

Subject: Market Place Fees and Charges Review

Report to: EMT 10<sup>th</sup> November 2016

Economic Development Committee 21<sup>st</sup> November 2016

Report by: Kate Watts, Transformation Programme Manager

## **RECOMMENDATIONS**

That Economic Development Committee considers the content of this report and recommendations listed below, with the view to making a number of recommendations to Policy and Resources Committee as part of the budget setting process regarding market place fees and charges.

### **Recommendation for Two Day Fees and Charges:**

It is recommended that Members consider option 3 for recommendation to Policy and Resources Committee as part of the budget setting process.

Option 3 is a 2.5% decrease from the 16/17 fees. This would have a positive impact on traders and help with those that need to pay additional monies for their additional pitches. This would bring the market fees more in line with others set and could help to encourage new business onto the market. The income levels for the Council would remain at similar levels to 2016/17.

However it is also recommended that in future years this fee is changed in line with the Council's fees and charges policy.

### **Recommendation for Friday Market Fees and Charges:**

It is recommended that Members consider option 1 for recommendation to Policy and Resources committee as part of the budget setting process.

Option 1 is no increase from 16/17 fees. This fee structure is well liked by traders and brings in additional income for the Council for its Friday Markets.

It is also recommended that this fee structure is applied to any additional markets that are held during the year, for example a Sunday market as part of a Town centre event.

### **Recommendation for Charity Barrow Charges**

It is recommended that this scheme is continued and that no charge is applied for the use of this barrow by a registered charity.

### **Recommendation for Craft Barrow Scheme**

It is recommended that a second barrow scheme is put in place for craft traders and that they pay a daily fee of £10.00.

### **Recommendation for Six Day Fees and Charges:**

It is recommended that Members consider option 3 for recommendation to Policy and Resources committee and Council as part of the budget setting process.

Option 3 is a 2.5% decrease. This would have a positive impact on traders and would bring the Market fees more in line with others set. This reduction could help to encourage new business onto the market. However it is also recommended that in future years this fee is changed in line with the Council's fees and charges policy.

## **1. INTRODUCTION**

- 1.1 Great Yarmouth Market is an important part of Great Yarmouth's Town Centre and a key priority for the Borough Council. It is an historical market which can be dated back to at least 1208 when it was granted a Royal Charter by King John.
- 1.2 The Market Place area is 5400 square metres and provides a six day covered market with 36 stalls and a two day market which operates on Wednesdays and Saturdays.
- 1.3 Extra markets are also held throughout the year such as Friday markets which run from May to Christmas.
- 1.4 Fess and charges have been set anually in relation to the Market by the Council. In 2012 there was a review of these fees and charges as part of the movement in payment of the buisness rates (from the Council to the six day traders).

- 1.5 Since this dates the fees and charges have remained at a fixed price for the two day and six day traders.

## **2. BACKGROUND**

- 2.1 Over the last year the Council has undertaken a significant review of its market and made some substantial changes to improve the market in terms of both its management and the physical market area, alongside the enhancement of a programme of events to boost footfall. Specifically, these actions have included:

- A deep clean, repair and repaint of six-day market canopy and structure
- A repaint of all market place furniture
- Establishment of a four weekly deep clean of the six day market indoor floor
- A pest control survey and subsequent pest control contract to include four weekly site visits
- Employment of a dedicated Town Centre cleaning operative
- Movement of all market place policies into one policy
- Advertisement of four vacant six-day market stalls, one of which is now occupied
- Introduction of trial days for potential two day traders
- Introduction of a market newsletter for traders
- Formalisation of the market management structure
- Improvements to trader's toilet facilities
- Implementation of marketplace office opening times
- Update of all trader's information and significant improvements to record keeping
- An enhanced Town Centre events programme which significantly increased footfall during 2015/2016 with further investment in Town Centre events

- 2.2 Whilst significant effort has been put in during the last year to improve the market it is clear that this is still an area which requires further development. In part it is hoped that will be achieved over time and further actions are planned. These further actions include

- A review of 2 day & casual trader licenses
- A movement from the issuing of licenses to leases on the six day market
- A fees and charges review
- Creation of a marketplace brand to be included on all promotional materials
- Improved advertisement for new business
- A review of how start up business could be supported on the market

- 2.3 This paper presents to the Members the outcome of one of these actions –a fees and charges review, which Members are asked to consider and make recommendations on as part of the budget setting process.

