

REPORT TO: Executive Board

DATE: 14 September 2023

REPORTING OFFICER: Executive Director - Environment & Regeneration

PORTFOLIO: Environment and Urban Renewal

SUBJECT: Preliminary Procurement Notification – Port Weston, Surface Access Improvements

WARD(S) Mersey & Weston

1.0 PURPOSE OF THE REPORT

- 1.1 To provide a Preliminary Estimate Report – Contracts exceeding £1,000,000.00 in value, in accordance with Standing Order 1.3.5. To notify Executive Board that the Executive Director Environment & Regeneration intends to undertake a procurement exercise to appoint a specialist multi-disciplinary team to prepare pre-development design and feasibility work for surface access improvements to Port Weston, Runcorn.
- 1.2 This contract is to be funded through the Liverpool City-Region Freeport Seed Investment Fund, with appointment subject to drawdown of necessary funding via a Grant Funding Agreement with the Combined Authority.

RECOMMENDED: That

- 1) Members note the intention to undertake a procurement exercise via the SCAPE Public Sector National Consultancy Framework. With the purpose of securing a specialist multi-disciplinary team to undertake design and feasibility work for surface access improvements to Port Weston; and**
- 2) Delegated Authority is provided to Executive Director Environment and Regeneration to enter into a Grant Funding Agreement(s) with the Combined Authority to access the Liverpool City Region Freeport Seed Investment Fund.**

3.0 SUPPORTING INFORMATION

- 3.1 At its meeting on 14 April 2022, Executive Board approved Halton to become part of the Liverpool City Region (LCR) Freeport. In

doing so, approval was given for the Council to enter into a Memorandum of Understanding. It was noted in the accompanying report that Halton had been provisionally allocated £6.5m capital grant from the Freeport Seed Investment Fund within the Business Case to national government.

- 3.2 LCR Freeport Business Case was approved by national government in January 2023. With the Council now in a position to sign the Memorandum of Understanding. This enables the Council to drawdown allocated funds, in accordance with Combined Authority assurance processes.
- 3.3 The purpose of the £6.5m seed capital being to provide much needed enabling infrastructure works to open up Port Weston by creating a new commercial access. Port Weston being identified as a proposed new Custom site within the LCR Freeport Business Case with potential to deliver 220,000sqft of development floorspace and leveraging in £28.1m of private investment.
- 3.4 It is intended that seed capital funding will be drawn down in two tranches. Firstly a 'pre-development' phase, followed by 'infrastructure delivery' phase. Each phase being subject to a separate Grant Funding Agreement (GFA) with the Combined Authority.
- 3.5 Pre-development phase will allow the Council to undertake the necessary technical design and feasibility to develop a costed and deliverable surface access improvement scheme. This will include securing any 3rd party agreements and consents to enable the project to be delivered. It will significantly de-risk the infrastructure delivery phase.
- 3.6 In accordance with Standing Order 1.3.5, the following information is provided:

Budget

- 3.7 Based upon early contract engagement the pre-development phase is anticipated to have a cost of between £1.35m and £1.47m, with this budget being met through the Seed Investment Fund and subject to signing a pre-development GFA. The project being administered from a Regeneration Cost Centre.

Whole Project Costs

- 3.8 This is pre-development design and feasibility study with no immediate revenue implications for the Council. An outcome of the project will be to develop a costed scheme for delivery.

Contract Term

- 3.9 It is anticipated that the pre-development contract will run for a period of up to 18 months, with an aspiration to commence in October 2023. Subject to the pre-development phase setting out a clear strategy and rationale for surface access delivery, the contract may be extended for up to a further 2 years to include the infrastructure delivery phase. Any contract extension would be subject to securing a 2nd tranche of drawdown from the Seed Investment Fund.

