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## **Economy and Growth Committee**

**12 March 2024**

### **Macclesfield Indoor Market Refurbishment**

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**Report of: Peter Skates, Executive Director- Place**

**Report Reference No: EG/27/23-24**

**Ward(s) Affected: Macclesfield Central**

#### **Purpose of Report**

- 1 This report outlines a proposal to refurbish elements of Macclesfield indoor market utilising UK Shared Prosperity Funding (UKSPF) and seeks approval to enter a contract with a value over £1M for that refurbishment work.

#### **Executive Summary**

- 2 The approved Macclesfield Town Centre Strategic Regeneration Framework (SRF) identifies the desirability of investment in Macclesfield indoor market to increase its attractiveness to a wider range of residents and visitors.
- 3 On 16 November 2023 the Acting Executive Director - Place, utilising authority delegated by full Council, and having considered the outcome of a transparent selection process run by external independent advisors, determined to allocate UKSPF to a further tranche of CEC and external recommended projects. That decision included the award of £1,349,400 of UKSPF for the refurbishment of Macclesfield indoor market aligned to the Macclesfield SRF. That decision, which is linked in background papers, was well publicised in the local press. Subsequently on 13 February 2024 the Acting Executive Director - Place awarded an additional £229,100 of UKSPF to this project, (£50,000 for branding and £179,100 for capital works).

- 4 An extremely tight timetable for delivery of all UKSPF funded projects is dictated by UKSPF requirements, with current rules requiring spend of all UKSPF allocations by the end of March 2025.
- 5 As the value of the contract for construction work included in the refurbishment works will exceed £1,000,000, authority is required from committee to enter into contract for those works. Whilst ongoing design and costing workstreams are not due to be completed until circa June 2024, committee approval to proceed to enter into contract is being sought now, to prevent any unnecessary delay in the process which might jeopardise the project.
- 6 This report is therefore seeking authority to enable officers to proceed to contract with a preferred supplier as soon as the design and costings work is completed, and a preferred supplier identified.

#### RECOMMENDATIONS

The Economy and Growth Committee is recommended to:

1. Authorise the Head of Economic Development to select and enter into a contract with a provider to deliver refurbishment works to Macclesfield Indoor Market, noting the value of the contract will exceed £1,000,000.

## Background

- 7 In December 2022, the National Association of British Markets (NABMA), published the results of a national survey of markets. The results suggest the market industry faces major challenges arising from multiple factors including the pandemic, the economic crisis, and the difficulties faced by town centres generally, such as from increased competition from online retailing etc. Overall market stall occupancy is down, as are trader numbers. The survey further identified that 84% of markets are operated or controlled by local authorities and only 40% have an annual financial surplus.
- 8 In many ways, Macclesfield Indoor Market is a typical local authority market. It has some advantages being centrally located, adjoining the Grosvenor Shopping Centre in the heart of Macclesfield town centre and directly below a multi-storey car park. Conversely, it has several

disadvantages such as uninspiring architecture, and limited visibility from public vantage points.

- 9 The market building was constructed circa the 1970s and has not had significant investment for many years. It is typical in appearance of a functional commercial space of that era. The maintenance of the building is the responsibility of the Council's Facilities Management Service, whilst responsibility for the running of the market has fallen to CEC Environmental Service who have contracted the day-to-day management to ANSA Environmental Services.
- 10 Today, the market space is dated and the design of the market space and its stalls present daily challenges for stallholders and customers.
- 11 Ongoing physical issues include:
  - Lack of security shutters on many stalls;
  - Stepped floor levels restricting accessibility/creating safety issues;
  - Limited services restricting scope for food and drink outlets;
  - Lack of communal seating area to serve food and drink outlets;
  - Utilitarian strip lighting adding to the stark functional atmosphere;
  - Poor external/entrance signage;
  - Confused layout and limited visibility of stalls;
  - Wide variety in stall designs and lack of clear design aesthetic;
  - General tired appearance and ongoing maintenance challenges.
- 12 Photographs illustrating the current condition of the market are set out at **Appendix 1**.
- 13 Given the current condition of the market, it is not surprising that the Council has struggled to achieve full occupancy of the market over several years. Whilst the visual impact of vacancies is reduced by allowing traders to utilise unoccupied space at no extra charge or by letting space free of charge to charities, 13 of the 50 stalls are not currently generating an income (26%). Income and expenditure associated with the market has been provided by various teams and is summarised in **Appendix 2**. This illustrates that, having regard to costs associated with running the building as well as the market, the market currently operates at a loss.
- 14 In October 2019, the Council approved the Macclesfield Town Centre Strategic Regeneration Strategy, which identified multiple actions to reinvigorate Macclesfield Town Centre as and when resources allow, and opportunities arise. These actions include revitalising the indoor market to increase its attractiveness to a wider range of residents.

