

THE FORMER BIRKENHEAD TOWN HALL

1. EXECUTIVE SUMMARY

- 1.1 This report advises Members of the latest position in respect of the disposal of the former Birkenhead Town Hall and seeks guidance on the way forward.

2.0 BACKGROUND

- 2.1 Cabinet at its meeting held on 15 January 2009 made decisions on a number of assets as part of the Strategic Asset Review. In the case of the Wirral Museum (The Former Birkenhead Town Hall), Members resolved “that the building be closed but that a new sustainable use which will secure the future of this iconic building be sought and expressions of interest invited.”
- 2.2 The property was marketed as The Former Birkenhead Town Hall and initial expressions of interest invited by 3 July 2009. Seven were received, all of which were judged by an Evaluation Panel to meet the criteria set out in a Pre-qualification Questionnaire required to be completed by all applicants as part of the first stage of the disposal process.
- 2.3 The seven bidders were all invited to submit second stage proposals requiring them to undertake a detailed study into the viability of their schemes in the form of an outline delivery plan, and provide a business plan. To assist applicants, the Council provided a Conservation Management Plan in respect of the building, which included a full condition survey.
- 2.4 Second stage applications were invited by 6 November 2009. Three were received. These were scored by a Panel comprising representatives from Asset Management, Technical Services Design Consultancy, Planning Development Control, Conservation, Finance, Procurement and Cultural Services.
- 2.5 The last update in respect of this property was reported to Cabinet at its meeting held on 9 December 2009. Details of all the first stage applications were provided along with outlines of the three second stage applications and the Panel’s conclusions.
- 2.6 Two of the applications scored very low (0% and 34.4%) and were ruled out. The best submission came from The Hamilton Partnership (THP) with a proposal to create The John Peel Centre for the Community, Innovation and the Creative Arts. The enterprise was described as self-sustaining and anticipated raising £3m from various external funding sources to totally refurbish the interior, and rectify the external repairs identified in the Condition Report. This scored 74.6% and THP was considered the only bidder suitable to proceed to the third and final stage of the disposal process.

2.7 Cabinet recommended that THP be invited to proceed to the final stage. A six month deadline was set for them to produce a full business plan.

3.0 PRESENT POSITION

3.1 THP has not supplied a business plan but instead a financial projection detailing estimated income against expenditure in respect of running the building.

3.2 It has also now submitted a revised proposal for the building which asks the Council to grant THP a three year lease of the whole building, at a peppercorn rent, with an option to take a further long term lease. This proposal is included as an exempt appendix to this report.

3.3 THP would only exercise their option to take a long lease of the building if:

- They were satisfied (having operated it by way of the short lease) that their business would be financially sustainable, and
- All works identified in the condition survey (and estimated to cost £1.3m) are completed prior to the grant of the long lease and those works are funded by the Council and/or other parties.

3.4 The proposal suggests that the three year lease will enable THP to test the market to demonstrate whether the project can be viable. In this period the Council will retain responsibility for all repairs and insurance. THP proposes to take over the running of the building in terms of security and internal services on the basis that the Council commits some financial support for this. No amount has been specified.

3.5 In addition, THP has included as part of its projected income stream an annual sum from the Council to reflect the continued occupation of a large part of the ground floor by the Registrar's Office.

3.6 This proposal is substantially different from the submission made by THP at the second stage of the disposal process. It relies on continuing revenue support from the Council that has not been fully quantified.

3.7 Following the closure of the Wirral Museum budgetary provision for the former town hall was removed from Cultural Services budget, and no provision exists for the continued retention of the building.

3.8 On 24 June 2010 Cabinet considered options for the future provision of administrative accommodation. Within those options consideration was given to the potential re-use of the building to relocate Council democratic functions from Wallasey Town Hall but this possibility has been discounted.

4.0 THE WAY FORWARD

4.1 In the light of the revised proposal now received from THP and the decision taken by Cabinet in respect of administrative accommodation Cabinet has the following options:

Disposal

- 4.2 It has been shown by the process followed to date that there is no demand for the building from a commercial operator and so an outright sale of the building that guarantees the sustainable future use of the building is unfeasible at present. This is due to the restricted refurbishment options open to potential buyers because of the building's listed status, compounded by the lack of dedicated parking and the present economic climate. It is difficult to envisage any change in the market in the short to medium term.

