

Appendix 1 - Demolition of the Market Hall

BROMSGROVE DISTRICT COUNCIL

JOINT OVERVIEW & SCRUTINY BOARD

19th JANUARY 2010

DEMOLITION OF MARKET HALL

Responsible Portfolio Holder	Councillor Dr. D. Booth JP
Responsible Head of Service	Phil Street, Executive Director
Key Decision	

1. SUMMARY

- 1.1 At the Cabinet meeting on 2nd September 2009 demolition of the market hall was approved. The demolition is the first phase of the preparation of the site for redevelopment.

2. RECOMMENDATION

- 2.1 Members of the Joint Overview and Scrutiny Board are requested to note the information in this report as evidence in the consideration of the petition on the market hall.

3. BACKGROUND

- 3.1 The market hall was closed in February 2009 when the market was transferred on to the High Street. The establishment of the new outdoor market on the High Street has been a successful move.
- 3.2 The transfer left the market hall largely vacant although it is used on a weekly basis for an antique fair and very occasionally for other events, but other than a café facility the hall is empty and no longer in use.
- 3.3 Discussions have been held with the organiser of the antiques fair and efforts are being made to assist in relocating the fair. The café proprietor is aware of the decision to demolish the market hall.
- 3.4 There are continuing costs associated with the market hall including a payment of £22,300 for non domestic rates. In addition to the non-domestic rates the hall also requires £20,000 to insure, maintain and meet utility costs. It is probable that the longer the building remains unoccupied the more prone it could be to vandalism and damage. The costs of repair and maintenance would increase as a consequence. Despite efforts being made to find temporary occupants for the market hall, none of these have been successful.

- 3.5 The outlook for the market hall site, once the wider economy recovers, is that the Council will enter into an agreement with a developer to redevelop the site and this is to be pursued through the European Union procurement route. The redevelopment of the market hall site is central to the regeneration of the town centre.
- 3.6 It is estimated that the demolition will cost in the region of £20,000, but there will be additional costs associated with project management and utilities disconnection. Therefore, it is estimated the work will amount to £35,000.
- 3.7 The site will be cleared as the first stage in the redevelopment of the market hall site and in the short term could be used for additional car parking and garaging and storage for market stalls and vehicles necessitated by the demolition of the building. Early work is commencing on preparing to take the site through an Official Journal of the European Union (OJEU) procurement route, but this is being staggered in response to the prevailing economic conditions.
- 3.8 The current market hall car park is one of the Council's most used and attracts over £170,000 of income in a full year. It is suggested that the land remaining after the demolition of the market hall would provide up to a further 25% more car parking spaces and it is estimated that this car park may realise the Council some additional £25,000 per year.
- 3.9 The site will be redeveloped, but in the meantime the site will be converted into a temporary car park. This will be an interim measure for no longer than necessary. It is difficult to put a time limit on the exact length of time that it would be a car park as this would depend largely on the recovery in the property market.
- 3.10 The demolition of the Market Hall building and convert the top section of the site to additional car parking would require a planning application to be approved for a change of use. The tendering process is underway and the tenders will be submitted at the beginning of 2010 with a decision on the agreed contractor shortly afterwards.
- 3.11 It is anticipated that hall would be demolished by April 2010.

4. FINANCIAL IMPLICATIONS

- 4.1 The current market hall continues to attract non domestic rates of £22,300 per annum. The demolition of the hall will remove the need to pay these rates.
- 4.2 In addition to the non-domestic rates the hall also requires some £20,000 to insure, maintain and meet utility costs. It is probable that the longer the building remains unoccupied the more prone it could be to vandalism and damage. The costs of repair and maintenance may increase as a consequence.

- 4.3 The conversion of the site into additional car parking would provide the Council with additional capacity and given that this is one of the most popularly used car park the likelihood exists that the availability of greater capacity would attract additional revenue.
- 4.4 The cost of demolishing the building is estimated at £20,000.
- 4.5 The proposal is that work would continue on preparing the site for redevelopment and that the conversion into a car park would be an interim measure for no longer than necessary. It is difficult to put a time limit on the exact length of time that it would be a car park as this would depend largely on the recovery in the property market.

