

EAST STAFFORDSHIRE BOROUGH COUNCIL

REPORT SIGN-OFF SHEET

Title of Report: Development Proposal for Burton Market Hall	
Meeting of: Cabinet	
Date: 13 th August 2012	
If Cabinet Report, state if Key Decision:	NO
Is Report Confidential:	No
If so, please state relevant paragraph from Schedule 12A LGA 1972:	
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Head of	
Date	Signature
Head of Legal and Democratic Services and Monitoring Officer	
Date	Signature
Head of Financial Services and Section 151 Officer	
Date	Signature

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EAST STAFFORDSHIRE BOROUGH COUNCIL

Report to Cabinet

Date: 13th August 2012

TITLE: Development of Burton Market Hall

PORTFOLIO: Partnerships

RESPONSIBLE OFFICER: Head of Finance Stephen Hinds (ext. 1305)

CONTACT OFFICER: Stephen Hinds (ext. 1305)

WARD(S) AFFECTED: Burton

1. Purpose of the Report

1.1 The purpose of this report is to outline the development proposal for Burton Market Hall.

2. Executive Summary

2.1 As identified in the Corporate Plan 2011-2015, the project will aim to ensure that once again, the market hall becomes a focal point for the town. The work will focus on modernising the building, increasing visitor numbers and enabling a wide range of uses within the facility. This report follows from the reports to Members in November 2011 and the decision that Option 4 (redevelopment + expanded usage) was the chosen route. It finalises the proposal recommended to the Leader/Deputy Leader meeting in June 2012.

3. Background

3.1 The council identified the continuing regeneration of the markets within the borough as part of the 2011 – 2015 Corporate Plan. A major element of the regeneration is the development of the Market Hall in Burton upon Trent.

3.2 Burton Indoor Market's fortunes have been in decline over recent years, despite various programmes for improvement and investment, as the market's retail offer has failed to adapt to compete with contemporary and sophisticated retailing techniques.

3.3 Analysis of the Market Hall has shown the significant need for improvement. It is estimated that 180,000 people visit per annum. Comparing that to the figures of Coopers Square (9-

10 million visitors per annum) which is a stones throw from the Market, and Burton Place (4 million visitors per annum) which only has 7 shops, indicates that there is significant footfall in the surrounding area, yet very few people are attracted to visit the Market Hall.

- 3.4 A survey in July 2012 during one lunchtime period identified the average shopping basket for the Market Hall traders was £3.04.
- 3.5 With respect to the occupancy rates for the Market, the indoor market current has a vacancy rate of 25%. The current vacancy rate for retail in Burton stands at 8.5%.
- 3.6 With respect to the vacancy rates for the Outdoor Market with 46 stalls, they are as follows:
 - Thursday – 30.2%
 - Friday – 67.4%
 - Saturday – 62.8%
- 3.7 The Outdoor Market in 2002 had 96 stalls, with 100% occupancy and a waiting list. It is clear that markets are in decline, and despite incentives to traders and various initiatives, something significant needs to happen to ensure further decline does not occur.
- 3.8 Anecdotal comments made to the Markets staff have indicated that approximately 80% of the Outdoor Traders would prefer to relocate to Station Street to increase footfall.
- 3.9 As part of the redevelopment opportunities, the preference is for a Market Hall that can improve the town-centre offer, by retaining the retail and catering element, adapting it in line with contemporary market offers and expanding the capacity to include a venue offering an evening economy. The following proposal aims to achieve this.

4. Contribution to Corporate Priorities

- 4.1 The development ideas contained in this report aim to contribute to all three of the Councils corporate priorities for 2011 – 2015:
 - 4.1.1 Relevant and better value services.
 - 4.1.2 Encouraging local enterprise.
 - 4.1.3 Enhancing lives throughout the borough.

5. Report

- 5.1 The report will outline the details of the development proposal.

5.2 The Objective

- 5.2.1 The objective is to create a worthwhile facility providing the borough with a strong independent food retail and catering offer, a regular indoor market and events venue whilst providing profitable trading results. The project is anticipated to improve the financial fortunes of the market, and aid the redevelopment of the town centre.

