

The Metropolitan Centre



BUSINESS CASE

Project sponsored by

David Shepherd & Jeremy Sykes
Services Directors, Economic Development and Assets
Place and Finance, Assets & Information Services

The Metropolitan Centre

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(ii) Document Management

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01	1 st Draft	Jeremy Sykes	Project reps	-	-
02	Comments from Place	Jeremy Sykes	Mark Lynam	TC Board	14/10/16
03	Pre Cabinet Sign Off	Jeremy Sykes	Sarah McHale	SMT	18/10/16

(iii) Distribution

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(iv) Purpose of Document

The Business Case builds on the Project Brief. It is designed to provide a full and firm foundation for the implementation of the project. It gives the direction and scope of the project and forms the ‘contract’ between the Project Sponsor and Senior Management Team.

The Business Case is designed to enable Senior Management Team to recommend the implementation of the project and whether or not to commit resources to the implementation of the project.

The Business Case needs to be authorised before the project commences.

BUSINESS CASE TO BE READ IN CONJUNCTION WITH THE APPROVED RIBA STAGE REPORTS.

PROJECT SUMMARY

(a) Project Description

The refurbished and extended Metropolitan Centre will be a key part of the Town Centre redevelopment. The project includes the refurbishment of the Market Halls and Cheapside retail units and the design and construction of a new Markets Food Hall and leisure box at first floor level; and new retail units along a new shopping boulevard at the top of May Day Green.

The Metropolitan Centre scheme will provide 5,500m² of Market Halls, a 1,200m² Market Food Hall, 6,100m² of retail units and a 1,500m² leisure box.

The Metropolitan Centre, when completed will be a significant asset, generating premier rental income and NNDR, encouraging major footfall in the town centre and supporting our aspiration to create a vibrant daytime and evening economy.

(b) Project Timescales

Project Start Date	05/01/2016
Financial Completion Date	30/11/2016
Practical Completion Date	23/10/2019

(c) Project Capital Funding Summary

(£,000s)

	2016/17	2017/18	2018/19	2019/20	Totals
Demolition & Asbestos removal	273	2,462	0	0	2,735
Basement refurb	0	2,012	211	0	2,223
Market Hall refurbishment	0	0	10,543	0	10,543
Atrium & New Retail	0	0	1,004	1,926	2,930
Preliminaries/OH&P	50	813	2,137	350	3,350
May Day Green Retail	0	1,155	0	0	1,155
May Day Green Market	2,350	0	0	0	2,350
'New' Street	0	0	233	0	233
Totals	2,673	6,442	14,128	2,276	25,519

(d) Project Outputs Summary

Description of the outputs		Number to be delivered
1	Contributes to increasing footfall in town centre	7.5 million
2	Contributes to town centre retail occupation	85% town centre units occupied
3	Contributes to attaining Purple Flag accreditation	Purple Flag accreditation
4	Percentage change in shopper population	+10% Index (195) Mosaic grp E – Urban Stability +10% Index (249) Mosaic grp D – Domestic success +10% Index (111) Mosaic grp H – Aspiring homemakers +10% Sixth Form college students

5	Service Charges	£349,840
6	Markets rents	£888,209

(e) Delivery Partners

Will you work with other organisations to deliver this project?

Yes



No

If Yes, complete the sections below for each partner.

Name of the partner organisation.	NPS Group		
Was this partner identified in the project brief?	Yes	<input checked="" type="checkbox"/>	No
Contact Person	Karen Temple		
Position in organisation	Group Director		
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Telephone Number	01226 77 3651		
Address, including post code	NPS Group, Gateway Plaza, Sackville Street, Barnsley S70 2RD		
Describe the current relationship with this partner. Have you previously worked with this partner? Why have you selected this partner above any others?			
<p>NPS Group (NPS Barnsley) provides a design consultancy and building repairs and maintenance for the Council, Berneslai Homes, schools, police and private sector clients. NPS Barnsley is a 'Teckal' company in which the Council holds a 20% shareholding. It agrees an annual business plan with the Council, and provides a 50-50 profit share each year.</p>			
Name of the partner organisation.	Henry Boot Construction Limited		
Was this partner identified in the project brief?	Yes		No <input checked="" type="checkbox"/>
Contact Person	Tony Shaw		
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Describe the current relationship with this partner. Have you previously worked with this partner? Why have you selected this partner above any others?			
<p>Henry Boot Construction Limited (HB) is the main contractor for the Better Barnsley scheme. They have already completed the construction of the Market Gate Car Park. HB was selected following an EU restricted procurement exercise following a rigorous price/quality evaluation.</p>			

BUSINESS CASE

1. PROJECT DEFINITION

(a) Project Objectives

A Revitalised Town Centre

We want our residents to use our town centre – and for it to be the vibrant centre of our borough. This is important for our local businesses and for our economy generally – but it's also important that our communities feel proud of the town and enjoy spending their time here. We're playing our part – in a time of austerity, by investing heavily in the infrastructure of the town centre, making it a great place to visit and spend time.

Our outline planning approval set out the exciting and ambitious Better Barnsley town centre redevelopment project. The outline approval (ref: 2015/0549) presented new retail, leisure and market space, including areas for food and drink and a cinema, along with an additional shopping boulevards. The project includes the extensive refurbishment and extension of the Metropolitan Centre to create a significantly improved presence for the heart of the town – the Barnsley Markets.

