



ECONOMY REGENERATION & DEVELOPMENT COMMITTEE

Thursday, 4 March 2021

REPORT TITLE:	TOWN/HIGH STREET FUNDS: FUTURE HIGH STREET FUND
REPORT OF:	DIRECTOR OF REGENERATION AND PLACE

REPORT SUMMARY

On 26 December 2020, the Council received notification of the outcome of two submissions it had made to the Ministry of Housing, Communities and Local Government (MHCLG) Future High Street Fund. This announcement set out that Birkenhead had received its full requested allocation of £24.6m. New Ferry was offered an in-principle award of £3.2m from its requested value of £4.6m, subject to the development, submission and subsequent approval of an updated proposal to reflect the lower funding offer.

This report sets out the next steps for both areas. This includes more detailed information regarding the first scheme to be taken forward within Birkenhead, namely a temporary, interim solution for Birkenhead Market, as well as the process to reprofile and resubmit the New Ferry proposal. Committee is asked to delegate a number of decisions to the Director of Regeneration and Place in terms of accepting the grant funding agreements and commencing activity to develop and deliver the Future High Street Fund programmes.

Town centre regeneration is a long-standing priority for the Council and is reflected in the Wirral Council Plan 2025 through the requirement to deliver inclusive economic growth, working for a prosperous, inclusive economy where local people can get good jobs and achieve their aspirations.

This matter affects the wards of Bromborough and Birkenhead and Tranmere.

This is a key decision owing to the significance in terms of the effect on communities living or working in an area comprising two or more wards in the Borough, as well as being in excess of £500,000 in monetary value.

RECOMMENDATIONS

That Economy Regeneration and Development Committee request that Policy and Resources Committee approve the following recommendations:

1. Note the content of the report and the announcement from Government regarding the Future High Street Fund award in relation to Birkenhead and the in-principle award in relation to New Ferry.
2. Note that a re-profiled application was submitted to Government on 3 February 2021 in respect of the New Ferry Future High Street Fund in-principle award.
3. Authorise the Director of Regeneration and Place to consider and approve final sign-off of the Future High Street Fund grant funding agreements for Birkenhead and New Ferry, in consultation with the Director of Law and Governance.
4. Authorise the Director of Regeneration and Place to commence delivery of the Birkenhead and New Ferry Future High Street Fund programmes in line with the grant funding agreement and change control process.
5. Authorise the Director of Regeneration and Place to progress with scoping out a design, costed model and fit out of the current preferred option for the temporary market, namely Unit 2 St Werburghs Square and St Werburghs Square itself, that will be used as a temporary holding position while the current Birkenhead Market site be made available for redevelopment.
6. It be noted that a further report will be brought forward to members for approval of the finalised proposal for the temporary market.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The Future High Street Fund will support the Council by enabling access to significant funding to support the regeneration of Birkenhead and New Ferry Town Centres.
- 1.2 Birkenhead Market's infrastructure incurs high maintenance liabilities and the building as it currently stands is expensive to operate, inappropriate for its current use and is not energy efficient. Ongoing repairs and maintenance costs are estimated to grow quite significantly over the next few years in its current state. It is therefore proposed that the current building is demolished and a new home for the market is sought.
- 1.3 The general look and feel of the market have become tired externally and internally and requires a major transformation to make it more appealing to the general public and traders alike. Its Unique Selling Point has been lost over the years and there is a need for change to prevent the pressure of issues caused by further decline.
- 1.4 The establishment of the Wirral Growth Company and its plans for the development of a new town centre provide a significant opportunity to develop and enable an attractive, well-designed market in the heart of Birkenhead utilising the current footprint but on a smaller scale.
- 1.5 The creation of a temporary holding position for the market will enable the current Birkenhead Market site to be made available to be developed by the Wirral Growth Company in accordance with the appropriate Site Development Plan and other requirements of the Partnership Agreement when such proposals are brought forward by Wirral Growth Company in due course.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 An option to delay a report to Committee until the respective Future High Street Fund grant funding agreements are received for Birkenhead and New Ferry was considered but ruled out. Firstly, there are no Committee meetings until after the local elections. In addition to this, it should be noted that the Future High Street Fund process was lengthy and protracted, taking 2 years to date from the launch of the programme. Despite these delays the original spend profile of March 2024 remains, so it is imperative to avoid further delay and commence activity to develop and deliver the projects.
- 2.2 At the time of submission of the Future High Street Fund bid, consideration was being given for the temporary market to be located on Europa Boulevard. Consideration was given to a container type offer, however continued and more developed costings have ruled this location out. There was also some concern from a number of traders that a temporary location at Europa Boulevard was too far away from the retail core.

