

**HUNTINGDONSHIRE DISTRICT COUNCIL**

<b>Title/Subject Matter:</b>	Review of Street Markets (Huntingdon & St Ives)
<b>Meeting/Date:</b>	Overview & Scrutiny Panel (Economy & Growth) – 8th December 2016 Cabinet – 15th December 2016
<b>Executive Portfolio:</b>	Councillor Robin Carter – Executive Councillor for Environment, Street Scene and Operations
<b>Report by:</b>	Business Development Manager – Chris Jablonski
<b>Ward(s) affected:</b>	Huntingdon and St Ives Wards

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**Executive Summary:**

1. The report details the review carried out of the Council's Market Service and the improvement actions implemented to return the service to a trading profit. The report also contains proposals for the realignment of the street markets in Huntingdon and St Ives to ensure the long term financial viability for the market traders and the Council.
2. The Council operates traditional street markets in Huntingdon on Wednesdays and Saturdays and in St Ives on Mondays and Fridays; and prior to 2015/16 the Market Service had not been rigorously managed. The consequence is that the markets had gone in decline and the service actually made a trading loss in 2015/16.
3. To address this lack of management, the restructure of the Operations Service in 2015/16 put in place a retail specialist as the Markets Officer. Working with the Business Development Manager the service has been fully reviewed and improvement actions implemented to first stabilise and then develop the markets. Significant progress has been made and this is outlined in Section 3 of this report, with the Markets Service now on course to make a trading surplus of over £50,000 in 2016/17.
4. The next phase of proposed developments are more fundamental and include the following:
  - **Huntingdon Market:** It is proposed to relocate most of the stalls from Market Square to along the High Street. This will capture the main footfall of the town and re-invigorate both the Market and High Street. A by-product will be the release of the Market Square for promotional and community events, such as the recent Italian flag throwing demonstration.

It is also proposed to consolidate the Markets managed by the District Council in Huntingdon into one offering. The fortnightly farmers market has been running at a loss for a number of years and this cannot be sustained. Traders will be invited and actively encouraged to become part of the

enhanced High Street Market every Wednesday and Saturday.

The plan is being developed in partnership with a range of stakeholders and positive discussions have taken place with BID Huntingdon, as well as Cambridgeshire County Council, Cambridgeshire Fire and Police Services and the town's retailers.

- **St Ives Market:** It is proposed in 2017 to carry out detailed feasibility work regarding the potential to re-locate part of the Monday Market to negate the need for a partial road closure and to re-introduce some parking spaces on Market Hill for Blue Badge Holders. Before being confirmed a full consultation will be carried with market traders and retailers in St Ives and the proposals brought back to Members for consideration.

**Recommendation(s):**

1. The Overview and Scrutiny Panel is invited to comment on the progress made to date and the proposals for the future development of the street markets in Huntingdon and St Ives.
2. The Cabinet is recommended to:
  - a) Endorse the proposals for the relocation of the Huntingdon Street Market.
  - b) Endorse the proposal to carry out detailed feasibility work and consult with retailers in St Ives into the proposed relocation of part of the St Ives Monday market, both to negate the need for a partial road closure and re-introduce some parking spaces on Market Hill for Blue Badge Holders.

## 1. PURPOSE OF THE REPORT

- 1.1 To provide a progress report on the improvement plan being implemented for the Council's Markets Service and to seek endorsement for proposals to reconfigure the layout of the Huntingdon and St Ives markets.

## 2. BACKGROUND

- 2.1 The Markets Service has not been given much focus in terms of its performance over the last three years. The consequence is the following:

- a) Traders had not been rigorously managed against the Market Rules.
- b) The customers' perspective had not driven the development of the markets.
- c) Incentives to attract new traders and improvement actions implemented to retain existing traders had not been developed.
- d) Costs had not been fully controlled and income targets not met.
- e) Overdue debt (outstanding trader fees and charges) had not been actively managed.

- 2.2 The outcome can be summarised as follows:

- a) The development and operation of St Ives Market had stagnated and traders not properly engaged.
- b) Huntingdon Markets (both regular and farmers) had gone into decline with diminishing numbers of traders and again these traders had not been actively managed.
- c) At the end of 2015/16 the Markets Service, like many more up and down the land made a loss. Our loss was £5,745.

- 2.3 Therefore as part of the restructure of the Operations Service in 2015/16 a new post of Markets Officer, a retail specialist was created to lead the review and improvement of the Markets Service. This report outlines the progress made in the improvement of the Markets Service.

## 3. ANALYSIS OF IMPROVEMENTS MADE & ACTION REQUIRED

- 3.1 Analysis of the improvements made and actions required is against the following headings:

- a) Operational matters;
- b) Financial matters;
- c) Development requirements.

