

Cabinet – 24 June 2009

A future approach for Walsall's Markets

Portfolio: Councillor Andrew, Deputy Leader and Regeneration

Service: Development and Delivery

Wards: St Matthew's

Key decisions: No

Forward plan: No

1. Summary of report

- 1.1 This report outlines the basis of a new, comprehensive and definitive review of options for the long term development, improvement and management of all markets within the borough. This further review will build on previous work undertaken, which whilst extensive was inconclusive and will reflect recent and ongoing discussions with potential partners and stakeholders.
- 1.2 It also outlines the intention to submit a planning application to enable the move of Walsall market to a temporary location at The Bridge within Walsall town centre, to both facilitate the redevelopment of St Mathews Quarter and to help improve the short term viability of Walsall market.

2. Recommendations

- 2.1 That Cabinet:-
 1. instructs the submission of a planning application to facilitate the temporary move of Walsall Market to The Bridge in Walsall town centre.
 2. requests the Deputy Leader and Executive Director of Regeneration Services to lead a comprehensive and definitive review of all the markets within the borough, leading to the development of all options for their long term development; improvement and management, including the delivery of a new market Square in Walsall town centre.
 3. Instructs that any work on a joint venture model for the management of Walsall Market be halted pending the outcome of the borough-wide markets review, as detailed in recommendation 2.
 4. requests that a delivery plan for the future of the Borough's markets is submitted to a future cabinet meeting at the earliest possible date.

3. Background information

3.1 Redevelopment of St Mathews Quarter

- 3.1.1 The St Matthew's Quarter (SMQ) redevelopment project has been the subject of previous reports to Cabinet and extensive, but not exhaustive work through the Regeneration Scrutiny Panel over the last 2 years. The redevelopment of SMQ including the Digbeth/Lower Hall Lane area is being led by Norton & Proffitt a joint venture between Goold Estates and St Modwens.
- 3.1.2 A design brief to guide the development of the scheme was endorsed by Cabinet at its meeting on the 16th April 2008. It is envisaged, subject to the developer being able to secure the commitment of a key retail anchor tenant, that a planning application could be submitted during 2009, with commencement on site occurring as soon as planning permission is secured. Clearly current economic conditions are extremely challenging therefore it is difficult to be certain on the exact timescale for the development to be agreed and to commence, although the developer is still optimistic that a viable scheme can be negotiated.
- 3.1.3 The delivery of the wider St Matthew's Quarter project will require the acquisition by the developer of Council-owned land in Digbeth and Lower Hall Lane, including land currently occupied by the market. It is envisaged that the project could therefore facilitate the permanent relocation of the market into the Lower Hall Lane area, and its temporary relocation to the Bridge, subject to planning permission. The disposal of land will ultimately be addressed in the formal development agreement between the Council and Norton & Proffitt/St Modwen.
- 3.1.4 Work undertaken on this project to date has been on the basis that a new market would be an integral part of the St Matthew's Quarter development and would form one of the key anchors of the scheme. The aspirations for a new Market as part of the St Mathews Quarter scheme included:
- A commitment to 90 stalls within a high quality new Market Square centered on
 - An exciting new promotion and events approach to broaden the appeal of the Market
 - Improved management arrangements.
 - New market storage facilities
 - A range of start up retail units to try and stimulate new small businesses
- 3.1.5 At its meeting on 18 March 2009, Cabinet endorsed that delegated authority be given to the Executive Director Regeneration, in conjunction with the Portfolio Holder for Regeneration, to agree the development agreement with Norton & Proffitt/St Modwen for the redevelopment of the St Matthew's Quarter, which would include the detail of the disposal of the Council's interests in the area and a financial appraisal of the joint venture approach. However the Cabinet Meeting on 15 April 2009, after receiving a recommendation from the Regeneration Scrutiny Panel, requested that the Development Agreement be formally reported to Cabinet for approval.

3.2 Temporary move of Walsall Market

- 3.2.1 At its meeting on the 16th July 2008, Cabinet endorsed a report from the Regeneration Scrutiny and Performance Panel concerning the principles of the temporary relocation plan for the market and proposals for a new charging policy for all market stalls, which was planned to enable a temporary move in readiness for the Christmas trading period. However, following extensive external legal advice the threat of an application for judicial review of the planning consent (secured in August 2008) for the temporary relocation of the market to the Bridge, and Counsel advice that a further planning application could have been the subject of a similar legal challenge, meant that the planning application for the temporary relocation of the market was revoked in autumn 2008.
- 3.2.2 It will be necessary for discussions with affected parties to be undertaken and also significant further work to address these issues prior to the submission of a new planning application.
- 3.2.3 It is now planned to progress a temporary relocation of the Market to the Bridge both in order to facilitate the redevelopment of St Matthew's Quarter if a viable scheme is brought forward and to enhance the performance of the existing market in what are extremely challenging trading conditions.

