increasing the business rates being generated into the WWIF.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The WWIF grant provides capital funds to assist with the viability gap of the development. The full details of financial implications were considered in the report of 4th March 2021. Peel have provided updated information in support of the scheme including a revised build programme which would see the construction being complete by 1st December 2023. The projected contribution to increased Business Rates has been adjusted to reflect the revised development timetable. Adopting the same Rateable Value as previously estimated of £89,179 per annum, the contribution of Business Rates from 2024 to the end of the Enterprise Zone in 2037 is estimated at £1,159,327.

5.0 LEGAL IMPLICATIONS

- 5.1 The detailed legal implications of the offer of financial assistance were set out in detail in the report of 4th March 2021. The proposal to vary the WWIF grant recipient does not have any additional legal implications.

6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

- 6.1 There are no additional resource implications as a result of this report.

7.0 RELEVANT RISKS

- 7.1 The risks and mitigation measures in approving the grant of WWIF were set out in detail in the report of 4th March 2021. Since the WWIF grant application was approved there has been a national increase in build costs making the development more expensive to deliver. There has been no corresponding evidence of an increase in rental levels that will be generated from the completed development. This therefore increases the viability gap. Peel are not however seeking any additional grant and intend to proceed on the basis of the funding offer. The increased cost is therefore at their risk. The grant will be made to the applicant subject to satisfactory Company checks being undertaken. In order to provide additional security to the Council that the development will be completed if the grant recipient runs out of funds, the Grant Funding Agreement will be subject to a satisfactory Parent Company Guarantee being provided.
- 7.2 Given the revised programme and delayed anticipated completion date of the development, the period during which the Council can retain 100% of the Business Rates uplift in the Enterprise Zone has diminished and the contribution of this particular development to WWIF has reduced. The impact of this has been considered by Finance and is not considered to overly impact the Councils position.
- 7.3 The risks to the Council in approving a change to the grant recipient have been considered and are not considered to increase the risk level.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 This report is consistent with the principles of Wirral Council's Growth Plan and Strategic Regeneration Framework and Local Plan, which identifies Wirral Waters Enterprise Zone as an identified and agreed area of significant growth potential.
- 8.2 The Growth Plan and Strategic Regeneration Framework have been informed by consultation which has taken place with a number of private sector partners and local businesses through Wirral Chamber of Commerce sector forums.

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. It is not considered that the Project will have an adverse impact on any persons with

protected characteristics. On the contrary they would be likely to benefit from the increased employment opportunities generated by the Project if it is successful.

- 9.2 The potential impact of Egerton Village has been reviewed with regard to equality and links to the existing EIA conducted for Wirral's Growth Plan and no amendments have been made.

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

10.0 Environment and Climate Implications

- 10.1 This project will involve the redevelopment of 0.5 acres of brownfield land. In addition Peels aim is to try and create the first Net Zero Carbon building at Wirral Waters, that will offset all greenhouse gases that it produces. This will be achieved through its design, selection of materiality, using renewable energy and careful procurement during the construction and operating stages. The fabrication of the building is also of modular typology which means that construction is quick and efficient

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APPENDICES:

Background Papers

4th March 2021 Economy Regeneration and Development Committee



Wirral Waters
Enterprise Zone Inve