

<b>REPORT TO:</b>		Cabinet	
<b>DATE:</b>		3 December 2025	
<b>PORTFOLIO:</b>		<b>Cllr Clare Pritchard – Transformation and Town Centres</b>	
<b>REPORT AUTHOR:</b>		Steve Riley, Executive Director (Environment)	
<b>TITLE OF REPORT:</b>		Accrington Market Hall Operator Update	
<b>EXEMPT REPORT (Local Government Act 1972, Schedule 12A)</b>	<b>No</b>	Not applicable	
<b>KEY DECISION:</b>	<b>No</b>	If yes, date of publication:	

## **1. Purpose of Report**

- 1.1 To update Cabinet on the outcome of the negotiations with the preferred operator to agree a fit-out specification and lease for Accrington Market Hall.
- 1.2 To seek approval to waive the Council's Contract Procedure Rules to engage the retail space and rental consultants specialising in markets, Barker Proudlove.
- 1.3 To make Cabinet aware of the need to create a suitable budget for an 'in-house' Market Hall management team and revenue operational budget.
- 1.4 To seek approval to finalise operational days/hours, agreeing trader fees and charges, lease terms and conditions etc. and signing of relevant leases and any licences.

## **2. Recommendations**

- 2.1 Cabinet acknowledge the outcome of the negotiations between the Council and the preferred operator for the Accrington Market Hall lease as highlighted in paragraph 4.1 and 4.2 of the report.
- 2.2 That following a review of the available options, Cabinet agrees the day-to-day operations of the new Market Hall offering is managed by the Council.
- 2.3 Cabinet agree to waive the Contract Procedure Rules and grant delegated authority to the Executive Director (Environment) and/or such senior officer as shall be appointed to manage Accrington Market Hall, to appoint Barker Proudlove, retail space and rental consultants specialising in markets, to work with the Council on developing a potential management structure for operating the new Market Hall offering and to identify and secure existing and new traders, (local where possible), who meet the vision for the redeveloped Market Hall as highlighted in paragraph 4.3 and 4.4 of the report.

- 2.4 Cabinet note and agree that in principal and subject to the Council approval as part of the Council's 2026/27 budget setting process, to allocate sufficient funding for the new Market Hall staffing structure and an appropriate annual revenue operational budget.
- 2.5 Cabinet delegate authority to the Executive Director (Environment) and/or such senior officer as shall be appointed to manage Accrington Market Hall, in consultation with the relevant Portfolio Holder and following advice from the consultant Barker Proudlove, to agree opening days and hours for the Market Hall and agree the process and criteria for selecting traders to be offered a lease.
- 2.6 Cabinet delegate authority to the Executive Director (Resources) and/or such senior officer as shall be appointed to manage Accrington Market Hall, in consultation with the Executive Director (Legal and Democratic Services) and the relevant Portfolio Holder, to agree and implement all necessary regulation for the operation and management of Accrington Market Hall, all trader fees and charges, (including utilities, communal areas, service yard fees or other service charges), discounts, rent deposits, lease terms and conditions and the signing of such leases.

### **3. Background**

- 3.1 The Levelling Up Fund was announced at the 2020 Government Spending Review, to focus on capital investment in local infrastructure projects that require up to £20m of funding and builds on prior programmes such as the 'Local Growth Fund' and 'Towns Fund'.
- 3.2 In January 2022, Cabinet gave its formal approval in support of the Town Centre Stakeholder Board's recommendations that the Council's LUF submission should focus around the following three principal interventions, noting that at the time 2 and 3 were not in the Council's ownership.
  - 1. Redevelopment within the Indoor Market Hall and removal of the outdoor pavilions along Peel Street to provide traditional market stalls alongside an enhanced food and beverage offering and potential leisure offering – the intervention known as Market Hall.
  - 2. Acquisition and external façade improvements/roof repairs to the properties of 43-59 Blackburn Road / 2-4 Church Street – the intervention known as Market Chambers.
  - 3. Acquisition and redevelopment to the block 61-69 Blackburn Road to provide for a shared workspace offering – the intervention known as Burtons Chambers.

- 3.3 Cabinet agreed that the Burtons Chambers and the Market Hall interventions would be managed by external operators through a Management Agreement and Lease respectively.

### **4.0 Operator Procurement**

- 4.1 Consultant Barker Proudlove, who are retail space and rental consultants specialising in markets, were engaged to identify a preferred operator for the Market Hall. The process commenced in October 2023 and by May 2024 a preferred operator had been

identified. There has been a lengthy period of negotiations to develop a fit-out specification for the food & beverage areas, potential leisure offering and legal agreement on the Market Hall lease's terms and conditions.

