

REPORT TO: Executive Board

DATE: 17th September 2020

REPORTING OFFICER: Strategic Director, Enterprise, Community & Resources

PORTFOLIO: Physical Environment

SUBJECT: Astmoor Regeneration Programme

WARD(S) Halton Castle

1.0 PURPOSE OF THE REPORT

1.1 To present to Members the Astmoor 5 Year Regeneration Masterplan and Delivery Strategy and recommend it for adoption.

2.0 RECOMMENDATION: That

- 1) Members adopt the Masterplan and Delivery Strategy for Astmoor**
- 2) Members recommend to Full Council a variation to the capital programme of £1.5m to cover the costs as outlined in section 6 of the report; and**
- 3) Members approve the extension to the Discretionary Business Rates Scheme of one year to March 2025**

3.0 SUPPORTING INFORMATION

3.1 Background

In March 2017, Executive Board (EXB119) approved the Mersey Gateway Regeneration Plan *Plus* (MGRPP), as a way of prioritising resources in respect of the Council's physical and economic regeneration activity. Focussed on eight 'Regeneration Impact Areas', the Plan set out a cohesive package of development opportunities and identified the key infrastructure and enabling projects needed to complement and support the borough's economic growth. The Plan identified the former new town industrial estate of Astmoor as one of eight Regeneration Impact Areas.

3.2 An Astmoor Annual Delivery Plan (ADP) was produced to steer the development and implementation of a comprehensive regeneration programme for the area. In June 2018 Executive Board (EXB14), approved the approach to the development and implementation of a regeneration programme for Astmoor Industrial Estate including the implementation of a two-stage consultation process to inform a future Masterplan and Delivery Strategy. Members also

acknowledged the potential benefits from investing Council resources to deliver the 5-year regeneration programme.

3.3 Subsequently, the Council in December 2018 to deliver a 5-year Masterplan and Delivery Strategy appointed a consortium of consultants led by architects and design specialists BDP.

3.4 BDP completed a Baseline Report in February 2019, which informed the key proposals to be presented to stakeholders for comment throughout the consultation process. The Baseline Report identified three key themes to address the issues found:

- Development and Investment Opportunities: Opportunities include the Central Redevelopment Area, the Eastern Employment Renewal Area and Western Employment Renewal Area.
- Placemaking, Connectivity and Movement Strategy: Potential projects include Astmoor Boulevard, Footpath Rationalisation, Busway / Cycleway Enhancement, New junctions at the eastern and western end of Astmoor Road, Views of the Mersey, and a Communal Service Centre.
- Inclusive Growth Initiative: Securing benefits for residents within the three neighbouring Wards of Halton Castle, Mersey and Windmill Hill and promoting the benefits of a local supply chain at both construction and operational phases of development.

3.5 **Consultation**

In March 2019, two Council drop in consultation events took place at which BDP presented the Masterplan proposals;

- 18th March to key stakeholders including the Astmoor business community, Business Improvement District (and by extension Halton Chamber of Commerce), landlords, landowners and commercial developers
- 19th March to the general public and neighbouring residential communities
- In addition, a questionnaire, in both electronic and hard copy format, was available at each of the consultation events, and remained online for a period of four weeks.
- Consultants BDP also presented to the Astmoor business community at the Astmoor Business Improvement District (BID) Annual Review in April 2019
- In July 2020, following the lifting of lockdown restrictions a video presentation of the masterplan was created by BDP and circulated to stakeholders for final comments/questions. A masterplan phone in with BDP and HBC followed with a further 2 weeks allowed for online comments and questions. The masterplan and presentation video may be accessed at:

<https://www3.halton.gov.uk/Pages/business/regen/regen.aspx>

- Subsequently in August 2020, a Transport & Movement focus group was formed with membership drawn from those businesses directly impacted by any changes to Astmoor Road. These key business owners will provide a sounding board for the Council to introduce options on the design of Astmoor Road before presenting full proposals to the wider business community and the BID. This will also extend at a later date to those impacted upon by changes to the east-west road of the eastern renewal area

3.6 Discretionary Business Rates Scheme

In July 2018 Executive Board (EXB22), approved the implementation of a Discretionary Business Rates Scheme to be piloted on Astmoor and aimed at businesses, landlords and developers undertaking developments which complement the Mersey Gateway Regeneration Plan Plus. The scheme was subsequently launched on 1st April 2019 and offers tapered business rate relief for a period of 3 years between 2019 and 2024 in respect of the uplift on business rates for new build, expansion or refurbishment of premises, over and above that which is currently in the ratings system, for schemes which evidence certain design principles and energy saving initiatives.

