



ECONOMY REGENERATION & HOUSING COMMITTEE

Wednesday, 8 March 2023

REPORT TITLE:	LIVERPOOL CITY REGION COMBINED AUTHORITY BROWNFIELD LAND PROGRAMME – 92 GRANGE ROAD, BIRKENHEAD
REPORT OF:	DIRECTOR OF REGENERATION AND PLACE

REPORT SUMMARY

This report sets out the activities undertaken to develop and deliver the 92 Grange Road project. Committee is asked to delegate the decision to appoint a delivery partner to the Director of Regeneration and Place.

Town centre regeneration is a long-standing priority for the Council and is reflected in the Wirral Council Plan 2021 - 26 through the requirement to deliver inclusive economic growth, working for a prosperous, inclusive economy where local people can get good jobs and achieve their aspirations.

This matter affects the ward of Birkenhead and Tranmere.

This is a key decision owing to the significance in terms of the effect on communities living or working in an area comprising two or more wards in the Borough, as well as being in excess of £500,000 in monetary value.

EXEMPT INFORMATION

Appendix 2 of this report contains exempt information 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).'

RECOMMENDATION/S

Economy Regeneration and Housing Committee is recommended to:

1. Approve that the current LCRCA Brownfield Land allocation for this project as set out in the exempt appendix 2 be ring-fenced for this purpose.
2. Authorise the Director of Regeneration and Place,

- a. to, in consultation with the Director of Law and Governance, progress the appointment of a delivery partner for the 92 Grange Road, Birkenhead project further to the on-going mini-tendering process via the Homes England Housing Delivery Partner Dynamic Purchasing System; and
 - b. to, offer the selected delivery partner deficit funding to support the delivery of the Council's objectives regarding this site, should the need for such funding be demonstrated and justified.
3. Authorise the Director of Law and Governance to finalise the legal documentation arising out of the implementation of the above recommendations.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The LCRCA Brownfield Housing Land Fund is time limited to March 2025 and will support the Council by enabling access to significant funding to support the regeneration of Birkenhead including that of private sector investment.
- 1.2 The deadline for outline scheme proposals to be submitted to the Council from shortlisted prospective delivery partners (i.e. developers) is 10th March 2023. The earliest opportunity for Committee to consider these proposals and make a decision is likely to be circa June 2023 due to the upcoming elections and associated pre-election period. This timescale is likely to seriously compromise the ability to appoint a delivery partner, secure planning consent, achieve a start on site and defray Brownfield Housing Land deficit funding (should this be required) and complete the delivery of 84 residential units on this site by 31st March 2025.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The fundamental issue to be addressed is that of the time sensitivity associated with expenditure of Brownfield Housing Land Funding and the delivery of a minimum of 84 residential units on this site. One option is to delay making a decision on the selection of a delivery partner until Committee has had chance to consider these proposals. This option has been discounted for two reasons;
 - Firstly, shortlisted proposals are not due to be submitted until 10th March 2023 and there are no further scheduled Committee meetings until following the local elections; and
 - Secondly, the Brownfield Land Grant process has been lengthy and protracted, taking 2 years to date from the launch of the programme. Despite these delays the original requirement to spend the grant and complete the scheme by March 2025 remains, so it is imperative to avoid further delay and commence activity to develop and deliver the projects.

3.0 BACKGROUND INFORMATION

- 3.1 92 Grange Road, Birkenhead 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. The property includes a car park with 86 spaces and a rear service yard. This site is key to enabling the comprehensive regeneration of Birkenhead town centre which is a strategic priority for the Council.
- 3.2 The acquisition of the site, by the Council, in December 2020 increased the Council's holdings and influence over the town centre. The site occupies a prime gateway at the entrance to the emerging central business district of Birkenhead, in close proximity to the proposed redevelopment of Milton Pavements and the residential proposals for Hind Street.

