

Executive Decision Report

Leicester Market Redevelopment- Approval of funding for phases 1 and 2

Decision to be taken by: City Mayor
Decision to be taken on: 15th July 2013
Lead director: Andrew L Smith



City Mayor

Useful information

- Ward(s) affected: Castle
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- Report version number: 1.1

1. Summary

The purpose of this report is to seek approval to formally release the funding set out in the Economic Action Plan for phases 1 and 2 of the Leicester market redevelopment and to add the scheme to the capital programme.

2. Recommendations

The City Mayor is recommended to:

- a) Release the balance of £6.708m of funding for phases 1 and 2 of the Leicester Market redevelopment; and
- b) Add the scheme to the capital programme.

3. Supporting information including options considered:

The Economic Action Plan includes a commitment to deliver a redevelopment approach for Leicester Market to strengthen the offer and widen its appeal, contributing to the creation of a thriving commercial, retail and cultural core to the city. The Plan notes that much more must be made of the potential opportunities presented by the city centre's unique retail attractions, including the Lanes, arcades and market. Leicester Market provides a distinctive element to the retail offer and attracts two million visitors annually. Its redevelopment will integrate with the Connecting Leicester programme and the redevelopment of the old town area.

Phase 1, to be completed later this year, will include the construction of a new food hall for meat, fish and cheese traders adjoining the north side of the Corn Exchange, the creation of new lock up trading units and trader storage, together with relocation of the public toilets, recycling facilities and the customer service office.

Phase 2, to be completed in 2014, will see the demolition of the Market Hall, creation of a high quality public realm treatment in the cleared space and improved entrances to the market from Hotel Street and Cheapside.

Phases 1 and 2 are expected to cost £7m. This is to be funded by the Council's resources and prudential borrowing. In addition, an external grant funding opportunity is currently being pursued.

If the market redevelopment were not to progress, the alternative option would be to essentially leave the market “as is”. This would not deliver the benefits set out in the Economic Action Plan.

4. Details of Scrutiny

The redevelopment has been subject to various scrutiny processes, including Scrutiny Commission consideration and also public consultation and engagement with market traders and adjacent retailers.

5. Financial, legal and other implications

5.1 Financial implications

The Economic Action Plan approved by the City Mayor on 27th November 2012 approved funding of £4.8m for phase 1 of the market redevelopment. Of this, £292k had previously been approved for project management and design development by the Deputy City Mayor, on 12th July 2012. The £4.8m includes prudential borrowing of £2.146m, on the basis that the investment will protect the current turnover and net income from further decline and will provide a platform for future growth.

The City Mayor also approved in principle a further £2.2m for phase 2 of the market redevelopment, as set out in the Plan, subject to confirmation of funding anticipated to be received in 2013. This funding has now been secured from capital receipts generated from planned land sales.

Phases 1 and 2 are expected to be completed within the total £7m funding. After allowing for the £292k previously approved, the balance of £6.708m now requires formal approval.

Colin Sharpe, Head of Finance, ext. 29 7390

5.2 Legal implications

On 21st March 2013 Full Council considered the Capital Programme and approved a number of recommendations, one of which was as follows:

- iv. Determine that the City Mayor may increase any scheme in the programme, or add a new scheme to the programme, subject to:*
- *A maximum of £10m of corporate resources*
 - *Any prudential borrowing being affordable within the current revenue budget plan (after taking into account the City Mayor’s powers to vary the current budget plan).*

Separately, the report indicates that £4.8m of spend has already been formally

approved by the City Mayor, and that an additional £2.2m has been approved subject to realisation of a condition, which has since been met.

The decision is on the Plan of Key Decisions, and publication of this report means that the actual Decision cannot now be made until 5 further working days have elapsed (Rule 21, Part 4B, Constitution).

Kamal Adatia, City Barrister and Head of Standards, ext. 37 1401

5.3 Climate Change and Carbon Reduction implications

In 2012/13, energy used to heat and power the Market Centre building generated an estimated 502 tonnes of carbon dioxide equivalent. This is significant within the Council's overall carbon footprint. The expectation is that the redevelopment will substantially reduce this figure due to the removal of a relatively energy-inefficient building, its replacement with a low energy building for the fish, meat and cheese traders and the relocation of Council staff to more energy efficient office space as part of the City Centre Accommodation Strategy.

Duncan Bell, Senior Environmental Consultant, Environment Team. Ext 29 8089

5.4 Equality Impact Assessment

Equality implications, such as access, are being taken into account as the scheme design progresses.

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:

Economic Action Plan, City Mayor Individual Decision, 27th November 2012.

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 spending of over £1m is to be committed on a scheme not specifically authorised by Council.