



POLICY AND RESOURCES COMMITTEE

Wednesday 19th MARCH 2025

REPORT TITLE:	NEW DEVELOPMENT CORPORATION COMPETITION
REPORT OF:	DIRECTOR OF REGENERATION AND PLACE

REPORT SUMMARY

The Birkenhead 2040 Framework details a comprehensive regeneration vision that will deliver 21,000 new homes and 6000 new jobs in Birkenhead over the next 20 years. Endorsed by Economy Regeneration and Housing Committee in March 2022 as the interim regeneration strategy for Wirral, the programme will transform Birkenhead, building on Government funding secured to support infrastructure improvements and town centre intervention, and creating new neighbourhoods and driving economic growth.

In October 2019 the Ministry of Housing Communities and Local Government (MHCLG) launched its New Development Corporation Competition which offered funding support for Local Authorities to explore delivery vehicles for major regeneration projects. In response to an Expression of Interest the Council has been invited to submit an Outline Business Case (OBC) which sets out priorities and key activities for the delivery of the Birkenhead regeneration programme, as detailed in the Birkenhead 2040 Framework.

A plan of this scale requires a single seamless approach to a number of regeneration-based activities with a delivery plan led approach that priorities projects in a logical way on a business case by business case basis. The OBC sets out the governance arrangements that will steer delivery of the business plan including details of the Wirral Regeneration Partnership which has been established to accelerate the delivery and raise the profile of the regeneration programme to attract investment and ensure that the skills and resources are in place to drive a programme of this scale.

This submission of the OBC to MHCLG and development of the draft business plan will be a significant step towards realising the Council's ambitious re-development goals. Details of the OBC and draft business plan are set out in this report.

Wirral Working Together – A Council Plan 2023 - 2027 sets out the Council’s vision to secure the best possible future for our residents. The OBC and Business Plan support the delivery of the key themes:

- Promoting independence and healthier lives
- People focussed regeneration
- Protect our environment
- Safe, resilient and engaged communities

The Wirral Regeneration Partnership will work for the whole of the Borough. However, the OBC and business plan and the initial work of the Partnership will focus on the Birkenhead 2040 Framework area. This means that this matter more immediately affects Birkenhead & Tranmere, Bidston & St James, Seacombe and Liscard Wards, but in the longer term may potentially impact on other wards in the Borough.

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 within the Borough.

RECOMMENDATION

The Policy and Resources Committee is recommended to:

1. Endorse the draft Outline Business Case attached as Appendix 2 to this report; and
2. Delegate authority to the Director of Regeneration and Place to finalise and then submit the Outline Business Case to MHCLG in response to the New Development Corporation competition in consultation with the Chair and Spokespersons of this Committee.
3. Approve the revised Terms of Reference for the Wirral Regeneration Partnership attached as Appendix 3.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 To enable the Council to access funding and support from MHCLG, offered as part of the New Development Corporation Competition, an outline business case must be submitted. Without endorsement from the Committee the Council would not be able to make the submission and access the support.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 It is recognised that to deliver a regeneration programme of this scale requires significant resources. The Council could continue to deliver the programme using existing resources for as long as they are in place and not prepare and submit the OBC in response to the competition. However, this would curb delivery of pipeline projects where future funding has not yet been secured and could result in the Council missing out on the opportunity to secure vital resources need to deliver the programme.
- 2.2 The preparation of a business plan is essential to determine how finite resources are applied. Should the business plan not be prepared there would be a lack of focus on priority projects resulting in resources being spread too thinly.

3.0 BACKGROUND INFORMATION

- 3.1 The government announced at Autumn Budget 2018 that it would be establishing a new £10 million capacity fund to generate innovative proposals for new business-backed development corporations and similar delivery models. The New Development Corporation Competition was established to seek up to 10 councils with innovative, bold and ambitious proposals for housing and economic growth opportunities, as part of their transformational regeneration ambition. Funding was available to help shortlisted councils explore delivery models that have been less commonly used in a contemporary context, such as urban development corporations.
- 3.2 Following an initial expression of interest the Council was successful in being one of 6 councils shortlisted as part of the competition, securing £700,000 of funding to consider delivery model options and design a bespoke model to support the Birkenhead regeneration programme. Several options were considered as part of this review and as a result the Wirral Regeneration Partnership was established.
- 3.3 The Outline Business Case sets out the strategic, economic, commercial, financial and management rationale for investment. It includes details of the governance arrangement provided by the Wirral Regeneration Partnership and a revenue and capital funding ask to support regeneration delivery acceleration.

