

## **FOR PUBLICATION**

### **OPEN-AIR MARKET RECONFIGURATION UPDATE**

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Meeting: Community, Customers and Organisational Scrutiny Committee

Date: 22 March 2016

Report by: Town Centre Operations Manager

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#### **For publication**

##### **1.0 Purpose of report**

1.1 To provide a progress report on Chesterfield's outdoor market feasibility study. The purpose of the study was to analyse the existing operation and present a number of possible development options, with costs, which will make the market a more attractive location for both traders and shoppers and help to provide it with a sustainable future.

##### **2.0 Recommendation**

2.1 To note that due the Council's current financial situation the open-air market reconfiguration project is deferred but remains a priority for the Council.

##### **3.0 Background**

3.1 A report was received and considered by the Community, Customers and Organisational Scrutiny Committee on 20 November 2014 which outlined the issues that inhibit the development of the open air market, explained the importance of the market to the development of Chesterfield and identified the need for a feasibility study to be undertaken.

3.2 The IBI Group was subsequently appointed as consultants to undertake a feasibility study and provide options, with estimated costs, for the redesign and upgrade of the Market Place.

- 3.3 Following on from a public engagement exercise, which was carried out with traders, town centre stakeholders and members of the public, the IBI Group produced a series of options based on three levels of intervention – low, medium and high. The higher the intervention level the higher the costs incurred.
- 3.4 A low level of intervention will result in the existing wooden stalls being used, with a reduction in stall numbers to give wider aisles and corner display areas. This option retains flexibility to allow additional stalls to be erected when the need requires.
- 3.5 The medium intervention suggests the use of new double sided stall structures set out in blocks of sixes or eights. This option also widens the aisles, is flexible and provides corner displays and or a central seating area.
- 3.6 The highest level of intervention suggests a completely different layout that follows the contours of the market either in individual rows or in block structures.
- 3.7 These options were discussed by the Community, Customers and Organisational Scrutiny Committee on 15 September 2015.

#### **4.0 Progress Update**

- 4.1 Following on from the September meeting the IBI Group developed these options and addressed such issues as materials, actual stall design and improved facilities and services.
- 4.2 In addition the budget costs were also calculated for each option and these ranged from £900,000 to £3million, depending on the level of intervention, adopted design, materials used, etc.
- 4.3 However, within the General Fund Capital Strategy and Programme, which was approved by Council on 25 February 2016, it was identified that based on current forecasts there will be no surplus resources available to fund new schemes, including the market reconfiguration project, until 2017/18.
- 4.4 In addition the Council's 2016/17 Budget and Medium Term Financial Plan highlighted that the Council can only recover the VAT incurred on the provision of exempt activities, including market rents, if that VAT does not exceed a prescribed level (currently £300,000). If the level is exceeded then none of the exempt VAT, not just the excess amount, can be reclaimed. There is a risk that any further significant

capital expenditure in an area that includes exempt activities could cause the limit to be breached. Until the VAT recovery implications are fully explored the reconfiguration project cannot proceed.

- 4.5 The Council, however, remains fully committed to the reconfiguration project and has only deferred the decision to allow time for the finances to be put in place. In the updated Council Plan developing a great town centre remains a key objective and increasing occupancy levels on the outdoor market is the main aim. In the meantime work has started on identifying possible sources of external funding to carry out the proposed improvements in the medium to long term.
- 4.6 In the short term, the markets team is working together with traders and other town centre stakeholders to agree and implement a programme of lower level improvements with the objective of enhancing trading conditions, tackling the decline in footfall and reducing operating costs.

## **5.0 RECOMMENDATION**

- 5.1 To note that due the Council's current financial situation the open-air market reconfiguration project is deferred but remains a priority for the Council.

### **Document information**

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