3.3. Scope of the Markets Review

- 3.3.1 The proposed review of all of the markets within the borough will look at:
- Current trading and past trading trends
 - Potential physical development and improvement options for all the Borough's markets
 - All potential management options for the Markets, either separately or as a single collective
 - Best practice elsewhere in the UK.
- 3.3.2 Discussions will be undertaken directly with a range of key stakeholders which would include:
- Customers and residents – in order to understand their aspirations for Markets in the borough and the degree to which that might differ from the current markets.
 - Norton & Proffitt - as the proposed developers of SMQ
 - Threadneedle – as the owners of the Old Square and Overstrand, which form a major part of the overall SMQ area
 - Other retailers within Walsall and the other district centres
 - Market Trader representatives both with respect to Walsall market and the other district centre markets
 - Markets staff and other key officers

4. Resource considerations

4.1 Financial

- 4.1.1 Cabinet approval has already been secured for the preparation of a development agreement with Norton & Proffitt/St Modwen which will include the details of the disposal of the Council's interests in the St Matthew's Quarter, and the details of this will be reported to a future Cabinet meeting.
- 4.1.2 Work undertaken to date, in preparing for the temporary relocation of the market to the area around The Bridge, has incurred considerable costs. Further costs have been incurred in preparing the infrastructure for the relocation of the market should it move temporarily to The Bridge at a later date. These costs have been met through existing budgets.
- 4.1.3 External legal and surveying advice has been required to work on the development agreement, and other consultancy support was required in preparing the planning application for the temporary relocation. All of these costs have been met through existing approved resources.
- 4.1.4 Within the 2009/10 budget there is no provision made, either capital or revenue, for the relocation of the market. Initial costs suggest that the required evidential economic base and the additional costs toward the physical move of the market could cost in the region of £100k, Cabinet will need to identify funding to enable the temporary move to be progressed.
- 4.1.5 The estimated cost of providing the new permanent market facilities in Lower Hall Lane would be approximately £1.5m (including land costs). Detailed work will be needed to identify a viable funding approach to deliver this or an alternative model to the originally proposed joint venture, which would have provided a funding model to deliver the substantial levels of capital investment required to develop a new market in Walsall.

4.2 Legal

Legal implications are of a confidential nature and are therefore set out in a separate report which is included in the private session of this Cabinet meeting.

4.3 Staffing

- 4.3.1 The delivery of the St Matthew's Quarter project will be dependent upon the permanent relocation of the market and will require the Council to enter into an agreement for the transfer of its own land to the developers. As such, there will be resource implications, in terms of staff time, in working up the development agreement, as well as implementing any decision to relocate the market.

5. Citizen impact

The delivery of the wider redevelopment scheme will make a huge impact on the overall attractiveness, vitality and viability of the town centre, and will be hugely beneficial to the retail and leisure offer and the environment of the town centre. The successful implementation of the scheme will lead to the creation of job opportunities and make Walsall a more attractive place to live, work and shop. In short, the project will be very positive for Walsall's image and its citizens. It is anticipated that the decision to reverse the long-term option for the management of Walsall market will be broadly welcomed.

6. Community safety

- 6.1 There are existing buildings within the St Matthew's Quarter which are currently under-utilised, un-safe and the subject of vandalism, and which therefore attract anti-social behaviour. As such, there are threatening environments which present problems to community safety. The redevelopment of the St Matthew's Quarter will help to eradicate these issues, and ultimately create a new quarter and environment which provides increased working and living in the area, therefore improving the perception of community safety and helping to deter crime. Consideration is currently being given to a series of events in support of the market, which will vary the day and night time economies and provide a presence that might enhance security and eliminate the opportunities for crime.
- 6.2 As the St Matthew's Quarter will be a development site for a number of years, there is the possibility that this will present issues for community safety. Every effort will be made with the developers to ensure that all sites are effectively secured and the subject of rigorous health and safety precautions.