The Wirral Regeneration Partnership

- 3.4 The formation of the Wirral Regeneration Partnership was agreed by this Committee in December 2023 to co-ordinate and accelerate the priority programmes defined by the Birkenhead 2040 Framework. Its primary role is to consider the 5-year Business

Plan which would set out the priorities and objectives for each project within the Regeneration Partnership area.

- 3.5 The role of the Wirral Regeneration Partnership is to support the Council in:
- Accelerating the delivery of significant housing and commercial development;
 - Addressing programme interdependencies and sequencing;
 - Contributing to the delivery of social outcomes across the programme through long term community wealth building and stewardship;
 - Raising the profile of the regeneration programme for stakeholders and external audience;
 - Attracting investment from public and private sector partners on a project-by-project basis by enabling the stakeholders within it to speak with one voice;
 - Ensuring that the skills and resources are in place to drive a programme of this scale; and
 - Leading on place making and meanwhile use strategy.
- 3.6 The Wirral Regeneration Partnership is an unincorporated association. It does not have any formal decision-making powers and is not a discrete legal entity. The Council remains the accountable body, and the Wirral Regeneration Partnership's recommendations are fed into reports to Economy Regeneration and Housing Committee and/or this Committee necessary to provide assurance and to seek decisions if needed.

The Outline Business Case

- 3.7 The OBC proposes several changes to current arrangements that will help support delivery moving forward. These include:
- a. A revenue ask of £5.6m (across a five-year period) to provide capacity and support for additional staffing. A revised regeneration delivery team structure is proposed which includes:
- A new Head of Regeneration post focused on the 2040 Framework area;
 - Three delivery managers and a development manager focussed on delivering either 1 or more of the priority programmes identified. The third delivery manager is an additional but already funded post. The delivery team currently in place is funded only until March 2026 and a funding ask is included to secure this resource beyond that date;
 - Funded posts sitting in other teams including planning, highways, housing, assets, communications, finance and procurement. These posts will be Full Time Equivalent positions that will support delivery of the regeneration programme.
- b. The governance arrangement provided by the Wirral Regeneration Partnership is set out in the OBC. The Wirral Regeneration Partnership has a remit to oversee delivery of the business plan and drive progress. As part of the review the Terms of Reference are proposed to be amended to address a change in membership moving forward and invite the Chief Executive of the Council on to the Wirral Regeneration

Partnership. This approach is designed to ensure collaborative working across teams in order to deliver the strategically important regeneration programme outcomes.

- c. The OBC sets out a capital ask of £350m to deliver the regeneration programme. This sum represents the value of investment required to deliver the Council's regeneration priorities. It is recognised that additional funds will be sought from other sources.

The Business Plan

3.8 The OBC is supported by a business plan which is currently in draft form. With the Wirral Regeneration Partnership now established, the draft business plan, with a focus on the Council's regeneration priorities to drive forward the Birkenhead 2040 Framework plan in the next 5 years, is being developed. The draft business plan sets out:

- Priority areas for delivery of new homes;
- Critical path (across the programme looking ahead);
- Solutions (delivery partners/governance arrangements/resources);
- Risk and interdependencies (focusing on the priorities);
- Funding requirements (to maximising existing and drawing down future funding)

3.9 The draft business plan prioritises projects in a logical way with a central critical path and includes priorities for delivery in the next 1 to 5 years and then 6 to 10 years. It includes plans to deliver new homes in the following areas:

- Wirral Waters, Seacombe and Liscard (Including Wallasey Town Hall and Cleveland Street);
- Birkenhead Central;
- Waterfront/Woodside;
- Hind Street; and
- Dock Branch Park

3.10 The phasing of spend is proposed follows:

Neighbourhood	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	FY30-31	FY31-32	FY32-33	FY33-34	FY34-35	Total
Hind Street	-	£8m		£50m					-	-	£58m
Wirral Waters	-	£10m	£10m	£10m	£10m	£10m	£10m	£10m	-	-	£70m
Town Centre	£50m			£100m					-	-	£150m
Dock Branch	-	-	£39m			£3m		-	-	£42m	
Woodside	£5m		£25m			-	-	-	-	£30m	
											£350m

3.11 The business plan will commence in April 2025 to align with the final year of the Simplification Pathfinder delivery. From March 2026 the draft business plan sets out the phasing of delivery with a need to focus on Birkenhead town centre, Hind Street and Waterfront areas as catalyst projects, along with the enable projects for the other programmes. The revenue ask will support these priority areas.

- 3.12 The business plan will need to be flexible enough to respond to changes in the funding landscape, central government policy direction and site related activity such as enabling works and site acquisitions.