The overarching objectives of the markets, retail and leisure project are:

- To physically transform the town centre into a successful retail and leisure destination
- Integrate effectively with the wider Better Barnsley (Phase 2) regeneration scheme
- Support the creation of a new retail and leisure circuit
- Secure the long term vitality and viability of Barnsley Markets
- Develop a commercially viable and deliverable project
- Generate a commercial return for Barnsley Council
- Deliver longevity in terms of retail sector demand
- Support achievement of a sustainable night time economy

(b) Project Description

The proposed redevelopment of the Metropolitan Centre encompasses the most important site in Barnsley. The town centre is dominated by the Metropolitan Centre. It was built in the 1970's to house the famous Barnsley Market and create modern retail space.

The intention of this project is to effect a radical transformation of the Metropolitan Centre in line with the recommendations of the approved Better Barnsley Town Centre Prospectus. The project comprises a comprehensively refurbished and extended Market Hall, Meat & Fish Market and Markets Food Hall, new retail and leisure offers supporting the new town square, retail 'circuit' and a reinforced retail offer on Cheapside. As part of the redevelopment the current multi storey car park will be demolished, although the exact phasing is not determined it will be as late as possible to facilitate ongoing car parking there for as long as safely possible.

The redevelopment works will be undertaken in a number of phases, one of which that is already completed, i.e. May Day Green Market. It is intended the majority of the

Metropolitan Centre is retained but comprehensively remodelled to better serve the needs of the markets, stallholders and attract new prime retailers that will address the retail offer 'gap' in the town centre, identified in Section 2 - Evidence of Need and Demand.

Successful towns and cities have retail 'circuits' rather than 'strips' such as Cheapside. The redevelopment of the Metropolitan Centre will create the 'heart' of the new retail circuit. This has been designed so that the markets are central to the 'circuit' not only at ground floor but at first floor as well. The new retail units on the new shopping 'high street' will be double height to compliment the retail units and cinema that will form the opposite façade on the new shopping 'High Street.'

(c) How will the project deliver the aims of the Corporate Plan?

The redevelopment of the Metropolitan Centre is crucial to developing a "a vibrant town centre" both in terms of growing footfall and interest in the town centre. The delivery of the Better Barnsley regeneration project is identified in the 2020 Outcomes Framework.

The creation of a thriving and vibrant economy is achieved through the creation of more and better jobs and good business growth. This is outlined in the Jobs and Business Plan which sets out the development of a vibrant Town Centre and strengthening of the visitor economy as key themes. The redevelopment of the Metropolitan Centre as a key element of the Glass Works directly supports all of these outcomes. It will reduce Barnsley's retail trading gap by providing an improved retail and leisure offer that attracts higher quality retailers and operators and will reduce spend leakage out of the town. Increased dwell times in the town will also increase spending and create a more active town centre with a higher quality, safer and more engaging environment that will attract workers, residents and families. The development itself will create new jobs through the opening of new retail and leisure operators and through thriving independent self-employed stallholders in the market halls.

The development will also provide an opportunity for closing the skills gap and creating stronger and more resilient communities in the Borough. Training opportunities, local community support and employment will be offered throughout its construction and operation. Members of the team are involved already providing support to our education system and local labour as Enterprise Advisors to local schools or the initiation of a Skills Village to train local people for work in construction that may lead to them working on the construction itself. These initiatives are provided through a contractual obligation with our suppliers on the project that will continue alongside the development of The Glass Works until completion.

In our Corporate Plan we describe our high level of ambition and aspiration to do our very best to support Barnsley, its people, communities, partners and business to thrive and achieve. We also state that the residents, communities and customers of Barnsley are our number one priority and that we will create a thriving and vibrant economy where people will be able to achieve their potential. The redevelopment of the Metropolitan Centre embodies our vision.

(d) How the project will contribute towards BMBC's equality and diversity objectives?

The redeveloped Metropolitan Centre will be fully accessible for all. From the initial stages, the project has engaged with equality and diversity staff in BMBC and a wide range of potential users. Public markets, by their very nature and purpose, encourage use by all people.

We will continue to work with groups that represent users with specific needs to ensure that the physical environment is accessible, that the market stallholders are engaged in programmes of activities are relevant to improving equality and diversity in shopper experience.

The Market toilets will incorporate a Changing Place facility.

2. EVIDENCE OF NEED AND DEMAND

(a) What is the need for the project and is their evidence to support this?

RETAIL ASSESSMENT

A recent retail assessment of Barnsley Town Centre was undertaken by FSP, retail business consultants, in December 2015 outlining the issues facing the town centre. The highlights are detailed below:

Catchment and Demographics

- Barnsley's bespoke catchment contains 331k residents and generates a shopper population of 134k (149k including 'pull-in'). The geographical extent of the catchment is similar to the NSLSP (National Survey of Local Shopping Patterns) catchment but has a significantly higher penetration (41% bespoke vs 31% NSLSP), indicating that a significant number of shoppers use Barnsley as a top up / convenience destination. Meadowhall Shopping Centre, Wakefield and Sheffield are Barnsley's biggest competitors – together accounting for 47% of leakage.
- Households within Barnsley's Principal catchment are notably older than the UK average. Proportions of Empty Nesters (34%) and Retired Seniors (21%) are both 5% above average, while Pre-Family (17%) is 15% below average. Family (28%) is in line with UK average.
- Barnsley's current retail offer has a value / mass market focus which is suited to the demographic and income profile of catchment residents. Barnsley's catchment is dominated by low and middle income Categories with above average proportions of Comfortable Communities (+4% vs UK) and Financially Stretched (+67% vs UK). This less affluent profile is also highlighted in the average Household Income and Spend of catchment households, both of which are below regional and UK average.
- The profile of Barnsley shoppers is less affluent than that of catchment residents – the least affluent Categories (Financially Stretched and Urban Adversity) are over-represented and account for 66% of shoppers vs. 54% of catchment residents.