- 15 Subsequently, in 2021 the Economic Development Service commissioned a study of the market to identify how it could be improved should funding sources be identified. That study included a public survey, discussions with traders, and input from a team with experience of renovating markets. The recommendations which stemmed from that study suggested a range of improvements dependant on available budget, with the full package of works being estimated likely to cost in the region of £3.2M (April 2023).
- 16 In 2023, an opportunity arose to deliver a minor, but significant improvement to the indoor market. On the back of the Department for Levelling up Housing and Communities (DLUHC) offering £40,000 grants for new Changing Places Toilets, Macclesfield Town Council pledged a significant grant of £110,000 towards the cost of developing a publicly accessible set of toilets in the indoor market, including the first Changing Places Toilet in the town centre. These toilets were delivered and opened in November 2023. This has enabled the dated public toilet at Park Green, subject to anti-social behaviour, to be closed, with the intention of the building being sold at public auction. Photographs of the new accessible toilets are shown at **Appendix C**.
- 17 In mid 2023, a further opportunity arose to apply for part of the Cheshire East UKSPF allocation. A proposal was developed and submitted for consideration and in late November 2023 confirmation was received that £1,349,400 of UKSPF has been allocated for refurbishment works to enhance the market. Subsequently in December 2023 a further opportunity arose to apply for 'up scaling' UKSPF funding. A further application was submitted for additional funding to enable the project to proceed without a requirement for match from CEC funds and to introduce an associated branding exercise. On 13 February 2024 the Acting Executive Director – Place approved that application such that the overall capital allocation for this budget from UKSPF is now £1,528,500 decision with a further £50,000 available for associated branding work.
- 18 With UKSPF funding now approved, a project for the upgrading of the market is due to be included in the capital programme set out in the updated Medium Term Financial Strategy, to be considered by Council in February 2024.
- 19 The list of works which are currently being explored is summarised below. This is not intended to be exhaustive but to give an indication. These initial ideas are further illustrated in **Appendix 4**.
- New level surface, accessible stalls with shutters
  - New warm white lighting and festoon lighting as appropriate
  - A communal seating space with screening
  - Repositioned stalls to increase visibility

- New or repaired floor
  - Greater number of stalls with facilities for food preparation
  - Improvements to the Churchill Way entrance and lobby
  - Improvements to the staircase entrances and lift lobby
  - Improvements to the entrance from the Grosvenor Centre.
- 20 The works are intended to be scalable, with a view to ensuring the final scope of works falls within the approved budget. Not all items currently under consideration may be deliverable within the budget.
- 21 Design work intended to clarify the scope and detail of works to be delivered has already been commissioned to be paid for from the overall UKSPF budget allocated. That design work commenced shortly after funding was confirmed and is due to take circa 7 months to complete. When complete, the design work will produce a clearly defined schedule of works and costings.
- 22 Given the current limitations of UKSPF allocations, the period for delivery of this project is extremely challenging. Under the current terms of the UKSPF allocation, the funding must be spent by end March 2025. With a currently immovable end date for the project, there is a clear risk that any unforeseen issues causing even minor delays could prevent delivery of the project as envisaged. Macclesfield's MP has been made aware of the difficulties a fixed end date for the spend of UKSPF poses for any project of this nature, with a view to him pursuing an extension of time for UKSPF spend.
- 23 The exact order of works and implementation plan for the project cannot be firmed up until the scope of works has been finalised with further discussions then taking place with the intended contractors, ANSA market management team, traders, and Environmental Services. However, given the tight timescale and fixed project budget, it is planned to try to deliver enhancements in phases, working with traders, market management and contractors to identify appropriate phasing, then moving traders within the market utilising unlet space as necessary, with the aim of minimising inconvenience for traders in so far as is possible, and aiming to ensure all traders can continue to trade for the duration of the works.
- 24 It is intended to utilise the North-West Construction Hub Low Value Framework to procure the construction works, specifying that work must be completed within this period. Given the anticipated cost of the improvement works exceeds £1,000,000, committee approval is required to proceed to contract.

