

Cheshire East Council

Cabinet

Date of Meeting: 18th October 2016

Report of: **Executive Director of Place, Frank Jordan**

Subject/Title: Crewe Markets

Portfolio Holder: Cllr Paul Bates, Communities and Health
Cllr Don Stockton, Regeneration

1. Report Summary

- 1.1. The Council has been in discussion with Crewe Town Council regarding the future of the Market Hall and the wider markets offer in the town. The markets represent a significant opportunity to contribute to the regeneration of Crewe Town Centre. This report sets out an approach for moving forward on setting and implementing the future vision for the market offer in Crewe.

2. Recommendation

- 2.1. It is recommended that Cabinet;
- Agrees to the principle of developing a vision, business plan and delivery programme for the markets jointly with Crewe Town Council.
 - Approves the allocation of £50,000 of revenue funding from the sustainability revenue budget for this work.
 - Notes the potential future capital requirements for this project, the funding of which will be subject to a separate report and decision.

3. Other Options Considered

- 3.1. Creating a vibrant market offer will support the work the Council is undertaking to regenerate Crewe. Therefore the 'do nothing' option is not considered to be the preferred option.
- 3.2. The Council could transfer the asset to Crewe Town Council. However taking this approach at this stage may present the Town Council with a significant burden, both in terms of risk and potential liabilities. This option also potentially reduces the opportunity to consider changes to the markets offer and also the potential regeneration benefits to the town. Dealing with

the transfer will become the significant issue rather than realising the potential opportunity the market represents. The transfer to Crewe Town Council could be still considered as an option for both parties in the future.

- 3.3. The Council could also procure new operators for the markets however at the present time this is not considered to be an option. This may work if the Council was purely interested in a commercial return, however the Council also has regeneration objectives which may not be achieved by taking this route.
- 3.4. The Council could look to close the market. This is not assessed to be an option as the Council sees the market offer for Crewe to be an integral part of the regeneration of Crewe.

4. Reasons for Recommendation

- 4.1. It is clear that the Market Hall is under used and lacks the dynamism of a thriving market offer. This has a number of impacts on a variety of stakeholders including the existing traders and residents.
- 4.2. Furthermore the Market Hall provision does not provide an attractive commercial return to the Council.
- 4.3. The Market Hall, set within attractive surroundings, has the potential to create a vibrant link within the Town Centre between Grand Junction Retail Park, Memorial Square and Market Street.
- 4.4. It is foreseeable that continuing with the current operations will result in failure of the market at a point in the future.
- 4.5. The Council and Crewe Town Council do not have the in-house expertise to develop the vision and operating model for the market, however both parties have the capability of implementing the changes required once a programme is developed.
- 4.6. Should the Council transfer the Market Hall out of its ownership there are a number of practical issues, which are not insurmountable, relating to servicing and operation of the building that would have to be worked through.

5. Background Information

- 5.1. Following discussions between the two Councils, the Town Council have set out their thoughts on the future operation of the markets. Although this approach is embryonic it is clear that they wish to engage with Cheshire East Council to enhance the operation of the markets.
- 5.2. The market offer in Crewe consists of the indoor market, covered market (off Lyceum Square) and the outdoor market which is currently situated on Market Square, Market Street and Earle Street which averages around 20

stall holders per trading day. The indoor market has a traditional markets offer and not all stalls are open on a regular basis.

- 5.3. Cheshire East Council are currently progressing a planned programme of maintenance works on the exterior of the indoor market building which is currently underway and this has a cost of £180k. This work is essential and needs to be delivered regardless of any future operating model.
- 5.4. The revenue income for Crewe Market (indoor and outdoor) for 2015/16 was £264k against a budget of £243k. The revenue income budget for 2016/17 is £196k. Debt is currently £81k, of which £55k is over six months old and therefore has already been provided for within the Council's accounts. Although not assessed in detail the yield of the market is not in line with other investment assets and the service has confirmed that the number of tenants are declining.
- 5.5. Currently ANSA employ four employees (3.23fte) relating to delivery of market services in Crewe, however it should be noted that the team also undertake other works within the town centre. This needs to be considered carefully depending on the approach that will be taken to progress the opportunity.