- 3.3 The Council's acquisition of the site has enhanced its existing portfolio, giving it the ability to exercise control of the future use and development of the site which in turn could influence the wider regeneration of the town centre area.
- 3.4 Accelerated residential development within Birkenhead Town Centre will provide new homes and bring added diversification in the town centre, increasing and enhancing its catchment. This will also contribute to the maturing of the local housing market making later phases of development more viable and support early brownfield residential delivery which is critical to the Council's emerging Local Plan.
- 3.5 In November 2021 the Council's Policy and Resources Committee approved the permanent relocation of Birkenhead Market to the 92 Grange Road site. Soft market testing has suggested that the Grange Road site can accommodate both the new market development and (on the car park fronting onto Argyle Street) the new residential development.
- 3.6 The next stage in the delivery process is the procurement of a delivery partner. To this end the Council has employed best practice in this field and has utilised the Homes England Housing Delivery Partner Dynamic Purchasing System. An initial Expression of Interest was sent to approximately 30 housing developers registered on the Dynamic Purchasing System. From this long-list a short-list of prospective developers has been drawn up and have been invited to submit their detailed proposals for this site. The deadline for submissions is 10th March 2023.
- 3.7 Shortlisted developers have been invited to prepare submissions which address the following objectives;
- To secure scheme proposals that balance high standards of design quality with the best land value offer achievable;
 - For its selected Delivery Partner to build out its consented scheme in the shortest timeframe possible (and which, in any event, cannot exceed 12 months);
 - Facilitate a high quality, mixed tenure development of housing;
 - Achieve a minimum of 84 residential units within the development;
 - Development which is distinctive and respects the local identity;
 - Promote high quality standards of planning and urban design; create a modern and attractive place to live;
 - Provide a safe, secure and pleasant environment; minimising opportunities for anti-social behaviour;
 - Create a development which is sustainable and efficient;
 - Provide housing which is accessible and adaptable by observing Barrier Free and Housing for Varying Needs principles;
 - To bring forward proposals that meet the housing needs of the area (which may entail a mix of tenure types across the development);
 - Complement and not prejudice the wider development of the area including the provision of a market on the remainder of the House of Fraser site;

- Be in accordance with the emerging St Werburgh's masterplan; and
- Recognises aspirations, affordability and value for money.

3.8 'Preferred Developer' status for this project will be awarded on the assessment of the following criteria;

- Scheme plans and house type details;
- Design quality;
- Planning and management;
- Marketing & disposal strategy;
- Project risks and programme;
- Financial appraisal;
- Resources and expertise;
- Social value contribution;
- Price.

4.0 FINANCIAL IMPLICATIONS

4.1 The Council has funding from the Liverpool City Region Combined Authority Brownfield Housing Land Grant Fund towards the costs of delivering 84 residential units on this site. This will be utilised to progress detailed project design and delivery. The aforementioned Brownfield Housing Land Grant Fund could be made available to this scheme to overcome, for example, the cost of abnormal ground conditions and/or underperforming housing market values, should it be demonstrated by the Council's chosen delivery partner that this is required.

5.0 LEGAL IMPLICATIONS

5.1 The Director of Law and Governance will ensure compliance of the Brownfield Housing Land Fund project and the onward flow of funds with the Subsidy Control Act 2022. It is not possible to provide a more detailed position statement in this regard.

5.2 The Public Contracts Regulations 2015 ("the 2015 Regulations") provide at paragraph 33 (8) that a framework agreement shall be performed in the following way:

(c) where not all the terms governing the provision of the works, services, and supplies concerned are laid down in the framework agreement, through reopening competition amongst the economic operators which are party to the framework agreement" (i.e. a mini / further competition).

5.3 Carrying out a mini completion will ensure compliance with the 2015 Regulations.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 The 92 Grange Road project will be managed by existing staff from within the Place and Investment Team, within the Regeneration and Place Directorate. This resource can be supplemented using external consultancy resources where necessary.

7.0 RELEVANT RISKS

7.1 A programme Risk Register has been developed as well as individual Risk Registers for each of the individual projects including that of 92 Grange Road. These are updated throughout the project lifecycle in order to assist the Council in identifying, controlling and managing risk. These are reported within the Council's Corporate Risk Management structure. Current key risks to this project include;

- Failure to appoint a delivery partner would mean that there would be no project for 92 Grange Road. This would result in the loss of a minimum of 84 new residential units for this part of Birkenhead. This could also lead to the clawback of some/all of the Brownfield Land Grant allocation. However, the Council has embarked upon a procurement exercise via Homes England's Housing Delivery Partner Dynamic Purchasing System. A shortlist of prospective delivery partners have been invited to submit proposals for this site. Should these proposals prove to be unacceptable to the council, an alternative delivery partner procurement route is being prepared.
- Construction costs increase due to inflation. The impact of this risk materialising is that the build rate will slow and it will take longer to deliver the anticipated outcomes for the site. This could have an adverse impact on the wider town centre area. However the council will safeguard it's position by scrutinising project costs in advance by experienced independent cost consultants and requiring a contingency budget identified for unforeseen events. Further to this, forecasts suggest that inflation will fall over the next few years.

