

D2N2 INFRASTRUCTURE AND INVESTMENT BOARD (IIB)

27th January 2017

Sutton Indoor Market

1.0 Background

In February 2015 DCLG awarded D2N2 Grant Funding to deliver the approved schemes on the Local Growth Fund (LGF).

The LGF comprises of 31 schemes and runs until March 2021.

In March 2015 D2N2 and Derbyshire County Council issued the LGF Local Assurance Framework which sets out the procedures for managing and approving projects.

In April 2015 D2N2 appointed Derbyshire County Council as the Accountable body to administer the Local Assurance Framework.

This project is being brought forward from the pipeline on the basis of deliverability and alignment to D2N2's SEP. The project was approved onto the pipeline in April 2016 as part of the N2 Town Centres programme, it is therefore proposed to accelerate this project into 16/17 using the profile underspend. With confirmation of LGF3 funding this allows us the flexibility to do this.

2.0 Scheme Overview

The Sutton-in-Ashfield Indoor Market is located within the Idlewells Shopping Centre, at the hub of the Town Centre. The market hall is currently in need of refurbishment, to bring it up to date, to meet health and safety requirements and make it a more effective and attractive destination.

This project seeks to bring forward 19,500sqft of high quality floor space. The project will deliver the complete redevelopment of the trading floor, refreshing the offer available, to accommodate and support aspiring entrepreneurs, to start new businesses and widening the appeal of indoor markets to new customers.

Although the District of Ashfield has 3 towns, each of which has an outdoor market, Sutton-in-Ashfield is the only town that has an indoor market. Over the years, the indoor market has proved to be popular with traders and shoppers alike and the market hall refurbishment is expected to generate more demand from shoppers, including those from professionals and from younger people, and thus create more diversity and choice of goods offered by traders. It is also expected that new traders will be encouraged to establish businesses.

The project will help to improve the vitality of Sutton town centre and increase wider investor confidence in the area, building on the impetus for town centre improvements which have already been seen through the relocation of the Outdoor Market onto Portland Square.

The wider economic impacts of this regeneration project for the town are threefold.

- 1) The refurbished indoor market will attract more visitors and customers to the market and wider town centre businesses
- 2) The new businesses in the indoor market will create jobs in the local area.
- 3) Demand for retail space within the town centre will be increased, creating a more prosperous and attractive environment for shoppers and visitors.

The LEP contribution will secure a number of added value items which are essential in changing the culture of the indoor market:

- New market entrance – to complement the main existing entrance. There is currently no natural light in the hall. The new design includes glass aspect, internally and externally, to the building. This will allow customers to access the site from an additional entrance and bring natural light into the hall (design attached)
- New ramp - installation of an accessible ramp, currently accessed by stairs only (design attached). Provides a much greater degree of accessibility for disabled people/buggies
- Installation of a new glass roof light to provide natural light throughout. In the scheme the new installation features over the middle aspect of a new seating/cafe area
- New trader stall counters - to have a set standard and uniformed approach for all the new stalls (design attached)
- Bespoke roof lighting (visuals attached)

- Bespoke suspended ceiling (visuals attached)
- Ceiling baffle for isle and acoustic canopy/baffles for the new seating area

The Council wish to start on site on Monday 30th January 2017 at the latest to enable them to have completed the upgrade by October for the run up period to Christmas.

The total cost of the project is £1,600,000 and is funded as follows:

-£0.375m LGF

-£0.050m the landlord, Ellandi

-£1.175m Ashfield District Council

3.0 Approvals

The project gained approval at Ashfield District Council's Cabinet on the 28th April 2017.

Only a minor planning application was required, for the installation of a roof light and for alterations to the entrance into the Indoor Market, this application was approved on the 27th December 2016.

4.0 Procurement

The project has been procured utilising the East Midlands Property Alliance (EMPA) framework which has been tendered through OJEU processes and procedures. The EMPA appointed contractor has tendered individual work packages and the final contract cost was determined before Christmas 2016.

5.0 State Aid

The promoter has confirmed the project is State Aid compliant.

6.0 Business Case

The business case has been forwarded to Regeneris and at the time of writing this report the Value for Money (VFM) report had not been completed. Any approval given will be on the basis that the project reports good VFM.

