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Report

Subject : Salisbury Vision: Approval of capital funding for the implementation of the Market Place project

Report to : The Cabinet

Date : Wednesday 07 November 2007

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Cabinet Member for Economic Development and Tourism: Councillor Peter Edge

1.0 Background and Introduction:

- 1.1 In September 2005 Cabinet approved the Project Initiation Document (PID) and funding for the development of the Salisbury Vision. The aim of this partnership project with the South West Regional Development Agency (SWRDA) and Wiltshire County Council (WCC) was to produce a framework for the development of the city of Salisbury over the next 15-20 years. The Salisbury Market Place was identified in the Vision as one of four priority areas.
- 1.2 A steering group was established to manage the development of the Vision and to oversee the work of the consultants. The steering group comprised officers and councillors from Salisbury District and Wiltshire County Council together with representatives from the SWRDA, the Learning and Skills Council and a number of local partner organisations. In April 2007 the consultants delivered their final Salisbury Vision document.
- 1.3 A comprehensive period of public consultation was held between 26 July and 5 October 2007 during which time approximately 6,000 responses were received. An initial analysis of those responding to the questions indicates that 80% support or strongly support the objectives of the Salisbury Vision. Additionally 77% support or strongly support the Vision proposals to improve the attractiveness and quality of the city's street scene and 81% support or strongly support the renaissance of the historic Market Place.
- 1.4 In August 2007 WCC indicated that they might be able to make up to £2 million available for the enhancement of the Market Place. It was proposed that this money would come from the Local Transport Plan budget.
- 1.5 On 5 September Cabinet approved the Project Initiation Document (PID) for the renaissance of the Market Place and for the development of a public realm strategy. Cabinet allocated £60,000 from within the Salisbury Vision programme to cover the cost of managing a design competition for the Market Place and requested that the Head of Forward Planning and Transportation contact Wiltshire County Council to seek confirmation of the funding for the works.
- 1.6 On 11 September, at a meeting of the Board of the South Wiltshire Economic Partnership, the Chief Executive of WCC announced that it was hoped that up to £1.5 million would be made available for the Market Place project. It was stressed that this funding would be provided over two years and that it would come from the Local Transport Plan budget. As such it would be subject to confirmation of the budget for 2008/09 and 2009/10 by government.



Awarded in:
Housing Services
Waste and Recycling Services



- 1.7 Research into similar projects (see appendix A for some examples) carried out recently in the UK suggests that a realistic figure for the cost of the Market Place renaissance would be around £2.5 - £3 million. A spend of any less than this would not achieve the Vision aims - that of creating a high quality public space to rival the best public squares in Europe.

2.0 The renaissance of the Market Place:

- 2.1 The greater Market Place area, from Queen Street in the East to Minster Street and Oatmeal Row in the West and from Blue Boar Row in the North to Fish Row and Butchers Row in the South, is arguably the city's most important public space. It is a bustling and thriving area and is home to Salisbury's successful and popular Charter Market. It is not, however, a particularly attractive area, nor one that befits its setting within the historic core of a beautiful medieval city. The Market Place is a poor example of the public realm, with one half of it tarmac and the other half a hotchpotch of materials with very ordinary, off-the-shelf street furniture (signs, litter bins, lighting and seats).
- 2.2 Recent research shows that spending on public realm improvements can lead to a significant and measurable impact on a local economy; it provides businesses with the confidence to invest and it provides residents with a sense of pride. The renaissance of the Market Place will undoubtedly act as a catalyst for future Vision development.

3.0 The problems:

- 3.1 One of the issues raised during the development of the Vision was concern that large parts of the city would be under development for lengthy periods of time and that this would have a detrimental impact on residents, businesses and visitors. This fear is particularly relevant to the Market Place which acts as meeting place for people, an outdoor eating and drinking area for local catering businesses and of course as the location for the Charter and other markets. It is, therefore, important that any disruption to 'normal' life is minimised wherever possible.
- 3.2 The WCC funding has to be spread over two financial years from 2008/09 which will mean that construction will be unnecessarily prolonged. It may be possible to complete the work in stages to reduce any disruption but this will still mean that the project time overall is longer than is necessary.
- 3.3 It is very likely that the WCC funding available will be insufficient to deliver the Vision promise for the Market Place. It will produce an enhanced and improved area but it is very likely that this level of funds will lead to a disappointment with the end result. This, in turn, could have a negative impact on the credibility of the Vision project.
- 3.4 It was always intended that there should be some high profile early successes to demonstrate that the Vision was actually going to achieve something and to boost confidence in the project overall. Our best chance of this is through the renaissance of the Market Place but the staggered level of funding available will make this difficult.

