

REPORT TO:		Cabinet	
DATE:		15 January 2020	
PORTFOLIO:		Cllr Paul Cox - Deputy Leader - Environmental Services	
REPORT AUTHOR:		Steve Riley – Executive Director (Environment)	
TITLE OF REPORT:		Accrington Indoor Market Hall Redevelopment	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	Options	Not applicable	
KEY DECISION:	No	If yes, date of publication:	

1. Purpose of Report

- 1.1 To consider a change within part of the indoor Market Hall from traditional market stall traders to a social hub incorporating multiple small kitchens and other outlets offering a variety of different food styles and drinks together with communal seating.

2. Recommendations

- 2.1 That Cabinet approves in principal, a proposal to change an area within the indoor Market Hall, (the end facing onto the new town square) from traditional market stalls to food kitchens and drink outlets with communal seating; and
- 2.2 That Cabinet agrees to waive the Council’s contract procedures rules and authorises the Executive Director (Environment) following consultation with the Portfolio Holder responsible for the Markets to appoint Dawnvale Group, Albert House, Albert Street, Hollinwood, Manchester to produce a concept scheme and a realistic project budget estimate; and
- 2.3 That Cabinet delegates authority to the Executive Director (Environment) following consultation with the Executive Director (Legal & Democratic Services) to engage in discussions with third parties interested in leasing or managing the social hub commercial retail kitchens and drink outlets; and
- 2.4 That Cabinet request a further report with budget project costs and lease / management options for consideration at a later date.

3. Reasons for Recommendations and Background

- 3.1 Due to the continued pressures from reduced footfall, on-line shopping and out of town centre retail centres/supermarkets, it is recognised that there is an overcapacity of stall/units within the indoor market hall, with current occupancy levels running at around 55%.
- 3.2 Continuing the traditional market model across the whole ground floor is no longer economically sustainable and it is the Leader's and Portfolio Holder's wish to consider the redevelopment of part of the indoor market hall to create a social hub with commercial retail units serving food and drinks. The development of a social hub will hopefully increase footfall levels in the Market Hall, Blackburn Road shops and newly refurbished town centre square.
- 3.3 There are a number of successful examples of venues which have been redeveloped to serve food and drink across the North, such as Altrincham, Manchester, Chester, Preston, Durham, Warrington and other authorities such as Southport and Wigan are considering similar schemes for their market/historic buildings. Chester is probably most similar to the Council's vision, with half of their market building still operating traditional market stalls.
- 3.4 The success of venues like these is based on offering diners different styles of food, (typically limited to around 6 to 8 choices from each commercial retail kitchen), similarly prices across the other kitchens. The businesses are not high street brands or franchises but usually local/regional chefs wanting to start a business or open up more outlets where they already have a local following. Some venues also keep a kitchen vacant to provide 'one off' / pop up type events. Food styles may have some local references but there are a range of options, from wood fired pizza to quality burgers, fish, Thai/Mexican, traditional pie and mash, vegetarian/vegan alongside coffee/baked goods, alcoholic and non-alcoholic drinks.
- 3.5 Dawnvale Group are a very experienced design and project management company working within the hospitality and leisure industry and have undertaken similar commercial retail work inside historic building, involving Local Authorities and their appointment as Design/Project Manager will enable the Council to draw on their contacts/design experience, in-house industrial electrical and mechanical design engineers which could bring advantages with regards value for money and managing all elements, rather than seeking quotes from separate architectural, electrical and mechanical engineering design companies.
- 3.5 The Council will also have to determine how the new food and drink outlets / social hub will be managed. At this stage officers envisage that this part of the Market Hall could be leased to a single provider who will then take responsibility for commercially letting the individual outlets and managing the social hub. Another option is that the Council could appoint somebody to manage the outlets and social hub on the Council's behalf, but with the outlets being directly let by the Council to the individual traders. Alternatively, the Council could employ its own staff to manage the day to day operation of social hub and lease arrangements direct with the traders. The implications and costs

of each approach have yet to be fully evaluated and this process will be assisted by discussions with any interested parties.

- 3.6 Whilst there continues to be ongoing discussion with the market traders, if the project is approved by Cabinet, there may be a small number of existing tenants who do not wish to be part of the new social hub and therefore may need relocating to other areas within the redesigned Market Hall.
- 3.7 Cabinet is also considering a redevelopment proposal to reduce overcapacity by removing the pavilion/canopy and stone kiosks on Peel Street to provide additional town centre parking. This car parking will be directly outside the Market Hall and can only help attract customers to the proposed social hub and wider town centre businesses.

4. Alternative Options considered and Reasons for Rejection

- 4.1 The Council could continue to promote the Market Hall operating traditional market stalls but this has been rejected as shopping habits have fundamentally changed. There is insufficient demand to achieve anywhere near 100% occupancy levels and there is a strong political wish to see part of the building redeveloped as a social hub.

5. Consultations

- 5.1 Leader of the Council and Portfolio Holder. Whilst there have been a number of general discussions with market traders around the need for change and the proposed shared food and drinks, design concepts have not been presented.
- 5.2 The Council has received positive feedback from a local food/drink business entrepreneur about the concept of redeveloping part of the indoor market hall into a social hub serving food and drinks.

6. Implications

Financial implications (including any future financial commitments for the Council)	Appointing Dawnvale Group as a consultant to produce a concept design/scheme and a realistic project budget would be at a cost of £21,000. The costs involved in producing fully detailed drawings, commercial mechanical/electrical designs and specifications, undertaking a tender exercise, project management fees, full construction costs will be provided within a further report when presented to Cabinet for approval.
Legal and human rights implications	These are identified in section 3 of the report. The Council will enter into a deed of engagement with Dawnvale Group.

	A further report to Cabinet will give details of the legal arrangements required to implement the project should Cabinet decide to proceed. No human rights implications identified at this stage.
Assessment of risk	There is a risk of abortive costs as detailed above if the project did not progress past the concept design/scheme and project budget stage.
Equality and diversity implications <i>A Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.</i>	None identified at this stage.

7. **Local Government (Access to Information) Act 1985:**
List of Background Papers