- 3.7 Because of a delay in the handback land being transferred back into Council ownership, developers and businesses have not had an opportunity during the first year of implementation to draw up detailed proposals that would attract rate relief. It is, therefore, proposed that this scheme be extended to March 2025 to allow businesses and developers the full five years in which to take advantage of the rate relief.

Estimated Rates Income from Handback Sites Astmoor

Site	Size	Estimated Building Size	Estimated RV	Estimated Business Rates
Chadwick Road South	4.75acres	3,040sq mt and 1,147sq mt	£50,000 & £34,000	£25,200 & £17,136
Chadwick Road East	4.65acres	6,038sq mt	£27,300	£13,759
Chadwick Road West	1.5acres	1,021sq mt	£33,000	£16,632
Goddard Road	4.75acres	9,754sq mt	£37,000	£18,648
Astmoor Road West	2.89acres	2,601sq mt	£61,000	£30,744
Old Quay Street	3.6acres	1,393sq mt	£35,000	£17,640
Davy Road	4.27acres	5,295sq mt	£34,000	£10,080
Total				£149,839.00

4.0 AIMS AND OBJECTIVES

4.1 Specifically the masterplan and delivery strategy will be used to:

- Provide a transformational shared vision to secure the long-term future and prosperity of Astmoor as a ‘stand out’ business location;
- Help maximise the economic benefits of the Mersey Gateway Project and integrate Astmoor with wider regeneration and economic development activity in Halton and the sub-region;
- Signal Council strategic leadership of place and commitment to the regeneration of Astmoor, to provide confidence to existing businesses and potential investors, developers and end users;
- Create a portfolio of development and investment opportunities to engage commercial markets and support the disposal of Council owned land;
- Engage with funding providers, particularly the Liverpool City Region Single Investment Fund;
- Demonstrate a clear return on investment for any Council Capital Expenditure, with clear outputs and outcomes for measuring success;
- Inform programme implementation and governance; including prioritising masterplan projects and actions, and identifying roles and responsibilities for delivery;
- Align regeneration activity with the Astmoor Business Improvement District Business Plan;
- Embed an exit strategy beyond five-year delivery.

4.2 Progress to Date

Work to date has focussed on laying the foundations for the development of a regeneration programme including the production of the 5 year Masterplan and Delivery Strategy.

Action	
• Baseline intelligence gathering and analysis completed	January 2019
• Formal stakeholder consultation process	March-May 2019
• Commencement of return of residual Mersey Gateway project hand back land with initial expressions interest sought from resident businesses and developers	April 2019
• £1.2million LCR STEP funding for Astmoor Busway / cycleway enhancement completed	January 2020
• Continued engagement with the Astmoor BID Operating	

Board, Astmoor businesses and Halton Chamber of Commerce	
• Launch of the Discretionary Business Rate Relief Scheme	April 2019
• Dialogue commenced with the Bridge School to facilitate relocation	Ongoing
• Traffic survey completed on Astmoor Road	November 2019
• Virtual presentation postponed from April 2020 presented to Senior Management, the Leader, and Ward Councillors	July 2020
• Astmoor masterplan phone-in with stakeholders took place July 2020 to allow for final questions and comments	July 2020
• Completion of Delivery Strategy and Masterplan	August 2020

4.3 Analysis of the fluidity of businesses trading on the estate before the Mersey Gateway opened and since then has provided the following statistics:

Pre Mersey Gateway:

14th October 2015 - 13th October 2017 saw 11 new businesses
**data not available pre 2015*

Post Mersey Gateway:

14th October 2017 - 14th September 2019 saw 24 new businesses

The current occupancy rate on Astmoor as of July 2020 is 86%

This significant trend represents just over 100% increase in new businesses coming to Astmoor, which is attributed to the Bridge, complimented by the ongoing £1.5m refurbishment investment by the key property owner on Astmoor, First Investments. Business losses since the bridge opened and the pandemic have been minimal, mostly sole traders and fledgling businesses.

