



ECONOMY REGENERATION & HOUSING COMMITTEE

Wednesday, 27 March 2024

REPORT TITLE:	BIRKENHEAD MARKET OPTIONS
REPORT OF:	DIRECTOR OF REGENERATION AND PLACE

REPORT SUMMARY

The current Birkenhead Market Hall is an aging building, operating inefficiently and the Council has been considering options to re-locate the market to an alternative market site for several years.

On 6 December 2023, this Committee received a report on the market and its future location. It (amongst other matters) agreed to progress the development of the design of the Princes Pavement option to RIBA Stage 3, appoint a market consultant to further develop the market operating model and then bring back the outcome of this work to the Committee for a decision. The report set out other options that have been considered in the past discounting them for practical reasons. This Committee also reviewed the capital cost of re-locating the existing market to a new purpose-built market hall on the site of the former House of Fraser Store (HOF). The capital cost of delivery for the HOF proposal is £31.6 million based on July 2023 figures and there is an emerging funding gap which could have a significant impact on the Council's financial position. Furthermore, Policy and Resources Committee on 17 January 2024 resolved amongst other matters to reduce the capital budget for the new market project making the HOF proposal unaffordable. This report makes recommendations regarding the feasibility of the House of Fraser options.

In recognition of the recent engagement with Birkenhead Market Traders Association, Committee also agreed that further feasibility work would be undertaken on two options, the St John's Pavement option and a refurbishment of part of the existing Birkenhead Market site.

The Committee also agreed to pause market development work on the House of Fraser site whilst this work was undertaken. Issues associated with the development of the HOF site for the purpose of a market were reported, including its financial viability.

This paper reports back to Committee on these points.

The report proposal directly supports the Wirral Plan (2023-27) through the key theme of working together to deliver people focused regeneration.

Appendix 3 of this report is exempt from publication pursuant to paragraph 3 of the part 1 of Schedule 12 A of the Local Government Act 1972 (Information relating to the financial or

business affairs of any particular person (including the authority holding that information)) because it contains or refers to information relating to the financial and business affairs of Wirral Growth Company LLP and the Council and the public interest in maintaining the exemption outweighs the public interest in disclosure.

This is a key decision.

RECOMMENDATION/S

The Economy Regeneration and Housing Committee is recommended to:

- (1) approve the Princes Pavement option to deliver a new market for Birkenhead, which will require remodelling, refurbishment and fit out of the interior and some changes to its external façade and outside areas;
- (2) approve that the Director of Regeneration and Place be authorised to:
 - (a) notify Wirral Growth Company LLP that it does not wish to proceed with the development of the House of Fraser site pursuant to the relevant Development Service agreements that have been entered into between the Council and Wirral Growth Company LLP;
 - (b) allocate up to a maximum of £13.7m towards the costs of the delivery of the new market;
 - (c) Using an appropriate procurement pathway:
 - (i) procure and appoint a design team to complete the design for the new market;
 - (ii) place the physical works to deliver the new market out to tender; and
 - (iii) let the contract to deliver the works to remodel, refurbish and fitout the interior of the new market and make changes to its external façade and outside areas as required to deliver the scheme;
 - (d) Progress any applications for planning, building control or highways approval that may be required to progress the new market scheme;
 - (e) Undertake a consultation exercise with the public to inform final design / integrate feedback into the development of the design for the new market;
 - (f) On completion of the new market, progress with the decant of the old market; and
- (3) endorse that in taking forward the proposal for the market the Council shall work in close collaboration with key stakeholders, as appropriate, as part of a partnership-based approach. This will include other events and activities related to the market in collaboration with stakeholders, including market traders as part of the delivery of the scheme.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The Council has until March 2026 to spend allocated Future High Street grant funding of up to £14m to deliver the relevant schemes within its ambit. The Council has entered into a Development Management Agreement with Wirral Growth Company LLP (WGC) to deliver the House of Fraser (HOF) market option. The relevant agreement allows the demolition work to commence whilst design work on the new market hall is paused to allow time for the Council to consider options. This window is time limited in the Agreement to 25th April 2024. The relocation of the current market is a critical part of the Birkenhead Town Centre regeneration plan. The proposed HOF new market hall is over budget and cannot be delivered within the budget allocation agreed by Council at its meeting of 26 February 2024.
- 1.2 Based on the best information that the Council has at this time, the proposed solution on Princes Pavement can be delivered within the financial and time envelopes available. The other options tested cannot be delivered within this time frame. Taking a decision to progress this option offers the Council an achievable, effective, timely, resourced, and deliverable solution to a long-standing issue. The other solutions considered do not offer this to the Council. The proposed solution would deliver a modern market offer at the right scale for Birkenhead.
- 1.3 The elements of St John's Pavement that could become available in the time period required would not deliver the required floor area needed for a modern market offer befitting of Birkenhead, nor does the building offer, from a design perspective, a good solution. The building does not offer the required space from a design perspective and would only be able to offer trading space to a limited number of existing market traders. This would preclude a number of existing traders the opportunity to relocate and fetter the ability for a new market venture to attract new forms of business required to help sustain long-term viability.
- 1.4 A new market at St John's Pavement would require significant mechanical and electrical installations at high level and the concrete soffit height is limited. In fact, the floor to the underside of Mechanical and Electrical services could be as low as 2.5m in part, providing a somewhat claustrophobic environment. The unit has different floor levels, considered a disadvantage. The limited size of this site would not provide long term sustainability of a vibrant market hall offer, fail to attract a significantly wider demographic and is likely to trade at an initial annual deficit of £142K, likely to worsen year on year. If the site is to be expanded endeavouring to approach a new market size requirement, this will include uncertain negotiations with a new coffee shop operator and extending the building to the rear. Successful lease negotiations with the coffee shop are not assured and would likely hinder the grant funding programme. An extension to the rear of the building will have planning approval uncertainties and should not be considered either straight-forward or even that planning would be granted.
- 1.5 The relocation of the current market is a critical part of the Birkenhead Town Centre regeneration plan. The emerging Delivery Plan contemplates using the market as a