5.3 The Proposal – Fresh Food and Retail

- 5.3.1 The Market Hall would encourage a bustling market daytime economy which enables independent retailers and caterers to compete with multiples on a level playing field.
- 5.3.2 Retail food and food related shops trade 6 days a week and the central market offer changes daily attracting a wider demographic than currently enjoyed.
- 5.3.3 The cafés and bars will open all day and seating will be provided at the first floor balcony level as well as fronting the building on the Market Place for al-fresco dining during clement weather. The daytime offer will be engineered to offer something in order to serve all sectors of the community.
- 5.3.4 Note that the brick built outdoor stalls will be demolished as part of the redevelopment, freeing up the view of the iconic building, creating space for various activities but also allowing for additional car parking space at the front of the building.
- 5.3.5 The proposal includes the creation of a strong retail food offer for Burton and surrounding areas. The market hall conveniently includes a series of shop units to the perimeter of the structure.
- 5.3.6 Units alongside the North, South and East perimeters are to be designated largely as food retailing businesses supported with a number of non-food retailers. Units are generally 200 sq.ft. and some tenants may require multiple or expanded units.
- 5.3.1 High quality, professional, independent food retailers will be sourced from a 40-miles radius of Burton and a number of existing Burton Market traders will also be given the opportunity to trade within the new development.

5.4 **The Proposal – Dining and Socialising**

- 5.4.1 This front (west façade) of the building will have improved visibility following demolition of the two external market buildings.
- 5.4.2 Units to the west facade will be classified as eateries and bars enjoying out of hours access to the market place. Entrance will be gained at ground floor level and seating is mostly located at first floor balcony level and additional ‘al-fresco’ seating to the front of the building.
- 5.4.3 Eateries will benefit from breakfast, lunch and daytime trade and will also profit by being the sole catering offers for the events centre which will host various events each week.

5.5 **The Proposal – The Daily Market**

- 5.5.1 The zone located at the centre of the building is designated as a daily market comprising of easily demountable market pop up stalls. The market will have a regular calendar of events such as (but not exclusively) General Markets, Farmer’s and ‘Grow Your Own’ Market, Antiques and Collectables Market, Flea and Retro Market, Arts and Crafts, Asian Market, Caribbean Market, World Markets, Polish and Eastern European Markets, Music and Entertainment Market and a Workshops day.

5.5.2 All markets can be supported by a diary of events running concurrently with the various themed markets including:

- Local performing art groups
- Cooking demonstrations
- Antiques Auctions
- Arts and Crafts demonstrations
- Christmas Grotto and other festive events.

5.6 **The Proposal – Entertainment Venue**

5.6.1 This element of the development will add value and ensure that the possibilities of the Market Hall are maximised, and complement offers of existing council venues and the council's Arts Strategy.

5.6.2 The entertainment venue is an opportunity to bring people to the Market Hall when it is ordinarily closed, and generate interest in the Hall, the surrounding areas and the borough in general.

5.6.3 At the end of the normal trading day, market stalls will be removed and the plan provides for a portable stage and cinema, creating an exciting evening entertainment venue, which can provide:

- Weekly Comedy Club
- Weekly 'Pop-up' cinema
- Regular live music – classical, rock, jazz, folk, DJ's, choral etc...
- Use for community groups – amateur dramatics, prize presentations etc...
- Antiques auctions
- Charity events: Children in Need, Sport Relief, Comic Relief etc...

5.6.4 The hall will become a sizeable and well-appointed venue acting as a meaningful hub for all sectors of the community.

5.6.5 The ground floor of the market hall will accommodate 700 visitors and an additional 200 guests can be served.

5.6.6 A project plan and schedule of events for the evening venue and outside area to be agreed by members, once the architectural plans have been completed. This is schedule is anticipated to available in October/November 2012.