4.0 FINANCIAL IMPLICATIONS

- 4.1 Wirral's regeneration programme is subject to multiple funding streams. The proposed funding drawdown, in some cases, has taken place ahead of the establishment of the Birkenhead 2040 Framework as delivery vehicle. However, these funding streams are key to deliver early stage enabling works and development projects.
- 4.2 The delivery team currently in place is funded only until March 2026 and further funding is needed to secure this resource beyond that date. The current arrangement of capitalisation of salaries can only be a short-term arrangement and the government will be asked to fund this for future delivery.
- 4.3 The proposals within this report are designed to deliver operational efficiencies and mitigate the risk of clawback or withheld funds with regards to the challenging delivery timetables of the Council's regeneration ambitions.

5.0 LEGAL IMPLICATIONS

- 5.1 The final draft of the OBC has been endorsed by the Wirral Regeneration Partnership.
- 5.2 The submission of the OBC does not commit the Council to anything. However, with recent Government announcements on accelerated house building, the submission may help raise Wirral's profile aligning it to future funding opportunities.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 There are no significant impacts in terms of staffing, ICT or assets arising directly from this report. Should the submission of the OBC to MHCLG be supported, then a further report would be brought back to committee setting out how the funding would be applied.

7.0 RELEVANT RISKS

- 7.1 It is recognised that the scale of risks associated with a regeneration programme of this scale and complexity is significant. Risk management is driven by Council governance arrangements and risk management processes. Appropriate risk management and monitoring processes that reflect the scale of the programme are in place and are reported to the Wirral Regeneration Partnership as the delivery board. If successfully secured, additional resources will further enable the delivery of the programme and reduce risk of non-delivery.
- 7.2 The delivery team currently in place is funded only until March 2026 and further funding is needed to secure this resource beyond that date. The current arrangement of capitalisation of salaries can only be a short-term arrangement and

there is a risk that if future funding is not available to cover the costs of these posts, that delivery will be compromised.

7.3 The OBC mitigates against the risk of the Council's regeneration ambitions not being aligned to those of other stakeholders. Specifically, the Wirral Regeneration Partnership mitigates the following risks of:

- not deploying grant funding from multiple sources within the spend profile timetable;
- delivering competing or conflicting proposals across the priority project areas;
- not securing future private sector investment for future projects through a coordinated approach to procurement and marketing strategy; and
- not delivering a coordinated approach to cross cutting themes of transport, health and education.

7.4 The business plan will also enable better management of financial delivery to reduce risk of programme slippage.

8.0 ENGAGEMENT/CONSULTATION

8.1 The OBC has been prepared with input from the Wirral regeneration Partnership and officers across the Council where they have input into the delivery programme. Several presentations, workshops and focus groups have taken place to gather input and shape proposals. The Wirral Regeneration Partnership includes representation from Homes England, Liverpool City Region Combined Authority, elected member of the Council and a non-executive member and so views from a wide range of organisations and individuals have been taken into account.

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 proposals in the Outline Business Case have been reviewed with regard to equality. An Equality Impact Assessment has been prepared for the Wirral Local Plan 2021-2037 (draft) which is relevant to the proposals set out in this report.

<https://www.wirral.gov.uk/files/wirral-local-plan-eia-pre-submission.pdf/download?inline>

10.0 ENVIRONMENT, BIODIVERSITY AND CLIMATE IMPLICATIONS

10.1 Any proposals resulting from this report would be progressed in line with the Council's Environment and Climate Change Action Plan and Cool 2 Climate change Strategy and would contribute to the aim of Birkenhead becoming a net zero climate resilient town.

10.2 The Birkenhead 2040 Framework provides a comprehensive regeneration framework for Birkenhead as a low carbon, sustainable waterfront garden ‘city’. The public spaces envisaged in the plan are proposed to be biodiverse rich gardens and historic greens with integrated Sustainable Urban Drainage Systems.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 The aim of this report is to secure the best possible outcome for the future of the Birkenhead 2040 Framework area, its residents and the community. This represents a vital step in the delivery of a sustainable regeneration within Wirral for the benefit of the wider community.

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APPENDICES

Appendix 1 Outline Business Case Executive Summary
Appendix 2 Outline Business Case
Appendix 3 Revised Terms of Reference for the Wirral Regeneration Partnership

BACKGROUND PAPERS

Birkenhead 2040 Framework
MHCLG New Development Corporation Competition Guidance

TERMS OF REFERENCE

This report is being considered by the Policy and Resources Committee in accordance with section 1.2 (b)(i) of its Terms of Reference in that the Committee is charged by full Council to (amongst other matters) provide a co-ordinating role across all other service committees and retain a ‘whole-council’ view of performance, budget monitoring and risk management, which includes responsibility for a decision...that has a major impact on a number of Council services or on the Council as a whole.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Policy and Resources Committee – Regeneration – Proposal to Establish a Wirral Regeneration Partnership	13 th December 2023