catalyst for wider regeneration and the work so far completed has highlighted the significant benefit that the relocation of the market to Princes Pavement will unlock the future redevelopment of the Town Centre. The Princes Pavement option would see the reuse of a unit that is currently vacant and delivers the space needed to deliver a modern market offer for Birkenhead. The occupation of this unit will provide an anchor to improve footfall and benefit other retailers in the area and improve the net operating income from the Council's estate.

- 1.6 The current market building is in poor condition and is not weather tight. Although the Council is working in partnership with traders to manage the building and keep it in repair, the asset would need significant work if a refurbishment was considered, or if a do-nothing approach was adopted.
- 1.7 The St John's Pavement option and the existing market redevelopment option disrupt occupiers of these spaces and their trade during the implementation phase. The Princes Pavement option delivers in a vacant unit, and allows for a single relocation of traders, minimising disruption.
- 1.8 The Princes Pavement options would see the re-use of an existing building which offers opportunities for a sustainable development over a new build option, although the other options offer similar opportunities the fabric of both the St John's Pavement and the in-situ market refurbishment options are inferior.
- 1.9 Should the Committee choose an option other than Princes Pavement it is extremely unlikely that those options could be delivered given the financial and time constraints of the project and the constraints of the other assets that are considered in this paper. In addition to this the alternative options would have to be fully and robustly developed to bring it to the same stage as the Princes Pavement option.
- 1.10 Traders have expressed a range of concerns about the different options that have been presented over time, however traders are concerned about the location of the Princes Pavement location. It is noted that this option is near the Bus Station, a short walk from the House of Fraser site and is under an existing multi story car park and has similar footfall to other options and superior to that of the existing market.
- 1.11 The new space will provide the opportunity for Birkenhead to have a new market offer which encompasses traditional food and non-food retailing, service industries such as hairdressers, nail bars, beauticians etc, hospitality including world food kitchens and bars, communal seating, event space, competitive leisure and a flexibility for other forms of relevant space activation.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 A series of alternative options were considered at the 6 December 2023 Committee meeting, and these were discounted. However, additional options were put forward for further work at that meeting. These were an option to refurbish part of the existing market, an option on St John's Pavement alongside the option of Princes Pavement. The Committee agreed to pause work on the House of Fraser site but were made aware of the financial challenges faced if that option was brought forward. Although previously discounted by Committee, a do nothing option also has to be considered for reporting purposes. Therefore, four alternative options are

considered. A plan showing the location of the various options can be found at Appendix 1. Schematics of the Princes Pavement Option, the St John's Pavement option and a refurbishment option are shown in Appendix 2.