- 2.4 As part of this review, Officers have considered the Council's medium term financial strategy, feedback from traders and benchmarking information regarding fees and charges that have been set by other Authorities in relation to their markets.

### 3. TWO DAY MARKET TRADERS FEES REVIEW

- 3.1 The fees that have been set in relation to the two day market are based on per foot calculations, and change between Summer and Winter periods for both permanent and casual traders.

- 3.2 The table below shows these 16/17 fees.

PRICE/PITCH/TRADER			
Permanent Trader Winter per foot	£1.12 (£3.67 per metre)	Permanent Trader Summer per foot	£2.42 (£7.94 per metre)
Casual Trader Winter per foot	£1.68 (£5.51 per metre)	Casual Trader Summer per foot	£3.36 (£11.91 per metre)

- 3.3 These fees were subsequently compared against the fees charged for transient market traders at Kings Lynn, a similar type of Market.
- 3.4 Appendix 1 details this comparison further but in summary Great Yarmouth's fees are higher than Kings Lynn in the Summer, but lower than Kings Lynn during the Winter period.
- 3.5 Traders themselves have made yearly representation to Members prior to the budget setting process, always asking that the fee should be reduced. As a result the fees schedule for traders has not been changed for the last four years. More recently traders have further expressed concern about their fees, citing difficulties in the current economic climate in making their businesses viable.
- 3.6 There are also a number of traders who historically have grown their pitches size wise, but have not paid any additional fee in relation to this additional growth. Officers have approached these traders to resolve this issue and again these traders have been clear that if they either have to reduce their pitch size or pay more rent that they would in fact have to cease trading on the market.
- 3.7 It is clear that when considering the fees for 17/18 in relation to the two day market there will be opposing issues, in particular between the Council's need

to balance its budgets against the feedback from traders that any increase will have a detrimental effect on their business. More specifically any reduction would have a beneficial impact, in particular for the traders that have historically occupied spaces larger than they have paid for.

- 3.8 As part of this review four options have been developed in relation to the two day market fees for members to consider.

### **Option 1: No Change to 16/17 Fees**

- 3.9 The estimated income for 17/18 based on the current pitches and fees in place equals £82,524. An additional £17,286 could also be generated from existing traders paying for the additional space they are currently using without any fee changes. The total estimated income is £99,780.

<b>Benefits</b>	<b>Risks</b>
The Council would be seen in a positive light by traders by not increasing fees for 17/18	Existing traders may leave the market if they are required to pay additional monies for increased pitches
The Council would still increase its income through additional monies paid by existing traders	Existing traders may leave the market who are currently struggling to maintain their businesses with the current fee structure in place

### **Option 2: Increasing Fees for 17/18**

- 3.10 This is a total increase of 3.9% from the 16/17 fees. This is in line with the council's fees and charges policy which specifies a 2% plus a RPI increase. The estimated income for 17/18 based on this proposal would equal £85,742. An additional £17,960 could also be generated from existing traders paying for the additional space they are currently using without any fee changes. The total estimated income is £103,702.

<b>Benefits</b>	<b>Risks</b>
The Council would be following its fees and charges policy and this would be in line with other fees and charges set by Council	Existing traders may leave the market if they are required to pay additional monies for increased pitches and fees
The Council could further increase its income through additional monies paid by existing traders	Existing traders may leave the market who are currently struggling to maintain their businesses with the current fee structure in place

### Option 3: Decreasing the Fees for 17/18 by 2.5%

3.11 This would see a decrease in fees set in 16/17 by 2.5%. The estimated income for 17/18 based on this proposal would equal £80,460. An additional £16,853 could also be generated from existing traders paying for the additional space they are currently using without any fee changes. The total estimated income is £97,313.

