



# EXECUTIVE BOARD DECISION

<b>REPORT OF:</b>	Executive Member for Resources Executive Member for Regeneration
<b>LEAD OFFICERS:</b>	Deputy Chief Executive Director of Growth and Development
<b>DATE:</b>	July 2017

<b>PORTFOLIO/S AFFECTED:</b>	Resources	Regeneration
<b>WARD/S AFFECTED:</b>	Sunnyhurst	
<b>KEY DECISION:</b>	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

**SUBJECT: Darwen former 3 day Market site Redevelopment Update**

## 1. EXECUTIVE SUMMARY

Following approval from Executive Board June 2016 to demolish the former 3 day market building, work to develop a proposal for the site has been undertaken, informed by public consultation in 2016. A proposal to landscape the area to create a multi-functional events and social space and enable small scale development has been developed and supports the planning application recently submitted to demolish the building. In addition some remedial works to the structure of the former retail and storage units under Railway Road at the perimeter of the site needs to be undertaken along with a restoration of the frontages. The funding also supports an initial feasibility study on the scope for accessing heritage lottery funding for the Market Hall.

## 2. RECOMMENDATIONS

That the Executive Board:

Note the update on the demolition of the 3 day market building and redevelopment of the site.

Approve an additional £1.67 million to the Capital programme to carry out the works required to implement the proposed landscaping proposal and associated works subject to planning approval.

## 3. BACKGROUND

3.1 The Executive Board on 11 February 2016 considered a report entitled "Review of Markets Provision at Darwen" which stated that the former 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. The Board approved a strategy which:

- 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 former Three Day Market site.

3.2 The Executive Board of 9 June 2016 approved the recommendations to:

1. Consider the feedback from the trader and public consultation received to date and accept the summary of those findings;
2. Implement a 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. Begin procurement and subsequent delivery of accommodation works in the Annexe and the Six Day Market to create space for traders relocating from the Three Day Market.
4. Close and demolish the Three Day Market;
5. Commence a procurement exercise to appoint a demolition contractor and delegated authority for the contract award to the Director of Planning & Prosperity in consultation with the Executive Member for Regeneration.
6. Implement the Next Steps set out in the Key Issues section of the report which included:
  - 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
  - formulation of plans for the future of the Three Day site, building on the public/ stakeholder consultation
- 7) Noted the petition received to keep the Darwen Three Day Market open and recommended that the Lead Petitioner is informed of the Executive Board decision.
- 8) Report back to a future meeting of the Executive Board with further details of the redevelopment of the site.

3.3 The former 3 day market closed after works to create stalls in the annex and 6 day market to

accommodate the 13 traders who were keen to relocate and stay in the markets. The traders move took place in November 2016 with 10 subsequently still trading following 2 traders moving into shops in the town centre and one leaving for personal reasons. Christmas 2016 trading in the markets was reported as buoyant.

3.4 A condition report was commissioned on the Market Hall and some necessary works were identified to upgrade the building which are now commissioned and funded through the current capital programme allocation..

3.4 Challenging market conditions have led to an absence of major private sector development / investment in the Town Centre. One notable exception to this has been the £2.2m investment by Wetherspoon's to create the Old Chapel on Railway Road together with other smaller scale independents investment that has rejuvenated the town's evening economy.

Following the Council's decision to demolish the former 3 Day Market in June 2016, Capita were asked to conduct a Soft Market Testing exercise to explore views on the potential demand for the cleared site, preferred users, timing and the extent of new development. Capita approached a number of local/national property agents and three regional developers. Some of the points that came out of the exercise were as follows:

- The prevailing market conditions for non-food retail, residential and leisure uses such as a cinema or entertainment use were considered to be weak;
- Whilst there are some notable exceptions (i.e. Tesco), the town is perceived to be reasonably well represented by the usual national food retailers
- The site was considered to be constrained in terms of size and its surroundings; and
- Linked to the above, there was a question mark over viability given likely rents and yields and a potential reliance on local occupiers and start-up businesses

On the plus side, the scope for night time economy uses was recognised and many commented on the potential to create a new space for civic / commercial use. Overall, whilst the site of the 3 Day Market occupies a prominent location within the town centre, Capita felt that it would not generate a high level of development interest if presented to the market.

3.5 After taking stock of the consultation exercise that had taken place in mid-2016 and the feedback from the Soft Market Testing at its meeting in October 2016 which suggested that there was little appetite from the market. They considered three high level strategies:

- **Strategy 1 – Creating a quality Public Square:** This would involve demolishing the 3 Day Market, surfacing the cleared site to blend it in with the existing Market Square and exploring the possibility of restoring and opening-up the Stores units alongside and underneath Railway Road and / or incorporating limited new development to bring surrounding activity. This would be delivered by the Council rather than a developer given the scale and nature of the scheme;
- **Strategy 2 – Redevelopment on the site of the 3 Day Market** – This would involve demolishing the units alongside Railway Road and, notwithstanding the Soft Market Testing feedback, seeking to attract a private sector partner to build a larger commercial development (retail or food / drink); and
- **Strategy 3 – Comprehensive Redevelopment adjacent to the Market Hall** – Taking the feedback from the Soft Market Testing, the Partnership was also asked to consider whether the pursuit of a wider redevelopment incorporating the 3 Day Market and the Market Annex / multi-level car park with a redevelopment fronting School Street and a New Square was preferable.