- 2.2 The Committee could choose not to progress with any development option presented in this report. This option has been considered and rejected previously by the Committee. This would leave the market in its current location, in an aging building in poor repair, frustrating the Council, Traders, Shoppers, and Residents. The Council would not deliver a new market which befits Birkenhead and the Borough, and it would hinder the future development of Birkenhead. It would not address the need to revitalise Birkenhead's market offer and would not provide traders and shoppers with a modern offer. Should the Committee choose not to progress with a development the Council would not have the time to spend the allocated Future High Streets grant allocation before its expiry in March 2026.
- 2.3 The Committee could choose the House of Fraser option, but as previously reported, the option is not fundable, as the Council does not have the resources available to be able to deliver this option. Choosing this option would in effect deliver a do nothing option as the Council would not be able to fund the scheme.
- 2.4 The St. John's Pavement Option has been previously considered by the Committee. Additional work since December 2023 has found that the option is not feasible for broadly the reasons that were previously reported to the Committee. From a design perspective the existing unit's layout is inefficient, with a range of issues, if the Council were to deliver a market from the existing building. A demolition and redevelopment of this block is not a realistic option. In part this is due to anticipated difficulties in gaining vacant possession, cost of any proposal, noting the high cost of the House of Fraser option, and time.
- 2.5 The Council could consider the largest unit only. However, this unit alone is not sufficient to deliver a modern market offer of a suitable scale for Birkenhead and has structural limitations which would limit or constrain the space and would deliver a sub optimal solution. Although it would deliver the cheapest solution it is anticipated that any development, which would not offer the space needed to deliver a modern market solution, would be delivered by July 2026 which is outside the grant funding window.
- 2.6 A confidential schedule of occupation is contained in the exempt Appendix 3. Appendix 3 of this report is exempt from publication pursuant to paragraph 3 of the part 1 of Schedule 12 A of the Local Government Act 1972 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) because it contains or refers to information relating to the financial and business affairs of Wirral Growth Company LLP and the Council and the public interest in maintaining the exemption outweighs the public interest in disclosure.
- 2.7 The option of delivery of a refurbishment of part of the existing market has also been considered. This option would take longer than the time available to the Council and would be anticipated to be completed by August 2027 and therefore outside the Future High Street grant funding window.
- 2.8 The option developed for the market refurbishment would see a market delivered in the north of the site. Traders in the North end would be initially relocated to the South

end, where most traders occupy at present, minimising temporary relocation disruption. The building would be separated with the North end then refurbished, and following this, traders would be decanted into the North end of the site on completion of the construction work.

- 2.9 Due to the work on site this would see a disruption to trade in the market and the flow of shoppers around the market whilst the work went on, whereas the other options would allow for a decant once works has been complete. Issues around access, service roads etc would remain. With the site partially decanted, the opportunities to regenerate the centre of Birkenhead would be diminished and the vacant element of the building would need to be attended to.
- 2.10 At a high level, Committee may wish to explore other options, for example delivering a market focused on the South or East access to the Market, however similar issues of time and cost would remain, with a sub optimal entrance remaining for the refurbished market offer.

3.0 BACKGROUND INFORMATION

- 3.1 A multi-disciplinary design team, including a specialist market consultant has been commissioned to undertake the work of developing of the Princes Pavement Option to Royal Institution of British Architects design stage 3 (known as RIBA 3). This work has been impacted by the design team having to work up the other two options presented in this report, which has meant that the team have not been able to complete RIBA 3 at the time of this report, although this is progressing. A report from this team can be found at appendix 4.
- 3.2 The evolution of retailing has placed a significant challenge to all high streets across the UK, with shoppers' habits, tastes and ways of accessing retailing changing considerably over time. These changes have been accelerated for a variety of reasons but place an unprecedented challenge on high streets across the UK and this has also affected markets. The Council has recognised and worked to deliver the regeneration of Birkenhead for some considerable period, but over that time the context for town centres in general has changed significantly.
- 3.3 Birkenhead has a proud history of operating a market building since 1835, initially on the site of the current Birkenhead Town Hall and later in 1845, on a site in Hamilton Street. Following fires in 1969 and 1974 the market was relocated to its current location in 1977. In 1993 the Council developed the North end, building brick arches and towers to the front of the building. In 2019 after 15 years of the market being externally managed, the Council brought the market back under Council management.
- 3.4 The current Birkenhead Market is of an aged construction with outdated infrastructure which incurs high maintenance liabilities and produces an asset diminishing in value, where traders generally find it challenging to operate. The building as it currently stands is expensive to operate and/or inappropriate for its current use and is not energy efficient. On-going repairs and maintenance costs are estimated to grow quite significantly over the next few years in the building's current state.
- 3.5 On 24 March 2020 the Leader of the Council (in the former Cabinet System) resolved (amongst other matters) to approve the re-development of Birkenhead Market on the

current Birkenhead market site. Appropriate authority was given to the Director of Regeneration and Place to progress this option.