Shopper Survey

- Average visit frequency is above benchmark, while Non-Food spend per capita is lower – to be expected from a primarily convenience destination. Dwell time and use of catering are both just below FSP benchmark although catering usage is likely to increase significantly once the proposed development is completed, as the Food & Beverage (F&B) offer within the town centre evolves beyond its current, limited provision
- Barnsley's Net Promoter Score (NPS) is -1, in line with benchmark. However, attitudes towards Safety and Security, Cleanliness, Atmosphere and Store Range are all lower than benchmark – the latter two will be addressed by the redevelopment while the former two should be a target for improvement. Those responding to the Worker and Student survey perceive anti-social behaviour as a barrier to visits – addressing this should be a priority.
- The majority of those interviewed for the Worker and Student survey use Barnsley during their working day (76% visit at least once a week), and when not at work (74%). Those not using in their own time were most likely to say there is nothing in the town to attract them (56%) – the development may assist in converting these non-users to visit the town.
- 84% of respondents had used Barnsley's market at some point. Visit Frequency for Food shopping was higher than Non Food at 57 vs. 45 times per annum. Apart from those that are unlikely to ever use the market, the main barriers to use were a lack of quality goods and a general lack of appeal, which this Business Case proposal will address.
- Awareness of leisure destinations within the town centre among Shopper Survey respondents is high with most recalled by over 80% of respondents. However, awareness of Experience Barnsley is significantly lower at 59%. As expected, usage of all destinations is significantly lower than recall, with the Metrodome having been visited by the highest proportion of respondents (29%). Those responding to the Worker and Student Survey were more likely to have visited all Leisure destinations.

(b) Is there demand for the project?

RETAIL ASSESSMENT

FSP's analysis in December 2015 identified a number of key areas of demand that support the Better Barnsley redevelopment (high level overview):

- Use of online shopping is below benchmark among Barnsley shoppers – an opportunity that the stores within the town should benefit from. However, there are areas of the catchment where residents have above average propensity to shop online. In order to attract these residents, Barnsley needs to provide a stronger leisure offer and create an experience that cannot be replicated online. An improved F&B offer and the in town cinema, alongside the existing cultural offer, will assist in this. Availability of Click and Collect facilities should also be promoted, especially for stores that have limited space and cannot show their whole range.
- Below average scores from shoppers for Safety & Security and Cleanliness, as well as perceptions of Workers of anti-social behaviour, should be addressed and any initiatives to improve these perceptions promoted across the catchment. Negative attitudes from those already using the town centre are likely to be barriers to visits for others.

- The lack of use of competing retail destinations by Barnsley shoppers highlights the need for retailers to be located in the town if they wish to access the Barnsley shopper. This is a powerful statement that needs to be highlighted to target retailers at every available opportunity.
- The majority of those attending an event had made a specific visit to Barnsley to attend it. These types of events help make Barnsley more of a 'day out' destination and should continue to be part of the strategy for the town centre.

Trading Gap and Tenant Mix

- The opportunity to increase sales (the Trading Gap) is estimated at £59m. £41m of this is attainable from existing Barnsley shoppers, providing a reliable source of potential for which to support the proposed town centre development. An additional £18m is available through attracting additional shoppers from specific under-performing zones and increasing overall penetration across the catchment, which should be objectives for post the new development.
- Clothing & Footwear (C&F) provides the largest opportunity to increase turnover in Barnsley, with a gap of £30m. F&B also provides a substantial opportunity of £13m – the addition of a new cinema will support a larger and better quality offer than currently available. There are also opportunities for increased turnover in Personal Goods (£7m), Leisure Goods (£6m), and Household Goods (£4m).

Impact Analysis

- The proposed Better Barnsley redevelopment will have a substantial impact on Barnsley's retail landscape and consequentially its shopper catchment.
- Analysis of the impact of development in retail terms has determined a minimum of 155k/ft² net selling area would be the most beneficial for the town.
 - based on 155k/ft² net selling area, FSP predicts Barnsley's shopper population will increase by 10% to 121k. The increase could see the town move up 11 places in the NSLSP rankings and would generate an additional £46m in shopper spend.
- Taking into account both the existing town centre units and those proposed by the redevelopment, turnover in Barnsley is expected to increase by approximately £44m.

BARNSELY MARKETS

In an era of online shopping the traditional town market may seem like little more than an outdated throwback to a medieval age. Yet thanks to a growing appetite for local produce – edible and otherwise – a desire to get up close and personal with local producers, farm to fork and a new generation of innovative younger traders, traditional market's fortunes are once more on the rise. The popularity of Farmers Markets and "Speciality" Markets are testimony to this trend.

Traditional markets typically attract older people who've been visiting them for 30, 40 or even 50 years. But a fresh approach can create a new destination for a wider range of people – younger people, especially – with opportunities for a new breed of market trader.

The importance of Barnsley Markets to the local economy is recognised by the Council. The Markets create high street footfall, support high levels of local employment and recycling income to local suppliers. However, the Markets still work in cash-only economy where accepting credit and debit cards is the exception, not the rule. As a result high-value credit sales are scooped up by retailers to a point where Markets shoppers are typified as low-income, elderly and reliant on public transport. This is a core concern of the Council and our provisions for a refurbished Barnsley Markets propose to address this through marketing and up-skilling of traders and stallholders to ensure the markets are fit for the digital age.

Fortunately the Council has an investment opportunity where the refurbished Barnsley Markets can be blended with a privately funded leisure and retail regeneration of the town centre. Much needed town centre public welfare facilities, such as toilets will be provided with the new design.

