

Report title	Brewers Yard (Phase 1) Culwell Street	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Steve Evans City Environment and Climate Change	
Key decision	Yes	
In forward plan	Yes	
Wards affected	Heath Town and East Park	
Accountable Director	Ross Cook, Director of City Housing and Environment	
Originating service	City Housing and Environment	
Accountable employee	Ballal Raza Tel Email	Programme Manager 01902 551273 Ballal.raza@wolverhampton.gov.uk
Report to be/has been considered by	City Housing and Environment Leadership Team	2 July 2021
	Strategic Executive Board	15 July 2021

Recommendations for decision:

The Cabinet recommends that Council approves:

1. The creation of appropriate capital budgets funded, through grant and prudential borrowing as detailed within the exempt report, subject to confirmation of successful grant bids.

The Cabinet is recommended to approve:

1. The relocation of Fleet Services operations and 'Meals on Wheels' to a new facility at the Council owned 'Wholesale Market' Site, to continue providing existing requirements and enable the provision for a new electric fleet.
2. The reconfiguration of the 'Wholesale Market' site to cater for the current wholesale market activities and the new fleet services operations, bringing about an improved and efficient use of Council facilities and decarbonisation of its buildings programme.

3. The site clearance and land remediation of the Culwell Street site and its allocation for disposal with vacant possession for residential development, subject to outline planning consent.
4. Delegated authority to the Cabinet Member for City Environment and Climate Change and the Leader of the Council, in consultation with the Director for City Housing and Environment and the Director of Finance to agree and enter into the required funding agreements, for the respective funding applications as detailed in the report.

1.0 Purpose

- 1.1 The report discusses the first steps towards unlocking housing development and remediating brownfield land as part of the Brewers Yard masterplan, which consists of three sites with aspirations for up to 1,300 new homes. As a first Phase, the Culwell Street site existing uses are to be relocated followed by demolition of buildings and remediation of brownfield land.
- 1.2 Secondly, the report seeks appropriate approvals to facilitate the project; (i) relocating Fleet operations and Meals on Wheels Services (ii) for the wholesale market site to be re-configured (iii) the clearance of the Culwell Street site enabling the site for housing development and (iv) the allocation for disposal of Culwell Street site for Housing subject to planning.
- 1.3 As a future report, approval for Phase 2 will be sought to enter into a long lease with a developer for the Culwell Street site and the development of housing, once the activities mentioned in section 1.2 are completed.

2.0 Background

- 2.1 A separate report is submitted in the private part of the agenda in respect of this item, as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972. The grounds for privacy are that it contains information relating to the financial and business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption under Schedule 12A outweighs the public interest in disclosing the information.
- 2.2 The project considers two key workstreams and both rely upon each other for their successful delivery and achievement of the necessary outputs and outcomes. The project is deemed as a flagship regeneration scheme by external stakeholders using a forward-thinking approach to unlock sites for housing, in addition as a corporate project it delivers multiple benefits to numerous service areas. The background to each is discussed in further detail below.

Land remediation and unlocking future housing development

- 2.3 Around 10,000 people live in the City Centre of Wolverhampton and the low density undermines the potential, vibrancy and footfall of the urban core. This lack of local residential expenditure is exacerbated by the shifting retail patterns and intensifies the need to attract a resident population into the City Centre. Wolverhampton also needs to increase housing supply, and, has an ambition to retain more graduates within the City. There are a number of city centre brownfield sites whose undeveloped nature damages perception of the City but, represent an opportunity to deliver housing.