- 3.6 In November 2021, Policy and Resources Committee approved the indicative Wirral Growth Company LLP stage 2 Site Development Plan for Birkenhead Town Centre. It also agreed to award Wirral Growth Company a development agreement to undertake the design and cost modelling to RIBA Stage 5 for the new permanent market at House of Fraser. The premise of the decision was that the costs of the new market, including the demolition of the House of Fraser site were to be met from the Future High Street Fund and Wirral Growth Company surpluses.
- 3.7 Wirral Growth Company completed the design work for the new market hall in July 2023, halting at RIBA Stage 3. The Council and Wirral Growth Company entered into an agreement to demolish the House of Fraser site and progress with the new market on 25 October 2023. This agreement provides the Council with a six-month window to consider the design and cost of the new market hall and approve or reject the proposal by April 2024.
- 3.8 Wirral Growth Company has prepared designs, undertaken pre-application engagement with the Council as Local Planning Authority and undertaken consultation with stakeholders and Birkenhead Market Traders to conclude RIBA 3 designs for a new market hall on the former House of Fraser site. The RIBA stage 3 design enables a robust review of design and cost as a precursor to the preparation and submission of a detailed planning application. The resultant total cost of development as of July 2023 is £31.6m including design fees and Wirral Growth Company development profit. This assumed that the project commenced on site in January 2024. Current inflationary pressure on construction costs would lead to an increase in this figure by an estimated 2.5 % if construction commenced in December 2024 or 6.5% if it commenced in December 2025. Any abortive costs would be deducted from the Council's share of the Wirral Growth Company profit.
- 3.9 The proposal submitted to Policy and Resources Committee in November 2021 assumed a total anticipated cost of £24m. The current proposals far exceed the original cost assumptions and therefore consideration was given to the economic viability of the project. This was reported to Committee in December 2023.
- 3.10 As part of the work authorised by committee in December 2023 a consultant was commissioned to give the Council advice on the type of market offer which is suitable for Birkenhead. A report on their findings is contained in appendix 5. They propose c30,000 sq. ft of accommodation for the market to provide Birkenhead the opportunity to have a modern market offer. This offer would encompass traditional food and non-food retailing, service, hospitality including world food kitchens and bars, communal seating, event space, competitive leisure and a flexibility for other forms of relevant space activation. This would enable space activation for a longer period of time throughout the trading day, not just during the normal market opening times. This would bring a wider cohort of shoppers to the market, generating extra opportunities for traders to broaden their trading base. This was given as the basis for designs developed by the Architectural Consultants commissioned by the Council.
- 3.11 Of the three potential sites for the new market, only one can be delivered within the time frame stipulated by the Future High Street Fund of March 2026. The St John's

Pavement option may be delivered by July 2026 and the Market Refurbishment would be delivered by August 2027.

- 3.12 The Princes Pavement is largely de-risked and is of a suitable size and proportions. It is deliverable. The St. John's Pavement option does not have any vacant units and at least one would have to be made vacant before work could be commenced, if the Council accepted that a smaller sub optimal offer was acceptable. If a larger area was required further work, the outcome of which is uncertain and outside the control of the Council, would be needed. The existing market refurbishment option would impact market traders whilst the works are underway and is anticipated to take considerably longer than the grant funding constraints. St John's Pavement and the market refurbishment option generate uncertainties around planning, services, asbestos and structure. The Princes Pavement option requires less work to be delivered.
- 3.13 Pedestrian footfall counts have been taken during January and February and the footfall at the juncture between St. John's Square and Borough Pavement was some of the highest in town, however the main market entrance located at this point only attracted 12% of this footfall. St. John's Pavement demonstrated average footfall compared with the other sites. Princes Pavement performed well and enjoys excellent connectivity with car parking and buses and footfall. It is noted that the Council is currently moving into the Mallory Building, and this should see a significant increase of footfall in the town centre, in line with the Council's plans to deliver regeneration in the borough. Information about footfall is contained within the report at Appendix 5.

