

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Emergency Report to: CHIEF EXECUTIVE IN CONSULTATION WITH
THE LEADERS OF THE POLITICAL GROUPS
Report of: CORPORATE DIRECTOR, ECONOMY
Date of Decision: 29 December 2017
SUBJECT: CASH FLOW SUPPORT TO BIRMINGHAM WHOLESALE
MARKET COMPANY (BWMC) TO SUPPORT TRADERS'
RELOCATION TO NEW MARKET
Key Decision: Yes
If not in the Forward Plan: Relevant Forward Plan Ref:
(please "X" box) Chief Executive approved
Leaders of the Political Groups O&S Chair approved
to be consulted: Councillor Ian Ward – Labour
Councillor Robert Alden – Conservative
Councillor Jon Hunt – Liberal Democrats
Relevant O&S Chair: Governance Councillor Mohammed Aikhlaq – Corporate
Resources
Wards affected: All

1. Purpose of report:

1.1 The purpose of this report is to provide an update on the relocation of tenants to the new wholesale market and enable the final stages of the financial support agreed in the Cabinet Report of 13th September associated with the move. It should be read in conjunction with the private report which makes recommendations to the Chief Executive in consultation with the Leaders of the Political Groups

1.2 The reason for urgency is due to the requirements of the Birmingham Wholesale Market Company as set out in the private report.

2. Decision(s) recommended:

That the Chief Executive, having consulted with the Party Group Leaders,

2.1 Notes this report and

2.2 Agrees the accompanying private report recommendations in order to facilitate the opening of the new wholesale market.

Lead Contact Officer(s): Simon Garrad, Head of Project Delivery
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3. Consultation

3.1 Internal

The capital and revenue budgets for the new wholesale market are held in Place Directorate and the Strategic Director of Place has been consulted and is in agreement with the action proposed in this report, which has been prepared following consultation between senior colleagues in Economy, Finance and Legal Services. The City Council's Constitution (Section 3 - Meetings Administration, Part 7) says that an emergency executive report to the Chief Executive, has to be agreed by the Chief Executive in consultation with the Leaders of the Political Groups.

3.2 External

Council officers have been engaging with the existing tenants and their representatives, the Birmingham Wholesale Fresh Produce Association (BWFPA) in regular meetings. The proposal contained within this report has been agreed in principle between the City Council and the BWFPA.

4. Compliance Issues:

- 4.1 The decisions recommended in this report will support the Council's Vision and Forward Plan 2017.
- 4.2 The relocation of the Wholesale Market supports the delivery of the Birmingham Smithfield Masterplan; Birmingham Development Plan; The Big City Plan, and the Greater Birmingham and Solihull Local Enterprise Partnership Enterprise Zone Investment Plan.

4.2 Financial Implications

- 4.2.1 The financial implications of the proposed additional financial support for traders are fully detailed in the accompanying private report.

4.3 Legal Implications

- 4.3.1 Legal powers for Wholesale Markets operation are contained in Section 50 of the Food Act 1984 and pursuant to Section 111 of the Local Government Act 1972 the Council has power to enter into loan arrangements. The City Council is not under any legal obligation to operate a Wholesale Market through its Market Charter.

4.4 Public Sector Equality Duty

- 4.4.1 No potential to affect any protected group disproportionately has been identified and it is considered that a full assessment is not required at this stage.

5. Relevant background/chronology of key events:

- 5.1 On the 20 January 2014 Cabinet approved a Full Business Case to enter into an agreement for a long lease with IM Properties for a purpose built wholesale market at the Hub, Witton. The new market has been constructed and the Council has let 84% units on either 10 or 15 year leases to tenants currently trading from the city centre site. All of the tenants currently trading from the existing market have surrendered their leases or are on agreements which the Council can terminate to provide the Council with vacant possession for the Smithfield development.

- 5.2 The new market will be managed through the Birmingham Wholesale Market Company (BWMC), a company jointly owned by the Council and BWFPA. However, much of the day to day management activity will be undertaken by Colliers (a commercial property management company) acting as agents of BWMC.
- 5.3 On 13 September 2017, Cabinet approved a package of additional financial support for market traders, to facilitate their relocation to the new market. This included a proposal to cover traders' service charge costs at the new market until operations begin in February 2018. The accompanying private report here seeks authority to provide the final element of proposed support that was referred to in the September report.

6. Evaluation of alternative option(s):

- 6.1 As per the private report.

7. Reasons for Decision(s):

- 7.1 As per the private report.

Signature

Date

Stella Manzie
Chief Executive

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List of Background Documents used to compile this Report:

"Wholesale Market Relocation" report to Cabinet, 13 September 2017

List of Appendices accompanying this Report (if any): None

