

MARKET WORKING GROUP

19 JULY 2011

Present: Mayor D Thornhill (Chair)

Councillors N Bell, P Jeffree, A Lovejoy, H Lynch, A Mortimer
and I Sharpe

Market Representatives:

Grant Adams
Michael Davis
Toni Davis
Lynne Lawrence
Michael Rockman
Darrell Fyne

Also Present: P Cupit, Valuation Office Agency
Jim Gallagher, Valuation Office Agency
C Royal, Valuation Office Agency
D Anderson, Henry Boot Developments
A. Schofield, Henry Boot Developments

Officers: Managing Director
Property Section Head
Melvin Carrigan
Committee and Scrutiny Support Officer (RW)

1 APOLOGIES FOR ABSENCE

There were no apologies for Absence.

The Chair welcomed new Members to the Committee.

Market Traders introduced themselves to the meeting.

2 DISCLOSURES OF INTEREST

There were no disclosures of interest.

3 MINUTES

The minutes of the meeting held on 25th January 2011 were submitted and signed.

4 MANAGING DIRECTOR'S REPORT

Rates

Mr Gallagher introduced himself and the two other attendees from the Valuation Office Agency (VOA).

He advised that the VOA had been responsible for the review of rates at the Market and explained the process of assessment. He gave details of methods for the calculation of rates for market stalls and advised that Watford Market fulfilled the criteria for separate assessment for individual stalls rather than assessment of the market as a whole.

Mr Gallagher then advised that there would be discussion with Market Traders prior to changes in rates. He said that it was considered important that Traders had time to challenge the calculations and to query the ratings. He added that staff from the VOA would be willing to meet with Traders to discuss individual assessments.

Members of the Committee noted that the charges would be almost three times the previous amounts and asked how these charges had been calculated.

Mr Royal assured the meeting that where the calculation was found to be incorrect they could be altered. A period of time would be allowed for discussion in order to address Market Traders' concerns and to ensure that the calculations were correct. Mr Royal considered that there was an increase of approximately 50% and noted that the sum for the Market as a whole was greater than the aggregate for individual stalls. He explained that in other markets in the country there had been mitigation by the council concerned whereby rents had been reduced and the rates had been subsidised. He added that traders could apply for small business rates relief if appropriate.

The Chair pointed out that the Market was currently running at a loss for the Council. It would be necessary that rate relief would come from the Council Tax 'fund' which would impact on savings.

Grant Adams advised that indications were that the Rateable Value for each stall would be £950 which would impact on the occupancy rate of the Market. He acknowledged that the market was running at a loss and noted that this move would worsen the deficit since the Council was liable for void stalls. Were Traders to ask for a reduction in Rates, the Council would be doubly affected.

Mr Gallagher explained how calculations were determined. He advised that rates were based on the net rental figure for stalls. He added that where separate assessments were in place, councils had no liability for payment. Individual stall holders, however, could be eligible for rate relief if certain requirements or conditions were met. He counselled that traders must apply for the relief and that it was not granted automatically.

Michael Rockman asked how calculations would be made were a trader to regularly add to or decrease his number of stalls.

Mr Gallagher confirmed that separate assessments would be made on each of the stalls. The Council's Business Rates section would make the necessary

changes to occupancy and inform the VOA. Mr Royal added that this was not usually an issue and would be easily identifiable.

In reply to a further question, Mr Gallagher advised that stalls designated as 'trestle table stalls' would not be separately assessed as in these cases there was a degree of transience in contrast to Watford Market which was a permanent site.

Mr Gallagher then addressed the issue of cost per unit. He advised that in Watford the value was relatively low compared to some other areas of the country. He noted that values were typically between £2,500 and £3,000 with some areas as high as £4,000 per stall. He said that consultation with Watford Borough Council and Market Traders was scheduled to close on 12 August 2011 although this was not proscribed and could be held a little later.

In reply to a question from a Member, the Property Section Head advised that the letter from the VOA had been received five days previously and consequently there had been insufficient time to consider the implications. He said that rating was a sensitive issue and reflected occupancy levels.

The Property Section Head explained that the Market was operated by the Council who was responsible for administration and operating costs. Referring to the relocation of the Market due to Charter Place redevelopment, he said that the Council could then be liable for the vacant rates.

