

ECONOMY REGENERATION AND HOUSING COMMITTEE**Monday, 17 July 2023**

REPORT TITLE:	HIND STREET REGENERATION – DELIVERY
REPORT OF:	DIRECTOR OF REGENERATION AND PLACE

REPORT SUMMARY

This report seeks approval for a capital request for up to £2.255 million for Hind Street Urban Village. These costs are crucial for the Council to reach a point by which it can enter a grant funding agreement with Homes England and Liverpool City Region Combined Authority. No further capital funding is anticipated to be required for the delivery of Phases A and B of the development of the Hind Street Urban Village. A further capital request will be made to support land assembly costs and a two form primary school in 2025. £1.439 million of capital funding is expected to be recovered in the current financial year.

The capital spend is needed to allow contractor engagement to commence in order to give the funders and the Council certainty over the construction costs for the infrastructure for the site. Delays will directly impact programme and ability to deliver the site.

This proposal directly supports the following key themes in the plan:

- A prosperous, inclusive economy where local people can get good jobs and achieve their aspirations;
- A cleaner, greener borough which celebrates, protects and improves our environment and urgently tackles the environmental emergency; and
- Safe, vibrant communities where people want to live and raise their families

This matter affects Birkenhead and Tranmere Ward, and Rock Ferry Ward.

This matter is a Key Decision because of the scale of the investment being proposed by the Council.

EXEMPT INFORMATION

Appendix 1 to 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) in relation to Appendix 1.

RECOMMENDATIONS

The Economy, Regeneration and Housing Committee is requested to recommend to Policy and Resources Committee the allocation of capital funding of £2.255 million to be utilised for the Hind Street Urban Village scheme.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATIONS

- 1.1 The Hind Street regeneration area is a brownfield site of circa 20 hectares adjacent to Birkenhead Town Centre. The scale and location of the regeneration area presents an opportunity to create a sustainable, market changing urban village that helps to set a standard for future development in the face of the climate emergency.
- 1.2 The regeneration of Hind Street plays a significant role in supporting the Council's draft Local Plan by enabling up to 1600 new homes to be built during the plan period and ancillary commercial and community uses are proposed to be located to the north of the site to complement and interface with the regeneration of the town centre, serving both the new residential community at Hind Street and wider Birkenhead population.
- 1.3 Hind Street is included as an allocation within the Wirral Local Plan Submission Draft Local Plan (WLPSD) and Policy RA 5 (Hind Street and St Werburgh's Regeneration Area) sets out principles which the development proposals need to meet to create a high quality, low carbon urban village. These include:
- provide high quality, safe and convenient pedestrian and cycling links;
 - incorporate strong green design principles and promote healthy living through a network of open space, green infrastructure and public realm;
 - incorporate a new highway network to accommodate changes arising from the removal of the Borough Road (A5227) and Queensway Tunnel flyovers; and
 - provide a site for a primary school, and proportionate and appropriate contributions towards primary school provision.
- 1.4 Significant work on pre-development workstreams has taken place including, delivery preparation for infrastructure and development phases, master-planning, site investigations, land assembly and funding strategy. It is important that momentum is maintained to allow for contractor engagement which gives funders and the council certainty over construction costs for the remediation. Certainty regarding these costs will form the basis of the grant funding applications to Homes England and Liverpool City Region Combined Authority.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The number of new homes which can be built at Hind Street is significant. The draft Local Plan imperative for adopting a brownfield urban site strategy strengthens case against a do-nothing approach., .
- 2.2 The Council could choose not to maintain the pace of momentum that it has set however this would reduce the chances of securing the public funding which is required to make the site viable for the delivery of new homes.