5.0 NEXT STEPS

5.1 The year to September 2021 includes the following proposed key actions:

Action	When
Submission of application for SIF funding to Combined Authority to commence site investigations on 4 handback sites and Old Quay Street, all in HBC ownership	Autumn 2020
Formalisation of working partnership with key landlord and/ developer	Autumn 2020
Handback land review process	Ongoing
Submission of application to MHCLG to lift restrictions on land use under the Academies Act 2010 in respect of the Bridge School	Autumn 2020
Transfer of all Astmoor handback sites from Mersey Crossings Board to Council ownership	By Dec 2020
Commencement of marketing strategy and disposal of handback land process	Autumn 2020
Appointment of development partner	Winter 2020
Formation of 'Greening Astmoor' focus Group	January 2021
Progress report to Executive Board on Year 1 of Discretionary Rates Relief Scheme	April 2021
Commence improvements to Astmoor Road	Summer 2021

5.2 Relocation of Inappropriate Uses

The relocation of two inappropriate uses from the estate is required in order to release two key development sites and to secure more fitting environments for both:

- 1) The relocation of the Bridge School from its existing location on Chadwick Road will create a prominent development site with frontage onto Astmoor Road. The Council owned school building in its current location requires substantial Council resources to maintain and repair and shares the site with two lorry parks which impact on the school's ability as a pupil referral unit to provide the necessary outdoor space and quiet zones required to support the students, many of whom have complex social anxiety issues.

Consultation has been ongoing with the school and a preferred relocation site has been identified at Old Quay Street, a Council owned location close to Astmoor with good transport links and close to Runcorn

Town Centre, whilst also remaining in walking distance of the school's existing vocational campus also on Astmoor that does not share the same key requirements for space and tranquillity. The preferred site would provide an enhanced learning experience for the students with dedicated outdoor space, no adjacent industrial activity that may disturb their learning, and would allow for an energy efficient, purpose built building, reducing maintenance, carbon footprint and utility costs. There would also be a consolidation of the school's outgoings in the region of £12,000pa, with their leased accommodation at Murdishaw being accommodated into the new build and no annual levy due as part of the Astmoor Business Improvement District.

In addition, the current building and its usage is not in keeping with the vision to create a dedicated, modern business park, being close to the Mersey Gateway and opposite a large handback site, proposed for redevelopment. Relocation would require a separate decision of the Council together with further funding approval. Monies previously allocated for repairs to the building are currently being held in abeyance pending approval of a relocation.

An application to the Secretary of State will be submitted in the coming months to free the site of any encumbrance that the Academies Act 2010 places on the redevelopment of sites previously used for educational purposes to allow landlord First Investments to bring the entire site forward.

- 2) The traveller site located off Marsh Lane to the south east of the estate is also considered an inappropriate use on a modern industrial estate. The site currently presents a negative first impression of the area to new investors, and creates a barrier for property owners who struggle to let adjacent units. Although currently a legal traveller settlement, the Council would seek to negotiate a more appropriate location for the residents.

A new site has been identified at Haddocks Woods, close to Astmoor that would provide the space and privacy required. However, as the travellers are owner/occupiers, it is likely that a fully costed development scheme would be required before any relocation could be negotiated. This would likely form part of a detailed mini masterplan that focuses on the eastern renewal area and that would also address major parking issues, bring landscaping under control, and create consistency with signage, particularly around unit numbering which is currently confusing and absent in many cases.

5.3 The phasing of the entire works schedule over the lifetime of the programme up to 2026 is as follows:

Element	Phases/Years				
	Year 1	Year 2	Year 3	Year 4	Year 5
Project Management					
Marketing of handback land					
Site Investigations					
Site Remediation					
Astmoor Boulevard					
East West Road					
Greenways					
Rationalisation of Footpaths					
Branding Signage					
Relocation of the Bridge School					
Generic Placemaking					
Relocation of the traveller site					

5.4 **Greening Astmoor**

The original masterplan brief presented at the inception meeting in 2018 and again at the consultation in 2019 included an optional ‘fourth strand’; ‘The Nature of Business’. This centred on the estate’s location within a wider natural landscape setting containing a number of important ecological areas and environmental assets with the objectives being focused on making Astmoor an exemplar green business location. However, inclusion of this proposal was dependant on feedback and feasibility.

Feedback from the consultation in 2019 regarding this strand was poor, although latterly there has been some renewed interest. The Council is therefore presented with an opportunity to create an exemplar industrial estate by integrating energy efficient options; within new builds and expansion as part of the eligibility for the Business Rates Relief Scheme, and to consider the feasibility of new technology for asphalt/tyres for road surfacing on Astmoor Road that would reduce maintenance, traffic noise and used tyres going to landfill. There already exists an industrial tyre manufacture on Astmoor that partners with Bridgestone Tyres, and who have expressed early interest in such a scheme. A feasibility study will be completed to assess the benefits and long term cost savings as an Invest to Save scheme.

In addition, the Council in partnership with Halton Chamber of Commerce will re-engage with the University of Chester and Thornton Science Park to assess the feasibility of the estate adopting green energy in the widest sense including low emission vehicles, local energy networks, micro generation, and the introduction of hydrogen into the gas grid and reducing energy consumption with individual buildings and processes.