3.0 BACKGROUND INFORMATION

- 3.1 MHCLG launched the Future High Street Fund in December 2018 to provide capital infrastructure investment to help renew and reshape town centres and high streets. They outlined a maximum application value of £25m for activity and spend by March 2024, with an anticipated average award expected to be in the region of £5-10m.
- 3.2 In March 2019, MHCLG received 328 Expressions of Interest applications and in July 2019 both Birkenhead and New Ferry were announced as part of the first 51 areas to progress to the final application stage. In August 2019, a further 50 areas were announced. All local authorities progressing to the final stage received a capacity and resource grant to assist with the costs of developing a Treasury Green Book compliant full business case.
- 3.3 In January 2020, draft business cases were submitted for Birkenhead and New Ferry, with the final full business cases due for submission in April 2020. A report to Cabinet in March 2020 provided members with an update regarding the development of each funding bid and authorised the Director of Regeneration and Place to provide final-sign-off. Owing to COVID-19 the deadline for final submissions was subsequently delayed until June 2020. It was anticipated that successful areas would be announced in Summer 2020, however in September 2020, MHCLG unexpectedly announced a standard additional clarification exercise for all applicants to submit within a 3-week window.
- 3.4 On 26 December 2020, the Secretary of State for Communities Housing and Local Government announced up to £830m of Future High Streets Fund would be invested in 72 areas across England as follows:
- 15 areas receiving confirmed funding for their full application value, totalling £255m, subject to grant funding agreement.
 - 57 areas receiving an in-principle funding offer totalling up to £576m, subject to final approval of a revised, reprofiled submission.
 - Including confirmed and in-principle notifications:
 - Awards ranged from £1,058,706 to £25,000,000.
 - The average award being £11,541,667.

3.5 Overview of Birkenhead Future High Street Fund

- 3.5.1 **Summary of Issues:** The Birkenhead FHSF application outlined that the high street is blighted by vacant shop frontage, with the market also hosting considerable empty units; both seeing a reduction in footfall. There is little or no diversity in terms of office, leisure and residential and outside of trading hours the core is largely deserted. There is little in the way of green space and infrastructure, with low quality and dated public realm and vehicle dominated, over engineered roads which provide a poor-quality pedestrian/cycle environment and have a poor road safety record.
- 3.5.2 To seek to resolve these challenges, the Birkenhead Future High Street Fund application identified five objectives:
- An improved retail core and market.
 - A diversified and mixed-use town centre.
 - A walkable and sustainably connected centre.
 - An attractor of visitors.

- An investable proposition.

3.5.3 **Summary of Proposed Activity:** Alongside Wirral Growth Company investment, the Birkenhead application set out a diversified, mixed-use town centre with an improved retail core/market. This includes the demolition of the old market, a smaller more modern and sustainable new build on part of the original site, as well as an upfront interim temporary market solution.

3.5.4 In addition to this a series of highways and connectivity projects to address the over-engineered highway routes will simplify and enhance pedestrian and cycle access at key gateway entry points to the retail core and improve road safety. These include Conway Street/Europa Boulevard, Charing Cross/Grange Road West and Birkenhead Central Gyratory. The high street itself will also see enhanced public realm improvements on Grange Road including anti-terror measures.

3.5.5 Accelerated residential development on Europa Boulevard will provide new homes and bring added diversification in the town centre, increasing and enhancing the catchment. This will also contribute to the maturing of the local housing market making later phase development more viable and support early brownfield residential delivery which is critical to the Council’s emerging Local Plan.

3.5.6 Birkenhead has been awarded £24,589,011 from the Future High Street Fund (subject to grant funding agreement approval).

Table 1: Breakdown of Birkenhead FHSF Application

Project	FHSF Ask
Conway Street & Europa Boulevard	£2,081,125
Grange Road & Charing Cross	£2,969,245
Central Gyratory	£276,463
Birkenhead Market (Temporary & New Market)	£14,427,298
Europa Residential Phase 1	£4,826,880
Total	£24,589,011

3.5.7 **Next Steps:** The most progressed element of the Birkenhead submission is the temporary market solution, as set out in section 3.6 of this report. The other projects are developed to concept design and this report seeks authority for the Director of Regeneration to commence delivery of the Birkenhead Future High Street Fund programme (subject to grant funding agreement approval). This will include full project design, costings and the management of project budget allocations within the £24.6m Future High Street Fund envelope as projects progress to detailed design; stakeholder engagement and consultation (including statutory as appropriate); statutory approvals and planning as appropriate; procurement/contractor approval and delivery of works. Reports regarding individual projects will be brought back to Committee as required.

