

Supplementary Agenda



Rural Capital of Food

Meeting name	Ad Hoc Meeting of the Melton Economic & Environmental Affairs Committee (previously Rural, Economic & Environmental Affairs)
Date	Monday, 4 December 2017
Start time	5.00 pm
Venue	Parkside Approach, Burton Street, Melton Mowbray, LE13 1GH
Other information	This meeting is open to the public

Meeting enquiries	James Beverley
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No.	Item	Page No.
3.	<p>CATTLE MARKET- SOUTHERN SITE- LETTER OF COMFORT FOR LONG TERM LEASE</p> <p>The Head of Communities & Neighbourhoods to submit a report seeking members approval to provide a letter of comfort to Gillstream to confirm the council's intention to enter into a long term lease arrangement for the Southern End of the Cattle Market.</p>	1 - 8

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AD HOC MELTON ENVIRONMENTAL & ECONOMIC AFFAIRS

4th DECEMBER 2017

REPORT OF HEAD OF COMMUNITIES AND NEIGHBOURHOODS

CATTLE MARKET- SOUTHERN SITE- LETTER OF COMFORT FOR LONG TERM LEASE

1.0 PURPOSE OF REPORT

- 1.1 To seek members approval to provide a letter of comfort to Gillstream to confirm the council's intention to enter into a long term lease arrangement for the Southern End of the Cattle Market

2.0 RECOMMENDATIONS

It is recommended that members:-

- 2.1 **Approve to provide a letter of comfort to Gillstream and delegate to the Head of Communities & Neighbourhoods in consultation with the Corporate Director and the Solicitor to the Council to negotiate the terms of a 20 year lease.**
- 2.2 **Approve the continuation of the Cattle Market Working Group to oversee Phase 2 of the Cattle Market Project, specifically relating to the Southern end of the site.**

3.0 KEY ISSUES

- 3.1 Members previously approved a 20 year lease (to expire end June 2037) with Gillstream Markets Ltd for the Northern site of the Cattle Market as part of the Cattle Market Phase 1 works relating to the new livestock investment.
- 3.2 The southern end of the site is currently on a short 5 year lease and Gillstream Markets Ltd would like negotiate a 20 year lease (to expire end June 2037) to give them the incentive to invest in the Southern site, this will form part of the Cattle Market Phase 2 project.
- 3.3 Subject to members approval Gillstream initially aim to bring in a world class brewer (Round Corner Brewery), to create a fantastic location & develop a destination that can deliver visitors and growth to Melton.

Afterwards working with MBC we can develop the next stage and seek wider investment for it and the whole southern end of the site.

- 3.4 Following the completion of phase 1 we have seen some positive increase in income in livestock sales and while some issues are still being discussed with Gillstream i.e. rate re-evaluation, rents and VAT, overall the project has been a successful project, which the LLEP list as a major achievement.

3.5 Gillstream Markets Ltd has prepared a 2 slide presentation which provides further background information and the potential opportunity; this is attached as Appendix A.

3.6 Cattle Market Working Group

Members previously established the Cattle Market Working Group to oversee the Cattle Market Phase 1 project which is nearing a closure position. Members are asked to consider continuing with the Working Group and elect members to oversee Phase 2 of the project. This will primarily be focused around developing the southern end of the site.

4.0 **POLICY AND CORPORATE IMPLICATIONS**

4.1 This proposal clearly supports a number of Place related priorities in the Council's Corporate Place and due to its potential job creation will support priorities relating to People.

5.0 **FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

5.1 Subject to members approval officers will negotiate terms as part of the 20 year lease and report back to the Cattle Market Working Group the details of the lease. The Council's Corporate Director in their role as section 151 officer will oversee the financial implications of the lease terms.

6.0 **LEGAL IMPLICATIONS/POWERS**

6.1 Subject to members approval officers will negotiate terms as part of the 20 year lease and report back to the Cattle Market Working Group the details of the lease. The Council's Solicitor to the Council will oversee the legal implications of the lease terms; this will include appropriate review dates.

7.0 **COMMUNITY SAFETY**

7.1 No direct Community Safety issues have been identified as part of this report

8.0 **EQUALITIES**

8.1 An EIA has not been completed as part of this report, however, as the project moves into phase 2 an initial EIA will be undertaken to ensure the projects address any equality issues.

9.0 **RISKS**

The risks identifies below are the potential outcomes should this report not receiving member support.

9.1

L I K E L I H O O D	A	Very High				
	B	High				
	C	Significant			2	
	D	Low			1	
	E	Very Low				
	F	Almost Impossible				
			Negligible 1	Marginal 2	Critical 3	Catastrophic 4

IMPACT

Risk No	Risk Description
1	Unable to agree terms with Gillstream Markets Ltd for the Southern end of the site
2	Long term lease does not result in investment and /or improvement in the southern end of the site.

10.0 CLIMATE CHANGE

10.1 No direct implications have been identified.

11.0 CONSULTATION

11.1 Officers have been discussing the potential of a longer term lease for the southern end of the cattle market site, which has led to this report seeking members approval to formally negotiate the terms, subject to members approval.

12.0 WARDS AFFECTED

12.1 All wards are affected.

Contact Officer H Rai
Date: 27/11/17

Appendices : Background and opportunity information sheets.

Background Papers: None

Reference : X : Committees\MEEA\2017-18\0411217\HR- Cattle Market



Melton Economic and Environmental Affairs Committee

4 December 2017

Page 5

Background

- Gillstream Markets Ltd has operated Melton Mowbray Market since January 2016
- New £5.5m cattle market building opened in May 2017
 - Plus £250k GML investment
- 20 year lease for livestock [Northern] area and 5 year lease for opportunity [Southern] area from 1 June 2017
- Phase 1 livestock plan going well
 - Volumes & income rising on investment, with reduced rental terms balancing additional costs from Business Rates & FRI leases
- Phase 2 for opportunity area requires greater lease security for investment in brewery and more
 - Volumes and income level, similar rental terms & additional costs from Business Rates & VAT

Phase 2 – opportunity area

- Building a commercial rural food and drink hub
- Round Corner Brewing as initial anchor tenant
 - Complements local market story
 - Local barley > beer > animal feed byproduct > food & drink on site
 - Builds on existing 350,000 visitors a year
 - Supports additional days of non livestock trading
 - Attracts food and other retailers on these days
 - Directly benefits these and supporting business in and around town
- Requires 20 year lease to unlock investment
 - Brewery lease with market on arms length, commercial, area based terms, reflecting each party's investment
 - Brewery investors need letter of comfort to commit
 - Overall lease to recognise additional costs to Market / benefits to MBC of Business Rates & VAT for stalls & car boot to allow market to invest
 - Seek funding for masterplan in partnership with MBC when available

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