The discussion with Darwen Town Centre Partnership Board (DTCPB) was positive and it drew out a clear preference on the way forward. There was a general acceptance that pursuing a

redevelopment on the cleared 3 Day Market site (Strategy 2) would not be in the best interests of the Town; this would involve a drawn-out procurement process with an uncertain outcome and it could lead to a substandard quality of redevelopment given the concerns about site constraints and viability (see 2.4). The Partnership also felt that this wouldn't reflect the consultation feedback in terms of the desire for a new civic space and there were some concerns about the possible impact of a larger format retailer taking a prime position in such close proximity to the Market Hall. And whilst there was an acknowledgment of the benefits of comprehensive regeneration incorporating the area surrounding the Market Hall (Strategy 3), the Partnership didn't feel the circumstances were right to pursue this now as this would introduce uncertainty when a clear plan for the site of the 3 Day Market was essential.

The general consensus from the DTCPB was therefore around pursuing the first Strategy. Creating a high quality multipurpose Square on the site of the 3 Day Market with potential wrap around uses along its periphery (possibly involving the reuse of the Stores and pitches for pop-up traders etc.), was felt to be more deliverable and in-line with resident and business feedback. The Partnership also recognised that this approach would leave open the possibility of incorporating a high quality redevelopment of the Market Annex – with a frontage onto a Market Square – at some future stage if the conditions and support for redevelopment were there.

3.6 Capita Landscape Architects were commissioned by the Council to develop Option 1 and a design proposal in response to the consultation, the aspirations of the Darwen Town Centre Strategy and Action Plan and which fits with the Local Plan. This needed to take into account the constraints and opportunities the site presented once the 3 day market building was demolished. As the site is in a conservation area, this proposal with supporting documentation was required to accompany the planning application for demolition.

3.7 A separate structural survey of the Railway Road units identified the need for significant structural remedial works and the external walls and doors of the units will also be facelifted as part of the landscape proposal.

#### **4. KEY ISSUES & RISKS**

4.1 A planning application was submitted in June for the demolition of the former 3 day market supported by the landscape proposals and other additional information required.

4.2 The contract for the demolition of the former 3 day Market building has been advertised and 3 tenders have been received. These are currently being evaluated and a contract will be let, subject to planning approval, to enable demolition to commence in September 2017

4.3 The demolition programme is expected to be between 6 to 8 weeks and be completed in good time before the Christmas trading period begins. The site will be made good with a temporary surface to allow for a strong Christmas events programme to be held in the Square.

4.4 Subject to planning approval, the landscape proposals will be developed to a detailed scheme to be tendered and a contract let to start works and deliver the scheme in the first quarter of 2018. Further updates will be brought to Executive Board with a detailed programme of the works later in the year.

4.5 Funding has been secured for the demolition of the former 3 day market building and a further request for funding of a maximum of £1.67 million to cover the additional cost of the landscaping

scheme and the works to address the structural remedial works to the Railway Road units is being requested. The Railway Road works are proposed to be funded through the LTP.

## 5. POLICY IMPLICATIONS

Blackburn with Darwen's Core Strategy, which is part of the Borough's Local Development Framework (LDF), sets out a number of priorities for the town's growth and future sustainability. This includes reinforcing Darwen's role as a "market town" and maintaining a quality of place in terms of its heritage assets and the design of new development.

The Council, working with the DTCPB, has also adopted a Town Centre Strategy and Action Plan (2013-2018) in early 2013. Building on an earlier strategy, the Strategy and Action Plan sets out proposals to support businesses to improve the town centre offer in order to retain customers and make the most of its assets.

A Town Centre Conservation Area Supplementary Planning Document (SPD) was subsequently adopted in August 2013. This analysis highlighted the 3 Day Market (along with the Market Annex) as a "negative" building in terms of design, quality and its contribution to the townscape. It concluded that the building represents unsympathetic development and detracts from the market Square as it obscures the "unique form of the space and vistas of Holker House and the Wesleyan Chapel". The report highlights that the site of the 3 Day Market space would traditionally have had an open market with stalls in the retaining wall below Railway Road and the document promotes opportunities to address existing buildings that erode character and quality.

## 6. FINANCIAL IMPLICATIONS

A summary of the costs already incurred and the implementation of the proposal outlined above including the structural remediation works needed for the Railway Road units is

<b>Cost Breakdown</b>	<b>£</b>
Decant Traders into Annex	150,000
Demolition costs estimate	100,000
6 day market urgent repairs, structural and architect's surveys,	100,000
Landscaping proposals including screening (£300/sq m @ 3300 sq ft)	990,000
Railway Road units structural works to enable some re-use– maximum required	360,000
Restoration of frontages of Railway Road units	50,000
New circulation core inc lift	150,000
Fees (10% estimate)	190,000
<b>TOTAL</b>	<b>2,090,000</b>
Current allocation from Capital programme	-420,000
Further Capital programme required	<b>1,670,000</b>

### Sources of funding

<b>Funding</b>	<b>£</b>
Capital programme	1,730,000

Local transport Plan (LTP)	360,000
<b>Total</b>	<b>2,090,000</b>

## 7. LEGAL IMPLICATIONS

This report will have the benefit of enabling the Council to demonstrate or achieve some of the planning policy considerations that are required in any proposed planning permission for demolition and subsequent landscaping works.

The tendering exercise for the demolition contract will have been structured to comply with the Council's procurement provisions and with any legislative requirements.

## 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 the Growth and Development Department 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 Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

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

Consultation on the proposals for the Market Square were led by the DTCPB from April 2016 for a 6 week period and these were reported to the June 2016 Executive Board. The design for the redevelopment of the space has been informed by these consultations and also been developed with the DTCPB, a business led partnership of key stakeholders in Darwen. The detailed design work will incorporate structured workshops to help inform the proposals before they are finalised.

## 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:** 1

**CONTACT OFFICER:** Clare Turner

**DATE:** 29<sup>th</sup> June 2017

**BACKGROUND  
PAPER:**