5.7 **The Proposal – The Outdoor Market**

5.7.1 As part of the objective to strengthen Burton's Market Offer, consideration has to be given to the Outdoor Market.

- 5.7.2 It is proposed that the outdoor market will be relocated to Station Street and will include new pop-up stalls branded in a similar fashion to the Market Hall building.
- 5.7.3 The market service will be promoted as one, thus rather than having them competing with one another, the two elements will be complementary. Market branded street signage will be introduced to the High Street and Cooper's Square, linking the markets together with clear directional signage.
- 5.7.4 The relocation has long been an ambition of the Outdoor Market Traders, and this move goes some way to improve the fortunes of the ailing Friday and Saturday market, whilst reinforcing the success of the Thursday market.
- 5.7.5 The current footfall accessing Coopers Square via the Station Street entrance averaged 6,000 people per day. It is believed that this is indicative of the increased footfall that will benefit relocating the Outdoor Market Traders to Station Street.
- 5.7.6 It should be noted that by freeing up the Market Square, events such as continental markets, farmers markets, community events and even Ice Rinks for winter can be held.
- 5.7.7 As per the agreement of the Council meeting in February 2012, Market Rents will continue to be frozen for the remainder of 2012/13, and this will apply to those Street Traders who transfer to the Market Licenses.
- 5.7.8 The County Council has indicated that it has no problems with this development of the outdoor market.

5.8 **Management of the Market Hall**

- 5.8.1 The following method is recommended as it mitigates against short term risk, and can be reviewed after 2 years (once the market is bedded in).
- 5.8.2 By running the Market under direct management (of ESBC) with Market Specialist Supervision, this allows for a professional local authority management, but has the advantage of being able to access the expertise of a current market management specialist.
- 5.8.3 Advantages include:
- Potential to maximise income streams
 - Integration to ESBC policies and strategies
 - Focused and professional supervision from a market specialist
 - Option to change to another operating system as and when needed.
- 5.8.4 The main disadvantage is that the staff employed by the authority may not have the retail skills to maximise the potential of the Market, although the support of the specialist should go some way to mitigate against this.

5.9 **Summary of Market Development Consultation**

- 5.9.1 The consultation was launched in tandem with a press release on Friday 22nd June and ran until Friday 13th July. All Market Traders were invited to attend a short presentation/ Q&A session prior to the consultation launch the next day. There were two large consultation presentations on either side of the Market Hall, with consultation documents and questionnaires available, and all documentation was available via the website. Numerous press releases were issued and stories run, each referring to the consultation period.
- 5.9.2 The consultation was open to all whom had an opinion on the Market.
- 5.9.3 126 formal responses to the formal consultation document were received.

Summary of Consultation Responses

- 5.9.4 The majority of respondents to the survey believed that something significant needs to happen to the market in Burton otherwise the market will die in its current form. With respect to the survey questions, the following ideas and suggestions were the most popular from each question:
- The Indoor Market should contain a butcher, grocer and baker (all received over 80%), with the open suggestions of Cheese Stalls, Health Foods and “Ethnic” foods being very popular.
 - People would like to see Sandwich shops, Delicatessens and Bistros within the Market, with Burger Bars and “Greasy Spoons” being the least popular.
 - With respect to the centre of the Market Hall and the daily markets, there was strong support for General Market, Farmers and Grow Your Own Market days. There was also significant interest in holding Asian, Polish and Caribbean Markets on a weekly basis. A number of interesting responses suggested that workshops could be held in the market on a regular basis – such as cookery, woodwork and ICT.
 - When asked about retaining types of stalls, the consultation identified keeping the Butcher, The Cheese Stall and the Book Stall as recurring favourites.
 - Charity Events, Film Evenings, Comedy Nights and Pop Music were the most popular evening events. There were many suggestions for Fashion Shows, events that would bring Burton’s diverse communities together and graduations/proms for the schools and colleges around the borough. There was some concern that the authority needs to ensure that the venue complements existing venues in the town.
 - The most popular choices of events for the Market Square were Farmers Markets, and Specialist events, such as an Ice Rink.
 - In the section where respondents could add any further comments (of which 87 did), 17 were “general comments”, 26 were strongly supportive of the idea, and 44 were negative. The majority of the negative comments focussed on the relocation of the Outdoor Market to Station Street (due to their perception of low footfall) and moving the Greengrocer element of the Market away from

the Market Hall – something that is not in the proposal. A dozen respondents requested no changes to the market provision in Burton whatsoever.

