



EXECUTIVE BOARD DECISION

REPORT OF: Executive Member for Regeneration

LEAD OFFICER: Director of Growth and Prosperity

DATE: 9 June 2016

PORTFOLIO/S AFFECTED: Regeneration

WARD/S AFFECTED: Sunnyhurst

KEY DECISION: YES NO

SUBJECT: Proposals for the Darwen Three Day Market

1. EXECUTIVE SUMMARY

The Executive Board on 11 February 2016 considered a report entitled "Review of Markets Provision at Darwen" and:

- approved the commencement of a trader consultation programme;
- agreed a programme for a wider consultation with Town Centre traders, shoppers, the Town Centre Partnership Board and appropriate stakeholders;
- approved that in the interim period no further lettings would be permitted in the Three Day market pending the outcome of the consultation process;
- recommended reporting at a future meeting of the Executive Board on the outcome of the consultations, and consider future proposals for the Three Day Market site.

This report:

- provides an update on the trader and public consultations that have taken place to date.
- considers some of the initial proposed options for future use of the 3 day site resulting from the public/ stakeholder consultation.
- provides an outline programme of Next Steps and adoption of a strategy to relocate the traders in the Three Day Market, and obtain vacant possession for future redevelopment and regeneration of the Three Day Market site.

This strategy was previously reported in the February Executive Board report, which stated that the Three Day market shows itself to be physically and functionally obsolete, the initial findings of the survey reports indicating that maintenance and refurbishment would not be viable due to the estimated costs of remedial work.

A petition has been submitted by local residents, traders and visitors to keep the Darwen Three Day Market open and this is noted in the report.

2. RECOMMENDATIONS

That the Executive Board:

- 1) Considers the feedback from the trader and public consultation received to date and accepts the summary of those findings;
- 2) Approves the relocation strategy for traders intending to move to the Annexe or the Six Day Market, prior to the closure of the Three Day Market, and that no new lettings of any of the Three Day Market stalls should be permitted, including existing vacant stalls.
- 3) Approves the procurement and delivery of accommodation works in the Annexe and the Six Day Market to create space for traders relocating from the Three Day Market.
- 4) Approves closure and demolition of the Three Day Market;
- 5) Approves the commencement of procurement exercise to appoint a demolition contractor and delegates authority for contract award to the Director of Planning & Prosperity in consultation with the Executive Member for Regeneration.
- 6) To approve the Next Steps set out in the Key Issues section of the report.
- 7) Notes the petition received to keep the Darwen Three Day Market open and recommends that the Lead Petitioner is informed of the Executive Board decision.
- 8) To report back to a future meeting of the Executive Board with an indicative summary and further details of the redevelopment of the site.

3. BACKGROUND

The previous Executive Board report summarised the occupancy details for the main Six Day Market, the Annexe and the Three Day Market. The Three-Day has 66 stalls and 18 traders occupying 28 stalls. A further 5 stalls are used for build out in order fill empty stalls and temporarily improve the trading environment. Ignoring the build out stalls, 58% of stalls are vacant. The number of vacant stalls has increased since the February Executive Board report.

Building Condition and M&E surveys identified that the Three Day Market and its immediate external public areas alone require in excess of £200,000 of repair maintenance comprising asbestos removal, roof & floor repairs and electrical works. Whilst these works would put the Market into repair they would not address the fundamental functional and economic obsolescence, improve the trading environment or help increase occupancy.

A full refurbishment is estimated to cost in the region of £ 1,680,000. However, these works would not deal with the obsolescence issues and cannot be regarded as economic as the investment would not generate any meaningful benefits.

The current occupancy levels, costs of repair and/or refurbishment and underlying obsolescence all indicate that closure of the Three Day Market and demolition would be the preferred option rather than further investment in the existing structure.

The Condition surveys also identified a requirement for additional structural surveys and remedial works. These surveys have now been carried out and any urgent essential works have been

commissioned. Any non-urgent works to the main Six Day Market and Annexe will be undertaken as part of a wider planned maintenance programme.

The net loss of rental income should the Three Day close is estimated to be in the region of £41,000 per annum although this does not account for the relocation of traders to the Daily Market Hall and Annexe which would help to retain income. A further factor is that if no action is taken rental income will decline anyway over time.

The net income loss assumes expenditure savings in relation to Three Day Market premises costs in the region of £36,000 per annum.

The February Executive Board report:

- Approved a trader consultation programme to establish the willingness and commitment of traders to relocate to the existing Daily Market and Annexe and their general views on future proposals for the site.
- Agreed a programme for a wider consultation on the future of the Three Day market site including other Town Centre traders, shoppers, the Town Centre Partnership Board and appropriate stakeholders.
- Approved that in the interim period no further lettings are permitted in the Three Day market pending the outcome of consultations, and
- Subject to the outcome of the trader consultations, to report back to a future meeting of the Executive Board and consider the programmed closure and demolition of Three Day Market for the reasons outlined above and consider further proposals as to the future of the site.

4. KEY ISSUES

Following the February report consultation has now been undertaken with market traders in connection with relocation options and with members of the public and stakeholders in connection with possible future plans for the site.

The trader consultation commenced with individual 1:1 consultations with 16 traders (2 were unavailable). Of those, 14 indicated they would be willing to relocate although some of these had reservations, and 2 of the 16 traders have now given notice to leave the market. The concerns expressed included:

- The requirement to trade six days rather than three
- The level of rent and other outgoings
- Whether Wi-Fi would be available
- The amount of compensation offered
- The requirement to complete a formal lease
- The amount of space available for traders relocating
- Relocation timescales
- The application process for stalls in the Six Day Market and Annexe
- The future of the Three Day Market site, and
- User clauses, access and servicing

Most of these concerns were dealt with in a set of FAQs issued to traders following the 1:1s although some are still to be resolved, for example the future of the Three-Day site. The concerns about rent and outgoings should be addressed by a commitment to peg rent levels at the same rent (or less) than currently paid in the Three Day Market.