Benefits	Risks
The Council would be seen in a positive light by traders by reducing fees for 17/18	Existing traders may still leave the market if they are required to pay additional monies for increased pitches
The Council would still increase its income through additional monies paid by existing traders	This fee reduction keeps the income at a similar level to 16/17 so does not help address the Council's challenging financial position
This fee reduction will bring the fees more in line with other Authorities pricing schedules	
This fee reduction should help encourage economic stability for traders and new business	

### Option 4: Decreasing Fees for 17/18 by 5%

3.12 This would see a decrease in fees set in 16/17 by 5%. The estimated income for 17/18 based on this proposal would equal £78,397. An additional £16,421 could also be generated from existing traders paying for the additional space they are currently using without any fee changes. The total estimated income is £94,818.

Benefits	Risks
The Council would be seen in a positive light by traders by reducing fees for 17/18	Existing traders may still leave the market if they are required to pay additional monies for increased pitches
The Council would still increase its income through additional monies paid by existing traders	This fee reduction decreases the income levels from 16/17 putting pressure on the Council's own financial position
This fee reduction will bring the fees more in line with other Authorities pricing schedules	

This fee reduction should help encourage economic stability for traders and new business	
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### **Recommendation for Two Day Trader Fees and Charges:**

- 3.13 It is recommended that Members either option 3 for recommendation to Policy and Resources Committee as part of the budget setting process.
- 3.14 Option 3 would have a positive impact on traders and help with those that need to pay additional monies. This would bring the Market fees more in line with others set and could help to encourage new business onto the Market

## **4. GREAT YARMOUTH FRIDAY MARKET FEES REVIEW**

- 4.1 The fees that are set in relation to Friday markets (which usually run from May – Dec) are based on up to footage calculations and were set as follows for 16/17.

<b>PRICE/PITCH/TRADER</b>	
Up to 10 foot/3 metres	£10.00
Up to 20 foot/6 metres	£20.00
Up to 30 foot/9 metres	£30.00

- 4.2 As part of this review three options have been developed for Members to consider.

### **Option 1: No Change to 16/17 fees**

- 4.3 Traders like this fee structure. Growth in Friday markets has occurred during the last twelve months. It is an easy structure for traders when working on an ad hoc basis.

### **Option 2: Increase fees for 17/18**

- 4.4 This is a total increase of 3.9% from the 16/17 fees. This is in line with the council's fees and charges policy which specifies a 2% plus a RPI increase.

<b>PRICE/PITCH/TRADER</b>	
Up to 10 foot/3 metres	£10.39
Up to 20 foot/6 metres	£20.78

Up to 30 foot/9 metres	£31.17
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### **Recommendation for Friday Market Fees and Charges:**

- 4.5 It is recommended that Members consider option 1 for recommendation to Policy and Resources Committee as part of the budget setting process.
- 4.6 This fee structure is well liked by traders and brings in additional income for the Council for its Friday Markets.
- 4.7 It is also recommended that this fee structure is applied to any additional markets that are held during the year, for example a Sunday market as part of a Town centre event.

### **5. CHARITY BARROW**

- 5.1 Currently the Market makes available a barrow set up to Charity traders on a Wednesday and Saturday at no cost.

### **Recommendation for Charity Barrow Charges**

- 5.2 It is recommended that this scheme is continued and that no charge is applied for the use of this barrow by a registered charity.

### **6. PROPOSED NEW CRAFT BARROW**

- 6.1 A number of local residents have approached the Council to sell arts and craft type goods on an ad hoc basis.

### **Recommendation for Craft Barrow Scheme**

- 7.1 It is therefore proposed that a second barrow scheme is put in place for these traders and that they pay a daily fee of £10.00.

### **8. SIX DAY MARKET TRADERS FEES REVIEW**

- 8.1 The fees that have been set in relation to the six day market are based on the type of goods sold by the market trader.
- 8.2 The table below shows these 16/17 fees.

<b>PRICE/PITCH/TRADER</b>	
Hot Food 1	£740.00



Groceries	£500.00
Dry Goods (Retail goods)	£550.00
Hot Food 2	£700.00

8.3 In comparing these fees to other fixed market stalls (See Appendix 2) Great Yarmouth's fees are slightly higher. However trading within the six day market has been more stable over the last year with two unit transfers and only one trader leaving. There are three vacant units on the market and recent for sale marketing of these has led to a high volume of queries.