7.2 As outlined elsewhere within this report the redevelopment of 92 Grange Road has been subject to delay and taken more than 2 years to date. However the final date for spend and delivery has not been extended and remains at March 2025. Failure to meet this deadline could leave the Council subject to clawback of the grant. To mitigate any risk of not delivering and spending within this timescale Committee is asked within this report to authorise the Director of Regeneration and Place to appoint a delivery partner (subject to acceptable scheme proposals being received).

7.3 This project can make a positive contribution to the wider Local Plan housing target for Central Birkenhead and in doing so help mitigate the council's risk of non-delivery.

8.0 ENGAGEMENT/CONSULTATION

8.1 The 92 Grange Road project supports and adds value to the previous Birkenhead Town Centre consultation conducted by Wirral Growth Company in 2021.

8.2 Stakeholders are currently being consulted (December 2022/January 2023) on a masterplan for the St Werburgh's area (which includes the Grange Road site) and a

new/refreshed masterplan for the town centre following the recent realignment of the Wirral Growth Company.

- 8.3 As the Grange Road project is developed further, proposals will also go through engagement and consultation as part of the statutory planning process.

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 (EIA) 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 A copy of the EIA for Wirral's Economic Strategy, which has been checked and is still valid, can be viewed at:
<https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments/equality-impact-assessments-2021-0#overlay-context=communities-and-neighbourhoods/equality-impact-assessments/equality-impact-assessments-2021>

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 The content and recommendations contained within this report are expected to reduce the emissions of greenhouse gases. This will include, as appropriate, energy efficient buildings within new developments; infrastructure improvements to reduce car dominance and create a safer environment for road users and pedestrians, and environmental and climate considerations within the Council's Social Value strategy to be used within the procurement of a delivery partner.

11.0 COMMUNITY WEALTH IMPLICATIONS

- 11.1 Regeneration of Birkenhead is the backbone of the Birkenhead 2040 Framework and emerging Local Plan. In this context this FHSF project is part of a wider regeneration programme to deliver a prosperous, inclusive economy to benefit local residents and communities.
- 11.2 Community Wealth Building reorganises local economies to be fairer and stops wealth flowing out of communities. The principles of the Brownfield Housing Land Grant to facilitate a diversified and mixed-use town centre, with a wider catchment of people living and working in the area and a major transformation of Birkenhead market to make it more appealing, sustainable and fit for modern market trading conditions will support economic, social and health outcomes, the community and many small and medium enterprises.
- 11.3 Within the context of the Brownfield Land Grant programme Council land and assets are being used as a base to build community wealth, revitalising the town centre and maximising opportunities for local people. Future procurement exercises will build the wealth of our local communities where we will strive to maximise social value activity through the creation of local employment/training opportunities and local labour/spend to maximise the Wirral pound.

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APPENDICES

Appendix 1: 92 Grange Road, Birkenhead – Site Plan

Appendix 2: Confidential further information - Appendix 2 contains exempt information 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).

BACKGROUND PAPERS

Brownfield Land -One Public Estate prospectus <https://www.local.gov.uk/our-support/one-public-estate/one-public-estate-brownfield-land-release-fund-blrf2-round-2-fund>

TERMS OF REFERENCE

The report is being considered by the Economy, Regeneration and Housing Committee in accordance with section 4.2(a) and (g) of its Terms of Reference:

- (a) formulation and delivery of the Council's strategic development objectives for planning, sustainability and transportation;
- (g) overseeing the progress of major projects (including major building, infrastructure or other projects involving the erection or significant alteration of major permanent structures or landmarks) undertaken by the Council directly or as enabler, funder or joint enterprise partner, including but not limited to the Wirral Growth Company LLP;

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Policy & Resources Committee Acquisition of Former House of Fraser Building – 92 Grange Road, Birkenhead	18th December 2020
Policy & Resources Committee Birkenhead New Market Development	10th November 2021