- 3.2 **Operational Matters:** To better manage the Markets Service and therefore stabilise the service the actions detailed below have been implemented:

- a) All new applications for pitches have to be made on-line, with support being given when necessary. This has substantially 'leaned' the process and ensures that the Council has the trader's details, including public liability insurance before they commence trading.
- b) Trader's attendance records are updated on a weekly basis by the Markets Officer to enable the active management of traders who are frequent poor attenders and keep track of rents paid, with no new debt being allowed to accumulate. If a direct debit payment fails the Markets Officer immediately resolves the matter.

- c) The Markets Officer spends much of the working week engaged in face to face meetings with traders to sort out any problems and keep a smooth running operation. To underpin this, urgent trader communication can now be transmitted to the traders concerned singularly or to the whole of market by text message. This new system proved invaluable when the first Bank Holiday Market of 2016 needed to be cancelled late on the prior Sunday. No pre booked traders turned up on the day.
- d) Trader parking arrangements have been tightened up and administration costs cut by over 90%. Traders are required to pay by Direct Debit to get a permit and if the traders Direct Debit fails the permit is invalidated. All regular traders now pay via Direct Debit.
- e) Debt management with the Income Section has been reviewed and revised with payment plans in place for all current traders. Overdue debt was £12,821 on 1 February 2016 and as of 30<sup>th</sup> November this had been reduced to £1,078.
- f) The Markets Officer has encouraged all regular traders to transfer to Direct Debit for the quarterly payment of rents. This has significantly reduced the opportunity for future overdue debt. As stated, Traders who do not wish to pay their rent by Direct Debit do not receive a free parking permit and pay a higher 'casual' rent for their stall.
- g) There are no longer any cash payments for rents, casual traders now have to pay by credit or debit card. In turn this has significantly reduced administration and reconciliation of cash. The new processes introduced have been fully supported by the Income Section and Internal Audit.
- h) Most importantly the Market Rules have been fully reviewed and revised to remove the issues of confusion or need for further clarification. The amendments to the Market Rules have been subject to trader consultation.

**3.3 Financial Matters:** The Market Service made a loss of £5,574 in 2015/16. A target was set for 2016/17 that the service should move towards making a trading profit. To achieve this, the following actions have been implemented in line with the Service Improvement Certificate for the Markets Service contained within the Operations Division Service Plan 2016/17 (at the Appendix attached).

- a) All pitches on the St Ives market have been marked out with studs, and rents going forward will be rigorously applied to the precise area taken up by a trader. Previously over 44% of the trading area was given away.
- b) The allocation of pitches in some instances has been amended to place complimentary traders in close proximity to each other to increase footfall past the trader stalls.
- c) There has been some physical relocation of trader pitches to reflect footfall on the markets in order to retain traders and to attract new traders.
- d) All current trade lines on the markets have been reviewed to identify the opportunities for new trade lines and then the Markets Officer has actively targeted new traders for these trade lines.

- e) The Markets Officer has discretion to give rent rebates to existing traders who introduce a good new trader offering a new trade line who stays a minimum of three months.
- f) The Bank Holiday Markets have been fundamentally reviewed and restructured with a significant reduction in the operating costs.
- g) The amendment of the Market Rules has also included clarification of fees and charges removing the discretionary element.
- h) The free trading concession in January each year will cease in January 2017 with permanent traders getting a two week holiday break at no charge for retaining their pitches following consultation with the traders.
- i) A £1.68 increase in fees per day for the first pitch has been introduced following negotiations with the traders.
- j) Further to the Stud programme additional pitches have been reduced in price to various price points, however gross income is still in excess of the pre-stud revenues.
- k) Profit and loss statements have been introduced for both markets. These figures are presented on a trading day and combined trading days. The profit and loss accounts are reviewed every month to confirm trading performance.

3.4 **Development Requirements:** The improvements outlined above have not only stabilised the Markets Service but have improved financial performance to such an extent that the service is now on course to make a surplus of over £50,000 for the current financial year. The next phase of developments proposed are more fundamental and include the following:

#### 3.4.1 **Huntingdon Market:**

- a) It is proposed to relocate the stalls from Market Square to along the High Street to capture the main footfall in the town. Informal consultation has taken place with over 80 retailers who could be directly affected by the proposal of which only two did not support the proposal during the Markets Officers personal visits to their premises. To achieve this proposal the current trading consent for the High Street held by Huntingdon BID will need to be rescinded. Currently this trading consent realises only £1,900 in income for this Council and it is projected that the re-alignment of the market will produce a substantially higher figure.
- b) Positive discussions have taken place with BID and it is proposed to work with BID to implement the relocation of the market. This will include BID retaining a revised trading consent for a designated space on the High Street for their trading activities and access to the Market Square for their shows, displays and 5 themed markets staged each year. This will still provide BID with an income stream but importantly ensure that this Council optimises the income it is generating from trading activities on the High Street.
- c) It is also proposed to consolidate the Markets managed by the District Council in Huntingdon into one offering. The fortnightly Farmers Market has been running at a loss for a number of years and this cannot be sustained.