Despite challenges Barnsley Markets still enjoy unique advantages. It is centrally-located; it enjoys very strong customer loyalty. It retains a sizeable fresh food offer which adds to its vitality and viability because food makes the Markets a “destination attraction.” Everyone has to go food shopping.

Fresh Food

When considering fresh food it is important to remember it is delivered by stallholders who require continuity of trade. It is difficult enough to retain let attract new fresh food retailers to a market and one cannot expect a butchers, delicatessen, greengrocer or fishmonger to close their business and then open many month later in new premises. The phasing of refurbishment works will be critical.

The Market Hall stallholders are Small or Medium-sized Enterprises (SME's) with fixed assets and overheads essential to their business and as such vulnerable to the same pressures facing any independent business. They have a significant capital commitment to cold rooms and display counters etc. with a butcher typically investing £50k in refrigerated display equipment and at cold room on their stall. Their ability to raise capital finance is unknown but experience to date suggests they will be reluctant to commit until the new Market Halls are completed. They could even be tempted to use second hand equipment and fit-out themselves, which poses all sorts of quality control and coordination problems. There it is recommended that cold room and refrigerated display equipment should be provided by the Council with the costs being rentalised within the stallholders' lease.

Encouraging Business Development

The 'Portas' Report put more attention onto traditional markets, however many stallholders remain reluctant to invest in improvements. They recognise the importance of self-service and chip-and-pin but are reluctant to adopt them in the absence of an initiative from the Council. In the meantime they continue to lose high-value sales to competitors.

The **Markets Improvement Plan** will encourage the stallholders in the Market Hall to develop their businesses and would introducing good business practices, such as:

- Raising standards of merchandising
- Increasing use of cashless transactions
- Engaging stallholders in joint promotions
- Animation of the markets and high street
- Stallholder training programme
- Improved promotion via social media

Some of this work has already started and early improvements can already be seen at the temporary May Day Green market. Footfall at May Day Green is significantly higher than in the previous semi-open market location and we are now seeing more shoppers from the 30-40 age range that previously did not shop at these stalls.

The new market is a key part of the scheme creating a unique and local offer which distinguishes Barnsley town centre from other high street developments. The modern retailing space will showcase our independent businesses and create an environment to appeal to younger more affluent shoppers.

Markets employ more people per square foot than any other retail environment. The new market will provide important employment and entrepreneurial opportunities for local products.

Work on identifying the optimum layout of the new market hall, which may involve a degree of zoning, is ongoing and will involve further consultation with market traders.

Consultation with Stallholders

Over the past eighteen months representatives from the Council and partners have met with stallholders from the NFMT, outdoor, semi-open and Market Halls. Like any good retailer their primary concerns are footfall, sales turnover and rent. They have expressed considerable concern over the phasing of the works and made it clear that without continuity of trade it is possible they would close for good. We have worked hard to ensure phasing of works can accommodate business continuity for all stallholder providing they are willing to endure and number of relocations during the refurbishment work.

Markets provision

Based on our consultation with stallholders and the work in agreeing compensation for the surrender of their existing leases the new Market hall should be downsized to 72% of the current size, which approximates to the semi-open market and ground floor of the Markets Hall. An exception to the downsizing should be the markets café area, which we recommend increasing in size to create an exciting new food hall to compliment the fresh food experience in the Market Hall. By focusing on a core offer of high quality fresh food this business case need not be dependent on the capital value but on a sustainable market offer with potential for growth in returns for stallholders and the Council in future years.



For the market to feature fresh food it is recommended the Meat and Fish Hall is brought to a new location at the front of the Market Halls directly accessed from Cheapside. The design will be modern and functional and allow a single move for the stallholders to a new permanent location.

The outdoor and Markets Halls provision currently operate 6-days per week, with the general outdoor market being supplemented by a Car boot and *Flea* Market on two of those days.

Monday:	Market Halls & Outdoor
Tuesday:	Market Halls, May Day Green Market & Outdoor + <i>Flea</i> Market
Wednesday:	Market Halls, May Day Green Market & Outdoor
Thursday:	Market cafés only
Friday:	Market Halls, May Day Green Market & Outdoor
Saturday:	Market Halls, May Day Green Market & Outdoor
Sunday:	Outdoor + Car boot/ <i>Flea</i> Market

The fishmongers don't open on Mondays.

The existing management arrangements are working well within the available resources. The utilisation of the asset is falling, which is partly due to reduced sales and partly due to the refurbishment timeline and the age of some stallholders. Operating costs are under control, however, stallholder rent incentives are reducing income, which is also decreasing due to some stallholder terminating their lease agreements as part of their compensation for disturbance from the proposed refurbishment works.

Future Markets provision

The level of capital investment required to fully refurbish and re-provide the Markets Halls is significant, but not to make the investment will see a continuing decline in the Markets. The investment to return profile does not make the Markets an investment proposal that would appeal to external investors and as such will need to be self-funded. The returns shown at 3(d) predict income of £1,238,049 per annum. This comprises £349,840 in service charges and £888,209 rent.

Future provision is to provide an indoor and outdoor market offer. This would consist of an outdoor market for market traders who would operate on a day rate rental basis and indoor stall for stallholders who would have a leasehold tenure of their stall and pay a proportion of the markets service charge and be separately metered for utilities.

It is proposed to provide at least:

- 40 outdoor market stalls
- 19 meat and fish stalls
- 118 indoor market stalls
- 7+ food hall stalls

Further work that does not form part of this business case that is critical to the future success of the Markets is to develop interior zoning and a balance or mix of complementary stall holders. This should also be supported by a clear identification of stalls and products lines that are undesirable and not to be available, i.e. e-cigarettes, tobacco and smoking products.