House of Fraser

- 3.14 Demolition of the vacant House of Fraser site is underway with good progress been made. However, cost of delivery of the House of Fraser site as a market is estimated to be in the region of £31.6m, based on July 2023 prices, which is significantly outside the original allocated funding envelope for this proposal. Should the Council choose to fill the gap in funding to deliver this proposal, this could be at the risk of the Council's hard won in year balanced financial position. Noting that this option was not achievable, Policy and Resources Committee on 17 January 2024 resolved amongst other matters to reduce the capital budget for the new market project.
- 3.15 The Council has entered into a Development Management Agreement with the Wirral Growth Company to deliver the House of Fraser market option. The Agreement allows the demolition work to commence whilst design work on the new market hall is paused to allow time for the Council to consider options. This window is time limited in the Agreement to 25th April 2024.
- 3.16 The redevelopment of the former House of Fraser site is a critical part of the town centre regeneration delivery plan and there is a requirement of the Brownfield Land funding utilised to purchase the building to commit to deliver a minimum of 89 residential units by March 2025. Given the House of Fraser site is not affordable, and the Council has a procured partner for this site, Wirral Growth Company, options for this site are being explored to bring forward alternative proposals for mixed use development for this site to ensure there is a credible delivery strategy to meet the funding requirements, subject to the outcome of the Committee's decision. Over budget and not able to be delivered within the indicative budget allocation previously agreed by the Policy and Resources Committee this option is recommended to be

discounted. It is noted that provision of a similar solution on a different site (should that be available) would have similar issues of affordability and time.

St John's Pavement

- 3.17 This option has previously been reported to the Committee, noting that desk top work has been undertaken on the option, setting out that units are subject to existing leases and that the overall footprint size, internally and externally is challenging, due to the building's existing design, to deliver a market. Should further land be needed this would encroach onto land allocated for the wider development within the Birkenhead Commercial District.
- 3.18 The retail units on St John's Pavement are currently occupied and delivery of any option here would be dependent on ending the occupation of the existing tenants. Further information related to this is contained in Appendix 2, the content of which are exempt from publication.
- 3.19 The Council could consider the largest unit on St John's Pavement only. However, this unit alone, at c17,500 sq ft, is not sufficient to deliver a modern market offer of a suitable scale for Birkenhead. It has structural limitations which would limit or constrain the space for delivery as a market and would therefore deliver a sub optimal solution. The space available is inefficient for use as a market, due to the shape of the unit and the arrangement of the structural columns which restrict stall positions & walkway widths. The unit would be too small to accommodate the brief requirements or provide lettable space for existing traders. The seating area would be too small to sustain the food outlets envisaged in the brief. It has poor ceiling heights which constrain stall heights and limit services installations. Delivery of a new market would require significant mechanical and electrical installations at high level and the concrete soffit height is limited. The floor to the underside of Mechanical and Electrical services could be as low as 2.5m in part, providing a claustrophobic environment. This will have a negative effect on the space and will limit visibility, sight lines as well as the overall ambiance of the space. Although this offers a sub optimal solution it does offer the cheapest solution, in terms of construction, but this is at the cost of the delivery of a sub optimal solution. Due to the age and nature of the building this would not deliver a long-term solution for the Market Hall.
- 3.20 The ground floor of St John's Pavement is split level, which further restricts the layout of stalls and can only be partly solved by raising some of the levels to the rear. These factors, together with the limited size of the unit would mean that requirements of the brief cannot be met, falling significantly short, particularly the number of stalls, with the result that the market would not be at a viable scale, provide the required space or meet the needs of existing or future traders. Given the age and limited size of this site this would not provide long term sustainability of a vibrant market hall offer. It would fail to attract a significantly wider demographic and is likely to trade at an initial annual deficit of the existing building, significant upgrades to the fabric of the building would be required. Forecast to trade at a deficit of £142K, consultants consider it would be likely to worsen year on year.
- 3.21 If the proposal were to expand into other units on St John's Pavement, the Council would have to secure vacant possession of other affected units. It is not realistic to assume the Council could achieve this in the time required. The issue of different floor

levels is replicated across the whole of St John's pavement and is a disadvantage as are similar ceiling heights. Although doing this would get closer to the specification, it would not fully meet the requirements and there would be a requirement to extend out to the rear of the St John's units with a new single storey extension. This would provide more stalls and a more meaningful layout but would still be compromised by the constraints already noted for largest unit only. It would be more costly, and the matter of existing occupiers would need to be resolved. This would require planning permission and the use of the site may affect future town centre regeneration proposals in this area. The rear extension would also require the diversion of existing below ground services that supply adjacent units in the wider shopping precinct.

- 3.22 Some market traders have proposed this option citing a preference for the location. Footfall is discussed elsewhere in this report.
- 3.23 If a new build option is to be considered on this site, existing tenants would need to be addressed and the current building demolished. Assuming a similar proposal to the House of Fraser site was proposed this would not be affordable, nor would the Council be able to deliver that proposal in the time it now has remaining to deliver a scheme.