### **Consultation and Engagement**

- 25 In 2022, as part of the study to explore options to improve the market, a survey of local resident's views on the indoor market was undertaken by the appointed team. The findings of this survey, which was completed by 389 individuals, were considered when identifying potential improvements. The appointed market study team also considered the views of market traders before making recommendations. Some of the recommended changes can be seen to stem directly from market trader's views, such as the provision of stall security shutters, and some stem from residents, such as the recommendation to create accessible toilets. Some improvements recommended, such as improved signage, echo views expressed by both traders and residents alike.
- 26 Since 2022 several meetings have been held with market traders to keep them informed regarding the outcome of the market study, the implementation plan for the new toilets, and the intention to seek funding for further improvements. In December 2023, traders were informed that UKSPF has been awarded but it has been made clear to traders that further permissions are required before any improvements can be taken forward. The response from traders to the range of improvements being explored has been positive. Given the tightness of the timescale and the limitations on the budget, the intention is to introduce improvements in a phased manner, allowing traders to continue to operate their businesses from the market. Officers have committed to regular updates being provided for market traders as key milestones are met and trader's views will be considered as the project progresses. Officers are keen to minimise disruption for traders, but it must be understood that with such tight timescales and limited fixed budget it may be too challenging to meet all requests.
- 27 Macclesfield indoor market is located within Macclesfield Central ward. Ward members Cllr Braithwaite and Cllr Farrall have both been supportive of the vision to upgrade the market since inception, were both proactive in supporting the introduction of new toilets into the market in 2023, and have both reiterated their support for this further phase of refurbishment proposals. The project team will continue to keep these ward members updated on key milestones regarding this project as it progresses.
- 28 Macclesfield Town Council have also been keen collaborators in finding means to improve the market, make officers available to support CEC in meetings with traders and continue to work in a collaborative constructive way with officers on all matters relating to the market project. The Town Council will be kept involved in the project as it is pursued, and their support and encouragement are of significant help to the CEC project team.

## **Reasons for Recommendations**

- 29 The Council's Corporate Plan 2021-25 states that the Council will seek to deliver its strategic regeneration plan for Macclesfield under the priority of ensuring thriving urban and rural economies with opportunities for all. That strategic regeneration plan is the Macclesfield Town Centre Strategic Regeneration Framework (SRF), approved by Cabinet in October 2019. The SRF specifically identifies the desirability of revitalising the indoor market to attract a wider range of shoppers.

### **Other Options Considered**

- 30 Not proceeding to contract refurbishment works has been considered, particularly given the limited staff resources available within the Economic Development team. However, the opportunities for external funding to support this kind of project in locations such as Macclesfield, which are not perceived centrally to be a priority for levelling up funding, are exceedingly rare. If this opportunity is not embraced, it may be many more years before a similar opportunity arises.

<b>Option</b>	<b>Impact</b>	<b>Risk</b>
Do nothing	No improvements to the market will be delivered	Conditions continue to deteriorate; vacancies increase and income to CEC decreases whilst costs continue to rise.

### **Implications and Comments**

#### *Monitoring Officer/Legal*

- 31 If the North-West Construction Hub Low Value Framework is used to procure the construction works, this should result in the award of a contract that is compliant with the public contract regulations. Legal will support the process for contract award utilising this Framework in tandem with colleagues from the procurement team.

#### *Section 151 Officer/Finance*

- 32 This project was awarded £1,349,400 UKSPF on 23 Nov 24. Up to £80,000 of that revenue budget has been allocated towards design work. The project has subsequently been put forward to be included as a capital project in the Medium Term Financial Strategy, to be considered by Council on 27 February 2024.
- 33 The project is being designed to be scalable. This will enable elements to be removed from the scope without undermining the entire project to

limit financial risk to the Council from rising costs. There is no current expectation that the Council will be required to contribute to the cost of the scheme.

- 34 The Memorandum of Understanding between the Council and DLUHC relating to the UKSPF allocation, states that no funding will be provided for activity after 31 March 2025 and that the Lead Local Authority must be able to include funding within the 2024-2025 accounts by the end of the funding period, with underspends in the final year of the programme being repaid to the Secretary of State. The project team are aware of this limitation on the funding, and this should be written into any contract for the works. It is likely that a significant portion of the award will need to be claimed in arrears so it is important that the project team factor this into any procurement contracts to ensure that they are “end loaded” therefore limiting the time that the Council needs to forward fund the work before receipt of the claim.
- 35 If successfully delivered the scheme has the potential to improve the attractiveness of the market to new traders and reduce vacancies, thereby increasing income to the Council in the longer term.