Current GIA's for the new market and food hall:

Food Hall	1,200m²
	Area includes cafes/food outlets of 360m ²
Market Halls	5,500m²
Meat & Fish	450m ²
Ground Floor	3,000m ²
First Floor	2,050m ²

(c) What other options have been considered?

In order to regenerate the Town Centre, a widespread intervention is required. The redevelopment of the Metropolitan Centre is the 'heart' of the retail area and has been looked at over a significant period of time with various partners, such as the 1249 Partnership scheme. Due to economic constraints at the time, these proposals have not been followed through to completion leaving Barnsley further behind in retail terms and therefore limiting our ability to regenerate the town centre and create a vibrant economy.

The Council's current plans have been developed with significant public and stakeholder engagement and represent the best of the options that have been presented. They have

been endorsed by Cabinet and Senior Management Team on several occasions through presentations and reports whose recommendations are a matter of public record.

(d) Why is this project the preferred option?

The Metropolitan Centre redevelopment proposal presented is the preferred option for the following reasons:

- It supports the objectives of the Corporate Plan and 2020 Outcomes Framework for regeneration of the Town Centre and creation of a thriving economy.
- The retail and leisure proposals have been market testing with key retail partners and are accepted by operators as an opportunity they are keen to be involved in.
- The proposal represents the best opportunity to create a new retail and leisure heart to Barnsley Town Centre whilst providing greater continuity and links throughout the existing retail centre, adding quality whilst maintaining the look and feel of the town.
- The proposal presents a viable economic opportunity for to create a sustainable markets hall income stream that will support the delivery of other public services in the town centre, such as addressing ASB.

3. PROJECT SCHEDULE AND DELIVERABLES

(a) Outline the project schedule and key milestones

The project has completed the preparation and concept design phases (RIBA Stages 1, 2 and 3). The Stage 3 report is attached as Appendix 3). The schedule for the remaining stages are as follows:

Key Milestones	Completion Date
RIBA Stage 3A Revised Developed Design	21/10/2016
RIBA Stage 3 – Review & Approval	07/11/2016
RIBA Stage 4 Technical Design	13/07/2017
Reserved Matter Planning Consent	22/03/2017
Refurbishment of Metropolitan Centre	11/05/2018
New retail units	23/10/2019

In parallel with the architectural and technical design work and the construction, the Markets team will be developing the service offer for the new market. This will involve:

- On-going engagement with current traders and, critically, potential new traders who will broaden the offer and appeal of the Market to attract new customers.
- Discussions with potential partners and the BMBC events team to programme activities and events to support the Market and wider town centre offer.
- Continue to build up public support for the new Markets and support the traders in their temporary locations.

(b) What do you expect the project to achieve?

The refurbished Metropolitan Centre will be the home of the famous Barnsley Markets and a major destination in the town centre that will:

- Revitalise the Barnsley Markets
- Retain more retail and leisure spend within the town centre and increase dwell times
- Increase visitors and visitor spend within Barnsley
- Provide new employment opportunities for local people
- Stimulate the economic regeneration of the town and borough
- Provide opportunities for development of skills within the borough's population
- Reduce the retail spend gap
- Provide the Council with a secure revenue stream through the markets rent and profits share from the head lease
- Create a safer, more accessible heart to the town centre that will attract families
- Provide a high quality development in the town centre that residents are proud of
- Be accessible to all
- Be a development that local people are positive about, resulting in a feeling of wellbeing
- Help reduce ASB

(c) Who will be the key beneficiaries of the project?

The Metropolitan Centre redevelopment and Barnsley Markets will benefit all residents of Barnsley and for visitors to the town. Specific groups that will benefit, include:

- Families will enjoy the greater range of activities to undertake and a safer, cleaner environment to visit
- Job seekers will see more employment opportunities with retail and leisure operators
- Young people will enjoy the lively atmosphere and the opportunities to use a wide range of leisure facilities
- People with disabilities and carers will enjoy the improved accessibility and facilities
- Stallholders will enjoy the vibrant trading that will result from the increased visitor numbers

(d) Will the project result in the Council generating income or selling or acquiring assets?

The Council will gain long term rental income from the Market Hall, Market Food Hall, and Meat & Fish stallholders in the Market and storage in the basement.

The current forecast rents and service charges are:

Meat & Fish Market					
Units	sq.m	sq.ft	Base Rent	Service Charge	Annual rent
1	24	258.24	£8,005	£3,357	£11,363
2	28	301.28	£9,340	£3,917	£13,256
3	24	258.24	£8,005	£3,357	£11,363
4	39	419.64	£13,009	£5,455	£18,464
5	38	408.88	£12,675	£5,315	£17,991
6	38	408.88	£12,675	£5,315	£17,991

7	30	322.8	£10,007	£4,196	£14,203
8	28	301.28	£9,340	£3,917	£13,256
9	23	247.48	£7,672	£3,217	£10,889
10	22	236.72	£7,338	£3,077	£10,416
11	23	247.48	£7,672	£3,217	£10,889
12	22	236.72	£7,338	£3,077	£10,416
13	26	279.76	£8,673	£3,637	£12,309
14	30	322.8	£10,007	£4,196	£14,203
15	28	301.28	£9,340	£3,917	£13,256
16	28	301.28	£9,340	£3,917	£13,256
17	28	301.28	£9,340	£3,917	£13,256
18	28	301.28	£9,340	£3,917	£13,256
19	28	301.28	£9,340	£3,917	£13,256
			£178,455	£74,836	£253,290

1. The above assessment is based on the tenant fitting out the unit with refrigeration and counters etc. If the landlord is to provide these fixtures, consideration will be given to a cost reflective increase in the rent/service charge provision.