Redevelopment of the existing market (in part)

- 3.24 This option would take longer than the envelope of time that is available to access grant funding. Available grant funding would need to be spent by March 2026, but it is estimated this option would complete in April 2027. It would be most impactful in the short term for traders as their businesses would be disrupted by the significant amount of work needed to deliver this option. The condition of the building makes this option a challenge, it is not wind and weather tight, several significant components of the building are beyond their service life expectancy, with significant elements containing asbestos which although managed appropriately would need to be removed as part of any works.
- 3.25 Preliminary works would have to be progressed to relocate some traders. Although if the plan were adapted this may be more impactful to traders. Then the area for refurbishment would need to be isolated, likely breaking the building in two parts. In the option considered all traders would temporarily be in the South end of the building, whilst the North end was redeveloped / refurbished. This work would disrupt the flow of shoppers and impact traders for the duration of the works.
- 3.26 Existing clearance heights would allow the required stall heights to be achieved without any overhead services affecting the practicalities or aesthetic aspects of the space, unlike the St John's Pavement option. This space is more generous than the Princes Pavement option, however the building volume, is a more significant space to heat and cool to maintain suitable comfort for occupiers and therefore carries an ongoing proportionate cost.
- 3.27 Some traders cite the North end of the market to be unsatisfactory. Unless designed into the proposal the market would continue not to have a frontage onto the main shopping area and be principally accessed by the pre-existing arched Northern entrance. Should the Council adapt the option to change the refurbished market to the South end, it would continue to have inferior access unless there was a further change to pull the market forward onto Borough Pavement, although this would impact on the

service road, which surrounds the market. The Council would have issues with existing leaseholders of those potentially affected retail units and construction cost would significantly be impacted as would time available to deliver the option. Making the Grange Road entry point the principal access to the market would still see shoppers cross the service road unless alterations were made. It would be anticipated that more pedestrian friendly options would be potentially considered as part of the overall regeneration proposals for the centre of Birkenhead.

- 3.28 This option would also hinder the scale and location of the balance of the site which would be released to act as a catalyst for regeneration in the area. Any remaining part of the site would be constrained as service roads and access arrangements would need to be retained or altered as part of any future arrangements. The existing market building does benefit from having sufficient space to meet all the requirements of the brief, providing a surplus of space.
- 3.29 Given the age of the existing building, significant upgrades and replacement of the fabric of the building will be required, specifically to the roof, facades and glazing. Upgrades to the roof to meet modern thermal performance standards are likely to require the structural strengthening of the primary roof support structures and the main building frame all of which requires further detailed investigation and design.
- 3.30 Significant structural and internal alterations will be required to combine the current outdoor market and the most northerly element of the internal market together so that they are visually connected, and the ground floor slabs are likely to require wholesale replacement or at the very least significant remedial works to remove existing raised stall plinths and consolidate the two halls into a flexible floor space at one single level. The exposed southern edge will require a complete re-façade and new elevation treatment and all the remaining existing facades will require an updated into a cohesive façade design. The Proposals are likely to require a detailed planning permission which will extend the programme delivery of the project.
- 3.31 This will require additional complimentary uses to be sought which carries a cautionary note that additional lettable space within the market will be disproportionately large for the size of the town & may have a negative effect.

The Princes Pavement Option

- 3.32 The unit proposed for this option is currently held vacant and in the control of the Council. This has become a feasible option since the Council acquired the shopping centre mid 2023. Unlike the other options there is no requirement to terminate the occupation of existing users, or to build a new building (in whole or part) or refurbish the existing shell of an existing building. Unlike the other options there is no asbestos to consider in the building. This therefore offers the Council a relatively quick and cost-effective way to address the market, which can be delivered on time and to budget. This is 160m from the House of Fraser Site, which was the previous preferred option to deliver the market, is in close vicinity to the Bus Station and has a car park integral to the building.
- 3.33 The space available is also significantly different to the other sites. It offers high ceilings and clearances that offer the best opportunity to fit out and deliver a modern market which Birkenhead deserves, however is not a voluminous as the current

market. The existing space is all on one level and requires no alterations to achieve a level floor, while the high clear internal heights allow the required stall heights to be achieved as well as the installation of overhead services without hindering the space. This option has a newer concrete frame with an in situ concrete slab, which is more accepted than the construction approach of the St John's option, and significantly better than the market refurbishment option.

- 3.34 The existing internal column arrangement is spaced at regular, wide intervals and laid out in a rectilinear grid which together gives more flexibility in laying out the stalls and internal functions. The existing unit benefits from an existing functioning covered service yard, with the option of a secondary service route through the east elevation.
- 3.35 The re-use of the asset offers a sustainable and long-term solution. It is of a much newer construction than the other site options being considered and will therefore require little to no intervention to be carried out to upgrade the thermal fabric of the building and therefore presents a cost and time advantage over the other two other proposals being considered.
- 3.36 Planning implications are likely to be less onerous than the other two proposals as most of the works are contained internally, with the shop frontage upgrades being the primary item requiring consent.
- 3.37 Work undertaken on the high-level financial trading forecasts are acceptable and suggest that they deliver trading surpluses.

