

**CABINET
15 SEPTEMBER 2020**

REDEVELOPMENT OF THE VICTORIAN INDOOR MARKET

**Responsible Cabinet Member – Councillor Alan Marshall
Economy Portfolio**

**Responsible Director – Ian Williams
Director of Economic Growth and Neighbourhood Services**

SUMMARY REPORT

Purpose of the Report

1. To gain Cabinet approval for and release of funds for the delivery of a Temperate Garden as part of the redevelopment of Darlington Victorian Indoor Market.

Summary

2. In 2017 the Council entered a lease with Market Asset Management Darlington Ltd (MAM) for the management, refurbishment of the Victorian Indoor Market and the management and improvement of Darlington's outdoor market.
3. The overall aim of the Council was to ensure that both markets functioned in a more efficient manner, with capital improvements to the Indoor Market with an enhancement in the quality of the merchandise sold from the stalls and an increase in footfall.
4. As part of the lease MAM are obliged and committed to invest £1,500,000 in repairs to the roof and structure of the building and improvements to the mechanical and electrical supplies, ventilation and heating system.
5. In July 2019 Cabinet agreed to support the ongoing redevelopment unfortunately due to several management issues, design implications and COVID19 the redevelopment has stalled over the last 12 months. However, since July 2020 the project has begun to get back on track with design briefs being completed and tender/procurement exercises commencing.
6. Since the last report in July 2019 there has been a re-design of the proposals to reflect the ambition of ensuring the market becomes a focal point within the town. The project features installation of a bio-mass heating system and the re-development and re-purposing of approximately one third of the market hall to provide a street food scene, bar and events stage, an enhanced entrance and additional public toilets. MAM will produce and manage a full events diary and focus efforts on driving family-based evening economy to benefit the market and the wider town-centre and to dovetail with ongoing improvements to the outdoor markets and enhance events programme , which are all set to continue. Further

phases will involve a face-lift to the remaining shop floor of the market providing a more exciting place to shop and a mezzanine level business centre.

7. An important element of the overall re-development will be the installation of a temperate garden on the eastern facing elevation of the building, adjacent to the market square. This exciting development will include the construction of a new temperate garden and redevelopment of large sections of the market vaults into a bar and restaurant. It is hoped that the redevelopment will act as a real catalyst for the wider town centre and attract visitors from across the Tees Valley, Durham and North Yorkshire.
8. In the July 2019 report to Cabinet early cost projections anticipated that the temperate garden may cost in the region of £1,500,000. However, following structural engineer reports which resulted in the redesign of the temperate garden facility and further tender evaluations the costs are £2,050,000. The Tees Valley Combined Authority have agreed to support this project from the Indigenous Growth Fund. Any funding will be subject to grant funding conditions
9. Illustrations of the proposed redevelopment of the market hall and temperate garden development are attached in **Appendix 1**.

Recommendations

10. It is recommended that Members (subject to grant funding conditions being agreed with MAM) agree:
 - (a) to support a grant of £2,050,000 to MAM for investment into the Victorian Indoor Market for the development of the temperate garden and food and beverage outlets
 - (b) to release money from the TVCA Indigenous Growth Fund allocation for that purpose.

Reason

11. The recommendations are supported to contribute to the further economic wellbeing and vitality of the Town Centre.

Ian Williams
Director of Economic Growth and Neighbourhood Services

Background Papers

MAM – Indoor Market Proposals

Mark Ladyman: Extension 6306

S17 Crime and Disorder	This paper supports and complements the actions detailed in the Darlington Town Centre Footfall Strategy to reduce ASB in the Town Centre.
Health and Wellbeing	No direct impacts
Carbon Impact	No direct impacts
Diversity	No direct impacts

Wards Affected	All
Groups Affected	All
Budget and Policy Framework	This decision does not represent a change to the budget and policy framework. Any works highlighted in the report will be met through Tees Valley Indigenous Growth Fund.
Key Decision	No
Urgent Decision	No
One Darlington: Perfectly Placed	The actions detailed in the report aim to improve the attractiveness of the Town Centre therefore directly impacting on Perfectly Placed.
Efficiency	The report aims to utilise the Councils and partner resources in a collective more efficient manner.
Impact on Looked After Children and Care Leavers	This report does not impact on Looked After Children or Care Leavers

MAIN REPORT

Information and Analysis

The Development of Darlington Victorian Indoor Market

12. Darlington's Victorian Indoor Market plays an important anchor for the Town Centre going forward. In terms of a unique proposition the market should and could act as an attractor for many people to come to the town. However, this building is underperforming and is not fulfilling its potential. The Council has recognised the need for further investment.
13. The reinvigoration of the Indoor Market is considered one of the key components of the future development of our town centre and should be viewed in terms of a place of interest, distinctiveness, and diversity of a quality hospitality and trading retail offer.
14. It is proposed that approximately one third of the market hall will be developed into a street food scene with a bar and events stage and an enhanced entrance and additional public toilets. It is the aim of the redevelopment of the facility should be a place where higher quality small independent retailers and food operators can operate. In addition, the objective is to create a higher quality, safer and more engaging environment that will attract workers, residents and families and be complimentary to our development of a growing evening economy.
15. A newly refurbished and refreshed Indoor Market is a key part of creating a unique and local offer which distinguishes Darlington Town Centre from other high street developments. The importance of Indoor Market to the local economy is well recognised by the Council. Despite current challenges the Indoor Market still enjoys some unique advantages. It is centrally located and enjoys strong customer loyalty and it retains a sizeable fresh food offer but there is undoubtedly opportunity for significant improvement and growth which will add to its vitality and viability and make a more telling contribution to the Town's vibrancy.
16. The most notable feature of the new proposal is the 'temperate garden' on the eastern elevation of the market building. This will be situated beneath a new

canopy and will include enclosed glazed sides to create an internal environment food and beverage operators.

17. The above addition to the market hall will cost £2,050,000. The Tees Valley Combined Authority have agreed to support this project from the Indigenous Growth fund.
18. The Council is confident that this investment and transformation of this much-loved heritage building into a modern retail and leisure venue would not only provide the retail offer to residents but act as a regional attraction for visitors.

Financial Considerations

19. As noted above the improvements will cost £2,050,000 and will be funded from the Indigenous Growth fund from The Tees Valley Combined Authority. Therefore there are no direct financial implications for the Council.

Legal Implications

20. The leasehold of the indoor market building is owned by MAM under a 99-year long lease from Darlington Borough Council which commenced in September 2017.
21. Under the term of the long lease MAM are obligated to deliver required improvement works before the break clause date or the Council will be entitled to terminate the lease. MAM are also subject to minimum operational requirements and to a restriction of the use of the building.
22. There is a potential state aid issue, however it is considered that the funding falls into the European Union General Block Exemption Regulations and in particular aid for culture and heritage conservation.
23. Any funding to MAM will need to meet grant funding conditions and be documented by formal funding agreements. The conditions will include satisfying the requirements of the Tees Valley Combined Authority (as the senior funder) and in addition state aid issues will need to be addressed.

Consultation

24. MAM carried out a consultation exercise previously and the response was overwhelmingly in favour of incorporating a temperate garden into the Victorian Market redevelopment.