5.9.5 Along with the formal consultation responses, further responses (through emails, telephone calls and letters) were received from the following (with a summary below):

- Burton Place Shopping Centre

Burton Place Shopping Centre stated that they endorsed the proposals, seeing them to be of a great benefit to Burton.

- Octagon Shopping Centre

Octagon Shopping Centre stated that they believed moving the traders to Station Street would bring “colour and vitality to an ordinary street”, and that by freeing up the Market Square for events would make Burton more attractive to visitors.

- Coopers Square Shopping Centre

Coopers Square Shopping Centre believed that this development would be beneficial to both the traders and the town as a whole.

- Burton Civic Society

A number of letters from members of Burton Civic Society were received. These letters primarily focussed on their belief that the proposal should constitute part of the LDF (incorrectly), their opinion that the consultation period is not long enough and the consultation document is constructed in a manner that does not allow for negative comments. These comments were replicated in their formal consultation responses too.

- Current Market Traders

With respect to the Indoor traders, we have noted a split between traders’ opinions to the proposal. We have been made aware of the feelings of a number of traders who are against the proposals, and have been very active in the media to express this. They have also written to the authority to respond to the consultation proposal. Other indoor traders have made their wishes to support the proposal known to the Council but have chosen to remain low key.

- A petition entitled “Save the Market” of around 3,000 signatures

A group of existing traders handed a petition entitled “Save the Market” to the authority. However, given the title of the petition, and the broad ranges of comments left, we are unsure as what the respondents believe the proposals to be. Comments include:

“Don’t close the Market”

“Save our Market”

“Leave it alone”

“Don’t Move”

“Don’t move this stall”

“Don’t shut it down”

“Don’t change the Market”

“Why not open for 6 days a week?”

Despite some doubts about the validity of the petition, it is clear that people feel passionately about the market, and recognises the need for a vibrant and successful market in Burton.

- The public

A number of letters from the general public came in, mostly to support their consultation response but also to clarify some issues that had been raised. There was also a common thought that any development was in breach of the Market Charter, which it is not.

- Third Party Promoters

A number of third party promoters were consulted on the Market Venue element of the proposal. They have all indicated that the venue has tremendous potential to revitalise the evening economy of the area, and attract people to the town.

- Members of all parties were briefed on the proposal, and there was, in general, support for the proposal.
- Scrutiny (Encouraging Local Enterprise Committee).

A presentation was made by the Head of Finance to this Scrutiny Committee. There was some initial opposition to the proposal, but after a full explanation of the proposals, and a visit to the Market Hall itself to visualise, then the committee felt very positive about the development.

- An survey and business case were supplied to the council after the consultation deadline had passed, and answers to which can be found in Appendix C

6. Financial Considerations

6.1 The main financial issues arising from this Report are as follows:

6.2 The current Burton Market Offer generates a net income of £86k per annum (including the Outdoor Market). We also have a significant amount of rents in arrears from a number of traders.

- 6.3 It is anticipated that the Indoor Market will experience closure of some variety and duration during the redevelopment. The exact scope of this will not be known until the full architectural designs have been completed.
- 6.4 Those traders who will remain in the Market Hall post redevelopment will be assisted by the authority and the Town Centre Management Committee to be temporarily re-housed and minimise disruption to their business.
- 6.5 It is anticipated that the full capital cost of the development would cost approximately £1.54m. These costs may change once the scheme is put out to competitive tender.
- 6.6 The 5 year mid-range income scheme is as follows:

5 year projected trading					
	Year 1	Year 2	Year 3	Year 4	Year 5
Anticipated Income:	£ 777,141	£ 815,999	£ 856,798	£ 899,638	£ 944,620
Anticipated Costs:	£ 441,472	£ 463,545	£ 486,722	£ 511,059	£ 536,611
Pre-Letting Fees	£ 79,311				
Letting Fees (Voids and churn)	£ 7,500	£ 7,500	£ 5,000	£ 5,000	£ 5,000
Rental Inducements - Reverse Premiums	£ 85,000	£ 10,000			
Launch Budget	£ 30,000				
Total Anticipated costs	£ 643,283	£ 481,045	£ 491,722	£ 516,059	£ 541,611
EBITDA	£ 133,859	£ 334,953	£ 365,076	£ 383,580	£ 403,009

- 6.7 The business plan objective will be to achieve 85% occupancy (including bad debt provision) in year 1 increasing to 92% in year 2. Similar occupational percentage attainments have been tried and tested in similar projects elsewhere.