The Existing Market

- 3.38 This is an aging worn out building in poor repair, with many components beyond their serviceable life expectancy. It is operating inefficiently, frustrating residents and shoppers, traders, and the Council. Due to its condition the building is very challenging to manage to the satisfaction of the Council, traders and shoppers. It is clear that trade in the market is down from historic levels. The market currently trades at a deficit and traders are clear that for the majority, trading conditions are difficult, which frustrates the traders, shoppers and the Council. Traders have been leaving and continue to leave. The market provides an exclusive offer to a diminishing narrow demographic band width and is very close to a critical point at which ongoing losses become unmanageable. The design and placement of the existing market is challenging and not conducive to modern, sophisticated retailing techniques and suffers from a negative stigma resulting in the wider demographic feeling disassociated with the offer, the impact of which should not be under-estimated.

Procurement

- 3.39 If the approval is granted, Council officers will work with the project team to identify a compliant route to market to appoint a design team and contractors to deliver the fit out of the Princes Pavement option and implement the operation of the new market.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The capital cost of delivery for the HOF proposal is £31.6 million based on July 2023 figures and there is an emerging funding gap which must be addressed by the

consideration of alternative options – the available budget for the Birkenhead Market scheme is £14m, as approved by full Council as per the recommendation from Policy & Resources Committee on 17 January 2024, in recognition of grant funding available and Council priorities in respect of capital receipts and other funding sources, which limits budget availability.

- 4.2 The preferred option delivers the scheme within budget and within the timeframe of the Future High Street Fund. The option to refurbish part of the market does not achieve either of these. The preferred option is also forecast to generate a surplus of income for the Council. The St John's Pavement option is not predicted to do this and the refurbishment option is predicted to produce a smaller surplus of income. Should the committee choose an option that is not affordable within the budget envelope approval would need to be sought from the Policy and Resources Committee and Council to change the budget. Delivery of a scheme which is not predicated to generate a surplus would also impact the Council's finances.
- 4.3 The costs to date to develop the House of Fraser site are abortive as the Council does not have the resources to deliver this scheme.

5.0 LEGAL IMPLICATIONS

- 5.1 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 and these rights were in effect codified by the subsequent legislation. By having the right to hold a market in Birkenhead, case law indicates that this exclusivity extends to 6 2/3 miles from the site of the Birkenhead Market. Although the Council has the rights there is no compulsion to operate a market.
- 5.2 The demolition of the former House of Fraser store has been procured through Wirral Growth Company. Development Services agreements have been entered into, pursuant to which Wirral Growth Company has provided services to the Council. Such services include design services relating to the proposed new market and project management services. When matters have progressed to the point where the development is able to proceed the Council has the option to confirm, whether it wishes to move ahead with the development works. If the Council wishes to proceed with a new market on the House of Fraser site, stage development funding agreements are to be entered into providing for Wirral Growth Company to procure the development works and the Council to fund these.
- 5.3 The principal terms of the Development Services Agreement are that the Council appoints Wirral Growth Company as developer to perform development services specified in the agreement. The development services include carrying out site surveys; formulating the design of the new market; obtaining planning permission for the development and any necessary statutory consents, advising in relation to the appointment of the building contractor and professional team.
- 5.4 Also as referred to in the report to this Committee in December 2023, in addition, the site was purchased with a grant from Liverpool City Region Combined Authority of £2.0m which requires commencement of development of a minimum 89 residential

units by 31 March 2025. The current proposal does not include residential development, and this presents a risk of grant clawback unless an alternative scheme is proposed that incorporates a residential offer.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 The Council will create a project team and ensure the right technical expertise is commissioned to create a business case for the Princes Pavement option and for final consideration by Policy and Resources Committee.

7.0 RELEVANT RISKS

Delivery

- 7.1 The only option that delivers the required floor area in time and on budget is the Princes Pavement option. If another option is chosen, this will not be achieved. Should a do nothing option be chosen or approval of the scheme is delayed then this will significantly risk the Council's ability to deliver a new market.
- 7.2 Inflation continues to be a critical risk on build costs. As this option progresses through design stages, costs will be assessed and tracked on a regular basis and design adjusted where possible to provide value for money. This is managed by appropriate cost consultancy and risk management.
- 7.3 Delivery of any construction project presents a set of unique risks. These are mitigated by the proposal to appoint the appropriate design team and other professionals to deliver the scheme.

