

Executive Decision Report

Leicester Market Phase 2

Decision to be taken by: City Mayor

Decision to be taken on: 29 January 2014

Lead director: Andrew L Smith



City Mayor

Useful information

- Ward(s) affected: Castle Ward
- Report author: Mike Dalzell
- Author contact details: Ext 2931
- Report version number: 1

1. Summary

The purpose of this report is:

- To approve and commission Phase 2 of the Market re-development scheme.

2. Recommendations

The City Mayor is asked to:

1. Approve and commission phase 2 of the Market re-development scheme to include the development of a new building to the rear of the corn exchange and to pursue options for the refurbishment of the currently vacant upper floor.
2. Extend the total market project budget from £7m to £9.2m, funded by £1.9m from the ERDF and £0.3m from resources set aside for the second phase of the Economic Action Plan, and update the capital programme accordingly.
3. Accept the award of ERDF grant of £1.9m.
4. Approve £0.4m of associated highways works, to be funded from savings on other schemes in the Connecting Leicester programme.
5. Delegate authority to the Director of Planning Transportation and Economic Development to enter into contracts in relation to proposed market works.

3. Supporting information including options considered:

As part of the Connecting Leicester project the Market re-development project will contribute to delivering the economic priorities set out in the Leicester Economic Action Plan (2012). It specifically aligns with 'The Thriving City Centre' Priority.

The Economic Action Plan states 'the value of the city centre as a whole to investors, visitors and residents can be made much greater by connecting the strengths of Highcross and connected retail areas, the historic city extending from the Market to the Castle, the Cultural Quarter and centres of business activity.'

The scheme has been subject to a further phase of stakeholder and public consultation which closed formally on October 9th. Four public sessions have also been held in the Market Square engaging with traders and shoppers providing information and answering queries. Reactions have been positive with a clear majority of opinion being in favour of the scheme. In parallel with the public and stakeholder consultation has been a process of soft market testing with four potential operators of the extension / upper floor. Feedback has been very promising with two parties showing genuine interest.

The original project proposal was to screen the rear of the corn exchange and market a plot of land for sale. This was however felt less likely to succeed than developing the shell and core of a new building directly. The latter option also creates scope to bring back into use the upper floor of the corn exchange. This revised option has been supported by the soft market testing exercise undertaken.

Options for various road surfacing treatments were considered along with various options for the extent of application of such treatments. The original scheme did not include for highways works to Market Place South. The revised scheme was felt to offer the best mix with a high quality porphyry treatment used for the new square and related footways while a similar mix of materials used on other 'Connecting Leicester' projects will be used for the area around the current outdoor market.

The total market project budget will increase from £7m to £9.2m to accommodate the additional works, funded by £1.9m secured from the European Regional Investment Fund (ERDF) and £0.3m from resources set aside for the second phase of the Economic Action Plan.

Associated highways works of £0.4m will be funded from savings on other schemes within the Connecting Leicester programme.

4. Details of Scrutiny

This project is a key element of the City Mayor's Economic Action Plan which was reviewed by the Economic Development, Transport and Tourism Scrutiny Committee in April and May 2012.

5. Financial, legal and other implications

5.1 Financial implications

The proposed improvement works will be funded from the ERDF, resources set aside for the second phase of the Economic Action Plan and savings on other schemes within the Connecting Leicester programme.

Colin Sharpe Head of Finance ext. 37 4081

5.2 Legal implications

1. Legal Services will advise upon and deal with the ERDF Funding Agreement.

Beena Adatia – Principal Solicitor (Commercial & Contracts)

5.3 Climate Change and Carbon Reduction implications

5.4 Equality Impact Assessment

The equality impacts of the scheme and mitigating actions have been considered as part of the development of the scheme.

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

none

6. Background information and other papers:

None.

7. Summary of appendices:

None.

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

No

9. Is this a “key decision”?

Yes

10. If a key decision please explain reason

Capital expenditure of over £1 million is to be committed on a scheme that has not been specifically authorised by Council.