Revenue	2012/13	2013/14	2014/15
Net income		(£50,000)	(£250,000)
Capital	2012/13	2013/14	2014/15
		£150,000	£1,390,000

- 6.8 It is suggested that prudential borrowing is used for funding this scheme, either over a 10 year or 25 year payback period. These costs would come to (approximately) £150k and £92k annually respectively. Either period shows that the scheme can “wash its own face” and still improve profitability.

7. Risk Assessment and Management

- 7.1 The Main risks are as follows

- 7.1.1 If nothing is done with the Market Hall, it will cease to trade in the near future, leaving a significant landmark empty and without use.

7.1.2 The risk that the most likely scenario is not achieved and the worst case scenario occurs. This is highly unlikely. However, under this scenario, the scheme is still profitable.

8. Legal Considerations

8.1 There are no significant legal issues arising from this Report

9. Equalities

9.1 The equality impact assessment identified the following impacts:

	Positive Impact	Negative Impact	Comments
Age	•		Appeal to a wider audience including young people and families, by having a strong retail mix.
Disability	•		A redevelopment of the hall will allow for improvements to be made in conjunction with the Disability and Equality Act 2010.
Gender / gender reassignment / pregnancy or maternity	•		Development plans could include provision for public toilets, baby changing and feeding rooms. These would act as footfall drivers through the market.
Race	•		A new retail offer could include stalls that reflect our diverse community.
Religion/belief	•		A new retail offer could include stalls that reflect our diverse community.
Sexual orientation			N/A
Other			N/A

10. Human Rights

10.1 There are no Human Rights issues arising from this Report.

11. Sustainability (including climate change & change adaptation measures)

11.1 Does the proposal result in an overall positive effect in terms of sustainability (including climate change and change adaptation measures) **Yes**

11.2 Please detail any positive/negative aspects (please refer to guidance notes)

11.2.1 Positive (Opportunities/Benefits)

- A more environmentally friendly building, with new, energy efficient materials and technologies.

11.2.2 Negative (threats)

12. **Recommendation(s)**

- 12.1 That the proposal for the redevelopment of Burton upon Trent's 'market offering' be approved and that the market hall refurbished, with improvements ranging from refurbished shops to the opening of the Indoor Market Hall balcony to the public;
- 12.2 That all food produce for sale is located in one area, inside the Market Hall, following refurbishment;
- 12.3 Consequently, these improvements enable the 'freeing up' of space to the front of the Market Hall on land adjacent to the public highway, allowing for easier access and parking arrangements, especially to help those with mobility issues;
- 12.4 To use the space left in the vacant Market Square to hold events and attractions and for parking. For example, ESBC will look to hold a temporary Ice Skating rink in the area immediately outside the Market Hall from November 2012 to February 2013;
- 12.5 A project plan and schedule of events for the evening venue and outside area to be agreed by members, once the architectural plans have been completed;
- 12.6 To move the Outdoor Market to Station Street (with an anticipated moving date being November 2012);
- 12.7 That the Street Traders remain on Station Street (subject to the usual annual licence renewal), and become incorporated into the Outdoor Market when it moves to Station Street; and
- 12.8 That there will be no changes to the fees charged for the Outdoor Market or Street Traders once the move to Station Street happens.

13. **Background papers**

- 13.1 Markets Option Report – Sept 2011
- 13.2 Market Hall Proposal Report – June 2012.

14. **Appendices**

- 14.1 Appendix A – Answers to common questions.
- 14.2 Appendix B – Summary of Market Consultation Document
- 14.3 Appendix C – Answers to Traders Proposal and Independent Survey