6. Next Steps

- 6.1. There is a requirement to progress with the next steps quickly in order to maintain momentum on the project. These are;
- To agree the principles and terms of reference for the partnership arrangements between Crewe Town Council and Cheshire East Council for the markets.
 - To commission a specific piece of work on the vision and future operating model for the market.
 - To undertake a consultation exercise with staff, traders, residents and users of the market.
 - To develop an outline programme, business case and scheme for works to the markets and the surrounding public realm areas.
- 6.2. It is expected that this process will be completed by January 2017. An update report on the project will be presented to the Cabinet once this the first phase of work is completed.

7. Wards Affected and Local Ward Members

- 7.1. Crewe Central. Cllr Faseyi has not been consulted at this time. Given that Crewe Market will be of interest to all Crewe Residents and has wider regeneration implications it is recommended that all Crewe Members are engaged with during the initial consultation work and then throughout the implementation phase of the project.

(as this report progresses through the system it is planned to discuss this matter with her and other Crewe Members).

7.2. Policy Implications

The Council has sought to devolve market halls to the appropriate Town or Parish Council in the past. The reason for this differing approach is to improve linkages within the Town Centre between Market Street, Memorial Square and Grand Junction. This proposal presents an opportunity to work in a collaborative way with the express intent to drive the regeneration of the town, thereby creating additional benefits to the residents of Crewe.

7.3. Legal Implications

There are no direct legal implications arising from this report, however, as the project develops during this next phase Legal Services will be consulted to ensure there are no legal barriers to prevent the project going forward and to ensure appropriate partnership arrangements are put in place.

7.4. Financial Implications

Finance colleagues have not been formally consulted at this stage but are aware of the paper.

There is a requirement for £50,000 revenue funding to fund the work at this stage. It should be noted that additional resources will be required to implement the project. Should physical works be required for example, it is anticipated that additional capital funding may be required in the future to deliver the project, however this has not been scoped at this time.

The initial revenue costs of £50,000 will be funded from the sustainability reserve budget.

It is to be noted that a capital budget (Crewe Town Centre Regeneration Budget) currently exists for regeneration projects in Crewe which could be allocated to a future markets scheme.

7.5. Equality Implications

Not applicable at this stage.

7.6. Rural Community Implications

Although too early in the project to define it is felt that a future offer could present opportunities to market fresh local produce in the Market Hall and this could create opportunities for the rural community.

7.7. Human Resources Implications

ANSA currently operate the market on behalf of Cheshire East Council. At this stage the potential implications are not known and as the project progresses these implications should become clear. However it is foreseeable that changing the operating model could have HR or TUPE issues, depending on the operating model chosen. In any event working closely with ANSA and the team working in the market will be essential in implementing a successful outcome to the project.

7.8. Public Health Implications

Markets can generate an opportunity to create a healthy eating agenda and it is expected that this would be an element of the vision.

7.9. Other Implications (Please Specify)

Reputation. Cheshire East Council and Crewe Town Council will consult and work closely with the key stakeholders and the community to ensure their engagement in the project.

Any future project will need to be managed carefully so any works undertaken fit into any other future regeneration schemes that are proposed in Crewe.

8. Risk Management

8.1. There are a wide range of risks that at this time have been considered that relate to the proposal and to the physical buildings

Reputation. There is a risk that the proposed course of action may not produce a deliverable outcome. However a do nothing approach is likely to lead to further reduction in the market offer in the town which would increase the reputational risk to the Council. A consultation exercise with traders, staff and local stakeholders will be conducted to ensure the community are fully engaged in this project.

The cost of a potential future scheme is not known at this time and may not be wholly achievable, given the financial pressures that the Council faces. The decision making on any future investment will be taken at a later date, when the scope of the works will be understood.

Both Councils have committed to working closely on the project and a robust project brief will be constructed based on a clear view on the outcomes required.

Project governance. This project will be a regeneration lead scheme, using the Council's established project governance processes. Oversight will be

provided by Cheshire East's Cabinet member for Communities in consultation with the Cabinet Member of Regeneration. It is expected that the physical aspects of any development will be managed by the Property Projects team.

9. Access to Information/Bibliography

9.1. There are no background papers for this project

10. Contact Information

Contact details for this report are as follows:-

| | |
|---------------------|---|
| Name: | Frank Jordan |
| Designation: | Executive Director of Place |
| Tel. No.: | 01270 686643 |
| Email: | frank.jordan@cheshireeast.gov.uk |