

Cabinet – 22 October 2008

St Matthew's Quarter Redevelopment

Portfolio: Councillor Adrian Andrew – Deputy Leader and Regeneration

Service: Development and Delivery

Wards: St Matthew's

Key decisions: Yes

Forward plan: Yes

1. Summary of report

- 1.1 Cabinet will be aware that developers Norton & Proffitt and St Modwen are preparing proposals for the retail and leisure led redevelopment of the St Matthew's Quarter. In order to achieve this, the developers are seeking to acquire Council owned land in the area and to relocate the market from its existing location to a permanent facility in Lower Hall Lane. To enable the redevelopment scheme and deliver this permanent facility, it is necessary that the market is relocated temporarily from its existing site to the area around the Bridge and Park Street. It is envisaged that this will be completed by November 2008 and that this temporary location of the market will be reviewed against progress on the wider St Matthew's Quarter project, and in any event after 12 months.
- 1.2 The purpose of this report is to seek formal approval for the temporary relocation of the market, and to update Cabinet on progress on the redevelopment scheme. This will continue to be driven by a development agreement which, among other things, will relate to the disposal of the Council's land within the St Mathew's Quarter. A review of the options on how the new permanent market will be managed and delivered in Lower Hall Lane as a part of the St Matthew's Quarter scheme is ongoing, and will be the subject of report to the November Cabinet meeting.
- 1.3 Cabinet, at its meeting on the 16th April 2008, endorsed the recommendations of Regeneration Scrutiny and Performance Panel concerning the temporary relocation of the market, as well as supporting an urban design brief for the St Matthew's Quarter and authorising a new market rents framework. It also agreed that a further report would be presented to Cabinet concerning the details of a development agreement with the developer, the terms of disposal of Council owned land, and arrangements for the temporary and permanent relocation of the market, including its long-term management, and charging and licensing options.

- 1.4 At its meeting on the 16th July 2008, Cabinet endorsed a report from the Regeneration Scrutiny and Performance Panel concerning the temporary relocation plan for the market and proposals for a new charging policy for all market stalls. That report also recommended that the future management options for the market be considered initially at the Markets Working Group.
- 1.5 The proposed delivery model for the permanent market will need to be an integral element of how the St Matthew's Quarter project will proceed, and will be detailed in a formal development agreement with the developer. The development agreement will include the terms of the Council's disposal of its interests and delivery and long-term management of the market.
- 1.6 Previous reports have included reference to a new license for stall-holders which will be implemented to coincide with the temporary relocation of the market and the new charging regime, which was endorsed at July's Cabinet. The new licence for stall-holders has been considered by the Market's Working Group at its meeting on the 3rd September 2008 and the Regeneration Scrutiny and Performance Panel on the 2nd October 2008. The recommendations of the Panel are set out in appendix 1. In overseeing the project, the Markets Working Group has ensured that the Market Traders' Association has been fully engaged throughout the process.

2. Recommendations

That Cabinet:-

- 2.1 approves the temporary relocation of the market to the area around The Bridge and Park Street; with effect from November 2008, to facilitate future redevelopment of St Matthews quarter;
- 2.2 notes and endorses the recommendations made by the Regeneration Scrutiny and Performance Panel on the 2nd October 2008, set out in appendix 1 of this report;
- 2.3 agrees to receive a report at its November meeting concerning the options for the delivery and management of the market when it is located permanently in Lower Hall Lane as part of the St Matthew's Quarter development;
- 2.4 agrees that in the event that St Matthews quarter development does not proceed as anticipated, the future of the market in its temporary location will be reviewed at that point in time, and that in any event the operation of the market in its temporary location will be reviewed in 12 months time.

3. Background information

- 3.1 St Matthew's Quarter Phase 1, though delayed for approximately 12 months as a result of the fire at Shannon's Mill, is now nearing completion and incorporates the Asda store, car park and apartments fronting George Street. Following the fire, there is a clear opportunity to consider how future phases of the development can be brought forward on an amalgamated site between Digbeth and Lower Hall Lane.