3.6 Temporary Market

3.6.1 A catalyst for driving growth throughout the borough includes delivering a strong and thriving Birkenhead Town Centre and the market has been identified through consultation as a key element of this. The Wirral Growth Company has conducted

various outreach public consultation events and at each event residents have confirmed the importance of Birkenhead Market to the town and its residents.

- 3.6.5 In December 2018, full Council approved the acquisition of the long leasehold interest in Birkenhead Market to facilitate its assimilation into the Council's freehold title.
- 3.6.6 Consideration for the provision of a new Market is included within the scope of the Birkenhead Commercial District development. This provides the opportunity to bring forward a redeveloped Market to create a 'go-to' destination.
- 3.6.7 In order for a new market building and other redevelopment to take place on the current site of Birkenhead Market, the building needs to be vacated, demolished and then the new market building built. This will take some time and so a requirement for a temporary alternative site will be needed to ensure continuity of trade and to ensure Birkenhead remains a market town.
- 3.6.8 The temporary solution is intended to be a hybrid model based on an indoor and outdoor market offer. The preferred option will include the retail unit at 2 St Werburghs Square along with developing an outside pop-up market to be situated on St Werburghs Square itself. The aim is to allow for continuity and a smooth transition while the new market development takes place.
- 3.6.9 The preferred option at St Werburghs will require part of the capital grant highlighted within 3.5.6 to be allocated for the delivery of the temporary market. Furthermore, it will also require the agreement of a short-term lease between the Council and the Landlord, Mars Pension Fund (Shopping Centre Owners) before a planning application is submitted to allow the required approvals for alteration. A further report will therefore be brought to members to provide these details and seek agreement at the earliest opportunity.

3.7 **Overview of New Ferry Future High Street Fund**

3.7.1 **Summary of Issues:** Since the explosion in 2017, New Ferry as a retail centre has declined further, with Bebington Road seeing vacancy rates more than double to 41.7% (February 2017 - October 2019). The high street has become unattractive with numerous derelict, dilapidated and vacant properties. In addition, the road layout and circulatory route around the centre is poor and unclear for road users and pedestrians to navigate. The retail offer is limited, with an over-provision of low value convenience and basic comparison retailers.

3.7.2 In order to resolve these challenges, five key objectives have been identified:

- Improved arrival points: creating more of a high street destination and sense of arrival.
- Improved movement and footfall through the centre, ensuring greater passing trade for the retail premises.
- Improved appearance: A significant detractor from the current town centre, by improving this it will make it a better place to visit and shop.

- Contraction of retail provision: The current retail provision is too large as shown by the high vacancy rates. By contracting the high street, this will allow a more focused retail provision.
- Diversification of town centre uses: Delivering residential development on underutilised land and through vacant building redevelopment to grow and diversify the centre's immediate catchment, creating 24-hour activity and surveillance to the centre.

3.7.3 Several key projects have been put forward as part of the revised bid which are summarised below:

Table 2: Summary of New Ferry Future High Street Fund Projects

Project Name	Key Objectives Achieved	Description
Supporting the Redevelopment of Woodhead Streetcar Park and Explosion Sites	Improved arrival points Improved appearance Diversification of town centre uses	Redevelopment of three strategic sites on key arrival points into New Ferry, creating a condensed car park, 79 new residential units and 10,850 sq. ft. new retail provision.
Improvements to Bebington Road	Improved movement and footfall Improved appearance	One-way re-opening of Bebington Road to vehicles including creation of short stay on-street parking bays bringing activity back to an under-utilised and unattractive pedestrianised street.
Opening up of School Lane	Improved arrival points Improved movement and footfall	Removal of bollards currently stopping access onto Bebington Road. This will lead to improved connectivity from key car parks and the village hall on Grove Street to the west with the main retail section, tying in with improvements to Bebington Road.

3.7.4 The original submission was for £4,648,947, however a reduced in-principle offer was made to the Council on the 26 December of £3,213,522 this represents 69% of the original funding ask to Government.

3.7.5 **Next Steps:** The Council has recently submitted further clarification information regarding a scaled back project to MHCLG on the 3 February 2021. A final decision on the funding allocation is expected in March 2021 and a grant funding agreement will follow. In addition, a separate report updating members on implementing the regeneration plan in New Ferry and seeking the authorisation for compulsory purchase powers to acquire all the land and property required for redevelopment, will be taken to the Economy, Regeneration and Development Committee on 4 March 2021.