Market Hall - Ground Floor					
Units	sq.m	sq.ft	Base Rent	Service Charge	Annual rent
1	8	86.08	£2,668	£1,119	£3,788
2	11	118.36	£3,669	£1,539	£5,208
3	11	118.36	£3,669	£1,539	£5,208
4	10	107.6	£3,336	£1,399	£4,734
5	12	129.12	£4,003	£1,679	£5,681
6	10	107.6	£3,336	£1,399	£4,734
7	11	118.36	£3,669	£1,539	£5,208
8	10	107.6	£3,336	£1,399	£4,734
9	22	236.72	£7,338	£3,077	£10,416
10	20	215.2	£6,671	£2,798	£9,469
11	19	204.44	£6,338	£2,658	£8,995
12	17	182.92	£5,671	£2,378	£8,048
13	13	139.88	£4,336	£1,818	£6,155
14	13	139.88	£4,336	£1,818	£6,155
15	12	129.12	£4,003	£1,679	£5,681
16	16	172.16	£5,337	£2,238	£7,575
17	19	204.44	£6,338	£2,658	£8,995
18	18	193.68	£6,004	£2,518	£8,522
19	18	193.68	£6,004	£2,518	£8,522
20	16	172.16	£5,337	£2,238	£7,575
21	13	139.88	£4,336	£1,818	£6,155
22	13	139.88	£4,336	£1,818	£6,155
23	11	118.36	£3,669	£1,539	£5,208

24	11	118.36	£3,669	£1,539	£5,208
25	13	139.88	£4,336	£1,818	£6,155
26	13	139.88	£4,336	£1,818	£6,155
27	20	215.2	£6,671	£2,798	£9,469
28	18	193.68	£6,004	£2,518	£8,522
29	16	172.16	£5,337	£2,238	£7,575
30	15	161.4	£5,003	£2,098	£7,102
31	19	204.44	£6,338	£2,658	£8,995
32	17	182.92	£5,671	£2,378	£8,048
33	19	204.44	£6,338	£2,658	£8,995
34	18	193.68	£6,004	£2,518	£8,522
35	16	172.16	£5,337	£2,238	£7,575
36	15	161.4	£5,003	£2,098	£7,102
37	19	204.44	£6,338	£2,658	£8,995
38	18	193.68	£6,004	£2,518	£8,522
39	19	204.44	£6,338	£2,658	£8,995
40	18	193.68	£6,004	£2,518	£8,522
41	16	172.16	£5,337	£2,238	£7,575
42	15	161.4	£5,003	£2,098	£7,102
43	19	204.44	£6,338	£2,658	£8,995
44	18	193.68	£6,004	£2,518	£8,522
45	20	215.2	£6,671	£2,798	£9,469
46	17	182.92	£5,671	£2,378	£8,048
47	20	215.2	£6,671	£2,798	£9,469
48	10	107.6	£3,336	£1,399	£4,734
49	11	118.36	£3,669	£1,539	£5,208
50	11	118.36	£3,669	£1,539	£5,208
51	11	118.36	£3,669	£1,539	£5,208
52	11	118.36	£3,669	£1,539	£5,208
53	11	118.36	£3,669	£1,539	£5,208
54	11	118.36	£3,669	£1,539	£5,208
55	11	118.36	£3,669	£1,539	£5,208
56	11	118.36	£3,669	£1,539	£5,208
57	12	129.12	£4,003	£1,679	£5,681
58	11	118.36	£3,669	£1,539	£5,208
59	11	118.36	£3,669	£1,539	£5,208
60	11	118.36	£3,669	£1,539	£5,208
61	12	129.12	£4,003	£1,679	£5,681
			£295,868	£124,074	£419,941
Market Hall - First Floor					
Units	sq.m	sq.ft	Base Rent	Service Charge	Annual rent
1	22	236.72	£7,338	£3,077	£10,416
2	12	129.12	£4,003	£1,679	£5,681

3	11	118.36	£3,669	£1,539	£5,208
4	11	118.36	£3,669	£1,539	£5,208
5	11	118.36	£3,669	£1,539	£5,208
6	11	118.36	£3,669	£1,539	£5,208
7	11	118.36	£3,669	£1,539	£5,208
8	12	129.12	£4,003	£1,679	£5,681
9	13	139.88	£4,336	£1,818	£6,155
10	13	139.88	£4,336	£1,818	£6,155
11	12	129.12	£4,003	£1,679	£5,681
12	12	129.12	£4,003	£1,679	£5,681
13	19	204.44	£6,338	£2,658	£8,995
14	18	193.68	£6,004	£2,518	£8,522
15	18	193.68	£6,004	£2,518	£8,522
16	16	172.16	£5,337	£2,238	£7,575
17	13	139.88	£4,336	£1,818	£6,155
18	13	139.88	£4,336	£1,818	£6,155
19	11	118.36	£3,669	£1,539	£5,208
20	11	118.36	£3,669	£1,539	£5,208
21	13	139.88	£4,336	£1,818	£6,155
22	13	139.88	£4,336	£1,818	£6,155
23	19	204.44	£6,338	£2,658	£8,995
24	18	193.68	£6,004	£2,518	£8,522
25	16	172.16	£5,337	£2,238	£7,575
26	15	161.4	£5,003	£2,098	£7,102
27	19	204.44	£6,338	£2,658	£8,995
28	18	193.68	£6,004	£2,518	£8,522
29	18	193.68	£6,004	£2,518	£8,522
30	16	172.16	£5,337	£2,238	£7,575
31	19	204.44	£6,338	£2,658	£8,995
32	18	193.68	£6,004	£2,518	£8,522
33	18	193.68	£6,004	£2,518	£8,522
34	16	172.16	£5,337	£2,238	£7,575
35	19	204.44	£6,338	£2,658	£8,995
36	18	193.68	£6,004	£2,518	£8,522
37	19	204.44	£6,338	£2,658	£8,995
38	16	172.16	£5,337	£2,238	£7,575
39	19	204.44	£6,338	£2,658	£8,995
40	18	193.68	£6,004	£2,518	£8,522
41	16	172.16	£5,337	£2,238	£7,575
42	19	204.44	£6,338	£2,658	£8,995
43	18	193.68	£6,004	£2,518	£8,522
44	9	96.84	£3,002	£1,259	£4,261
45	12	129.12	£4,003	£1,679	£5,681
46	12	129.12	£4,003	£1,679	£5,681
47	12	129.12	£4,003	£1,679	£5,681
48	11	118.36	£3,669	£1,539	£5,208