- 2.4 Through the Strategic Economic Plan (2016), Housing Deal (2018), the emerging West Midlands Industrial Strategy (2019), the Housing and Land Portfolio Business Plan (2020-2021) and the Recharge for the West Midlands (2020), there is great commitment to delivering new homes by 2031 and taking a brownfield first approach.
- 2.5 The Culwell Street site is freehold ownership of the Council and is one of three sites which sit within the Brewers yard wider transformational regeneration masterplan, proposed to deliver up to 1,300 new homes and reach an estimated Gross Development Value of £250 million once it is complete. The masterplan also coincides with the Walsall to Wolverhampton growth corridor which connects the two centres and is a key element of our strategic plan to regenerate and revitalise this area of the Black Country. The sites location also fits within the Canalside North area masterplan and is the Council's key priorities for residential-led mixed use regeneration.
- 2.6 Vacating the site to remediate the land and enable housing development in the future attracts the opportunity for grant funding. Furthermore, it gives rise for job creation, promotion of Modern Methods of Construction, private sector investment, affordable housing and regeneration of the Heath Town Ward.
- 2.7 Without public intervention, provision of land for relocation of existing uses and public sector funding the opportunity to unlock a prominent site in close proximity to the city's transport interchange hub for housing, is unlikely to progress and will continue to be stalled.

The 'Climate Emergency' commitment and a sustainable step towards reducing the Council's Carbon footprint

- 2.8 In July 2019, the Council declared a 'Climate Emergency', noting the impact of climate change around the world, and announced commitment to tackling climate change and ensuring that all strategic decisions are in line with a shift to net carbon zero by 2028.
- 2.9 The Council's fleet makes up 16% of the current carbon footprint and a recent study prepared by the Energy Saving Trust for the Council identified the key measures to reduce this footprint and work towards the net zero carbon agenda. The work provided a number of recommendations and emphasised the need and opportunities, to replace our high emission fleet vehicles with electric alternatives. To serve the new electric fleet and help reduce the carbon footprint a suitable facility is required, the Culwell Street depot where Fleet Services operate from contain buildings and electrical infrastructure that are not suitable for such a modern use.

3.0 Project progress and proposals

- 3.1 To progress the early stages of the project and understand the challenges and opportunities, numerous activities have been undertaken to help develop a way forward and reach a position where options can be presented for discussion. The following areas highlight the efforts and outcomes achieved towards the two key focus points mentioned in section 2.0 of this paper.

Culwell Street site de-risking and Land remediation study

- 3.2 To enable a broad understanding of the site constraints a consultant project team of Engineers, Architects and Quantity Surveyors were appointed to prepare a desktop assessment to develop a scope to de-risk and remediate the site and determine associated costs.

Fleet Services modernisation and relocation options

- 3.3 The requirement to modernise the fleet services facility and enable it for future e-vehicles and e-charging, resulted in exploring a number of options.

Outputs

- 3.4 The proposal overall will play a key role towards the city's recovery from the COVID-19 impact in years to come and act as an opportunity to reduce the Councils Carbon footprint, provide key worker housing and will directly link to the Councils 'relight our city campaign'. The following is a summary of the direct outputs and what the project will help unlock in the future as indirect outputs, more specifically:

A - Land remediation and unlocking future housing development

The relocation of 'Fleet Services' from the Culwell street site as Phase 1 will help unlock housing units which will be built as part of the future Phase 2 and include the opportunity to offer 20% affordable housing. The re-development proposal will offer up to 780 homes (towards the 1300 proposed for the Brewers Yard masterplan), job creation, 1.32 hectares of brownfield land regeneration and accelerate the pre-development activities leading to housing construction starts. It will support and address growing town/city centre housing market demand for a quality product with mixed tenure options and build upon the new transport links and pedestrian access into Wolverhampton town/city centre.

The proposed scheme will also support the Council's ongoing regeneration of the Heath Town area located to the boundary of the ring road where much needed improvement to place connectivity is required and interface with the new Springfield Brewery development by the University of Wolverhampton. The scheme will also help blend into the transformational change across other areas of the city, attracting new inward investment and raise the value and profile of the real estate in Wolverhampton, along with supporting a key growth area for sustainable residential development underpinned by the transport interchange. The mixed tenure housing will also address requirements of city centre living and support plans to provide homes for key workers, first time buyers and the buy to rent market.

