

## **Report to Cabinet**

**Subject:** Proposed Purchase of Arnold Market

**Date:** 8 December 2016

**Author:** Estates Surveyor

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### **Wards Affected**

Located within the Borough's principal town centre, re-development of Arnold Market has the potential to impact on all wards within the Borough.

### **Purpose**

To seek approval to enter into negotiations to purchase Arnold Market (the site as shown edged red on the attached plan at Appendix 1) for no more than the maximum price set out in Exempt Appendix 2.

### **Key Decision**

This is a Key Decision because it has the potential to result in the Council incurring significant expenditure and to benefit residents across the Borough.

### **Background**

- 1.1 Arnold Market opened in 1968 and is located on the Market Place, just off the main pedestrian street running through Arnold Town Centre. The site, which is not within the Council's ownership, consists of fixed and covered stalls, five closable kiosks, a residential flat and a storage area. Once a vibrant and attractive asset for the town, the market has, over a number of years, deteriorated both in its physical environment and in the volume and range of goods and services that it offers.
  - 1.2 Despite having some 90 stalls permanently in situ, only a handful of regular market traders operate on the three days a week that the market is open (Tuesday, Friday and Saturday, plus a flea market on a Wednesday evening). As such the market is empty the majority of the time. This, along with the extremely poor physical quality of the stalls, presents an extremely negative impression of not only the market itself but also of the area of the town centre within which the market is located. Far from being a generator of footfall and adding vibrancy to the town, the prevailing view of shopkeepers and the wider community is that the market is currently a liability rather than an asset to the economic prosperity and environmental well-being of Arnold. This has been evidenced through face to face discussions with local traders and a survey undertaken by Nottingham Post. More recently, the depth of local feeling about the importance of the market and its longstanding poor condition has led to a social media campaign to take action to bring about improvements.
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- 1.3 While accepting that markets across the UK have experienced varying fortunes in recent years, Arnold Market is performing poorly when measured by the number of stall holders and the footfall it generates. Other markets in areas of Greater Nottingham successfully operate despite being in town centres that have comparable or less favourable trading conditions than Arnold. Examples include:-
- Bilborough, 15 stalls
  - Bulwell, 40 stalls
  - Clifton, 40 stalls
  - Hyson Green, 40 stalls
- 1.4 The Council has previously had discussions with the current owner and raised concerns about the condition and customer offer of the market. An invitation to explore the possibility of working together to make improvements was made but rejected.

## **Proposals**

- 2.1 Given the owner's intransigence to invest in the market, it is proposed that the Council enters into further dialogue with the owner with a view to bringing the market into Council ownership. This is considered to be justified given the importance of the market to the town and the fact that the market area is both an environmental eyesore and underachieving in terms of its contribution to the town's prosperity. Consideration has been given to establishing an alternative market elsewhere within the Town Centre, for example on Eagle Square. However, the site of the current market is in the right location and even if an alternative market were to operate successfully somewhere else, the poor environmental appearance of the current market area would remain needing to be addressed.
- 2.2 In seeking to bring the market into public ownership, the Council is looking to achieve three particular objectives. Firstly, to bring about improvements to the physical environment through the removal of the fixed stalls, refurbishment or demolition of the buildings, an upgrade of the storage/bin store and linked public realm improvements including landscaping, lighting, seating and paving. Secondly, to boost the economic performance of the town by generating more footfall through provision of a wider choice of market goods and services and thirdly, depending upon the operational activities of the market to include, a programme of community events and activities thus re-connecting this important asset with the town and the community.
- 2.3 There are plenty of examples around the Country and within Nottinghamshire of successful markets that use gazebos and temporary stalls that arrive on market day and are taken away at the end of the day. In addition, non-general markets have grown in popularity such as farmers' markets, book markets and vintage clothing markets. Removal of the fixed stalls would provide the flexibility to enable this wider offer as well as creating space for local events - seen as being a key ingredient to attract people to the town.
- 2.4 Generally the town centre is busy and has withstood the economic downtown comparably well, with vacancies being below the national average for town centres<sup>1</sup>

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<sup>1</sup> The average vacancy rate for all retail locations in England was 11.3% in June 2016 (Local Data Company).

and retention of virtually all of its national retailers (Boots, Wilkinsons, WH Smiths, New Look etc). With the northern end of the town anchored by footfall generating public services, (library, leisure centre and health centre) and a large supermarket (Asda), along with significant housing growth planned within the vicinity of the town and excellent public transport, there are positive prospects of being able to make a success of an improved market offer.

- 2.5 Notwithstanding this confident outlook, it must be borne in mind that the Council has no experience of operating a market. To assist with understanding the potential operational and financial implications, external advice has therefore been sought from regeneration consultants that have experience of advising on, and working with markets, and from Nottingham City Council, who currently operate a number of markets.
- 2.6 Based on the advice received, with improvements and under the right management, a re-vitalised Arnold Market operating 3 days a week would be expected to attract an average of 20 stalls a day.
- 2.7 It is proposed that Cabinet authorise Officers to enter into negotiations with the owner to acquire the market site by agreement. These negotiations will be conducted in accordance with the maximum price set out in Exempt Appendix 2. In the event that the owner agrees to sell the site to the Council, a further report will be prepared for Members to approve the purchase, establish the necessary budgets and add the programme of improvements to the capital programme.

### **Alternative Options**

- 3.1 The Council has no statutory responsibility for the market and could choose to leave things as they are. However, all the indications are that this would result in further deterioration of the market which would, in turn, have a detrimental effect on the wider town centre.
- 3.2 Reference to the Council establishing an alternative market has also been made earlier in the report. This option could lead to confusion for shoppers and in any case would fail to address the continued presence of the dilapidated market stalls on Market Square.

### **Financial Implications**

- 4.1 The approval to negotiate the acquisition of the market does not commit the Council to the purchase therefore there are no financial implications arising directly from this report.
- 4.2 However, indicative capital budget requirements have been considered to inform the decision to enter the negotiating process and these are discussed in Exempt Appendix 2. Following a successful acquisition the amount expended on obtaining the asset will be reported as part of the Council's annual accounts.

- 4.3 If negotiations are successful, formal budget approval from Council will be required prior to completion of the market purchase and this will be the subject of a future report. The method of financing the capital expenditure e.g. borrowing and any potential revenue implications will also be considered as part of the future report. The revenue costs of operating the market will depend upon the operating model selected e.g. in-house operation, commission external operator, partnership. An option appraisal will be completed to determine the most suitable model.

## **Appendices**

- 5 Appendix 1 Plan showing Arnold Market edged red.

Appendix 2 Exempt Appendix 2 NOT FOR PUBLICATION.

## **Background Papers**

- 6 None

## **Recommendation**

**THAT** Officers are authorised to enter into negotiations to acquire the site for no more than the maximum price set out in Exempt Appendix 2 and report back to a future Cabinet meeting on the success or otherwise of the negotiations

## **Reasons for Recommendations**

- 7 To make progress towards achieving one of the Council's top priorities – improving Arnold Market.