Consequently, a 2nd focus group will be formed in 2021 to engage with interested stakeholders that will also include the Environmental Trust.

6.0 THE WAY FORWARD

6.1 In June 2018, Executive Board (EXB14) approved the proposed approach to a regeneration programme for Astmoor, as set out in the Annual Delivery Plan, and acknowledged the potential benefits from investing Council resources to deliver a five-year regeneration programme for Astmoor. The report was specific in its recommendations that to take forward the Astmoor Programme a Council Capital Allocation would be required but that any such request is to be presented in phases. The initial tranche of £1.5m over 2 years would bring forward the first development sites to market, and commence works to Astmoor Road. This commitment by the Council would also help provide a degree of certainty to delivery, to help build confidence with potential investors and developers, and help to lever in match funding opportunities.

6.2 The funding profile presented and approved by Exec Board (EXB14) in 2018 included a detailed spend and income profile. To take account of alternative and external funding opportunities that may have become available since then, and to also reflect any adaptations to the masterplan following the consultation process, this profile has been reviewed and updated, with any Capital Allocation to be requested in stages, to enable Council capital expenditure to be minimised and rolled forward (Appendix 1).

6.3 It is estimated that by the fifth year (2026), a regeneration programme for Astmoor will seek to deliver:

- An uplift in business rate receipts of £0.5m per year
- 1 Million Sq ft. of additional commercial floor space
- 2,000 new jobs over 5 years and safeguarding many more that will fuel ongoing future investment in the estate
- £2m capital land receipt or provide an ongoing income stream

These will provide the basis for measuring success and represent a significant opportunity for return of investment of Council resources to deliver the programme.

6.4 An initial investment of £750,000 in each of the first 2 years would see a complete overhaul of Astmoor Road – the gateway to the estate – and which currently sits in complete contrast to the Mersey Gateway that traverses above it.

- complement any future new development on the handback land
- ensure that potential investor's first impression of Astmoor is positive
- new energy efficient lighting
- potential innovative road surfacing
- new signage, branding and landscaping/public realm improvements
- removal of the disused footbridge over the road to be replaced by a toucan crossing

This transformation will act as a catalyst for new investors coming to Astmoor, presenting a modern, clean approach road, with easy access to the Mersey Gateway, M56 and M62 in addition to supporting and retaining existing successful, high profile businesses. Astmoor Road is central to the estate and is seen as a major asset by stakeholders and visitors but it currently lacks any sense of place and creates a negative impression for visitors and investors alike.

7.0 **POLICY IMPLICATIONS**

7.1 Astmoor is identified as a physical and economic regeneration priority for the Council within the MGRPP.

7.2 Astmoor is also identified as an Employment Renewal Area within the Draft Delivery and Allocations Local Plan. The proposed regeneration programme will support implementation of the Local Plan. In particular, it supports delivery of Halton's Spatial Strategy to promote the beneficial and efficient use of existing employment land and prioritise the re-use of brownfield sites.

8.0 **OTHER/FINANCIAL IMPLICATIONS**

8.1 Following adoption of the Masterplan and Delivery Strategy, a Council Capital Allocation will be required. Any request for a Capital Programme Allocation will be presented in phases commencing in the Summer of 2020 together with adoption of the Astmoor Masterplan. This initial tranche would focus on bringing forward the first development sites to market and key place making projects.

8.2 Whilst a Capital Allocation is not a pre-requisite to commence the implementation of the Programme, it would help provide a degree of certainty to delivery to help build confidence with potential investors and developers, and also lever in match funding opportunities

8.3 A Delivery Strategy has been developed that will guide a programme of activity and investment over the next 5 years. Funding options identified and currently under consideration include:

- Borrowing from Public Works Loan Board
- Funds from Liverpool City Region Combined Authority
- Private Sector Investment

8.4 There has been a lengthy dialogue between the Council and MGCB /Merseylink regarding acceptable use under the approach structures to the new bridge and any building easements close to these structures.

8.5 Further due diligence will be undertaken prior to the 4 handback sites being brought to market to identify 'abnormal' constraints that could impact on the

viability of their future development, notwithstanding those identified during the preparation of the Masterplan. It is the Council view that land beneath the bridge infrastructure, whilst not suitable for buildings, could be used for ancillary car parking to new development on adjacent sites.

8.6 Any agreement on use must ensure that land underneath the structures does not detract from wider regeneration aspirations for Astmoor; therefore, the Council must retain an element of control.