B - The 'Climate Emergency' commitment and a sustainable step towards reducing the Council's Carbon footprint

The project will offer a significant impact in addressing the carbon reduction challenge that aligns to WMCA and the Local Authority's targets. The relocation of fleet services will result in a modernised electric fleet depot fit for purpose and a step towards supporting an electric fleet which is to be procured as a separate Council investment. The new depot will be constructed to facilitate the fit out and required functionality to service an electric fleet, however this Phase 1 development of the site will not provide the investment to complete the Electric Vehicle (EV) fleet functionality, this will be subject to a further business case, investment and appropriate approvals. The transformation of a combustion fleet to electric will then allow the reduction of a 2,470 CO₂t carbon footprint and supported by the new facility as key infrastructure. It is not considered viable to retrofit the current facility at Culwell Street to provide an EV fleet enabled depot, due to layout requirements of EV servicing and maintenance.

The new facility will offer the West Midlands region a centre of excellence to lead in electric fleet vehicle servicing and maintenance, creating 110 new construction jobs, apprenticeships, upskilling the existing workforce, a reduction in the carbon footprint of our building assets by 215 tCo₂ and adopt renewable energy sources by using photovoltaic cells. The Fleet services depot once completed, following the further fit out investment, will also offer the opportunity to provide maintenance and servicing of electric vehicles to the private and public sector, becoming a valuable and sustainable income stream.

Scheme Monitoring and delivery

- 3.5 To maintain a strong and disciplined control on project costs and programme, in addition to the provision of internal resources an external team of professional consultants will be appointed for monitoring purposes. This will offer assurance during the development stages of the project and robust contract management during the delivery stage, ensuring programme and budgets do not exceed the approved allocation.

Timescales

- 3.6 The following are key milestones to help understand the roadmap to delivering the overall project based on the preferred option, subject to all funding agreements being executed by August 2021:

Planning Consent approval for the New facilities at wholesale market and residential scheme at Culwell depot	Q2 2022
Tender for the New facilities at wholesale market site	Q3 2022
Start New facility Construction works	Q1 2023
Construction completion and site opening	Q4 2024
Complete Demolition of Culwell depot and land remediation	Q2 2025

4.0 Reasons for decision

- 4.1 Based on the consideration of the options the preferred option is to relocate from Culwell Street Site to the Wholesale Market site, demolish some of the existing structures to make way for a new facility to suit current and future requirements, re-configuring the existing uses.

Land remediation and unlocking future housing development

- 4.2 The relocation of Fleet Services from Culwell street will give the opportunity to demolish the existing structures, divert utilities and remediate the land. This in turn will help unlock much needed future homes and regenerate the Heath Town ward.

The 'Climate Emergency' commitment and a sustainable step towards reducing the Councils Carbon footprint

- 4.3 The proposed approach will improve service delivery for Fleet Services by taking the opportunity to modernise the operation and consolidating some of the fleet by including passenger transport vehicles at the same site, where maintenance and servicing is conducted. Furthermore, it will step towards developing a fleet depot that can be used for servicing electric vehicles and electric charging. This will be a future phase and is proposed to be funded by bidding for other 'green initiative' grants or adopting the industry norm and leasing the installation from a suitable provider.

5.0 Evaluation of alternate options

- 5.1 As detailed within the exempt report.

6.0 Procurement Implications

- 6.1 The award of construction works will be fully tendered compliant with the Councils and public procurement rules and policies. A clear procurement and contract strategy are to be developed as part of the project in consultation with the Councils procurement team.

7.0 Financial Implications

- 7.1 As detailed within the exempt report.
[HM/19072021/L]

8.0 Legal Implications

- 8.1 As detailed within the exempt report.
[TC/190729021/M]

9.0 Equalities implications

- 9.1 An equalities analysis has established that this project is relevant to the Council's duty to advancing equality of opportunity. The Senior Equality Diversity and Inclusion Officer has been satisfactorily consulted on this matter and no implications have been highlighted whilst jointly reviewing the Equality Analysis Form.

10.0 All other Implications

- 10.1 As detailed within the exempt report.

11.0 Schedule of background papers

- 11.1 As detailed within the exempt report.