- 4.2 The Council has not been able to agree a suitable fit-out specification or the terms & conditions for a lease with the preferred operator and as such the preferred operator has formally withdrawn. The Council has acknowledged and accepted their withdrawal. It must be stressed that both parties have parted amicably as market conditions have changed since the process started in 2023. High inflation, increases in the minimum wage and NI, steep rises in utility costs, plus other external factors, have contributed to a reduced appetite for risk. This has resulted in neither the preferred operator or Council being willing or able to cover the cost of the operator's fit-out specification and leisure offering and agree the final terms of the lease.
- 4.3 At the time of the Levelling Up funding submission in 2022, the decision of Cabinet was to lease the Market Hall offering to an external operator. Following a review of the previous submissions and available options, given the time remaining before the construction works are completed, it is proposed the day-to-day operations of the Market Hall should be managed by the Council by an 'in-house' team.
- 4.4 Regular Cabinet updates have highlighted the appointment of lead consultant CBRE, specialising in commercial real estate services, to assist the Council in identifying a preferred operator for Burtons Chambers and who engaged Barker Proudlove to identify a preferred operator for the Market Hall. CBRE's appointment was through the CCS RM6168 Framework under a call off. This framework has now expired so the project team cannot instruct any further works through it.
- 4.5 Waiving the Council's Contract Procedure Rules would enable the Council to appoint Barker Proudlove directly. Given their involvement in the Market Hall project in promoting the initial opportunity to operators and experience in this field, continuing with their engagement means they can commence work at pace and reach out to food and beverage operators from their local contacts and commence discussion with existing and potential new traders. The scope of their work is to:
  - bring forward examples of property operational management structures at other similar offerings for the Council to consider.
  - engage with the existing traders and liaise on leases, locations, layout wishes etc.
  - promote the offering to identify food and beverage traders, including a lead bar operator (promoting the opportunity to local traders where possible).
  - promote the offering to other potential traditional style and different traders to add/fill in any gaps to the market hall offering, (promoting the opportunity to local traders where possible).
  - advise the Council on matter such as trader application forms, minimum trader requirements, scoring criteria and market regulations / rules.
  - advise on potential leisure offerings and/or multi-use zones/stalls.

- 4.6 Had agreement been reached with the preferred operator, the trader fees & charges and granting of leases to traders would have been the operator's responsibility. Changing to a Council managed model, will now require the Council to set the level of fees & charges, deciding the terms of the leases offered to traders and agree a process and criteria for selecting traditional market traders, food and beverage traders or other traders to be offered a lease.
- 4.7 Similar successful locations offering traditional market stalls, food & beverage and potential leisure offerings, operate on both Saturday's & Sunday's, many of the Bank Holidays and extended opening hours into the evenings. The Council will need to ensure sole traders and management staff are not pressured to work 7-days a week or break the Working Time Regulations 1998. At other locations, this is mitigated in part by not opening at the start of the week. The Council will therefore need to carefully consider the opening days and opening times and understand how it will manage traders who do not observe the agreed opening days/hours given the Council's wish to provide a thriving vibrant market hall offering.
- 4.8 There are other ancillary operational costs which the Council will need to consider and how they are funded. These include security/door staff where the opening days/times and/or licensing conditions necessitate their requirement, clearing and cleaning of the crockery across the communal seating areas and how utility costs for communal areas are allocated. Point of sale/payment systems and even if there should be a move towards a cashless payment system, to reduce risk of dealing with cash. Parking management/enforcement and trader access arrangements of the service yard. To provide the best opportunity for success, the Council will need to consider funding promotions/advertisement, leisure/entertainment offerings and regular events.
- 4.9 Whilst there should be little call for capital maintenance following the LUF funded redevelopment works within the initial years of reopening, the Council needs to recognise its repair and maintenance responsibilities and how such future maintenance and estate management/staffing costs are financed in future annual budget setting process.

## **5. Alternative Options considered and Reasons for Rejection**

- 5.1 The Council could choose to consider approaching other operators who submitted proposals during the procurement exercise or the Council could readvertise the opportunity. However, neither option is recommended given the remaining timescales and wish to manage the day-to-day operation of the Market Hall offering through a Council management/operational staff team.

## **6. Consultations**

- 6.1 Progress updates continue to be provided to Cabinet/Portfolio Holders, Special Scrutiny Committee, Accrington Town Centre Stakeholder Board, Corporate Management Team and lead officers meetings for the Council's strategic projects with the Chief Executive.

## **7. Implications**

<p><b>Financial implications (including any future financial commitments for the Council)</b></p>	<p>Bringing the day-to-day management of the Market Hall back will require the Council to identify a suitable budget as part of the Council's 2026/27 budget setting proposal. It should be noted that the operating costs for the new Market Hall vision will likely be higher than when the Council managed the operation previously, as staff will work/cover different days of the week and/or longer hours for which enhanced payments may be needed. Considerations around the working time legislation may limit the number of hours an individual can work and therefore possible need for increased numbers.</p> <p>Without an external operator, the Council will be responsible for setting fees &amp; charges to cover the cost of the new management structure and general operational / management costs for the Market Hall's operation.</p> <p>The Council will grant all trader leases and as such, the Council will be responsible for managing the timely receipt of all such fees &amp; charges. There is a risk that traders do not maintain regular payments. To mitigate this risk the Council will draft the leases accordingly and to strongly support the Council's debt recovery process and use of legal action to secure these payments where necessary.</p> <p>The redeveloped Market Hall will be a new venture, and it is unknown if the facility will maintain the success after the initial opening period, typically in year two / three. To mitigate this risk, the Council may wish to consider creating a budget for use in supporting/publicising its ongoing success after the initial opening.</p>
<p><b>Legal and human rights implications</b></p>	<p>As a statutory market several statutes are relevant to and need to be considered in connection with the operation of Accrington Market Hall. Initially the market was created and operated as a statutory market by virtue of a local act, The Accrington Improvement</p>