4.0 The solution:

- 4.1 The renaissance of the Market Place, as an early success of the Salisbury Vision, can only be achieved if additional funding is found. Additionally the majority of the project's total cost will need to be funded in the 2008/09 financial year. This would enable the project, or at least the majority of it, to be completed and 'unveiled' early on in the lives of the new Wiltshire Council and the proposed Salisbury City Council. WCC have understandably advised that no further funding over and above the £1.5 million can be made available.
- 4.2 Salisbury District Council's budget setting process for 2008/09 begins with the draft Portfolio Plan being presented to Cabinet in November. Additional capital funding for the Market Place can be allocated in this Portfolio Plan subject to identifying an appropriate financing method. It may be possible to offset or partially fund this capital allocation through the sale of council assets. The 'gap' between the cost and the sale proceeds arising would have to be met by transferring capital funding from other projects and/or prudential borrowing in line with the council's capital and financial strategies.
- 4.3 In order to finance any borrowing it would be necessary to find savings or additional revenue streams amounting to 9% of the initial borrowing to repay both capital and interest. The table below shows possible scenarios depending on the final cost and sale proceeds.

	£	£	£
Cost	1.5m	1.5m	1.5m
Sale of assets	0	0.5m	1.0m
Net capital cost	1.5m	1.0m	0.5m
Annual revenue savings / additional income required	135,000	90,000	45,000

5.0 Recommendations:

5.1 Cabinet are asked to recommend to Full Council that up to £1.5 million is allocated in the 2008/09 capital programme as a contribution towards the cost of the Market Place renaissance.

5.2 Cabinet are also recommended to:

- a) Request that the Salisbury Vision Project Director consults with WCC on this addition to the capital programme.
- b) Request that the Salisbury Vision Project Director together with the Head of Legal and Property Services and the Head of Financial Services:
 - I. determine the level of capital that can be raised through the sale of council assets; and
 - II. determine the level of additional income that can be reasonably expected as result of the renaissance of the Market Place.

6.0 Implications:

Financial £300,000 has previously been allocated in the council's capital programme to cover planned activities including a design competition for the Market Place, a one-off consultancy study of the Maltings and central car park development, work on the Salisbury Guildhall, and project management costs.

Legal Work on the Salisbury Vision and associated sub-groups will be controlled by the new Wiltshire authority on vesting. As and when the Local Government and Public Involvement in Health Bill becomes law it will be open to the Secretary of State to issue a direction that the council may not enter into revenue contracts nor dispose of land for more than £100,000 and not enter into capital contracts for more than £1 million in aggregate backdated to 01.01.2007 without the consent of a designated person. Any non consensual transaction will not be enforceable against the new Wiltshire authority. It will be in everyone's interests that consensus is reached with Wiltshire County Council before entering into any financial commitments.

ICT None
Human Rights None
Personnel None
Community Safety None
Environmental None
Communications This report has been discussed with the corporate communications team
Council priorities Consult and involve local people; A cleaner, greener Salisbury; Improving the quality of life; Improve local housing
Wards affected All

7.0 Consultation undertaken:

Wiltshire County Council

Salisbury Vision Cabinet report 7 November 2007

Examples of public realm work recently carried out in England

- Hope Street (part) Liverpool £2.8 million
- Waterlooville, Hampshire £6.8 million
- Newcastle promenade £4.0 million
- Castleford, Yorkshire £1.1 million
- Crediton, Devon £1.1 million

Crediton

The Crediton Scheme was for the refurbishment of the Town Square. This area is less than half the area of the Market Place. The work consists largely of a tarmac surround with a flat gravel centre. There is a limited use of paving and other materials.

Litter bins, seats and bicycle racks are of galvanised metal. There are a few young trees and a very limited amount of lighting.

Overall the Square looks very unimpressive with unattractive street furniture and a generally low quality hard landscape. It looks barren and unappealing.