49	11	118.36	£3,669	£1,539	£5,208
50	11	118.36	£3,669	£1,539	£5,208
51	11	118.36	£3,669	£1,539	£5,208
52	12	129.12	£4,003	£1,679	£5,681
53	11	118.36	£3,669	£1,539	£5,208
54	11	118.36	£3,669	£1,539	£5,208
55	11	118.36	£3,669	£1,539	£5,208
56	11	118.36	£3,669	£1,539	£5,208
57	12	129.12	£4,003	£1,679	£5,681
			£275,187	£115,401	£390,588

1. Base Rent is based on £333.56/m² (£31/ft²) per annum. The rates have been correlated from comparable new market developments in the region.
2. The estimated service charge is based is based on £139.88/m² (£13/ft²) per annum. The charges have been compared to other new market developments and service charge figures used in the 1249 new market proposal. Lifecycle costs for the Metropolitan Centre are being worked up and will for the final proposal once detailed design is completed.

Markets Food Hall						
Units	sq.m	sq.ft	Seating	Base Rent	Service Charge	Annual rent
1	38	408.88	178	£15,200	£5,315	£20,515
2	38	408.88	178	£15,200	£5,315	£20,515
3	39	419.64	178	£15,600	£5,455	£21,055
4	39	419.64	178	£15,600	£5,455	£21,055
5	39	419.64	178	£15,600	£5,455	£21,055
6	39	419.64	178	£15,600	£5,455	£21,055
A1	22	236.72		£8,800	£3,077	£11,877
				£101,600	£35,530	£137,130

1. Base Rent is based on £400.00/m² (£37.20/ft²) per annum. The rates have been correlated from comparable new market developments in the region and the figures formerly used in the 1249 market café proposal
2. The estimated service charge is based on £139.88/m² (£13/ft²) per annum. The rates have been correlated from comparable new market developments in the region and service charge figures used in the 1249 new market proposal
3. No account has been taken in this assessment for the provision, maintenance and operation of the seating area. This may require additional a service charge if provided by the Landlord.

Basement Storage			
Units	sq.m	sq.ft	Base Rent
1	13	139.88	£910
2	12	129.12	£840
3	12	129.12	£840

4	12	129.12	£840
5	13	139.88	£910
6	11	118.36	£770
7	12	129.12	£840
8	12	129.12	£840
9	12	129.12	£840
10	12	129.12	£840
11	11	118.36	£770
12	8	86.08	£560
13	18	193.68	£1,260
14	15	161.4	£1,050
15	7	75.32	£490
16	10	107.6	£700
17	11	118.36	£770
18	11	118.36	£770
19	19	204.44	£1,330
20	19	204.44	£1,330
21	18	193.68	£1,260
22	20	215.2	£1,400
23	21	225.96	£1,470
24	19	204.44	£1,330
25	19	204.44	£1,330
26	19	204.44	£1,330
27	18	193.68	£1,260
28	18	193.68	£1,260
29	18	193.68	£1,260
30	19	204.44	£1,330
31	18	193.68	£1,260
32	18	193.68	£1,260
33	19	204.44	£1,330
34	18	193.68	£1,260
35	18	193.68	£1,260
			£37,100

	Service Charge	Base Rent	Total
Meat and Fish	£74,836	£178,455	£253,290
Ground Floor	£124,074	£295,868	£419,941
First Floor	£115,401	£275,187	£390,588
Cafes	£35,530	£101,600	£137,130
Basement Storage		£37,100	£37,100
	£349,840	£888,209	£1,238,049

The rents and services charges for the retail and leisure elements will be incorporated in the proposal for external/private sector funding offer. The cost of the category B fit-out and

frontages of the retail and leisure elements will similarly fall to the Phase 2 package.

The Council will received a profit share from the headlease of the full development at 7.5% of the nett operating income (NIA) that shall not be less than £133,000 per quarter until that figure is breached, and then 7.5% NIA for the remaining lease term. When the retail and leisure are fully ley this would provide an ongoing income of £5.7M per annum to the Council.

4. COSTS AND FUNDING

(a) What are the costs of the project?

Capital Costs	£000's
Demolition & ACM removal	2,735
Basement refurb	2,220
Market Hall refurbishment	10,965
Atrium & New Retail	2,575
Preliminaries/OH&P	3,265
May Day Green Retail	1,155
May Day Green Market	2,350
'New' Street	235
Totals	25,500

(b) Is funding in place and from what sources? Has this been secured/ approved?

The capital costs have been approved by Cabinet within the proposals for the overall Better Barnsley project.

(c) Comments from finance

The current cost estimate for the Town Centre redevelopment is slightly above the overall approval. Although it is expected that the Metropolitan Centre will be delivered in within the capital resources set aside for this element of the wider Better Barnsley redevelopment.