3.0 BACKGROUND INFORMATION

- 3.1 This report relates to the delivery of Phases A and B of the Hind Street Urban Village scheme on a brownfield site close to Birkenhead Town Centre in an area of very high deprivation. Phases A and B will deliver 626 new residential units plus 1,439m² of ancillary retail and commercial accommodation. It will also include new active mode and public transport infrastructure and greenspace. The full Hind Street development (also including Phases C, D and E) will deliver a total of 1,578 homes.
- 3.2 This report seeks additional capital funding for the Hind Street scheme for costs which are forecast to be incurred in 2023/24. These costs are forecast to be the final capital costs required for the Council to spend on the phase A and B programmes. These costs are crucial for the Council to reach a point by which it can enter a grant funding agreement with Homes England and LCRCA.
- 3.3 Appendix 1 to this report sets out confidential information regarding anticipated grant funding and regarding key programme milestones. Appendix 1 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) in relation to this Appendix
- 3.4 The Phase A and B project will result in new investment in the heart of Birkenhead and will contribute strongly to levelling up in one of the most deprived areas of the country. The Birkenhead Central Lower Layer Super Output Area (the LSOA within which the site is located) is ranked as the 80th most deprived out of 32,844 LSOAs in the country. It will result in the re-use of a vacant, derelict, brownfield site. The project will help to meet identified local housing need, attract new residents to central Birkenhead, and increase local expenditure, which will help to sustain and grow activity in Birkenhead Town Centre. Birkenhead has a much lower proportion of private sector housing, and a higher proportion of social housing, than in the wider Wirral area, regionally or nationally. The development will help to rebalance the tenure mix. It will also provide new greenspace, walkways and cycleways including through the creation of Dock Branch Park South, a linear parkway re-using a former railway line.
- 3.5 The Phases A and B project will be an important early part of the delivery of the emerging Wirral Local Plan 2021 – 2037 Submission Draft, which is founded on a brownfield first policy with a significant amount of new housing allocated to Birkenhead. In the absence of the project the case for Green Belt release in the emerging Local Plan would be strengthened which if successful would undermine the regeneration of Birkenhead.
- 3.6 The Capital allocation, if approved, will fund the following services. The amounts are estimates at this stage of commissioning:
 - Pre-Construction Services agreement - £300k
 - Development management agreement - £580k
 - Land assembly support - £170k
 - Master Development Agreement support - £30k

- Valuation and property support - £20k
- Business case support - £220k
- Communications - £20k
- Legal support - £200k
- Transport modelling - £100k
- Project Support - £130k
- Hind Street team salary £100k
- Contingency-£100k

3.7 The comprehensive residential led development at Hind Street, Birkenhead will create additional demand for primary school places which cannot be catered for by the existing primary schools in the catchment area.

3.8 A further report will be brought to this Committee in due course to seek approval for the Council to cashflow the development finance for a new 2 form school, to be funded through:

- Developer contributions from within Hind Street, and other developer contributions;
- DFE basic needs funding; and
- Future funding from Homes England.

4.0 FINANCIAL IMPLICATIONS

4.1 The capital request outlined in this report is for up to £2.255 million. This is funded from borrowing, but as the programme progresses there is likely to be cost recovery (of at least £1.439 million) consisting of grants from Liverpool City Region Combined Authority and Homes England, and cost recovery from the developer.

4.2 This bid if successful would require annual Financing costs of £138k. These costs will reduce if costs recovered are used to reduce borrowing requirements. There is no current available revenue budget to accommodate these costs which would require budget growth to proceed.

4.3 The recovery of the council's capital outlay has been made using some assumptions. The Hind Street capital investment plan assumes that a total of 16 million will be recovered from the developer and funding partners during the full neighbourhood programme. These receipts can then be used to reduce loans to the programme, and this financing costs allocated to the programme.

5.0 LEGAL IMPLICATIONS

5.1 If successful in securing funding for the contributions from Homes England and the LCRCA, the Council will be required to enter into grant funding agreements with the LCRCA and Homes England.

5.2 Following scheme delivery the Section 151 Officer will be required to sign a declaration confirming that the funding was defrayed in accordance with the grant conditions.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 Should the capital bid be successful the council officers will continue working on the Hind Street programme. The identified budget will be monitored and reported.