Officers in the Markets and Property teams will formulate an application and stall allocation process for traders wishing to relocate to the Six Day Market or the Annexe. The process will be straightforward but transparent so that the criteria for stall allocations are clear to traders at the outset. A schematic plan and schedule of stalls has been prepared showing the stalls available for traders to relocate to in the Six Day Market and Annexe. To date the Markets management team have identified 14 stalls which are either currently vacant or could be created through adaptation works. There may also be further stalls available if any traders (or Croft St tenants) vacate over the next few months.

A wider 9 week public consultation focussed on the future of the 3 day Darwen market site. This was launched at Darwen Aldridge Academy (DACA) on the 21st March with an open invite to the public including market traders and concluded at the end of May. The consultation focussed on how the market site can support the development of a town centre which meets the needs of all residents and visitors of Darwen with potential new uses and activities.

The consultation was very open, interactive and non-prescriptive, asking for views and ideas from residents with events and a variety of media including leaflets and social media designed to attract the widest feedback.

The business-led Darwen Town Centre Partnership Board led the consultation and the feedback to the Council, to help inform the Council's decision on the future of the Three Day Market and the Market Square site. They led a number of events and consultations and also utilised existing events such as Darwen Music Live at the end of May to obtain a wide spread of views.

The key themes emerging are:

- The opportunity for a multifunctional space to attract residents to the town centre
- More events and pop up markets and stalls desired
- The opportunity to build on the growing and very busy night time economy in Darwen
- The importance of Darwen markets as part of the heritage of the town
- Better retail and leisure offer

Appendix A attached provides further detail of the public/ stakeholder consultation exercise and the responses received.

A petition has recently been submitted by, signed by 1441 individuals, objecting to the closure of the market. The petition states... "We petition to keep the Darwen Three Day Market open at the heart of the local community and as a living part of the Darwen heritage." The front page of the petition is attached as Appendix B.

In summary, the Three Day market presents an opportunity to improve retailing in Darwen town centre and deliver a landmark town centre development which will continue the regeneration of the

town centre and be a real focal point for the town. Possible future plans for the site could include retail/ market trading, leisure, residential and/or enhanced public realm with facilities for events etc. There will continue to be concerns expressed by traders, shoppers and other stakeholders which will have to be addressed through continuing engagement and consultation at key stages eg on submission of any planning application/s for redevelopment of the site.

Next Steps

Subject to approval of this report next steps include:

- works to create additional stalls in the Six-Day Market and Annexe
- commencement of the stall application process
- termination of tenancies where traders are unwilling to relocate
- assisting the relocation of traders from the Three Day market
- commencement of the demolition procurement process, to appoint a demolition contractor
- formulation of plans for the future of the Three Day site, building on the public/ stakeholder consultation

5. POLICY IMPLICATIONS

Implementation of the Development Growth strategy and best use of Council assets through the corporate Asset Management Plan.

6. FINANCIAL IMPLICATIONS

It is estimated closure of the Three Day Market will result in a net income loss of approximately £41,000 per annum having allowed for a saving in premises costs for the Three Day Market of £36,000 per annum following closure and demolition. However, this does not factor in income retention from traders relocating to the Daily Market Hall and Annexe.

The February Executive Board report included approval of a capital budget of £420,000 to implement the closure of the Three Day Market, relocate traders, carry out demolition and essential Priority 1 repair and renovation of the remainder of the Market complex and associated professional fees.

The current income from the Six-Day Market and Annexe will increase with the market buildings potentially being at full occupancy with the potential to reduce operating costs further.

7. LEGAL IMPLICATIONS

There are significant legal aspects to the proposal in relation to the relocation of the traders from the Three Day Market to the Six Day Market/Annexe, as well as creating appropriate tenancies for the tenants moving into the Six Day Market/Annexe. Representatives of the Director of HR Legal and Corporate Services will be part of the relevant Project Management Team throughout this process and the future redevelopment of the Three Day Market site.

The procurement of the accommodation works to the Annex and the six Day market and the demolition works to the Three Day Market will need to be in accordance with the Contract and Procurement Procedure Rules.

The petition will need to be considered in accordance with the Council's Petition Scheme, as contained in the Council's Constitution

8. RESOURCE IMPLICATIONS

Delivery of the scheme will require a planned programme of works and funding as described above to deliver the proposals outlined in this report supported by staff resources from Legal Services, Property and the Markets Management team.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Board members need to consider the EIA associated with this item in advance of making the decision.

<http://www.blackburn.gov.uk/General%20EIA/3-Day-Darwen-Market-EIA.pdf>

Option 3 In determining this matter the Executive Board members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

10. CONSULTATIONS

Following the February report consultation has now been undertaken with market traders in connection with relocation options and with members of the public and stakeholders in connection with possible future plans for the site. A summary of these consultations is included in the Key Issues section and Appendix A attached provides further detail of the public/ stakeholder consultation.

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded in the Summary of Decisions published on the day following the meeting.

VERSION:	0.01
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CONTACT OFFICER:	Andrew Bond, Head of Property and Development (extn 5186)
DATE:	31 st May 2016
BACKGROUND PAPERS:	Capita Options Appraisal report (redacted version) including: <ul style="list-style-type: none">• Interim reports• Building Condition Survey Report (February 2016)• Mechanical & Engineering Condition Survey report (February 2016) FAQs issued to traders following 1:1 consultations

