

**CABINET
10 JANUARY 2023**

FUTURE DEVELOPMENT OF INDOOR MARKET

**Responsible Cabinet Member -
Councillor Jamie Bartch, Economy Portfolio**

**Responsible Director -
Ian Williams, Chief Executive**

SUMMARY REPORT

Purpose of the Report

1. To gain Cabinet approval for the release of capital funds for further development of the traditional trading area located in the Victorian Indoor Market.

Summary

2. In 2017 the Council entered a lease/partnership agreement with Market Asset Management Ltd (MAM) for the management, refurbishment of the Victorian Indoor Market and the management and improvement of Darlington's outdoor market.
3. Following a period of tenancy negotiations with various traders within the indoor market and the impact of Covid 19 restrictions the refurbishment of the market commenced in 2021. The first phase of development included the construction of six street food stalls, new toilets, enhanced entrance areas, a new bar facility, full mechanical and electrical improvements, the installation of a bio-mass boiler and repairs to the market roof. Phase two of the redevelopment commenced in August 2022 and includes additional new toilets improvements to the entrance area to the traditional trading area, general enhancement of the market and a new bar facility in the vaults area of the market. It is anticipated that this work will be complete in December 2022.
4. Notwithstanding that all the above works have made the indoor market more attractive both for residents, visitors, and traders there are several ongoing challenges for Darlington's indoor market which is being experienced across the country.
5. While all market halls and covered markets have their own distinctive characteristics and mix of traders several general factors appear to be combining to pose a threat to their commercial wellbeing and in some cases their very existence. Changes in living and working behaviour have been affecting markets for some time, the increasing popularity of supermarket shopping in easily accessible and economically competitive stores, the general demographic profile of both market shoppers and traders and the general dieback of retail in town centres are all ongoing challenges which are gravely affecting the future sustainability of the traditional indoor market.

6. The Council has acknowledged the above challenges and has developed a proposed plan for further development of the traditional trading area of the indoor market. Co-produced by the Council and MAM and shared with the current market traders the proposals set out in **Appendix 1** outlines the approach to address these challenges and make the market fit for the future. If approved these proposals will form part of a comprehensive consultation and engagement programme with current traders, market users and potential traders which have been identified over recent months.
7. The overall objective of this next phase of improvements is to establish a long-term sustainable tenant mix to achieve a range of desired outcomes. The focus has been on a new tenant mix strategy, which seeks to achieve a consistent service and quality offer throughout the market, to develop 'customer hot spots', which specialises in promotions, introduces new offers, including speciality food, quality fashion accessories, art and crafts and modern services into the market to ensure that the public perceives change, to promote an environment of self-improvement and diversification of the existing and new traders and to create opportunities to promote the market via specialist offers and events.
8. It is estimated that these improvements will be in the region of £800,000 which will be funded through the Tees Valley Combined Authority Indigenous Growth Fund. Market Asset Management will take the project lead for this redevelopment and works will be reimbursed via grant agreement.

Recommendations

9. It is recommended that:
 - (a) That members approve the proposals set out in this report for the improvements to the Victorian Indoor Market.
 - (b) That members approve the release of £800,000 from the Tees Valley Combined Authority Indigenous Growth Fund.

Reasons

10. The recommendations are supported in order to contribute to the ongoing commitment to the full refurbishment of the Victorian Indoor Market which will have a positive impact upon the economic wellbeing and vitality of the Town Centre.

Ian Williams
Chief Executive

Background Papers

- (i) MAM – Indoor Market Proposals

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 Well Being	No direct impacts
Carbon Impact and Climate Change	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 agreed capital budgets.
Key Decision	This is not a key decision.
Urgent Decision	This is not an urgent decision.
Council Plan	Growing Darlington's Economy by delivering more businesses
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	The report does not have an impact on Looked After Children or Care Leavers

MAIN REPORT

Information and Analysis

11. Darlington's Victorian Indoor Market plays an important anchor for the town centre going forward. In terms of a unique proposition the market acts as an attractor for many people to come to the town and the street food hall, installed in 2021, has proven a popular venue for many residents and visitors. The traditional trading area of the market hosts several excellent fresh food stalls which have maintained a loyal customer base for many years however, the remaining area of the traditional trading element of the market building is continuing to underperform and is not fulfilling its potential. The Council has recognised the need for further investment and in conjunction with MAM has produced proposals to address this under performance and place the market in a stronger position for the future.
12. The current refurbishment programme, due to be complete in December 2022, which includes additional new toilets improvements to the entrance area to the traditional trading area, general enhancement of the market and a new bar facility in the vaults area of the market are a welcomed and positive step forward. However, these capital works only partially address an ongoing challenge being faced by Darlington's many traditional indoor markets across the UK.
13. A recent study by the Joseph Rowntree Association found the following essential attributes for a successful indoor market:

- (a) A diverse range of products that made a good 'fit' with local community needs and 'tastes'
 - (b) A sense of surprise or the unexpected to provide interest
 - (c) Opportunities to linger – café(s) or stalls within the market
 - (d) Informal seating areas
 - (e) Good access to the site – public transport is key but opportunities to come by car and access to parking were also important for some visitors
 - (f) An active and engaged community of traders – both to provide the retail offer but also to provide part of the social life of the site itself
14. Therefore, in addition future capital refurbishment programmes the indoor market needs to change in the manner it operates and needs to attract new customers from various sectors of society that have never or rarely used the market in the past. The new programme aims to create an attractive market hall which is an inclusive, successful, and sustainable part of our town centre offer, where independent retailers can innovate and thrive. An attractive, safe and welcoming destination where our investment secures the unique offer for future generation and a place for everyone, where people can experience its unique surroundings, quality products and its heritage and culture.
15. Co-produced by the Council and MAM and which will be shared with the current market traders the proposals set out in Appendix 1 outlines the approach to address these challenges and make the market fit for the future. The success of the next phase of the redevelopment can only be achieved with the support and co-operation of the existing traders and therefore these proposals will form part of a comprehensive consultation and engagement programme with current traders, market users and potential traders which will be carried out over the forthcoming months.
16. The proposals aim to re-position the retail offer within Darlington Market to attract a younger and wider demographic. Replace the current ten empty units with new contemporary outlets designed to attract a new generation of trader. The units will be finished to a certain level and then incoming traders will have the ability to choose their own finishes and operating style. The redesigned market will acknowledge the important role e-commerce now plays in retail with the inclusion of a pack and despatch area to support those traders who benefit from online sales. The market will still retain its traditional thriving food offer and will be well supported by a balanced range of goods and services, all offered by customer focussed traders
17. Continuous promotion and marketing of the indoor market is crucial to its success. Therefore, alongside the local media profile the market and individual traders will have a strong social media presence which will be so important in attracting new customers to the market. Promotion of the market will be a key activity as a driver to attracting footfall and as social media has become the digital word of mouth, the market and its traders will have a unified voice to showcase the market as a special place to shop, it will highlight that

the market is more than a simple retail experience. Above all it will still be a special place for residents of Darlington with a special resonance across all sectors of the community.

18. If agreed, it is anticipated that the work can commence in summer 2023 and will take approximately four months to complete.

Financial Considerations

19. It is estimated that the improvements will cost in the region of £800,000, which will be funded through the Tees Valley Combined Authority Indigenous Growth Fund.

Legal Implications

20. Independent advice has been sought by both the Council and MAM to ensure that the proposal is compliant from a subsidy control perspective.