### *Policy*

- 36 The Corporate Plan (2021-25) recognises the importance of successful town centres under the priority of ensuring Cheshire East is a thriving and sustainable place. Further, it specifically states that by 2025 the Council wants to see the delivery of a strategic regeneration plan for Macclesfield. That regeneration plan, the Macclesfield Town Centre Strategic Regeneration Framework, in turn, specifically references the desirability of revitalising the indoor market.
- 37 The refurbishment of Macclesfield indoor market would support additional priorities in the Corporate Plan as set out below.

<b>An open and enabling organisation</b>	<b>A council which empowers and cares about people</b>	<b>A thriving and sustainable place</b>
Listening, learning, and responding to our residents - proposals have been informed by a survey of residents as well as discussions with market traders.	Working together with residents and partners to support people and communities to be strong and resilient – local markets can act as important social- hubs	A great place for people to live, work and visit – enhancing the market will benefit all residents who visit it and could stimulate wider investment in the locality.



Supporting a sustainable financial future for the council – the proposal aims to deliver changes which should reduce vacancies and hence increase income.	strengthening community bonds.	<p>Thriving urban and rural economies with opportunities for all – the works will make stalls more flexible for a wider range of start-up/ small scale businesses</p> <p>Transport network that is safe and promotes active travel – improved facilities for cyclists are planned as part of the enhancement works.</p>
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### *Equality, Diversity, and Inclusion*

38 An Equality Impact Assessment for this project is set out at **Appendix 5**.

### *Human Resources*

39 The project is being led by the Economic Development Service and Facilities Management Service working collaboratively. Regular communication is ongoing with ANSA and Environmental Services who are responsible for Market Management. Other Services are likely to need to support the project including Procurement, Assets and Legal.

40 Staff resources in several of these teams are extremely stretched, with current vacancies. Any staff illness or unplanned absence poses a risk for the project.

### *Risk Management*

41 A risk register is being developed and will be maintained for the duration of the project. The key risk at the present time relates to the exceptionally tight timescale for delivery of a project of this nature due to the fixed deadline imposed by UKSPF. This deadline is outside the control of the Council and the local MP for Macclesfield has been made aware with a request made to lobby for extension of the available timescale for spend.

### *Rural Communities*

42 There are considered to be no specific implications for rural communities arising from this report.

*Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)*

- 43 There are considered to be no specific implications for young people/cared for children stemming from this report.

*Public Health*

- 44 There are considered to be no significant direct implications for public health stemming from the project with a neutral overall impact on public health anticipated. This is not to say the project cannot have indirect positive benefits. Given the potential for thriving markets to provide relatively low-cost healthy produce and for markets to provide social hubs, a thriving market is considered to have the potential to have a general indirect positive impact on public health.

*Climate Change*

- 45 Whilst not primarily being proposed as a scheme to reduce carbon, having a thriving, attractive market in the heart of the town centre, may encourage people to shop more locally thereby reducing emissions associated with travel. Additionally, opportunities will be taken to ensure climate change is considered throughout the design process, for example when fittings are selected, in the incorporation of features to support active travel etc. Whilst longer term market management is outside the scope of the project, the interaction with traders which results from the project may also enable new conversations to be developed around their efforts to reduce carbon, such as in their choices for packing, opportunities for reuse of materials and recycling.

Access to Information	
Contact Officer:	Jo Wise Development and Regeneration Manager <a href="mailto:Jo.wise@cheshireeast.gov.uk">Jo.wise@cheshireeast.gov.uk</a>  Charles Jarvis, Head of Economic Development <a href="mailto:charles.jarvis@cheshireeast.gov.uk">charles.jarvis@cheshireeast.gov.uk</a>
Appendices:	Appendix 1: Photographs of Macclesfield Indoor Market  Appendix 2: Record of market income and costs  Appendix 3: Photographs of new market WCs

	Appendix 4: Illustrative initial proposals Appendix 5: Equality Impact Assessment
Background Papers:	<a href="#"><u>Officer decision: UKSPF allocation to additional projects</u></a>