Traders will be invited and actively encouraged to become part of the enhanced High Street Market every Wednesday and Saturday.

#### **3.4.2 St Ives Market:**

It is proposed in 2017 to carryout detailed feasibility work regarding the potential to re-locate part of the Monday Market into Bridge Street. This would negate the need for the road closure and to re-introduce some parking spaces in Market Hill for Blue Badge Holders. Before being confirmed consultation will be carried with market traders and retailers in St Ives and proposals will be brought back to Members for consideration.

### **4. COMMENTS OF OVERVIEW & SCRUTINY**

- 4.1 The comments and recommendations of the Overview and Scrutiny Panel will be included in the report before its consideration by the Cabinet.

### **5. KEY IMPACTS & RISKS**

- 5.1 The action taken to date by the Markets Officer has stabilised the Market and moved it into a trading surplus position.
- 5.2 The proposals to realign the layouts of the markets in Huntingdon and St Ives are being made to improve the medium term performance of the markets particularly in respect to future trading surpluses for both the market traders and the Council in a very challenging retail environment.

### **6. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION**

- 6.1 The planned service improvements for the Markets Service and deadlines for delivery have been set out in the 2016/17 Service Plan for the Operations Service.

### **7. LINKS TO STRATEGIC PRIORITIES**

- 7.1 The improvement actions implemented and planned for 2017/18 will ensure that the Markets Service meets the strategic priority of becoming more efficient and effective, with the markets operating to generate trading surpluses on a consistent basis.
- 7.2 The proposed realignments of the markets in Huntingdon and St Ives will also contribute to the strategic priority of trying to deliver sustainable growth by being the key drivers in the further growth of these markets.

### **8. CONSULTATION**

- 8.1 Consultation has been conducted with a variety of stakeholders and affected retailers in Huntingdon about the potential realignment of the market and there is support for the proposal. It is proposed to carryout detailed feasibility work on the realignment of the market in St Ives and this will include full consultation with the current market traders and retailers on the potential layout as the plans are developed.

### **9. LEGAL IMPLICATIONS**

- 9.1 The realignment proposals for the markets have been developed within the context of the Market Charters for Huntingdon and St Ives held by this Council

and in respect of the requirements of the County Council as the Highways Authority.

## **10. RESOURCE IMPLICATIONS**

- 10.1 The financial implications of this report are included in Section 3 of this report but they are in summary that the Markets Service made a loss of £5,745 in 2015/16. A target was set for 2016/17 that the service moves towards making a trading profit. Based on financial performance to date a surplus of over £50,000 will be achieved in 2016/17. Moving forward a target surplus of £60,000 has been set for 2017/18.
- 10.2 All the improvements made to the Market Service to date have been delivered within the existing budgets of the service.

## **11. REASONS FOR THE RECOMMENDED DECISIONS**

- 11.1 Markets have an important role to play in maintaining the vibrancy of our town centres. Many markets across the UK are in decline and the average age of market traders is rising fast. To ensure the long term survival of markets, they must be financially viable for Councils, attractive for traders and appealing to customers.
- 11.2 The proposed realignment of the markets in Huntingdon and St Ives are being made to ensure the long term survival of Huntingdonshire's street markets in a challenging retail environment.

## **BACKGROUND PAPERS**

None

## **CONTACT OFFICER**

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## Appendix: Service Improvement Certificate 9: Owner – Business Development Manager

9.	Markets	Priority Rating	Timeframe for Delivery
9.1	Develop a relocation plan for the consolidation of Huntingdon Market and carryout consultation with traders, the Town Council, BID and District Councillors. Implement the relocation plan after O&S and Cabinet approval.	Priority 1	31 December 2016
9.2	Develop a relocation plan for the St Ives Market to remove the need for a road closure and carryout consultation with traders, the Town Council and District Councillors. Implement the relocation plan after O&S and Cabinet approval.	Priority 1	30 June 2017
9.3	Review the tradelines on the Huntingdon and St Ives Markets to identify new trade lines to be targeted through an incentives package.	Priority 1	31 May 2016
9.4	Develop a package of incentives for new traders.	Priority 1	30 June 2016
9.5	Review and update the Market Rules.	Priority 1	31 July 2016
9.6	Initiate quarterly updates for market traders and use to re-inforce the Market Rules.	Priority 1	31 December 2016
9.7	Review and revise fees and charges against the market place and to recover in full operating costs + 5%.	Priority 1	30 June 2016
9.8	Development and implementation of a promotions plan for the markets.	Priority 1	31 March 2017