Regeneration

- 7.4 If the current market hall is to remain in its current location it is a barrier to the next phases of regeneration particularly aligned to strategic assessment management of the town centre and enabling wider redevelopment of the existing site located in the heart of the town centre.

House of Fraser

- 7.5 Given that it is unaffordable, continuing the House of Fraser market option would significantly impact the Council's budget position. It would have the added effect of making other initiatives to regenerate the area also not affordable.
- 7.6 The Council has until 25 April 2024 to inform Wirral Growth Company LLP of the Council's intentions to progress the House of Fraser market option. Should it choose not to do this then contractually the Council and Wirral Growth Company LLP would be in contract to progress a scheme that the Council accepts it is not able to afford on this site.

Location

- 7.7 Traders have expressed a concern about the location of the preferred option and the anticipated footfall that they would expect in the new market, however it is noted that the Princes Pavement option has car parking and the bus station immediately next the option and it is located 160m from the previous preferred option, the House of Fraser site. Location and footfall is considered in the Consultant's report.

8.0 ENGAGEMENT/CONSULTATION

8.1 Engagement with traders is ongoing and will continue as the agreed option is progressed. It is proposed to engage with the public to inform the progress of the development of the market as part of the package of works to deliver the proposal.

9.0 EQUALITY IMPLICATIONS

9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.

9.2 An Equality Impact Assessment has been created and can be found at the following web link <https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments>

9.3 It is noted that any developed scheme would look to deliver good accessibility in accordance with the Equality Act.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 Making use of an existing asset may generate the opportunity to reduce the carbon footprint of the market both in operation and during the construction phase. Carbon has already been sunk into the construction of existing buildings. Reusing a relatively new vacant pre-existing durable concrete frame building offers a long term solution to the market, reducing the risk of needing to redevelop an asset in future years. Other options to enhance the green credentials of the asset can be explored, subject to the affordability within the allocated funding available.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 The Regeneration of Birkenhead is the backbone of the Birkenhead 2040 Framework and the Local Plan. It is in this context that this project is part of a wider programme to deliver a prosperous and inclusive economy which will benefit local residents and communities.

11.2 Delivery of a successful and vibrant market will generate opportunities for local people to purchase goods and services from local small enterprises retaining wealth in the Community and will help reorganise the local economy to be fairer and reduce opportunities for wealth to flow out of the Community. The principles of the regeneration of Birkenhead Town Centre are to deliver a diversified and mixed-use town with a refreshed catchment of people living and working in the area.

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APPENDICES

Appendix 1 Plan showing option sites

Appendix 2 Plans (Princes Pavement, St John's Pavement, Market redevelopment)
Appendix 3 Occupiers Information

Appendix 3 of this report is exempt from publication pursuant to paragraph 3 of the part 1 of Schedule 12 A of the Local Government Act 1972 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) because it contains or refers to information relating to the financial and business affairs of Wirral Growth Company LLP and the Council and the public interest in maintaining the exemption outweighs the public interest in disclosure.

Appendix 4 Architects Report
Appendix 5 Market Report

BACKGROUND PAPERS

Wirral Plan (2023-27)
Birkenhead Integrated Regeneration Study

TERMS OF REFERENCE

This report is being considered by the Economy, Regeneration and Housing Committee in accordance with Section 4.2 (d), (e), (f) and (g) of its Terms of Reference,

- (d) economic development, including but not limited to infrastructure, enterprise, skills and seeking, securing and managing external funds to achieve that, directly or in partnership with joint ventures and external companies or bodies as well as with the Combined Authority and government bodies;
- (e) the Council's functions and partnerships regarding the promotion of economic growth and the establishment and development of business;
- (f) the promotion and development of the economic factors in the area, such as seeking to ensure sufficient and appropriate employment sites, investment, adult skills, apprenticeship schemes, productivity, development sites and so forth;
- (g) overseeing the progress of major projects (including major building, infrastructure or other projects involving the erection or significant alteration of major permanent structures or landmarks) undertaken by the Council directly or as enabler, funder or joint enterprise partner, including but not limited to the WIRRAL GROWTH COMPANY LLP;

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Economy Regeneration and Housing Committee	8/06/2021
Policy and Resources Committee	10/11/2021
Economy Regeneration and Housing Committee	19/10/2022
Policy and Resources Committee	15/02/2023
Economy Regeneration and Housing Committee	08/03/2023
Economy Regeneration and Housing Committee	06/12/2023
Policy and Resources Committee	17/01/2024
Full Council	26/02/2024

