

REPORT TO: Executive Board

DATE: 21 November 2013

REPORTING OFFICER: Strategic Director – Children & Enterprise

PORTFOLIO: Physical Environment

SUBJECT: Widnes Waterfront Infrastructure Funding

WARD(S) Borough-wide

1.0 **PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to provide an update on regeneration projects in relation to the Widnes Waterfront sites G Park (former Bayer Cropscience) and Johnson’s Lane.

The report requests approval from the Executive Board to vary the capital programme to allow these projects to proceed prior to impending written offers from the Liverpool City Region Local Enterprise Partnership expected in the new year.

- 2.0 **RECOMMENDATION: That Council be requested to include the £0.52m remediation costs of the former Bayer site and £0.5m for the provision of infrastructure at Johnson’s Lane, Widnes within the capital programme, to initially be funded from Growing Places Fund (GPF) loans (subject to successful bids) which will thereafter be repaid from the capital receipts generated from sale of the respective sites.**

3.0 **SUPPORTING INFORMATION**

3.1 **Former Bayer Crop Science Site – G Park, Gazeley**

A report recommending the disposal of approximately 40 acres of land to Gazeley UK Ltd by a development agreement was agreed at the 5th September 2013 Executive Board.

The Council owns approximately 40 acres of land at Gorse Lane. This land was a former chemical manufacturing plant for Bayer. The land was purchased by the Council in 2009 for the sum of £5.5M with the acquisition price fully funded by a grant from NWDA. There was known ground contamination at the time of the purchase with an estimated liability of £500K. The terms of the grant condition were that the Council would be responsible for ground contamination; the Council could recover its

reasonable costs of managing the site from future land sales; otherwise 100% of sale proceeds would be recoverable by NWDA.

With the demise of NWDA eventually it emerged that NWDA's interests in this site had passed to BIS. Council officers have been working with BIS and the LEP and have agreed a strategy for the site, subject to Planning.

Further ground investigations since purchase have provided an increased estimate of dealing with the ground contamination of £1.6M. This is approximately £1.0m for groundwater remediation and £0.6m for asbestos contaminated soils and 'hotspots'. Remediation can be phased, enabling the programme to be accelerated for any plot to facilitate the earliest possible development. Groundwater treatment is the priority long lead item which needs to be resolved for early remediation to unlock the site. Officers consider that an early commitment to commence work on dealing with the ground contamination will bring forward the development and encourage occupier interest.

The Council requires £1m towards dealing with the ground contamination, of which there is already £0.48m in the capital programme. This can be repaid (subject to agreement with BIS) on sale of the first parcel of land.

3.2 Johnson's Lane - Ballast Phoenix Ltd

The Executive Board approved, on 11th July 2013, the disposal of c. 6.7 acres of land at Johnson's Lane to Ballast Phoenix Ltd subject to detailed Planning Permission and subject to contract.

The Council owns c20 acres of land at Johnson's Lane. This land has never been developed and does not benefit from access or services infrastructure beyond the edge of Johnson's Lane. The Council placed the whole site on the open market through property agents CBRE in November 2010. There have been a number of inquiries from potential occupiers, but all previous inquirers have been deterred by the amount of work and investment required to bring the site forward for development.

The capital funds will fund the advanced highway works required to access all the plots at Johnson's Lane. This will enhance the marketing of the remaining sites as well as help secure Ballast Phoenix Ltd by removing any uncertainties associated with road construction.

It is anticipated that subject to contract the land receipt from Ballast Phoenix Ltd will be used to repay the HBC capital.

4.0 POLICY IMPLICATIONS

- 4.1 Approval of the capital allocations outlined in this report would present an excellent opportunity to accelerate further developments at the Widnes Waterfront.

5.0 **OTHER/FINANCIAL IMPLICATIONS**

5.1 The Council have applied for a Growing Places Fund loan for both G- Park and Johnson's Lane. It likely the outcome of these applications will be made public in the new year.

6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

6.1 **Children & Young People in Halton**

They are no implications associated with this report.

6.2 **Employment, Learning & Skills in Halton**

Overall the Widnes Waterfront programme will assist in providing job opportunities for local people and will go some way in addressing the level of unemployment in Halton.

6.3 **A Healthy Halton**

Overall the Widnes Waterfront programme has provided new walking and cycling routes as well as a bus service, which offer safe and affordable means of accessing the Waterfront and thereby can overcome many of the transport barriers often faced by people who do not own or have access to a car.

6.4 **A Safer Halton**

The projects will provide much needed environmental improvements to the immediate areas, reducing the amount of brownfield land open to abuse by illegal off road motorbikes.

6.5 **Halton's Urban Renewal**

The Widnes Waterfront programme is acting as a catalyst to attract developers, new businesses and leisure uses to the area by creating an attractive, well-accessed and serviced area, which provides a safe and attractive environment for employees and visitors.

7.0 **RISK ANALYSIS**

7.1 There are risks to the Council in altering the capital programme to accommodate these projects.

For the former Bayer site the true net value of the purchase price offer cannot be determined at this stage. Final costs and detailed agreement of recovery from BIS will require more detailed investigations. Therefore, at this stage the Council may be liable to repay the full £1.0m remediation costs.

For Johnson's Lane it is anticipated that income from future land transactions will be used to pay the HBC capital.

8.0 EQUALITY AND DIVERSITY ISSUES

Not applicable.

9.0 REASON(S) FOR DECISION

The Council to alter the capital programme to allow funding to be made available to bring forward the former Bayer site and Johnson's Lane specifically for the provision of remediation and infrastructure.

10.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

The do nothing option would mean that the former Bayer Cropscience site and Johnson's Lane sites would remain unused for a further period of time, which potentially would result in further security and maintenance costs to the Council.

11.0 IMPLEMENTATION DATE

Once approval is received recommendations will immediately be acted upon

12.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None under the meaning of the Act.