

REPORT TO: Council

DATE: 22nd October 2008

REPORTING OFFICER: Strategic Director Environment

SUBJECT: Widnes Waterfront Leisure Development,
The Hive

WARDS: Riverside. However, due to the size and nature of the project, it will benefit the whole borough.

1.0 PURPOSE OF THE REPORT

1.1 To seek approval to amend the capital programme.

2.0 RECOMMENDATION: That

Council approval is granted to amend the capital programme by transferring finance currently allocated for the Queens Hall Marmalade Development to the Venture Fields leisure development known as 'The Hive' subject to the confirmation of further funding from the NWDA.

3.0 SUPPORTING INFORMATION

Background

- 3.1 Widnes Waterfront Economic Development Zone (the "EDZ") is 200 acres of low quality former industrial land located on the banks of the River Mersey to the south of Widnes Town Centre. The site currently includes 44 hectares of vacant and derelict land, the legacy of the areas declining chemical industry sector.
- 3.2 The EU, Central Government, Northwest Regional Development Agency (NWDA) and Halton Borough Council have designated the EDZ as a regeneration site of high priority. Funding to bring this land back into full economic use is available until March 31st 2010 using European Funding under Priority 3 of the North West England Objective 2 Programme, Northwest Development Agency Funds plus Halton Borough Council monies.
- 3.3 In order to address the area's problems the Widnes Waterfront Masterplan, which was approved by Executive Board on 22nd May 2003, set out the vision and objectives for the EDZ.

- 3.4 One of the development projects within the Masterplan is the creation of a regional significant leisure and tourism facility on the Venture Fields site.
- 3.5 Widnes Regeneration Ltd (WRL), a joint venture between Halton Borough Council and St Modwen Properties plc, is bringing forward a development on the site on Earle Road known locally as Venture Fields.
- 3.6 Planning permission has been granted for Phase 1 which includes an ice rink operated by Planet Ice, a 24-lane bowling alley operated by Tenpin, a multi-screen cinema operated by Reel Cinemas, and a Frankie and Benny's restaurant.
- 3.7 Phase 1 will cost in the region of £9.0 million and currently there is approximately a £4.0 million funding gap. Due to the current economic climate the gap is now larger than originally anticipated. In addition, both the abnormal remediation and utility costs are larger than the original estimates.
- 3.8 It is proposed that the gap should be made up from three sources; Halton Borough Council's WRL dividend; NWDA funding; and a re-programming of the Council's capital programme
 - 3.8.1 Executive Board approved the releasing of the Council's dividend of £550,000 on 20 March 2008.
 - 3.8.2 An application to the NWDA for funding of £1.5million towards the abnormal costs, including remediation and utilities provision, has been made. Work is currently underway by the NWDA to appraise this application. There will be claw-back provisions associated with this funding.
 - 3.8.3 The Council's capital programme includes a contingency sum of £2 million for the Queens Hall 'Marmalade Development' which is no longer required and can therefore be transferred to the WRL leisure development. It is proposed that all or part of this contribution be recovered from a future sale of the asset, subject to the clawback provisions imposed on the Venture Fields site by North West Development Agency and by Merseyside Task Force (now English Partnerships) as a result of the remediation works which they funded in the 1980s.

4.0 POLICY IMPLICATIONS

- 4.1 The Council adopted the Widnes Waterfront Masterplan in May 2003 (EXB 77).
- 4.2 The Widnes Waterfront Masterplan is included in the Council's Corporate Plan, the Halton Partnership and Halton Borough Council

Urban Renewal Strategy and Action Plan and supports the Council's Urban Renewal corporate priority.

5.0 OTHER IMPLICATIONS

5.1 Further information is required from WRL relating to the costs and procurement of project to satisfy the North West Development Agency funding criteria.

5.2 WRL will need to confirm that all State Aid rules have been adhered to.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

This project will provide further leisure opportunities for children and young people in Halton.

6.2 Employment, Learning and Skills in Halton

This project will assist on providing job opportunities for local people and will go some way to address the level of unemployment in Halton.

6.3 A Healthy Halton

The development will provide a number of different leisure facilities which will encourage Halton residents to participate in healthy activities.

6.4 A Safer Halton

This project will ensure a vacant brownfield site is bought back into beneficial public use.

6.5 Halton's Urban Renewal

The Phase 1 leisure development will create a high quality development on a brownfield site. Phase 1 will act as a catalyst to attract further developers and new businesses to the Widnes Waterfront 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 Further information is required from St Modwen PLC relating to the project costs to confirm the funding gap and allow the North West Development Agency to proceed with their funding appraisal.

7.2 The North West Development Agency funding will require the project to meet certain criteria and also require WRL to sign a legal agreement which will detail the funding claw back conditions.

7.3 The North West Development Agency funding will be conditional on WRL complying with the State Aid rules. Further advice is currently being sought to ensure that there is full compliance.

8.0 EQUALITY AND DIVERSITY ISSUES

The proposed development will provide facilities which will benefit all members of the local community.

9.0 IMPLEMENTATION DATE

9.1 Construction work will start as soon as possible after **all** funding is approved and all conditions satisfied.

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

Document	Place of Inspection	Contact Officer
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None applicable.