Deferred Disposal

- 4.3 The building could be mothballed in the short to medium term. The fabric would not necessarily deteriorate through disuse, provided the heating was left operating in frost protection mode which exercises the system and protects against bursts and condensation.
- 4.4 This option would necessitate the relocation of the Registrar's office but suitable alternative accommodation would need to be identified. Leaving the building secured and empty could also lead to the economic decline of Hamilton Square.
- 4.5 Members should be aware that the Council would still be statutorily obliged to maintain the building.
- 4.6 Running costs would be reduced to approximately £10,000 pa, but there would be costs – as yet unquantified – to provide accommodation for and relocate the Registrar's Service.

Retention

- 4.7 If the Council is to retain the building, it is recommended that the Director of Law, HR and Asset Management undertakes further work to identify potential alternative uses and reports back to Cabinet. This work would take account of functions that may be displaced through office rationalisation. The continued use of the building will significantly impact on the potential for the regeneration of Hamilton Square, one of England's finest public squares. Increased footfall through the Square would have mutual benefits for the neighbouring Woodside Regeneration concept currently in development.
- 4.8 There would be potential for the Registrar's Office to remain in occupation and for other parts of the building to be re-used for Council services which need to be relocated from other buildings earmarked for closure. This could potentially be combined with the use of space on the upper floors in some form by the Hamilton Partnership.
- 4.9 Retention of the building in the long term will, however, require the Council to undertake the repair works identified in the Condition Report which was produced as part of the Conservation Management Plan. The estimated costs amount to £1.3m, of which approximately £1m relates to improvement works to the roof and exterior aimed at prolonging the life of the building. The remaining £300,000 relates to internal

repairs required to make good defects brought about by water ingress from the roof and internal drainpipes.

Accept the Proposal form the Hamilton Partnership

- 4.10 The revised proposal sets out an approach that will retain the Council's financial and operational involvement with the building for a maximum period of three years, during which the THP would test the viability of its proposal. In addition, unless external funding can be secured, the Council would have to meet the cost of identified disrepair totalling £1.3m. It would require budgetary provision to be made for the retention of the building and for the additional financial support that THP's proposal requires. These sums have yet to be determined. Before a final decision is taken on the proposal it is recommended that the Director of Law, HR and Asset Management be instructed to undertake the further works, identified in 4.7 above, and report to a future meeting of Cabinet.

5.0 Financial implications

- 5.1 Retention of the building will require reinstatement of budgetary provision the amount of which will depend on the option chosen and the basis of future use. This will be the subject of a further report.
- 5.2 The Conservation Management Plan and condition survey has identified necessary works totally £1.3m. These comprise external and structural works of approximately £1m and internal repairs of £300,000.

6.0 Staffing implications

- 6.1 Existing staff will be redeployed.

7.0 Equal Opportunities implications/Equality Impact Implications

- 7.1 None arising directly from this report.

8.0 Community Safety implications

- 8.1 None arising directly from this report.

9.0 Local Agenda 21 implications

- 9.1 None arising directly from this report.

10.0 Planning implications

- 10.1 Birkenhead Town Hall is a Grade II* Listed Building within the Hamilton Square Conservation Area which is also allocated as a Primarily Commercial Area in the Unitary Development Plan. Works affecting the character of the building will require Listed Building Consent and any future planning application would be subject to UDP Policy CH1 - Development Affecting Listed Buildings and Structures; UDP Policy CH2 - Development Affecting Conservation Areas; UDP Policy CH5 - Hamilton Square Conservation Area; and UDP Policy SH6 - Development within Primarily

Commercial Areas. Special regard will be given to suitable works for securing a viable and long-term future of the building.

11.0 Anti-poverty implications

11.1 None arising directly from this report.

12.0 Human Rights implications

12.1 None arising directly from this report

13.0 Social Inclusion implications

13.1 None arising directly from this report

14.0 Local Member Support implications

14.1 The property is located within the Birkenhead and Tranmere Ward.

15.0 Background Papers

15.1 Cabinet 9 December 2009 – The Former Birkenhead Town Hall

16.0 RECOMMENDATIONS

16.1 That the proposal now received from The Hamilton Partnership is noted and the Partnership is thanked for its interest and work to date.

16.2 That the preferred option for the future of the building be identified, and the Director of Law, HR and Asset Management be instructed to report to the next appropriate Cabinet meeting on the implementation of that option.

Bill Norman

Director of Law HR & Asset Management.