- 3.2 In addition, separate discussions have commenced with the owners of Old Square shopping centre, concerning a retail led redevelopment scheme. Both these schemes will require elements of Council owned land to enable them to proceed and are dependent upon the relocation of the market from its existing location. Furthermore, both developers are seeking to enter into development agreements with the Council to ensure the delivery of these important opportunities.
- 3.3 The redevelopment of the Digbeth/Lower Hall Lane area is being led by Norton & Proffitt/St Modwen through the preparation of a masterplan. The selection of the masterplanning team, architects Leslie Jones, was made during March 2008. To assist this process, an urban design brief was been prepared in consultation with the developers and Walsall Regeneration Company to inform the masterplan. This design brief was endorsed by Cabinet at its meeting on the 16th April 2008. It is envisaged that the masterplan will support the submission of a planning application by mid-2009 and commencement of the next phase of the St. Matthews' Quarter development would commence in 2010. It is significant that, in this period of unprecedented market conditions, Norton & Proffitt/St Modwen remain committed to the delivery of the project, and within this timescale, which reflects continuing confidence in the regeneration of Walsall town centre.
- 3.4 The delivery of the project will require the acquisition by the developer of Council-owned land in Digbeth and Lower Hall Lane. It was also anticipated that the project will facilitate the permanent relocation of the market into Lower Hall Lane and provide the opportunity to review options for its future management. These matters would be set out in a formal development agreement between the Council and Norton & Proffitt/St Modwen and include the basis for the disposal of Council-owned land, the arrangements for the permanent market and the development timetable.
- 3.5 These matters have been the subject of ongoing discussions with the developer, but more recently in terms of the Council's financial context and the wider development market conditions, a review of delivery options for the market has been undertaken. A key driver in this review has been the commitment from both parties that the project should bring about a step-change in the offer that the market provides in enhancing both the St Matthews Quarter and the wider town centre.
- 3.6 All partners agree that the new market is an integral part of the St Matthew's quarter development and forms one of the key anchors of the scheme, and as such it needs to be delivered and managed in the most effective way. The options for how the market can best be delivered to secure these objectives will be presented to Cabinet in November. In broad terms the options of either the Council or the developer owning and managing the market in isolation are likely to be less attractive, for largely financial and management reasons, than the creation of a formal joint venture arrangement.
- 3.7 In order to enable the St Matthew's Quarter redevelopment to proceed, the Council is committed to temporarily relocating the market, and planning consent was achieved in August 2008 to enable this to happen. Preparatory work to enable the relocation of the market to the deadline agreed with the Market Traders' Association is well underway, and it is currently envisaged that the

market move will take place in phases and be completed during November. This temporary location of the market will be reviewed in the context of progress on the wider St Matthew's Quarter project, and in any event after 12 months.

4. Resource considerations

- 4.1 **Financial:** Cabinet approval has already been secured for the preparation of a development agreement with Norton & Proffitt/St Modwen which will include the disposal of the Council's interests in the St Matthew's Quarter. This report also proposes that a future report is presented to Cabinet which presents the options for the future management of the permanent market. The terms of the development agreement, including the final management option for the permanent market, may have immediate and ongoing financial implications which are unknown at this stage, and the detail will therefore be reported to a future meeting of Cabinet.

The actual temporary relocation of the market to the area around the Bridge will have resource considerations, and at the time of writing, these costs are estimated at approximately £150,000. These costs will be met through existing capital programmes. The temporary relocation of the market secured planning consent at Development Control Committee on the 27th August 2008.

External legal and surveying advice has been required to work on the development agreement, and other consultancy support has been required in the design of the market in its temporary location. All of these costs have been met, and will continue to be met through existing approved resources.

- 4.2 **Legal:** The Council has been working, and will continue to work with Norton & Proffitt/St Modwen on a development agreement and options for the future management of the market. Similar agreements may be entered into with the Old Square landowners, and such agreements have, and will continue to require, a legal input. This input thus far has been delivered primarily through external legal support, though ultimately there will be an involvement for the Council's legal services team.

Through the temporary relocation of the Market all traders will be issued with new licence agreements. This will enable the Council to enforce the codes of conduct necessary to manage the market in its temporary location. Contained within this agreement is a clause highlighting that no market trader acquires any legal right to the land and infrastructure on which the market stall(s) is positioned. This licence agreement has been drawn up in consultation with the Council's legal team and this clause can be invoked when the decision to relocate the market to a permanent position is taken.

- 4.3 **Staffing:** Both elements of the St Matthew's Quarter project, therefore the proposals to the north and south of Digbeth, are dependent upon the relocation of the market and require the Council to enter into agreements for the transfer of its own land to the developers. As such, there will be resource implications, in terms of staff time, in working up the development agreements, as well as working on the new licensing and management regimes for the market. The actual relocation of the market has required a project management input, and further staff time will be required to achieve the relocation on time and to cost.

The report recommends a review of the options to manage and own the market, and whichever delivery option is chosen will require a management team. This will have an impact on existing market staff if some or all of the current markets team are to be involved in a different management regime in the future. The full implications of this, including considerations around TUPE, will be presented to a future meeting of Cabinet.

5. Citizen impact

The delivery of this redevelopment scheme will make a huge impact on the overall attractiveness, vitality and viability of the town centre, and will be hugely beneficial to the retail and leisure offer and the environment of the town centre. The successful implementation of the schemes will lead to the creation of job opportunities and make Walsall a more attractive place to live, work and shop. In short, the project will be very positive for Walsall's and its citizens.

6. Community safety

- 6.1 There are existing buildings within the St Matthew's Quarter which are currently under-utilised, un-safe and the subject of vandalism, and which therefore attract anti-social behaviour. As such, there are threatening environments which present problems to community safety. The redevelopment of the St Matthew's Quarter will help to eradicate these issues, and ultimately create a new quarter and environment which provides increased working and living in the area, therefore improving the perception of community safety and helping to deter crime.
- 6.2 As the area will be a development site for a number of years, there is the possibility that this will present issues for community safety. Every effort will be made with the developers to ensure that all sites are effectively secured and the subject of rigorous health and safety precautions.