5. LEGAL IMPLICATIONS

- 5.1 To demolish the existing Market Hall building and convert the top section of the site to additional car parking would require a planning application to be approved for a change of use (limited to the area of the site that is not currently used as a car park).
- 5.2 In the longer term if the Council was looking to sell the top section of the site (currently occupied by the Market Hall) to a developer, this is a transaction which the Council is able to enter into as it owns the land in question. The only significant issue is that there are electric cables located under parts of the eastern boundary of the site which are the subject of a wayleave agreement between the Council and the current successor of The Midlands Electricity Board. This would have to be notified to any potential developer and there is a risk that if the cables impinged on their plans the Council may have to bear the costs of moving them as a condition of any sale.
- 5.3 With reference to the remainder of the site which is currently used as a car park the legal issues a potential developer would have to make allowances for are more numerous and complex. In summary they are that:-
- There is an electricity sub-station located in the car park. This is covered by a legal agreement with Central Networks who have the benefit of a 99 year lease granted in 1994. In the event of the Council wanting to move the sub-station, the Council would be required to identify and provide an alternative site including providing an equivalent lease, and to bear the cost of removal and re-installation works.
 - There are a number of businesses with frontages onto Worcester Road which are believed to have acquired prescriptive rights of way over the car park at the rear of their properties.
 - In addition two formal rights of way have been granted by the Council over the same strip of the car park for the benefit of the Dog and Pheasant public house and a residential development at 18 Worcester Road. These provide for rights of access and could in theory be varied to provide an alternative route although in practical

terms it is difficult to see how this could be achieved given geography of the site.

6. COUNCIL OBJECTIVES

- 6.1 The redevelopment of the town centre is the principal objective for the Council and the demolition of the market hall would be a first stage in the regeneration of that site.

7. RISK MANAGEMENT INCLUDING HEALTH & SAFETY CONSIDERATIONS

- 7.1 Reputational damage by demolition of building – People expecting site to be developed for retail or services and cynicism created by demolition and not following demolition with construction work. It will be necessary to ensure public are informed that work will not start immediately on site, but that the vacant site is nothing other than a temporary measure until the property market recovers.
- 7.2 Damage to other buildings during demolition – Work will be undertaken by experienced and reputable company identified through an appropriate tendering arrangement.
- 7.3 Save the Market Hall group formed and takes action to oppose demolition – a group has been formed to save the market hall. It's of little if any architectural interest, but sentiment runs deep about such buildings as market halls. Pre-demolition consultation and communication would both inform the residents of the plans and proposals for the future.
- 7.4 Unable to get company to carry out demolition – this is unlikely and already companies have indicated an interest in carrying out the work.
- 7.5 Site remains vacant for lengthy period – the longer the site remains unoccupied the more likely it is that cynicism will develop. The market hall site is a key location for town centre regeneration. However, the poor state of the property market means that the Council would currently be unable to realise the appropriate return on the site.
- 7.6 Expectation of development raised or adversely affected – Communication about what was happening on the site needs to be prepared well in advance of demolition so that the future use of the site is understood and explained.

8. CUSTOMER IMPLICATIONS

- 8.1 There is no direct impact on customers except that the market hall is used for antique fairs on an occasional basis. The market has already successfully moved on to the High Street and the use of the site for car parking may prove beneficial to some users of the town centre.

9. EQUALITIES AND DIVERSITY IMPLICATIONS

9.1 There are no apparent implications for the Council's Equalities and Diversity Policies.

10. VALUE FOR MONEY IMPLICATIONS

10.1 The market hall currently costs the Council expenditure in rates, repairs, maintenance, utility costs and security. The removal of these costs and their replacement with car park income which may provide additional satisfaction for customers would be seen as a positive action in terms of value for money.

10.2 Efforts have been made to identify a short term lease of the market hall, but these have been unsuccessful. Since the market moved on to the High Street the Council have not received any income from the market hall.

11. CLIMATE CHANGE AND CARBON IMPLICATIONS

11.1

12. OTHER IMPLICATIONS

Procurement Issues
Personnel
Governance/Performance Management None
Community Safety including Section 17 of Crime and Disorder Act 1998 None
Policy - Supports the Council's pursuit of the regeneration of the town centre
Biodiversity None

13. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Chief Executive	Yes
Executive Director - Partnerships and Projects	Yes

Executive Director - Services	Yes
Assistant Chief Executive	Yes
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal, Equalities & Democratic Services	Yes
Head of Organisational Development & HR	Yes
Corporate Procurement Team	Yes

14. WARDS AFFECTED

All wards

15. APPENDICES

None attached

16. BACKGROUND PAPERS

N/A

CONTACT OFFICER

Name: Phil Street – Executive Director
E Mail: p.street@bromsgrove.gov.uk
Tel: (01527) 881202