Mr Gallagher assured the meeting that, due to the considerable degree of permanence for the existing market, it would be some time before the site was vacated. This was why the change in rating basis was sought to be effected now. He advised that the period for discussion could be extended but that in this event traders could be disadvantaged were they to delay applications for Small Business Rate Relief.

The Chair then addressed the time scale for discussion. She said that it was imperative that this was not delayed for a long period as there was a considerable amount of work to be accomplished. The financial positions of both the Market Traders and the Council needed to be considered and suggested that the 12 August 2011 be accepted as the deadline date for conclusion of the discussion period. She added that were more time required then this could be extended with an opportunity for reconsideration.

Mr Gallagher advised that after discussion, Market Traders and the Council would have the chance to appeal. He said that quick action was required and counselled that neither the Council nor Traders should delay making an appeal until the last opportunity.

The Chair thanked the members of the VOA for their input and for their reassurance on time scales. She confirmed that work on this subject would start imminently.

Charter Place Development Partner

Mr Anderson introduced himself as the Managing Director at Henry Boot. He advised that the company were familiar with this type of scheme; that all legalities had been completed and that work on design and concepts would begin shortly.

Mr Schofield, the Regional Manager, then explained that the company wished to deliver a transformational design which would achieve links with both the Harlequin Centre and the High Street. He advised that the site would comprise 350,000 square feet of retail space to include a cinema, restaurant and a sustainable market. He confirmed that work would proceed in three stages:

Firstly a predominantly retail area would be reconfigured under the existing Charter Car Park. It was anticipated that plans for this were likely to mean a start on site around Easter 2013 allowing the market two Christmas trading periods: Christmas 2011 and Christmas 2012.

Secondly the area from Charter Place to the High Street would be built. This would contain the main retail space as well as a cinema. Completion was anticipated in 2014/15.

Finally the YMCA building would be refurbished and extended.

Mr Schofield indicated that these phases would at some points run concurrently.

Mr Schofield said that the technical team had targeted the end of July 2011 to complete the initial survey work and September 2011 to appoint an architect.

Mr Anderson affirmed that the company wished to create a sustainable market which would be integrated into the scheme as a key feature. It was hoped that the Market's decline would be halted and that increased footfall would be generated. He reiterated that trading at the Market would not be affected until January 2013 and that it was the intention that continuity of trade would be maintained.

Mr Anderson said that consultation on the scheme would be held by the end of the current year and that the planning application would be processed early in 2012. He advised that no design had so far been determined and that consideration would be given to meeting the requirements of the Market Traders and to placing the Market on a stable financial basis.

In reply to a question from Grant Adams, the Chair replied that the scheme would seek to include a covered market. She said that the current market would not be sustainable in 10 years time and that benefits accrued from passing trade was a necessity.

The Chair noted that Watford's position in the retail league tables had slipped and that it was important to address this.

Mr Anderson advised that it would be wise to attract nationally known stores as well as to retain local companies. He reminded the meeting that there had been no retail development in Watford for 20 years and that some top stores were noticeably absent.

Michael Rockman asked whether the options for an indoor market had been explored. He explained that it would not be possible for some traders to work outside.

Mr Anderson said that Henry Boot would need to be aware of Traders' operational requirements but that it was currently too early to offer an opinion.

Michael Rockman stressed that it was imperative that the market move straight from the present location to the new area as continuity was vital.

Mr Anderson agreed that temporary accommodation was not an option. He confirmed that the Market Traders would be invited for discussion with the architects.

One Member agreed that Watford's retail space needed a transformation and refurbishment and asked whether it was deemed possible to introduce other national retailers to the town.

Mr Anderson confirmed that the company had good knowledge of the retail sector and were confident that they could introduce large retailers to the development. He added that a small format supermarket could possibly be installed.

In reply to a question from a Member, Mr Anderson said that the market would not survive if rents were to increase. He advised that the market should be treated as a discrete item to be run either by an operator or by the Council.

The Chair thanked the representatives from Henry Boot for their presentation and input.

Initiatives, Void Levels and Budgets, Lettings

The Managing Director referred to items 3, 4 and 5 in his report and advised that results reflected partnership working. He advised that financial issues were being addressed.

Advertising and Promotion

The Managing Director noted the advertisements and promotions and agreed the timetable for development as detailed by Mr Anderson.

The next meeting would be held on Tuesday 11 October 2011.

Chair
Market Working Group

The Meeting started at 6.00 pm
and finished at 7.30 pm