

Derby Markets Strategy - Update

SUMMARY

- 1.1 On 20 March 2013 Council Cabinet approved the initiation of a Property Rationalisation Programme. As part of this programme, work has been undertaken and continues to be undertaken, to review the performance of the City Councils' property portfolio, including the Markets.
- 1.2 To date, decisions have been taken on the future of three of the markets (Cattle, Wholesale and Eagle) and work is ongoing to decide the shape of the offer that will be provided from the remaining two markets (Market Hall and Allenton Market)
- 1.3 This report seeks to update the Board on the work being undertaken

RECOMMENDATION

- 2.1 To consider the report and note the contents of this report

REASONS FOR RECOMMENDATION

- 3.1 To seek the views of the Board in relation to the future strategies for the Council's Market Portfolio

SUPPORTING INFORMATION

- 4.1 As part of the Council's property rationalisation programme, reviews have been undertaken of the Council's Market buildings and operations, to allow decisions to be made about their current and future status. The current position is set out below:-

Cattle Market

- 4.2 At its meeting on 9 May 2016 Cabinet approved the closure of the Cattle Market. Livestock auctions subsequently ceased at the end of June 2016. All but one of the other on-site businesses have now vacated the site
- 4.3 Notice has been served on this remaining tenant and negotiations with them regarding their vacation of the site are progressing.
- 4.4 Car boot sales at the Cattle Market will finish at the end of December 2016. No alternative site has yet been identified.
- 4.5 It is anticipated that demolition of the Cattle Market will commence early in the New Year.
- 4.6 We are working with our property consultants, Cushman and Wakefield, regarding a Marketing Strategy for both this and the adjoin Wholesale Market site.

Wholesale Market

- 4.7 At its meeting on 9 May 2016 Cabinet resolved to delay the closure of the wholesale Market until further due diligence/clarification was undertaken regarding a bid to lease and run the market that had been submitted by the various market traders.
- 4.8 This due diligence /clarification work was subsequently completed and a decision was made in July 2016 to reject the proposals put forward by the Market traders and to close and demolish the market.
- 4.9 Whilst notices have been served on all tenants, Officers are currently working with the various tenants at the Market to negotiate a date for their vacation of the site, having regard to our aim of minimising disruption to their businesses.
- 4.10 A major tenant has already vacated the market, with the majority of the remainder scheduled to go in early January 2017. The last tenant is scheduled to vacate the market in May 2017. However, Officers will be working with them to establish whether this date can be brought forward.
- 4.11 Whilst the provisional date for the demolition of the market is scheduled for June 2017, this will be brought forward if vacant possession of the site can be achieved any earlier than May 2017.

City Centre Markets

Eagle Market

- 4.12 In March 2016 Cabinet approved the in principle disposal of the Eagle Market to INTU. A verbal update will be provided to the Board at the meeting.

Market Hall

- 4.13 Cabinet have recognised that the Market Hall needs to provide a modern and competitive destination in order to provide a successful and sustainable offer. It is also recognised that this would require substantial financial investment, particularly in view of its Grade II listed status.
- 4.14 There are currently two work streams being undertaken to support the development of the Market Hall.
- 4.15 To build on the proposal set out in the Strategic Options report prepared by Colliers, Cushman and Wakefield have been commissioned to identify deliverable, fundable and sustainable future use for the Market Hall together with a detailed business case.
- 4.16 In undertaking this work consideration will be given to how the new offer can support the objectives of the Council's adopted City Centre Master plan, especially in the context of supporting the provision of a clear route from the INTU shopping centre to the Market Place and Cathedral Quarter.
- 4.17 A draft report has been prepared by Cushman and Wakefield and is currently undergoing a due diligence exercise by Officers.
- 4.18 In parallel to this, studies and surveys are being undertaken on the roof of the market (the most important part of the structure from a heritage perspective).
- 4.19 Given the current condition of the roof this work is focussing on two elements :-
- What interim works are needed to ensure the integrity of the roof is maintained in the short term. A key consideration here is how these works can be carried out with the minimum disruption to the traders
 - What works are needed to put the roof into a condition to ensure its integrity is maintained in the long term.
- 4.20 Once the Cushman and Wakefield work and the feasibility work on the roof repairs have been concluded the Council will be in a position to establish and move forward its preferred strategy for the provision of a successful and sustainable Market Hall offer.
- 4.21 The determination of this offer will allow progress to be made in engaging with development partners and investors. This will also ultimately determine the timing of any HLF application.

Allenton Market

- 4.22 Work is currently ongoing to review the offer provided from the Allenton Market site. It is anticipated that this will be concluded early in the New Year

Other Issues.

- 4.23 In view of the reduction in the Council's markets portfolio the Markets Team will need to be re-structured (downsized). These changes will be included within the Communities, Environment and Regulatory services re-structure proposals scheduled for implementation in April 2017.

OTHER OPTIONS CONSIDERED

5.1 None

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Olu Idowu, Head of Legal Services John Sadler Strategic Asset Manger John Tomlinson, Director of CEaRS
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Background papers:	None
List of appendices:	Appendix 1 – Implications

IMPLICATIONS

Financial and Value for Money

- 1.1 The corporate approach to review all assets will ensure they support corporate objectives and generate maximum financial return, as well as minimise future liabilities particularly for maintenance and running costs. The disposal of surplus property will generate revenue and/or a capital receipt.
- 1.2 The funding implications of each the changes to the Market portfolio have been considers as part of the decision making process.

Legal

- 2.1 There is the overriding responsibility under Section 123 of the Local Government Act 1972 to obtain the best consideration reasonably obtainable.
- 2.2 Any proposed changes to the Market Hall will require considerable legal involvement including undertaking reviews of traders tenancy agreements
- 2.3 An additional allowance may also need to be made for payment of compensation, whether statutory or contractual, to any traders displaced by the refurbishment works, or who may not have access to their leased stalls during the works, or where their access to leased stalls may be compromised by the works being undertaken.

Personnel

- 3.1 Implementation of each of the various strands of the strategy will have an impact on staff in the Markets Team and Streetpride with responsibilities associated with the management and operation of the sites. Consultations with the Trade Unions and HR regarding the specific impacts and timings have been and are on-going

IT

- 4.1 The recommendations do not give rise to any IT issues. However, it is recognised that any decision regarding the closure of buildings will need to take into account any specific IT issues.

Equalities Impact

- 5.1 The recommendations do not give rise to any equality issues. However, it is recognised that any decision regarding the closure of buildings will need to take into account the outcome of any equalities impact assessment.

Health and Safety

- 6.1 There are no Health and Safety issues arising directly from this report.

Environmental Sustainability

- 7.1 The disposal of surplus buildings will allow redundant buildings to be put back into economic use and assist in the regeneration of the surrounding areas.

Property and Asset Management

- 8.1 The relevant Property and Asset Management comments are incorporated into the report.

Risk Management

- 9.1 Risk management strategies have been put into place for each change to the Markets portfolio

Corporate objectives and priorities for change

- 10.1 The proposals support:-
- The Delivery of the City Centre Masterplan
 - Regeneration of key sites throughout the City
 - Creating sustainable employment opportunities.