

REGENERATION SCRUTINY AND PERFORMANCE PANEL

1 April 2009 at 6.00 p.m.

Panel Members present

Councillor D. Pitt (Chair)
Councillor S. Coughlan (Vice Chair)
Councillor D. Anson
Councillor B. Douglas-Maul
Councillor M. Pitt
Councillor K. Sears
Councillor I. Shires
Councillor B. Tweddle
Councillor A. Underhill

Portfolio holders present

Councillor A. Andrew – Regeneration
Councillor A. Harris – Transport

Other Members present

Councillor C. Creaney

Officers present

Tim Johnson – Executive Director – Regeneration
Mike Tichford – Assistant Director - Regeneration
Paul Nicholson - Regeneration Manager – Delivery
and Development
Craig Goodall – Acting Principal Scrutiny Officer
Nikki Ehlen – Scrutiny Officer

Others present

Karen Sands - Walsall Market Traders Association
Tony Larnar – Walsall Market Traders Association

82/09 APOLOGIES

Apologies were received from Councillor I. Sears and Councillor D. Shires.

83/09 SUBSTITUTIONS

The following substitutions to the panel were submitted for the duration of the meeting:-

- Delete: Councillor I. Sears
- Substitute: Councillor M. Pitt

84/09 DECLARATIONS OF INTEREST AND PARTY WHIP

There were no declarations of interest or party whip identified at this meeting.

85/09 **CALL-IN OF CABINET DECISION: ST MATTHEWS QUARTER REDEVELOPMENT: MARKET MANAGEMENT**

The Chairman introduced the call-in of the decision made by Cabinet on 18 March 2009 on the 'St Matthews Quarter Redevelopment: Market Management' by the following 5 members:

Councillors I. Shires, S. Coughlan, C. Creaney, D. Shires, D. Anson.

The decision was called in for the following reasons:

'For Scrutiny to discuss the following alternative solution to the Cabinet proposals:-

To keep the market in Council control in order that its profits can be maximised and used for the benefit of district markets and that in relation to the delegated authority given in relation to the disposal of the Council's interest be considered at a meeting of the Cabinet in order to enable due scrutiny to be given to any such proposal.'

Members discussed district markets viability and how any decision related to the town centre market affected them as they were subsidised by it. Members considered whether a joint venture arrangement with a private sector partner would put the district markets at risk or cause them to be perceived as a threat to the town centre market.

The Chair reiterated to the panel that an earlier report from the markets working group from specialist market consultants Quarterbridge had indicated that the profits received from Walsall market were in a downward trend.

Members considered the market to be a historical feature of Walsall which still made a profit, in consideration of this and stated that it should stay under Council control. A Member gave the example of WHG and Serco as private companies operating Council services successfully, and suggested that a private company may be able to run the market efficiently. Members felt that the option of a joint venture with a private company was not made clear to them when information had been presented and delivered to them as a scrutiny panel. The Chair stated that the future management options of the market had always been a consideration.

Councillor Andrew reminded the panel of the markets working group's remit, and previous reports to Cabinet emphasising that the future management options of Walsall market were always a consideration.

The Chair tabled an article (Express and Star, 28.03.09) on Cannock market, as it related to previous discussions held by the panel (tabled). He stated that any joint venture would be subject to the procurement process and the market charter was available for member's consideration.

Karen Sands informed the panel that Bescot market acted as competition to the town centre market, she stated that the public were not happy for the market to be operated by the private sector and suggested that traders were consulted. Karen Sands informed the panel that a 'market law' document existed, which could be obtained from the National Association of British Market Authorities (NABMA). Market rights, the 'right to move', and the legality of moving the market was discussed. It was agreed that Council officers needed to consider the document further before comments could be made.

Karen Sands stated that traders valued their market rights highly and would engage a Judicial Review if they were of the opinion that the Council was endangering them.

Karen Sands stated that the report to Cabinet indicated that there had been a decline in profits but did not explain reasons why this had happened, the panel were informed that 50 stalls had been removed to accommodate the new Asda store, and that 11 market stalls had been lost due to lack of storage space.

Councillor Andrew assured the panel that the Council supported the future of Walsall town centre market and gave a presentation on the St Matthew's Quarter Cabinet Report (annexed).

Councillor Andrew informed the Panel that he would reconsider the delegations made in the initial Cabinet decision around delegated authority being given to the Portfolio Holder and Executive Director to agree the details of the development agreement and the disposal of the Council's interest in area, in response to Member concerns expressed in the call-in notice.

One of the draft principles which members gave great consideration to was the proposed 50:50 ownership split between the Council and the partner in the proposed joint venture. Members considered it to be vital that the Council retained overall control of the market should a joint venture go ahead. Councillor Andrew explained that this would be a point for negotiation with any potential partner. Concern was raised that the Council's share of the market could be sold in the future. Councillor Andrew assured Members that he would not sell the Council's share in the market.

Councillor Andrew apologised to the panel that they had not been provided with the draft principles of the joint venture company previously. Members expressed disappointment that they had not had the opportunity to consider this information prior to the Cabinet decision being made.

Members discussed the proposed new location of the market, and questioned if the required number of stalls would fit within the proposed area. It was clarified that if this was the case proposals could change to meet the requirements of the market.

The operational board and forum were discussed and how traders would be able to feed in to the process, it was emphasised that the arrangements were proposals and were open to negotiation.

Officers stressed that the move of the market was in the best interests of the Council, and it would not be moved if it could make the market vulnerable. Karen Sands asked for clarity on how rent would be set, Tim Johnson stated that it was considered fair to set rent based on trading conditions and the performance of the market but that this would need to be detailed and agreed.

Members asked for clarity around the position of the market on the map, officers apologised that this was not clear and agreed to circulate a map clearly indicating the market square. A member stated that private sector expertise could be bought in to assist in the market's success.

Councillor Coughlan moved that this panel is not convinced that, as at this point, a 50:50 joint venture company is beneficial to the tax payers or traders of Walsall and the borough and asks that no negotiations take place until further reports are presented to this panel' this was seconded by Councillor Shires, with 5 panel members in favour 2 against, and 1 abstention.

RESOLVED

That:

- 1. this panel is not convinced that, as at this point, a 50:50 joint venture company is beneficial to the tax payers or traders of Walsall and the borough and asks that no negotiations take place until further reports are presented to this panel;**
 - 2. A map be provided to Members showing the land assets of the Council and other partners in the St Matthews Quarter area;**
 - 3. A revised version of the map of the St Matthews Quarter redevelopment area be distributed to Members clearly showing the proposed location of the new market square;**
 - 4. A copy of the market rights document from the National Association of British Market Authorities be distributed to Panel Members, along with the findings of legal services;**
- and;**
- 5. Councillor Douglas-Maul be provided with a report on markets income.**

86/09 DATE OF NEXT MEETING

The date of the next meeting was confirmed as 23 April 2009.

The meeting terminated at 8.35 pm.

Chair:

Date: