

REPORT FROM: DIRECTOR OF PLACE

TO: EXECUTIVE

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COLNE MARKET HALL

PURPOSE OF REPORT

To provide an update on the remodelling of Colne Market Hall and to seek approval to proceed with the development.

RECOMMENDATIONS

- (1) The Committee notes the update on the design and planning process.
- (2) The Committee notes that a further report will be submitted regarding tenure options for the housing element of the scheme and notes the switch of delivery vehicle from PEARL Together to PEARL 2.
- (3) The Committee delegates authority to the Director of Place to proceed with the transfer of requisite levels of Levelling Up (LUF) funding into PEARL 2 to allow for delivery of the scheme and to supervise the project management of the scheme by the employed and sub-contract regeneration team, ensuring suitable controls on time and budget parameters are in place.

REASONS FOR RECOMMENDATIONS

- (1) For information and to inform decisions.
- (2) To allow for delivery of the scheme through a PEARL JV, in line with original decisions, and mitigate the withdrawal of Together Housing from the project.
- (3) To allow for the remodelling of the Market Hall to proceed within the timescales and budget of the LUF funding set by the Department for Levelling Up, Housing and Communities (DLUHC).

ISSUE

1. Proposals for the remodelling of the Market Hall have been refined following extensive consultation with traders, stakeholders and the public and have been submitted for planning permission.
2. The key changes to the original scheme are:
 - Introduction of glazed partition to the rear of the food hall which will open to connect the food hall to the market proper, while retaining the ability to stay open when the main market is closed
 - Relocation of first floor café to the ground floor in approximately the same location
 - Moving of the toilets to behind a retail unit in the front corner of the market hall, to create some more retail frontage to the high street to balance that of the greengrocer in the other front corner
 - Inclusion of a loading bay at the front of the market hall to service the green grocer and provide the ability for specialist food vans to enter the food hall
 - Removal of the car park works from the scope of the current scheme. This is to allow for consideration of the impact of current LCC Highways initiatives on the transport infrastructure in the town to be fully understood, and options for any second phase of development which include the car park to be explored in the context of these initiatives. It will also provide for more robustness in the cost plan for the LUF funding project
3. During this process consideration has also begun into the nature of tenure of the flats which are being remodelled and brought up to current legislative and energy standards on the first floor. Together Housing have confirmed that the nature of the scheme does not fit with their plans for expansion in their stock. This has meant that PEARL Together can no longer be the delivery vehicle for the project and with the agreement of both the PEARL Together and PEARL 2 Boards, PEARL 2 will now be the delivery vehicle.
4. This approach maintains that outlined in the LUF bid and formal approval of the final proposals and delivery mechanism will now be sought from DLUHC.
5. A further report will be brought to Committee with recommendations as to the nature of tenure of the housing units – ie. whether to be for private sale, or to be developed with a housing association partner to provide for affordable and/or social housing.
6. The LUF funding scheme requires all works to be completed and funding to be spent by the end of March 2025 and therefore with at least a 12 month construction period, approval is sought from the Executive Committee to delegate authority to the Director of Place to organise immediate start of works through PEARL 2 upon receipt of planning permission. The indicative timeline for the project is as follows:

August 2023	Submission of Planning Application
September/October 2023	Planning Process
	Preparation of Temporary Accommodation
	Relocation of Traders
November 2023	Planning Determination
	Start of Construction Works
March 2025	Completion of Construction Works
	Traders move back to Market Hall

7. The Director of Place will then supervise the timely delivery of the project to satisfy LUF timelines within the cost envelope through implementing management of the PEARL 2's delivery of the project through the employed and sub-contract regeneration team.
8. The extensive consultation with traders has included identification and coordination of temporary relocation opportunities for all traders. Premises at the former Poundland building and at No 6 Richmond Court (opposite the Market Hall) have been identified and works are currently being organised to allow for suitable facilities to accommodate the traders during the works period. These arrangements will be combined with ongoing marketing and promotional activities to support the traders' businesses.
9. A specialist consultant in the operation of Markets is in the process of being appointed to help design the layout and operation of the market following completion of works in the Market Hall, to optimise the performance, viability, financial sustainability and impact on Colne's retail offer into the future.
10. The delivery of the project on time and on budget, is supported by current forecasts for the Heritage Quarter projects which are also funded by LUF, to be delivered within the original time and budget constraints and not erode on the available funding or resources for the delivery of the Market Hall project. All three Theatre Projects are proceeding well and within the Programme's available funding parameters.

IMPLICATIONS

Policy:

The proposals are in line with prevailing planning policies in Colne and reflect the next phase of project delivery, following previous decisions to submit the scheme for LUF funding utilising a PEARL delivery vehicle and to proceed with the Planning Application.

Financial:

The LUF Update report provided to the Executive Committee in May 2023 showed the make up of the funding envelope for the Market Hall remodelling as follows:

LUF	£3,056,720
Local Authority	£305,672
Receipts*	£1,400,000
TOTAL	£4,762,392

The receipts are based on the potential sale of the residential units, with the figure of £1,400,000 shown being the result of soft market testing. This offsets the gap between the LUF Funding and Local Authority contribution and the potential cost of the remodelling, to allow for a viable and deliverable scheme. As stated in this report options for realising this value and the corresponding mechanism by which the capital receipts are achieved will be subject to a further report.

The May report, showed that the plans developed have been subject to professional Quantity Surveyor costings and showed the estimated costs, to be circa £4,800,000 to include a £50,000 contingency sum. The funding shown in the table above therefore closely matches the costs.

Since then work has started on value engineering of the scheme has started, beginning with the omission of car park improvements area. This provides for greater robustness in the cost plan and effectively increases the contingency element at this stage to c£300,000.

Following planning determination, further detailed design and value engineering approaches will be applied to achieve greater certainty and reduce costs where possible to ensure that proposals remain robustly in line with the available budget and ensure that the proposals will be delivered within the funding envelope already approved.

Legal:

The PEARL 2 Board have formally approved taking on the project. Formal sign off of the final scheme from DLUHC will be sought. Regular progress reporting has already been taking place.

Risk Management:

The project is subject to risk controls in line with DLUHC requirements under the management of RAISE Partnership. Submission for formal approval of the final scheme by DLUHC forms part of the risk management process.

Health and Safety:

The construction phase of the project will be covered by CDM regulations and managed by an independent and suitably qualified Principal Designer.

Sustainability:

The project contains several measures to improve the energy efficiency of the Market Hall. All Electrical, Mechanical and VCHR (and Fire Prevention) systems will be brought up to modern standards.

Community Safety:

The Market Hall will be closed during the works period to ensure Community Safety.

Equality and Diversity:

The proposals have been developed with wide public and stakeholder consultation and will be fully compliant with all DDA requirements, by bringing the building up to modern standards.

APPENDICES

None.

LIST OF BACKGROUND PAPERS

Market Hall Planning Drawings.