	<p>Act 1882. Pursuant to the County of Lancashire Act 1984 any market carried on by a district council within their district was, for the purposes of the relevant part of that Act, deemed to have been acquired by virtue of the powers contained in the Food and Drugs Act 1955. The subsequent Food Act 1984 consolidated this act and various other subsequent statutes. Section 52 of the Food Act 1984 provides that a market authority may appoint the days on which and the hours during which markets are to be held. Section 53 of the Food Act 1984 provides that a market authority may demand in respect of the market such charges as they may from time to time determine but this section does not apply in relation to rents charged by the market authority in respect of the letting of accommodation within the market for any period longer than one week.</p> <p>It is likely that the intention will be for most traders within the market hall to trade on fixed term leases for terms of up to 3 years. The statutory powers pursuant to s123 of the Local Government Act 1972 would be applicable to those lettings. Lettings for term of up to 7 years would be considered a 'short tenancy' for the purposes of s123 Local Government Act 1972 and as such the consent of the Secretary of State is not required even if the rent is discounted and considered to be at an undervalue. Terms in excess of 7 years would either need to be at best consideration or with the consent of the Secretary of State. The general disposal consent may be applicable if the Council considers that the purpose of the disposal is likely to achieve the promotion or improvement of one or more of either economic well-being: social well-being or environmental well-being of the area or persons resident in it.</p> <p>Should a lease rent be discounted this may be considered to be a subsidy for the purposes of the Subsidy Control Act 2022 and the procedures for awarding subsidies pursuant to that Act would need to be</p>
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	<p>considered and followed.</p> <p>The approval to waive the Council' Contract Procedure Rules is required in order to fulfil our legal duties in relation to procurement procedures.</p> <p>The contract value for Barker Proudlove's work, as set out in paragraph 4.5 of the report, is not likely to exceed the Public Procurement Act 2023 threshold of £214,904 for a service contract of this type and the relevant procurement rules are therefore not expected to apply in this instance.</p> <p>Once Cabinet have given authorisation to waive the Council' Contract Procedure Rules, a suitable deed of appointment will be entered into with the consultant.</p> <p>There is no human right implication for this report.</p>
<b>Assessment of risk</b>	<p>There is a risk that the new Market Hall offering may not attract the right traders to make the Accrington Market Hall offering a success. This risk will be reduced by the continued engagement of the experienced consultant Barker Proudlove who are experienced in identifying quality and financially stable traders to meet the vision of the redeveloped Market Hall.</p> <p>The decanted traders into the temporary cabins on the town square are currently receiving a 100% reduction in their rent and licence fees. There is a risk that the traders will ask to remain on this concession or reach out to Members for special arrangements. This risk will be mitigated by maintaining a strong position when setting all fees &amp; charges at the going market rate and cover the cost of operating the Market Hall. If the Council were minded to not set fees and charges in line with market valuations, it would be considered a subsidy under the Subsidy Control Act 2022 although the subsidy can be given lawfully if the requirements relating to minimal financial assistance are met.</p>

	<p>There is a risk that tenants will not adhere to the Council's agreed opening days and times. This risk will be mitigated through the lease terms, including agreeing the appropriate action the Council will take to redress trader non-compliance.</p>
<p><b>Equality and diversity implications</b>  <i>A <a href="#">Customer First Analysis</a> should be completed in relation to policy decisions and should be attached as an appendix to the report.</i></p>	<p>The Council is subject to the public sector equality duty introduced by the Equality Act 2010. When making a decision in respect of the recommendations in this report Cabinet must have regard to the need to:</p> <ul style="list-style-type: none"> <li>• eliminate unlawful discrimination, harassment and victimisation; and</li> <li>• advance equality of opportunity between those who share a relevant protected characteristic and those who do not; and</li> <li>• foster good relations between those who share a relevant protected characteristic and those who do not.</li> </ul> <p>For these purposes, the relevant protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.</p> <p>In this case there are no direct equality or diversity issues arising from this report.</p>

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

Cabinet Report March 2025 - Appointment of the operator and granting of a lease for Accrington Market Hall  
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=2900&Ver=4>

Cabinet Report March 2025 - Market Trader Rent/Licence Fee Concessions  
<https://democracy.hyndburnbc.gov.uk/ieListDocuments.aspx?CId=133&MId=2900&Ver=4>