Supplier Selection

- 3.10 The supplier is to be selected via the SCAPE Public Sector National Consultancy Framework in accordance with Procurement Standing Order 1.4.1 (Framework Agreements). This procurement approach enables delivery at pace, as well a flexible approach to draw down of services. The multi-disciplinary team is anticipated to comprise four separate consultancy leads:
- Project Management and Risk Management
 - Infrastructure Designer, including feasibility and technical surveys
 - Cost Management and Business Case
 - Commercial Surveyor and Stakeholder Management

Project Risks and Controls

- 3.11 The project specification will include a requirement for the appointed contractor to produce a risk register and mitigation plan, which will be reviewed and updated by the project team through the project life. In addition, project monitoring and reporting will be via the Council's Programmes Office in accordance with Combined Authority assurance processes.

Business Case

- 3.12 National Government has approved the Full Business Case for the LCR Freeport, including need for public investment from the Seed Investment Fund to address severe market failures and help unlock Port Weston future customs site. Seed funding allocated for the purpose of providing enabling infrastructure and reducing a range of viability challenges which have meant the site has remained undeveloped for decades.

4.0 **POLICY IMPLICATIONS**

- 4.1 Port Weston has been a long-standing economic regeneration priority for the Council and is identified in both the Local Plan and Regeneration Strategy as an important under-utilised brownfield

employment site. The Local Plan also identifying Port Weston as a freight and logistics hub within Halton's transport network.

- 4.2 LCR Freeport Seed Investment Fund presents an opportunity to accelerate delivery of growth and regeneration in Halton. By bringing forward necessary improvements to support the redevelopment of a strategic location capable of road, rail and port access supporting key sectors within the Liverpool City Region including hydrogen fuels and advanced multi-modal logistics. This site is anticipated to lever in £28.1m of private investment and generate future business rates.

5.0 **FINANCIAL IMPLICATIONS**

- 5.1 This project is subject to securing external funding, via a GFA with the Combined Authority. No direct financial contribution is required by the Council to the pre-development phase. Negotiations on the terms of the 'pre-development' GFA are on-going. The Council will not enter into a GFA on basis of exposure to any significant financial clawback on this phase of funding, should the scheme not progress to the infrastructure delivery phase.

- 5.2 Pre-development contract will be managed by the Council's Regeneration Team, with monitoring and reporting by the Council's Programmes Office. A key stage in the project will require engagement with the Highways Authority and Planning Authority.

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

6.1 **Children & Young People in Halton**

Support creation of local employment opportunities and a more prosperous place for future generations.

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

The development of the site will create training and employment opportunities in key growth sectors for people in Halton.

6.3 **A Healthy Halton**

This scheme will support local prosperity by growing the economy, helping tackle poverty and other wider determinants of health and wellbeing benefits.

6.4 **A Safer Halton**

None.

6.5 Halton's Urban Renewal

This project aims to accelerate the regeneration of Port Weston - a key brownfield employment renewal site, siting within the wider West Runcorn Employment Growth Area.

7.0 RISK ANALYSIS

7.1 The delivery of surface access improvements to Port Weston is a going to be a complex and challenging project which has potential to deliver significant economic and regeneration rewards for the Borough.

7.2 The project specification will include a requirement for the appointed contractor to produce a risk register and mitigation plan, which will be reviewed and updated by the project team through the project life.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 Not Applicable.

9.0 CLIMATE CHANGE IMPLICATIONS

9.1 Port Weston can contribute to realising LCR Freeport ambitions to deliver a sustainable and net zero freight future. The site offering potential access to the West Coast Mainline, as well an existing maritime access to Manchester Ship Canal, Weaver Navigation and River Mersey. Sitting within West Runcorn, Port Weston is also well positioned for expanding on the area's hydrogen capability and existing bio manufacturing assets nearby. Presenting the opportunity for a low carbon and 'hydrogen ready' multi-modal freight and logistics hub.

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

Document	Place of Inspection	Contact Officer
Report to Executive Board: Liverpool City Region Freeport Freeport Exec Board Report 14th April 2022.pdf (halton.gov.uk)	Municipal Building	Paul Corner