The identified costs are sufficient to develop the retail units and leisure box to 'shell and core.' The Category B retail fit-out will fall into the Phase 2 works.

Although it is assumed that the operating and management costs of the new market halls will be no more than the resources currently set aside for the existing markets provision, a detailed comparison as yet to be provided. A review of the current operating costs compared to the estimated ongoing operating costs of the new provision and likely service charges needs to be completed as soon as possible.

A wider service redesign and review of the servicing responsibilities arising from the new market halls is currently ongoing. This review is being led by Queensberry Real Estate and will form part of an additional business case which will be presented for information at a future board.

5. PROJECT MANAGEMENT

(a) Outline who will be working on the project and their respective roles.

Jeremy Sykes – Project Director
Sarah McHale – Project Manager
David Shepherd – Client Director
Mark Lynam – Senior User
Anne Untisz – Senior User
Phil Dorrell – BEP Representative
Lloyd Kellock – NPS Group Lead
Andrew Darlington – Quantity Surveyor
Seamus Lennon – Group Architect and Planning Consultant
Rachel Ruston – Information Services Lead

(b) Outline who will be on the project board, their roles and how often it will meet.

Town Centre Programme Board – Board Composition:

Permanent Members of the Board

- Matt Gladstone
- David Shepherd
- Jeremy Sykes
- Paul Castle
- Mark Lynam
- Steve Loach
- Ann O’Flynn
- Joe Jenkinson

Non-Permanent Members are project managers/ project leads for town centre projects

- Better Barnsley – Sarah McHale
- Town centre Operations/ Events – Anne Untisz
- Phase 2/DMO – Andrew Osborn
- Philip Spurr - Strategic Heat Network
- Paul Brannan - ASB

Corporate Communications

One off invitation for other key stakeholders

Frequency – Every 6 weeks

(c) Outline the main risks associated with the project and how these will be managed.

A complete risk register for the Better Barnsley Projects is contained within Morgan Kai and is regularly updated with the Corporate Risk Manager.

The key risks relating to the Metropolitan Centre project are:

- Failure to ensure there is sufficient funding in place to deliver the aspired project outcomes.

- Failure to obtain the appropriate approvals to progress the project (planning consents and approvals from statutory undertakers).
- Failure to manage, and maintain the integrity of the project programme, including the opportunity to identify and manage connections with other elements of the programme and/or Phase 2.
- Failure to ensure that approvals regarding the design of new spaces are agreed by required stakeholders.
- Failure to deliver the essential elements of the project on time and communicate the progress made to date to stakeholders including retailers, stallholders, residents etc.
- Failure to maximise the future potential of the new building.
- Failure to deliver new leisure and retail circuit (Phase 2) will have detrimental financial consequences for the future of the Metropolitan Centre.

The project team will continue to monitor risks and update the risk register on a regular basis. Risk mitigations are in place and are regularly reviewed.

The Town Centre Major Projects Officer escalates project, design and construction risks as necessary to the project boards.

(d) How will you monitor the project, measure success and manage its conclusion?

The construction phase of the project will be monitored through the terms of the partnering contract. Measurement of success will be based on KPIs, which will include :

- construction cost
- construction time
- social benefit delivery
- defects
- client satisfaction with the product
- client satisfaction with the service

These KPIs will be reported monthly to the Phase 1 Project Board.

The conclusion of the construction phase will be on hand over to the client team to operate and manage the markets.

6. COMPLIANCE

(a) Are there any legal implications associated with the project?

The Metropolitan Centre is owned by the Council and notices have been served on the remaining tenants in the Barnsley Markets and existing retail units.

There is an outline planning approval for the Metropolitan Centre. A Reserve Matters Planning Application will be submitted in November 2016 following the approval of RIBA Stage 3.

Agreements with statutory undertakers including the Environment Agency will be required. Discussions are ongoing and will be formalised through the planning process.

(b) If you intend to procure services, assets or products outline how you will do this.

The architect, engineering and construction aspects of the project are within the overall Town Centre redevelopment project plan and procurement arrangements. The lead Architects and Planning Consultants are the IBI Group / NPS.

The main contractor for Better Barnsley has been procured to deliver the Metropolitan Centre redevelopment as an individual works package part of the wider Better Barnsley Scheme. The form of Contract has been let on an open book basis with a Guaranteed Maximum Price for the individual works packages.

The procurement of specific items, including markets fit-out, hardware, fixtures and furniture will also be supplied and installed via the main contractor supply chain.

(c) Do you need a communications and marketing plan? If so, how will it be produced?

There is a Communications and Marketing Board which comprises representatives from Phases 1 and 2 of the scheme. The purpose of that board is to ensure that all town centre communications are coordinated and handled effectively.

Counter Context have been appointed, on the back of the QRE tender, to work alongside the Council to produce a town centre communications framework to help guide and shape all activity over the next 2-3 years. This framework will be led by a dedicated Communications Business Partner post who will reside within Economic Development.

In addition to this, the Communications team has been working with the Town Centre & Markets Services staff to engage people with the project from the earliest stages. Preliminary plans and drawings have been displayed in the Better Barnsley shop.

(d) Are there any HR implications associated with the project?

The operational management of the Barnsley markets will remain the responsibility of the current service. The Service will take the development period to consider any changes to roles required to enable the Service to deliver the most cost effective service.

PROJECT AUTHORISATION

Executive Director, Finance, Assets and Information Services	
[Insert comments]	
Authorisation	
Date	
Executive Director, Legal & Governance (If Required)	
[Insert comments]	
Authorisation	
Date	
Executive Director, Place	
[Insert comments]	
Authorisation	
Date	