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

Children & Young People in Halton

Regenerating Astmoor will provide for the jobs of future, for local children and young to access and will lead to better facilities for the Bridge School.

Employment, Learning & Skills in Halton

Through 'inclusive growth', securing local employment, training, work placement and apprenticeships opportunities will form an important part of this regeneration programme and the Halton Employment Partnership will be a key partner in its delivery.

A Healthy Halton

Improving economic prosperity is a key factor in improving health and well-being.

A Safer Halton

One of the proposed objectives to guide regeneration of Astmoor is to create a safe and attractive environment for business.

Halton's Urban Renewal

This Programme seeks to secure the regeneration of one Halton's largest dedicated employment areas and promote a modern business park environment.

10.0 **RISK ANALYSIS**

Figure 9 of the ADP (EXB114 Appendix A), provided a risk register for the initial years of the regeneration programme, identifying:

- No formal agreement reached with Mersey Gateway Crossings Board and Project Company in respect of use of hand back land underneath the Bridge structures which crosses Astmoor
- Lack of securing a Capital Programme Allocation.
- Impact of Covid19 on funding streams.
- The four Council owned handback sites are subject to certain restrictions that may affect their land value and attractiveness to the market:

- 1) The physical constraints on each handback site together with the 3mtr no build zone either side of the Mersey Gateway limit the development potential when compared with other sites in the Borough
 - 2) Access for inspection and maintenance of the Mersey Gateway adds further complications to the development potential of each handback site
 - 3) Site specific contamination and ground conditions are currently unknown
- The Delivery Strategy advises that due to contractual obligations with Mersey Crossings Board and the legal implications of maintaining access and what is allowed to be stored beneath the carriageway, the handback sites should only be disposed of by way a long lease of at least 150years. Management and control of the sites in the long term will be difficult without enforced covenants or an estate management strategy.

In addition, the Masterplan requires that certain Traffic Orders, Stopping Up Orders and Planning Permissions be obtained. Failure to secure any of these will lead to delay or non-delivery of certain elements.

11.0 EQUALITY AND DIVERSITY ISSUES

11.1 It is proposed that the regeneration of Astmoor will include an inclusive growth initiative to ensure local people and particularly those within Halton Castle, Windmill Hill and Mersey Wards share in the benefits of growth and job creation. All three Wards are within the top 10% most deprived within England.

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

Document	Place of Inspection	Contact Officer
Mersey Gateway Regeneration Plan <i>Plus</i>	http://runcorn-widnes.com/docs/mgplan.pdf	Wesley Rourke

Appendix 1 Astmoor Funding Profile 2020

Project	Total Cost £	Funding Streams (£)				Notes
		Private	HBC	SIF	Other	
Programme Management						
Consultancy & Design Fees	100,000	-	100,000	-		
Consultation & Communication	25,000	-	25,000	-		
Sub Total	125,000		125,000			
Development Sites						
Marketing of handback land	50,000	-	50,000			
Desk Top Site Investigations	130,000	-	-	130,000		Application pending for 5 sites
Site Remediation	1,000,000	TBC	1,000,000	TBC		Ground conditions are unknown
Relocation of the Bridge School	4,094,000	TBC	850,000	-	3,244,000	<ul style="list-style-type: none"> • 30year loan • £850,000 contribution from Education ring fenced for building repairs • reduction in current school lease outgoings and BID Levy
Sub Total	5,274,000		1,900,000	130,000	3,244,000	
Place Making and Connectivity						
Busway Enhancement Scheme	1,310,000	-	110,000	-	1,200,000	STEP funding. Secured and delivered
Astmoor Boulevard	1,500,000	-	1,500,000	TBC		
Footpath Rationalisation/Greenways	500,000	TBC	500,000	TBC		
East West Road Eastern Renewal	750,000	TBC	750,000	TBC		
Generic Place making	500,000	TBC	500,000	TBC		
Sub Total	4,560,000		3,360,000		1,200,000	
TOTAL	9,959,000		5,385,000		4,444,000	
OTHER INCOME STREAMS						
Funding Secured/Anticipated						
Capacity Funding LCR					50,000	Secured.

Option 1: Income stream handback land (anticipated) leasehold annually OR	2,207,618pa					(4xsites) £3.50per sq ft (630,748 sq ft)
Option 2: Capital Receipts (anticipated) Sale of handback land	2,172,000					14.48 acres @ £120k per acre
Covid 19 Pop Up Cycleways/Pedestrian Walkways	360,000				200,000	Covid 19 Funding anticipated
Uplift in Business Rates	149,839pa					Includes n4 handback sites and Old Quay Street