6.2 There are no ICT or Asset implications as an outcome for this report.

7.0 RELEVANT RISKS

7.1 The regeneration of Hind Street will be complex and long-term. The following are currently identified as risks, at this stage in the process:

7.2 The project team manage the risks for the whole of the project using a risk register which is reviewed on a regular basis.

- a) There is a risk that the Council will incur further costs on detailed design fees that are not budgeted for leading to overspend or shortfall.
- b) Failure to approve this capital bid could impact on ability to obtain other grant funding from Homes England or Combined Authority.
- c) Failure to secure the necessary grant funding. Regular collaborative meetings with HE and LCRCA continue to take place to mitigate this risk.
- d) There is a risk that constructions costs rise at a faster rate than development values during the pre-construction period. A cost inflation figure has been calculated in the funding applications, and an appropriate contingency applied.
- e) Phase A+B of the Hind Street scheme are dependent on securing two major funding streams presenting an uncertain timeline, with neither funding confirmed.

Failure to obtain funding/progress would lead to an inability to deliver on the Local Plan/Brownfield Strategy

8.0 ENGAGEMENT/CONSULTATION

8.1 Public consultation has taken place as part of the planning process, including at the pre-application stage.

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. Whilst there are no equality implications arising from this report, the associated actions arising from the delivery may need to assess any equality issues and mitigate any negative impact that may emerge.

- 9.3 An overarching equality impact assessment has been completed with regards to The Wirral Plan. This report makes no material changes at this stage. the document can be viewed here:

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

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 The scale and location of the regeneration area presents an opportunity to create a sustainable, market changing exemplar urban village that helps to set the standard for future development in the face of the climate emergency. The provision of the new link road will reduce congestion in central Birkenhead. Environmental Surveys of Hind Street have shown by reducing standing traffic, there will be reductions in Nitrogen Dioxide (NO₂), particulate matter (PM) and CO₂ (Ch.6).
- 10.2 The sustainable location of Hind Street will enable active travel routes between Rock Retail Park and central Birkenhead to be embedded in the design of the link road, and wider internal road network with walking and cycling given priority over vehicular traffic in some locations. This supports the sustainable transport ethos of the Birkenhead 2040 framework the emerging Local Plan and the forthcoming Hind Street masterplan.
- 10.3 The area is currently very inaccessible on foot or cycling with no clear routes and limited connectivity. As part of the movement strategy active travel and bus movement will be prioritised and integration with the wider active travel network will be facilitated. Promoting active travel and increased use of public transport can result in reduced emissions, thus helping to tackle climate change and improve air quality. The Hind Street development will be zero carbon in line with the Local Plan.

11.0 COMMUNITY WEALTH

- 11.1 The aim of this report is to secure the best possible outcome for the future of this land. This represents a vital step in the delivery of an inclusive sustainable community at Hind Street and allows for the delivery of a number of high quality public spaces and connectivity improvements.

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APPENDICES:

Appendix 1- Confidential Appendix regarding anticipated grant funding and Key Programme Milestones.

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BACKGROUND PAPERS

Hind Street Consultation – Have Your Say

<https://borough-birkenhead.co.uk/>

Wirral Plan 2021-2026

[Wirral Plan 2025 - Wirral Intelligence Service](#)

Birkenhead 2040 Framework

[Birkenhead 2040 Framework | www.wirral.gov.uk](#)

TERMS OF REFERENCE

This report is being considered in accordance with section 4.2(a) of its Terms of Reference: 'formulation and delivery of the Council's strategic development objectives for planning, sustainability and transportation.'

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Economy Regeneration and Development Committee.	October 2020
Economic Regeneration and Development Committee	September 2021
Economic Regeneration and Development Committee	June 2022
Economic Regeneration and Development Committee	January 2023
Economic Regeneration and Development Committee	June 2023