



Derby City Council

COUNCIL CABINET
16 May 2016

ITEM 6

Report of the Cabinet Member for Communities
and City Centre Regeneration

Cattle and Wholesale Market – Property Rationalisation Update.

SUMMARY

- 1.1 As part of the Property Rationalisation Programme a service review of the Cattle and Wholesale Market was undertaken in June 2015
- 1.2 This review identified that the Cattle Market made an operational loss for 2014/15 of approximately £188k p.a. and that the Wholesale Market made an operational loss in the same period of approximately £94k. It was also noted that whilst the losses may vary from year to year the overall tone of them is likely to increase.
- 1.3 Cabinet on 15 July 2015 resolved that the Cattle and Wholesale Market be redeveloped to support the delivery of the City Centre Master plan and that the various buildings on both the Cattle and Wholesale Market be demolished once the existing leases had ended.
- 1.4 In addition the Cabinet accepted the recommendation of the Corporate Scrutiny and Governance Board that tenants, businesses and other parties be given the opportunity to make viable business proposals which offered a sustainable future for the markets.
- 1.5 To protect the Council's interest and also allow interested parties to put forward any proposals for the market a twin track approach was adopted. This involved concurrently running an Expressions of Interest (EOI) exercise, allowing interested parties to submit their proposals in a consistent and structured way and also the servicing of notice on the relevant tenants, allowing the Council to obtain vacant possession of the site if no suitable expressions of interest were submitted.
- 1.6 Four expression of interest were subsequently submitted and assessed.
- 1.7 This paper is to seek Cabinet Approval to the outcome of the expression of interest exercise details of which are contained in the Confidential report submitted to this Cabinet meeting.

RECOMMENDATION

- 2.1 To approve the propose course of action following the undertaking of the Expressions of Interest exercise, the details of which are set out in the Confidential report submitted to this Cabinet

REASONS FOR RECOMMENDATION

- 3.4 To support the delivery of the Council Plan



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Report of the Strategic Director for Communities and Place

SUPPORTING INFORMATION

- 4.1 To support the delivery of the Property Rationalisation programme a series of strategic asset service reviews have been undertaken. One of these reviews has been to look at the Cattle and Wholesale Market.
- 4.2 The objectives of this review were:-
- Explore the current viability of the Cattle and Wholesale Markets
 - Recommend any options to improve the medium and long term viability and sustainability of the sites in their current configuration.
 - Recommend if the sites are not viable in the medium and long term regeneration /development opportunities for the site.
- 4.3 The review identified that the Cattle Market made an operational loss in 2014/15 of approximately £188k pa. And that the Wholesale Market made an operational loss in 2014/15 of £94k p.a. The review also identified that whilst these losses may vary from year to year, partly depending on repairs expenditure the overall tone of the losses is likely to increase.
- 4.4 Cabinet on 16 July 2015 subsequently resolved that the Cattle and Wholesale Market are currently not viable and that the sites should be redeveloped to support the delivery of the City Centre Masterplan and that the various buildings on both the Cattle and Wholesale Market sites be demolished once the existing leases had ended.
- 4.5 In addition the Cabinet accepted the recommendation of the Corporate Scrutiny and Governance Board, that tenants, businesses and other parties be given the opportunity to make viable business proposals which offered a sustainable future for the markets.
- 4.6 To allow interested parties to submit their proposals in a consistent and structured way an “Expression of Interest” (EOI) exercise was undertaken.
- 4.9 The EOI exercise ran from the beginning of December 2015 to the end of January 2016.
- 4.10 Four expressions of interests were submitted, details of which are contained in the confidential report submitted to this Cabinet.

4.11 These bids have been analysed and assessed and officers are now in a position to make recommendation in respect of the Cattle and Wholesale market the details of which are set out in the Confidential report submitted to this Cabinet.

OTHER OPTIONS CONSIDERED

5.1 Delaying the serving of notices until after the results of the EOI exercise is known. This would not allow the Council to obtain vacant possession of the site if no credible bids were received through the EOI process.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Amanda Fletcher John Sadler Strategic Asset Manager
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For more information contact: Background papers: List of appendices:	John Sadler 01332 643334 John.Sadler@derby.gov.uk None Appendix 1 – Implications
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IMPLICATIONS

Financial and Value for Money

- 1.1 The financial implication in respect of the outcome of the Expressions of Interest Exercise is set out in the Confidential report considered at this Cabinet meeting.

Legal

- 2.1 The legal implications in respect of the outcome of the Expressions of Interest exercise are set out in the Confidential report considered at this Cabinet meeting.

Personnel

- 3.1 The personnel implications in respect of the outcome of the Expressions of Interest exercise are set out in the Confidential report considered at this Cabinet meeting.

IT

- 4.1 No direct implications.

Equalities Impact

- 5.1 No direct implications.

Health and Safety

- 6.1 The Health and safety implications in respect of the outcome of the Expressions of Interest exercise are set out in the Confidential report considered at this Cabinet meeting.

Environmental Sustainability

- 7.1 The Environmental sustainability implications in respect of the outcome of the Expressions of Interest exercise are set out in the Confidential report considered at this Cabinet meeting.

Property and Asset Management

- 8.1 These comments have been included in the report.

Risk Management

- 9.1 The risks associated with the outcome of the Expressions of Interest exercise are set out in the confidential report considered at this Cabinet meeting

Corporate objectives and priorities for change

- 10.1 The recommendations support the delivery of the Council Plan objectives.