7. Environmental impact

The delivery of the St Matthew's Quarter project will have a hugely positive environmental impact. Central to the scheme will be the demolition of some largely unattractive buildings within the core of the town centre, to be replaced with buildings of a much higher quality of design, and vastly improved public realm. The quality of the market infrastructure and market square will also be potentially improved through the delivery of the scheme, making the general town centre environment and shopping experience much more enjoyable.

8. Performance and risk management issues

8.1 Risk

- 8.1.2 The delivery of the St Matthew's Quarter project is included in the Council's project management regime. As such, it will be risk managed on a monthly basis through the project register process. It is acknowledged that the project contains considerable elements of risk, including land assembly and planning issues, not least because the delivery of the St Matthew's Quarter project is dependent upon the commitment of private sector partners in a time of recession.

- 8.1.3 Counsel has advised that in town planning terms the move of the market has to be justified in one of three ways. The first is the need to re-site the market due to the impending development of the site they currently occupy. Impending in this case would need to be the existence of a development agreement, that the land required was secured and that planning consent was secured for the development.
- 8.1.4 The second is that in economic terms, particularly retail impact, the move of the market must be shown to be in support of the vitality and viability of the wider town centre or, in other words, that without the move the town would suffer economically and conversely that with the move the economy would benefit.
- 8.1.5 The third element of justification would be that planning policy for the town centre (defined by a statutorily recognised document such as the UDP, Area Action Plan or Supplementary Planning Document) identified the need to move the market and the reasons why. This would need the same evidence base as would be required for a planning application for a move of the market.
- 8.1.6 It is officers view, supported by planning counsel, that we do not have in place evidence of the need to move the market due to an impending development of the site. Neither do we have a robust evidence base to justify the move, showing that the move will benefit the town centre. Finally, there is no planning policy support for a move.
- 8.1.7 In light of the position set out above a planning decision to move the market presents a risk of a successful judicial review of the decision. The related risk which must be given recognition are the damage to reputation and partnerships with stakeholders, the costs of mounting a defence, the costs awarded against the Council, aborted costs in preparation for the move and damage to the programme for the regeneration of the town centre. It should be acknowledged that there is no revenue funding available to undertake this work”.

9. Performance management

- 9.1 As stated above, the delivery of the wider St Matthew’s Quarter project is included on the Council’s project management database. As such the project will be performance managed on a monthly basis.
- 9.2 Central to those elements of the projects within the control of the Council will be the provision of a development agreement with the developer, and support for the preparation of this with Norton & Proffitt/St Modwen has been endorsed previously by Cabinet. Officers will also continue to work with the developer on any planning applications, to ensure that they are submitted to currently anticipated deadlines and with a high quality of design in accordance with the design brief.

10. Equality implications

The development of SMQ and improvements to the Borough's markets will potentially provide employment and business opportunities to Walsall citizens. The design of the redeveloped St Matthew's Quarter and any markets proposals will evolve to ensure accessibility for all.

11. Consultation

- 11.1 The St Matthew's Quarter project has been widely publicised as one of the key transformation projects in Walsall Regeneration Company's Prospectus for Growth.
- 11.2 Significant consultation and engagement has occurred with regard to the future of Walsall Market. The review process will seek to involve a wide range of key stakeholders, critically it will aim to ascertain the views of customers and residents through a variety of means. Furthermore any subsequent development of SMQ with or without a market as an intrinsic element will involve extensive engagement of key stakeholders in the formation of detailed designs.
- 11.3 The Council will continue to engage all stakeholders in considering a way forward for Walsall's Markets, and will communicate regularly with these stakeholders and the wider community through a variety of communication channels.
- 11.4 Future planning applications for the re-location of the Market and the redevelopment of SMQ will be the subject of formal consultation periods, with key stakeholder and statutory consultees.

Background papers

Report to Cabinet, 16th April 2008.

Report to Cabinet, 19th July 2008.

Report to Regeneration Scrutiny and Performance Panel, 2nd October 2008.

Report to Regeneration Scrutiny and Performance Panel, 3rd December 2008.

Report to Regeneration Scrutiny and Performance Panel, 12th March 2009.

Report to Cabinet, 18th March 2009.

Report to Regeneration Scrutiny and Performance Panel, 1st April 2009.

Report to Cabinet, 15th April 2009.

Minutes from Markets Working Group meetings held on.

03/09/08

29/07/08

17/06/08

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