4.0 FINANCIAL IMPLICATIONS

- 4.1 As highlighted previously in this report, Birkenhead has been awarded £24,589,011 (subject to grant funding agreement receipt and approval). The Council has not yet received a grant funding agreement in respect of the award for Birkenhead, however during an inception meeting, the Council's appointed Future High Street Fund programme lead informed that this will set out a Section 31 non-ring-fenced grant transfer with yearly up-front payments. The Council has already received a payment of £150,000 in respect of spend for 20/21 financial year and this will be utilised to progress detailed project design.
- 4.2 New Ferry has been offered an in-principle award of £3,213,522 subject to approval of a reprofiled scheme. A grant payment of £5000 has been awarded to the Council to cover the costs of consultants to assist in reviewing a scaled back programme and to complete the necessary information required as part of the New Ferry application. This work has now been completed.

5.0 LEGAL IMPLICATIONS

- 5.1 As outlined in paragraph 4.1 the Council has not yet received a grant funding agreement detailing the terms and conditions of the award. It is understood that the Council will also receive a separate Memorandum of Understanding containing key deliverables. A further Change Control process will advise what amendments the Council can make within its programme in consultation with its appointed Programme Lead and which may be subject to a revised 'mini' business case. This will be important owing to many projects being a concept design stage.
- 5.2 The Director of Law and Governance will provide advice to the Director of Regeneration and Place regarding the compliance of the Future High Street Fund projects within the UK's new international obligations on Subsidy Control following the end of the Brexit transition period on 1 January 2021. The onward flow of funds will also need to comply with the new regime applicable to state subsidy. In the absence of a grant funding agreement, it is not possible to provide a more detailed position statement in this regard.
- 5.3 The Council's right to hold a market in Birkenhead is contained in the Birkenhead Improvement Act 1833 and the Birkenhead Corporation Act 1881. These rights are often referred to as "Charter Rights" as the original grant of the right to hold a market in Birkenhead was made by Royal Charter in the thirteenth century. By having the right to hold a market in Birkenhead, common law implies that this exclusivity extends to 6 2/3 miles from the site of the Birkenhead Market.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 The Birkenhead and New Ferry Future High Streets Fund programmes will be managed respectively by existing staff from within the Place and Investment Team and the Special Projects Team, both within the Regeneration and Place Directorate.
- 6.2 In terms of the temporary market, officers within the Regeneration and Place Directorate will coordinate and manage all project related activities, undertake title

investigation, conveyancing, financial modelling, and monitoring, supplemented by an external surveying resource where necessary. Steps will be taken to appoint a development manager and or contractors in due course.

7.0 RELEVANT RISKS

- 7.1 A programme Risk Register will be developed as well as individual Risk Registers for each project. These will be updated throughout the process lifecycle in order to assist the Council in identifying, controlling and managing risk. This will report within the Council's Corporate Risk Management structure.
- 7.2 As outlined in paragraphs 2.1 and 3.3 the Future High Street Fund application process has been subject to delay and taken 2 years to date. The Council has not yet received a grant funding agreement for Birkenhead and the application process for New Ferry continues owing to the requirement to submit a re-profiled application for approval. That said, the final date for spend has not been extended and remains at March 2024. To mitigate any risk of not delivering and spending within this timescale Committee is asked within this report to authorise the Director of Regeneration to progress a number of decisions including sign-off of the grant funding agreement on receipt, commencement of delivery and management of the change control process as projects move from concept to full design.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 The Future High Street Fund applications support and add value to consultation conducted already as part of the New Ferry Regeneration Plan and Birkenhead Town Centre consultation conducted by Wirral Growth Company. As projects within them are developed these proposals will also go through engagement and consultation as part of the statutory approval and planning process as appropriate to each project.

9.0 EQUALITY IMPLICATIONS

- 9.1 The potential impact of the Future High Streets Fund has been reviewed with regard to equality and links to the existing EIA conducted for Wirral's Growth Plan and no material amendments have been made.

<https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments/equality-impact-assessments-2014-0>

- 9.2 An EIA has been produced in support of the temporary market solution and no material amendments have been made.

<https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments>

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 The content and recommendations contained within this report are expected to reduce the emissions of greenhouse gases. This will include, as appropriate, energy efficient buildings within new developments; infrastructure improvements to reduce car dominance and create a safer environment for road users and pedestrians, and environmental and climate considerations within the Council's Social Value strategy to be used within the procurement of future contractors.

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APPENDICES

BACKGROUND PAPERS

MHCLG Future High Streets Fund Call for Proposals, December 2018
<https://www.gov.uk/government/publications/future-high-streets-fund-call-for-proposals>

MHCLG Future High Streets Fund Business Case Guidance, 2019
(Copy available on request)

MHCLG Future High Street Fund Announcement, December 2020
<https://www.gov.uk/government/news/830-million-funding-boost-for-high-streets>

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Delegated Decision Report: Preferred Development Option for New Ferry	20/12/2019
Cabinet Report: New Ferry and Birkenhead Future High Street Fund	23/03/2020
Leader Decision (Birkenhead Market Full Business Case)	March 2020