7. Environmental impact

The delivery of the St Matthew's Quarter project will have a hugely positive environmental impact. Central to the scheme will be the demolition of largely unattractive buildings, including the Overstrand Restaurant, within the core of the town centre. These buildings will be replaced with buildings of a much higher quality of design, and vastly improved public realm. The quality of the market infrastructure and market square will also be improved through the delivery of the scheme, making the general town centre environment and shopping experience much more enjoyable. In the short term, the temporary relocation of the market to the area around the Bridge will include the provision of refurbished stalls and enhance the vibrancy of that part of the town centre.

8. Performance and risk management issues

- 8.1 **Risk:** The delivery of the St Matthew's Quarter project is included in the Council's project management regime, whilst a related project for the temporary relocation of the market has been added more recently to the database. As such, both projects will be risk managed on a monthly basis through the project register process. It is acknowledged that these projects will contain considerable elements of risk, including land assembly and planning issues, not least because the delivery of both the projects is dependent upon the commitment of private sector partners in a time of economic uncertainty. However, should the Norton & Proffitt/St Modwen development not proceed, it is anticipated that the future of the market in its temporary location will be reviewed at that time.
- 8.2 **Performance management:** As stated above, the delivery of the wider St Matthew's Quarter project, and the more specific market relocation project, are both included on the Council's project management database. As such the projects will be performance managed on a monthly basis.

Central to those elements of the projects within the control of the Council will be the provision of a development agreement with the developer, and support for the preparation of this with Norton & Proffitt/St Modwen, has been endorsed previously by Cabinet. The Council will continue to work with the developers on the future options for the management of the market, and later on their planning applications to ensure that they are submitted to currently anticipated deadlines and with a high quality of design in accordance with the design brief. The planning application for the temporary relocation of the market secured planning permission at Development Control Committee on the 27th August 2008. This has been necessary to ensure that the relocation target of November 2008 is achieved.

9. Equality implications

The introduction of a wide range of retail, leisure sector and other jobs within Walsall town centre will be open to all Walsall residents. The project will provide a good opportunity to help to deliver the aims of "Think Walsall", which aims to ensure that the benefits of large capital projects are felt by local people, through training opportunities, supply chain jobs and other economic benefits. The design of the market in its temporary location has evolved to ensure accessibility for all.

10. Consultation

- 10.1 The St Matthew's Quarter project has been widely publicised as one of the key transformation projects in Walsall Regeneration Company's Prospectus for Growth.

- 10.2 In addition, significant consultation with the Market Traders Association and stakeholders has been undertaken during 2008 with the support of the Markets Working Group and Regeneration Scrutiny and Performance Panel. A process of consultation and information sharing was conducted during the summer of 2008 with individual market traders, retailers and stakeholders including the Town Centre Partnership. An event was held in June 2008 inviting all interested parties to attend and comment on the proposed layout of the market. This was subsequently followed up with a letter and accompanying plan that was sent to all businesses in the vicinity of the temporary market. This consultation was supported by pre-planning application discussions with statutory consultees, including the emergency services and which led to a number of changes to the scheme, and through the statutory planning consultation process. We will continue to engage all stakeholders throughout the implementation of the temporary move of Walsall Market and will communicate regularly with these stakeholders and the wider community through press releases and other forms of communication. A communications plan is currently being developed with the Council's communications team.
- 10.3 Planning applications for the project will be the subject of formal consultation periods and, in addition, details of the project will be presented to meetings of the St Matthew's/Birchills-Leamore Local Neighbourhood Partnership as required.

Background papers

Report to Cabinet, 16th April 2008.

Report to Cabinet, 19th July 2008.

Report to Regeneration Scrutiny and Performance Panel, 2nd October 2008.

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Tim Johnson
Executive Director
Regeneration & Performance

2 October 2008



Councillor Adrian Andrew
Portfolio Holder
Regeneration and Enterprise

13 October 2008

Appendix 1: Recommendations of Regeneration Scrutiny and Performance Panel Meeting – 2nd October 2008

That:

- a) Karen Sands will arrange for Members to look at the refurbished market stalls;
- b) New licence conditions should be issued to traders once they move into their new locations;
- c) The group will receive information on the cost of the market square cleaning contract and electricity maintenance contracts at the next meeting;
- d) The group will look at the feasibility of a Sunday market, following the market relocation being complete;
- e) Promotional activity in Walsall Pride and Team Spirit on the market relocation should take place;
- f) The feasibility of car parking in market square be investigated further;
- g) The Markets working group now takes on a new and wider remit and be named “St Matthews Quarter Working Group”;
- h) Councillor D. Pitt be appointed Lead Member of the St Matthews Working Group;
- i) Councillors D. Anson and B. Tweddle be appointed to the St Matthews Quarter Working Group;
- j) Councillor A. Underhill be invited to join the St. Matthews Quarter Working Group;
- k) The St Matthews Quarter Working Group will review the impact of the market relocation, at a meeting during the first week in December, after 4 weeks of trading and report back to the full panel.