

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

11 JUNE 2009

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

Regeneration and Transport - Lead Cabinet Member - Councillor Cook

The Shambles Market Hall, Stockton High Street Update

1. Summary

This report seeks to update members on progress to date regarding the letting of the Shambles Market Hall following its refurbishment in November 2008 and the initiatives being looked to assist in filling the units.

2. Recommendations

1. That Cabinet note the completion of the refurbishment to the Shambles.
2. That Members note the programme for tenancy (attached) and consider further proposals for widening the business types for occupancy should the required 70% occupancy rate not be maintained.

3. Reasons for the Recommendations/Decision(s)

To keep members updated on the development, funding and subsequent lettings of the Shambles Market Hall in Stockton.

4. Members' Interests

Members (including co-opted Members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (**paragraph 8**) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;
- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (**paragraph 12 of the Code**).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc; whether or not they are a Member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.

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Detail

4. Background

In April 2008, Cabinet approved proposals to refurbish the Shambles Market Hall with a view to returning its use to that based around the sale of food. The creation of specialist niche food enterprises could then establish themselves in a freshly renovated environment in a prominent location in Stockton's High Street.

5. Works to refurbish the hall were carried out in August and November 2008 and were completed below budget and within timescales to enable the units to be successfully used as a part of last years Christmas Market Festival. Appendix 1 shows photographs of the hall after its refurbishment. Two existing traders, a barber and a cobbler have been relocated as tenants, with refurbishment works programmed around them to minimise disruption to their day to day trade.

6. Use to date since the refurbishment

- Christmas crafters as part of the Sparkles Festival
- Father Christmas Grotto over the Christmas Period
- Craft workshops / display areas following Sparkles
- Units were also let to an outdoor clothing / camping business
- RIBA event working with Tees Valley Regeneration

7. Marketing to date

Prior to the completion of the Shambles Market Hall, Officers started to actively market the letting of the 9 remaining units. Over 60 businesses have been targeted because of the offer they provide or because of previous expressions of interests made. These businesses ranged from Farmers co-operatives, to confectioners and culinary herb traders. Follow up calls were made and further letters sent that included specific marketing literature detailing the benefits of trading from the Shambles Market Hall.

8. There is a requirement for a highly proactive marketing campaign to raise awareness of the changes and to recruit new traders that fit with the profile described above to fulfil the Council's aspirations for the new-look market hall. This is already underway to secure tenants for the completed building. Over 50 Food / fresh flower based businesses have been targeted. Individual one to one targeting of businesses continues to be made to secure tenants into the units.

9. Breakdown of interest

- 15 said no straight away because of the current economic climate
- 13 were sent second letters because we were unable to contact after the first letter
- 21 said no because of their financial situation
- 1 business was interested but was totally unsuitable because of the offer of goods
- 3 Businesses expressed an interest but not at this time.

10. Current Strategy

The current economic climate has created a very difficult market for the Shambles to be let in particularly given the extent of other vacant units within the Town Centre and beyond. Discussions are continuing with interested parties of the units including wood-turners and local history groups. It has been established that planning permission is not required to extend any scope of business use within the A1 class. However further approval would be required should any request for A3 Restaurants / Café be requested.

11. As identified in the recent Town Centre Cabinet report (14th May 2009) and following the recommendations made by the DCLG report 'Taking Care of our Town Centres', a number of units are being looked at as a base for artists with their work able to be displayed in both the empty units and other shop frontages. This strategy contributes to and forms part of a number of initiatives currently being developed to enhance the future vibrancy of the Town Centre.

12. In addition following the expected decantment of the Tourist Information Centre in September 2009 from the central Library, officers are investigating the possibility of relocation onto the Shambles and or other unit in the town, together with the existing Town Centre Management team.

13. Any actions taken to fill the Shambles will be sympathetic where possible to the existing tenants who are keen to see the units let. This includes being flexible over the offer of leases which include rent free and stepped incremental periods.

14. With regards to the 2 existing tenants in the hall, it is proposed that signage in keeping with the buildings listed status be provided to promote business whilst footfall is low due to the proliferation of empty units.

15. Summary of initiatives being looked at

- Continue to canvass and contact businesses
- Introduction of stepped rents and or free periods to help generate footfall
- Use of the units as a Craft / Artist centre
- Conversion of units to accommodate Town Centre Management and or Tourism Staff.

16. FINANCIAL IMPLICATIONS

There are currently ongoing running costs such as cleaning and maintenance associated with Shambles Market Hall.

17. LEGAL IMPLICATIONS

The Shambles has a number of existing tenants who were occupying either under agreements which have expired (holding over) or under licence. These tenants were served notice under the Landlord and Tenant Act, requiring them to vacate the premises within 6 months of the date of the notice. Two of the original tenants have now returned to the Shambles and enjoying a revised contract under the Landlord and Tenant Act.

18. RISK ASSESSMENT

The project is identified as a medium risk. Highest risk score against all categories after action = 9

The proposed further development of business activities and marketing of trading opportunities within the Town Centre during the current economic downturn is challenging but Officers will seek to mitigate the elements risk that are within their control by seeking a high degree of flexibility in their dealings with all potential occupiers.

Risk assessment available for inspection if required via lead officer.

19. COMMUNITY STRATEGY IMPLICATIONS

Economic Regeneration and Transport

The project forms part of the Regeneration Action Plan for Stockton town centre. It fits with the Council's regeneration priority to revitalise the town centre. The building is one of only a small number in the town centre owned by the Council and this project therefore represents a rare opportunity to directly stimulate investment and economic growth.

In addition, the new units are of a size and cost suitable for new business start ups thereby supporting the development of opportunities for local people.

Healthier Communities and Adults

The purpose of the redevelopment was to bring the building back to its former use as a place to buy good quality fresh produce, six days a week, thereby supporting the healthier living agenda, and the Government 5-a-day initiative.

The intention is to continue to try to attract local producers to take the newly renovated units in the Shambles thereby reducing food miles, supporting local producers and raising the profile of local produce in an urban area. Organic and fair trade produce will be encouraged.

Liveability

This project will:

- a) Promote green procurement
- b) Include sustainable waste management including recycling
- c) Redevelop an existing asset rather than building new, bringing it up to date to comply with standards for DDA compliance and energy use.

Community Safety

The following implications were considered in terms of their implication for community safety during the design and specification of this redevelopment. This function will led by SBC Architects.

- a) Quality of exterior finishes/level of specification for any exposed elements which are likely to be the subject to vandalism/criminal damage,
- b) Use of alarms, quality of doors and windows and their 'furniture'
- c) Layout
- d) Lighting levels
- e) CCTV coverage

20. EQUALITIES IMPACT ASSESSMENT

An Equalities Impact Assessment has been carried out. This project scored **74**.

21. CONSULTATION INCLUDING WARD/COUNCILLORS

Market Traders, Town Centre Retailers and Ward Councillors:

1. Ward Councillors

Councillors Coleman and Kirton have been consulted on the proposals.

An Officer monitoring Group has been set up to oversee this development and to ensure that all planning, legal, Health and Safety and design requirements are dealt with appropriately.

Name of Contact Officer: Nigel Laws

Post Title: Town Centre & Markets Service Manager

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Email Address: Nigel.laws@stockton.gov.uk

Background Papers

Cabinet April 2008

Ward(s) and Ward Councillors:

Town Centre Ward:

Cllr D Coleman

Cllr P Kirton

Property

The property will remain in the ownership of the Council. In addition, the new configuration will make the building a more attractive business option allowing an increase in rental income to be realised. The proposal has been endorsed by Capital Strategy Group.