7.0 Delivery Programme

Preconstruction- January 2017

Phase 1-January to February 2017

Phase 2-February 2017 to March 2017

Phase 3-February 2017 to July 2017

Phase 4-July 2017 to November 2017

Phase 5 and completion-November 2017

8.0 Outputs and Outcomes

- refurbishment of 19,500 sq ft of floor space
- 57 new jobs

9.0 Spending profile

2016-17 £0.375m

10.0 Local Assurance Framework

This is a combined Stage 1 and Stage 2 submission and a full Business Case was submitted in line with Stage 2 of the approval process. The Accountable Body and D2N2 have assessed the Business Case submission and approval is recommended.

The IIB are asked to approve the project and release this year's funding on the condition that the Regeneris report confirms this project represents good value for money.

Local Assurance Framework

Stage 2 Approval Check List:

1. A Value for Money assessment carried out in accordance with the Local Assurance Framework and concluding that the project overall provides at least a good value for money score	A value for Money assessment is currently being carried out by external consultants and the project is requested to be approved subject to Value for Money approval.
2. Evidence supporting the need for the project and the how the outputs in the Business Case will be delivered/guaranteed. This will also include evidence identifying when the outputs will be delivered.	The Market Hall is currently in need of refurbishment, to bring it up to date, to meet health and safety requirements and make it a more effective and attractive destination. The project will help to improve the vitality of Sutton town centre and increase wider investor confidence in the area, building on the impetus for town centre improvements, which have already been seen through the relocation of the outdoor market onto Portland Square. The outputs are: <ul style="list-style-type: none"> • Refurbishment of 19,500 ft² of floorspace • Creation of 57 new jobs
3. A statement confirming that the funds are in place and that adequate safeguards have been taken in regards to any cost over-runs. Examples of this could be confirmation that contingency has been secured for the project and/or that all risk have been passed to the contractor/developer.	The promoter has confirmed that funds are in place and any cost overruns will be funded via provision in the Councils capital budget. Funding has been confirmed by the Section 151 officer.
4. A statement confirming that the project is State Aid compliant.	The promoter has confirmed the project is State Aid compliant
5. Full design and specification to RIBA Stage 4 (if applicable)	The project is at the equivalent of RIBA stage 4.

6. A detailed Business case submitted by the Section 151 officer, Finance Director or Chief Executive Officer.	The business case has been approved by the Section 151 officer of Ashfield District Council.
7. Confirmation that all Planning consents and other consents in relation to the delivery of the project have been granted. The promoter is also required to confirm that all pre-commencement conditions have been met along with details regarding how and when the remaining planning conditions will be discharged.	The main part of the works does not need a planning application, because it is not deemed to be a change of use. However, a minor planning application was required, for the installation of a roof light and for alterations to the entrance to the Indoor market. This planning permission was granted on the 27 th December 2016.
8. A statement from the promoter confirming how the project aligns with the LEP'S sustainability and local procurement framework (if applicable)	The promoter has confirmed that the project aligns with the LEP's sustainability and procurement framework.
9. Confirmation that all funding is approved and in place to deliver the project along with written confirmation from the other funders confirming the funds are agreed and available.	All funding has been confirmed by the Section 151 officer.
10. Confirmation that a delivery contract is in place (JCT or equivalent) and confirmation of how cost/programme overruns to be managed. The LEP will require promoters to either confirm that any cost over-runs are	The project has been procured utilising the East Midlands Property Alliance (EMPA) framework. The Council has a fixed price contract with the contractor including a built in contingency to reduce the risk of this happening. However,

the risk of the developer or additional funds have been set aside.	should there be any overrun, this will be picked up by the Council and/or the contractor, depending upon the cause for that overrun.
11. All land assets purchased and vacant possession obtained (if applicable)	Ashfield District Council hold the lease on the indoor market and officers have been working closely with the Centre's owners, Ellandi LLP, who have provided the necessary permissions for the work to be carried out.
12. Value for Money report carried out by a suitably qualified and experience professional with at least a 'Good' score. The LEP and the Accountable body will seek confirmation on the conclusions of the report from external consultants.	A value for Money assessment is currently being carried out by external consultants and the project is requested to be approved subject to Value for Money approval.
13. How the risks will be managed?	A risk analysis has been provided by the promoter identifying and mitigations.