

LIVERPOOL CITY REGION COMBINED AUTHORITY

To:	The Metro Mayor and Members of the Combined Authority
Meeting:	29 April 2022
Authority/Authorities Affected:	Liverpool
EXEMPT/CONFIDENTIAL ITEM:	In part Report – No Appendix One – Yes by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972
KEY DECISION	Yes (number 248)

REPORT OF THE PORTFOLIO HOLDER FOR INCLUSIVE ECONOMY AND THIRD SECTOR AND THE EXECUTIVE DIRECTOR OF INVESTMENT AND DELIVERY

STRATEGIC INVESTMENT FUND – KINGS DOCK, LIVERPOOL

1. PURPOSE OF REPORT

- 1.1. This report seeks Combined Authority approval to provide repayable assistance of Strategic Investment Funding (“SIF”) to Liverpool City Council (“LCC”) for consultancy activities in respect of the proposed master planned design and sale of seven sites at Kings Dock, Liverpool.
- 1.2 Please note that this report is progressing under the standard investment process provided in the Combined Authority’s assurance framework. The basis of Combined Authority approval shall be application, full business plan submission and the External Panel’s commentary. This report follows that requirement.

2. RECOMMENDATIONS

It is recommended that the Liverpool City Region Combined Authority:

- (a) approve the provision of repayable assistance of up to £1,000,000, from the Strategic Investment Fund (“SIF”) in support of master plan and design work, in advance of the phased sale to third parties of each of 7 sites at Kings Dock, Liverpool;
- (b) grant delegated authority to the Executive Director of Investment and Delivery to finalise negotiations of detailed funding terms and associated agreements in consultation with the Monitoring Officer and the Executive Director of Corporate Services.

3. BACKGROUND

- 3.1. King's Dock comprises a former dock on the River Mersey, located between Wapping and Queen's Docks, close to the Royal Albert Dock. King's Dock was extensively redeveloped in 2008. It currently provides significant residential, commercial and conference facilities which include the Arena, Exhibition and Convention Centre, as well as car parking and three hotels.
- 3.2. Liverpool City Council (LCC) possess full legal title of seven remaining undeveloped plots, totalling 7.6 acres. LCC wishes to bring the sites to market and previously commenced a 'Managed Disposal' in 2019. The interruption caused by the Covid-19 pandemic and changes in the development market has allowed a review of LCC's preferred approach for 2022. The Council now considers that an alternative, 'Managed Design' option to retain a development manager and master planner prior to site disposal presents the best route to achieving the city's ambitions for development quality.
- 3.3. The 'Managed Design' would encompass the appointment of a master planner and development manager to design the place, undertake investigations and design, secure planning permissions and, subject to authority, LCC would dispose of each individual site for development by third parties. The process of 'Managed Design' allows greater control in the design and feasibility stages, and increased benefits in terms of design, inclusion, social value, build quality, financial and economic objectives.
- 3.4. The developed sites are envisaged to deliver c.700 homes as well as complementary mixed-use commercial, cultural and leisure premises. All buildings will be accessible by design, promote high energy efficiency, high quality and varied housing choice and take a holistic view to design of place and promoting health and well-being.
- 3.5. A request to the Combined Authority for up to £1m of repayable assistance has been made by LCC. At present, LCC has no available funding to allocate to the project and, in its absence, would be unable to progress the 'Managed Design' option. LCC and the Combined Authority officers will negotiate the terms of the repayable assistance to ensure a fair and proportionate amount is repaid from proceeds arising from the King's Dock site sales.
- 3.6. The proposed project and repayable assistance has been reviewed by the Combined Authority Investment team in accordance with the Combined Authority Investment Strategy and Liverpool City Region National Local Growth Assurance Framework (January 2022).

4. RESOURCE IMPLICATIONS

4.1. Financial

The level of SIF funding represents the Combined Authority's sole financial resource commitment to the Project at this stage. The terms on which these funds

are proposed to be provided have been agreed in principle, on a fully repayable basis. The Combined Authority will allocate an officer to attend LCC project steering group meetings, assisting with procurement of consultant appointments and monitoring progress and spend.

4.2. Human Resources

The Investment Team and Legal Team will manage the preparation of the Funding Agreement for LCC, and the Programme Management Office, alongside the Investment Team steering group representative, will have responsibility for providing assurance and monitoring of the workstreams.

4.3. Physical Assets

LCC own the freehold of the 7 sites on King's Dock. The objective of the 'Managed Design' process is to secure site disposals over a phased period, with net receipts returning to LCC, and a third party undertaking of development on those sites. The current approval sought does not have any implication for physical assets beyond this and there are no physical asset implications for the Combined Authority.

4.4. Information Technology

There are no information technology implications associated with this report.

5. **LEGAL IMPLICATIONS**

The provision of repayable assistance will be documented by way of a funding agreement. The agreement and the terms of the repayable assistance will be negotiated with LCC to ensure a fair and proportionate amount is repaid upon site disposals.

6. **RISKS AND MITIGATION**

6.1 The Combined Authority Investment Team has reviewed the King's Dock 'Managed Design' proposals. The scale of repayable assistance sought in relation to the total value of the sites is deemed to be a manageable risk. The legal documentation and oversight provided via the steering group membership will provide an appropriate mitigation to any potential risk.

6.2 At its meeting of 17th February 2022, the SIF External Panel endorsed the project to proceed to Combined Authority consideration, on the basis of:

6.2.1 Noting the requirement for the appointment of a Combined Authority officer to the project steering group;

6.2.2 Noting the requirement for Combined Authority to have first priority over proceeds from site sales, subject to any Homes England overage due;

6.2.3 Noting the importance of the Liverpool Waterfront regeneration and the need to create a coherent, ambitious vision.

7. EQUALITY AND DIVERSITY IMPLICATIONS

The CA's funding of this project enables LCC to give greater consideration to issues of equality and diversity as part of the master planning and development of these sites. The programme provides for community consultation and engagement to help inform the masterplan strategy. LCC and the CA will ensure that equality and diversity are fully considered throughout the project stages, via the steering group and other LCC governance groups' oversight.

8. PRIVACY IMPLICATIONS

This report has no potential privacy implications, therefore a DPIA is not required.

9. COMMUNICATION ISSUES

The Combined Authority and LCC shall agree a communications plan as part of the funding agreement.

10. CONCLUSION

The completion of development of King's Dock is of strategic importance for the Liverpool City Region as it will enhance the prime waterfront location as an exemplar mixed use regeneration project, complementing the existing events, conference and exhibition centre with sustainable housing, commercial uses and improved place making. The report seeks approval to award repayable assistance in support of the design and master plan development.

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COUNCILLOR J WILLIAMSON
Portfolio Holder – Inclusive Economy and Third Sector

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Appendices:

Appendix One – External Panel Paper 17/02/22 (Exempt)

Background Documents:

None