8.4 As part of this review four options have been developed in relation to the two day market fees for Members to consider.

#### **Option 1: No Change to 16/17 fees**

8.5 Option 1 would generate a similar income to 2016/17 and additional income if the three vacant stalls are let by 2017/18. This option would be a positive one for these traders. The estimated income for 17/18 based on existing traders would be £240,950.

#### **Option 2: Increase fees for 17/18**

8.6 This is a total increase of 3.9% from the 16/17 fees. This is in line with the council's fees and charges policy which specifies a 2% plus a RPI increase. The estimated income for 17/18 based on existing traders would be £250,347.

<b>PRICE/PITCH/TRADER</b>	
Hot Food 1	£768.86
Groceries	£519.50
Dry Goods (Retail goods)	£571.45
Hot Food 2	£727.30

#### **Option 3: Decrease fees for 17/18 by 2.5%**

8.7 This would see a decrease in fees set in 16/17 by 2.5%. The estimated income for 17/18 based on this proposal would equal £234,927.

<b>PRICE/PITCH/TRADER</b>	
Hot Food 1	£721.50
Groceries	£487.50

Dry Goods (Retail goods)	£536.25
Hot Food 2	£684.60

#### **Option 4: Decrease fees for 17/18 by 5%**

- 8.8 This would see a decrease in fees set in 16/17 by 5%. The estimated income for 17/18 based on this proposal would equal £228,903.

<b>PRICE/PITCH/TRADER</b>	
Hot Food 1	£703
Groceries	£475
Dry Goods (Retail goods)	£522.50
Hot Food 2	£665

#### **Recommendation for Six Day Fees and Charges:**

- 8.9 It is recommended that Members either consider option 3 for recommendation to Policy and Resources Committee as part of the budget setting process.
- 8.10 Option 3 would have a positive impact on traders in supporting their businesses. This would bring the Market fees more in line with others set and could help to encourage new business onto the Market.

### **9. FINANCIAL IMPLICATIONS**

- 9.1 The medium Term Financial Strategy currently being developed for 2017/18 – 2020/21 provides a high level assessment of the resources available and outlines the financial projections for the following four financial years. This will be used to inform the detailed budget for 2017/18.
- 9.2 As part of the annual budget setting process, fees and charges are agreed for the forthcoming financial year along with an estimate of the level of income anticipated. Forward projections for later years will also be calculated and will reflect planned increases to fees and charges in line with the fees and charges policy. The implications of the recommendations from this review as outlined in this report will need to be taken into account as part of the 2017/18 budget setting process.
- 9.2 In terms of planning for the income generated by the market for the two day income for 2016/17 this was budgeted at £100,000. The forecast for the end of the year is £83,282. This is due to less traders trading on our two day market.

- 9.3 If members agree to option three there would be a further reduction of income for the Council of £2,822. It is however hoped that this reduction would allow some traders to pay for the additional space they occupy, bringing in additional income for the Council. It is also hoped that this reduction would encourage further traders to come and trade on the market.
- 9.4 In terms of planning for the income generated by the market for the six day income for 2016/17 this was budgeted at £261,593. The forecast for the end of the year is £245,950.
- 9.5 If members agree to option three there would be a further reduction of income for the Council of £5,420. It is also hoped that this reduction would encourage further traders to come and trade on the market. Currently the Council is marketing three empty units on the six day market.
- 9.6 In agreeing to these options Members are therefore asked to note impact this has on the overall funding gap the Council needs to close. For 17/18 this has a total gap of approximately £50,000 when totaling existing loss of income alongside a fee and charges reduction of 2.5%.

## **10. CONCLUSIONS AND RECOMMENDATIONS**

10. That Economic Development Committee considers the content of this report and the officer recommendations, with the view to making a number of recommendations to Policy and Resources Committee as part of the budget setting process.

<b>Area for consideration</b>	<b>Comment</b>
Monitoring Officer Consultation:	N/A
Section 151 Officer Consultation:	Yes
Existing Council Policies:	Corporate Plan
Financial Implications:	Yes
Legal Implications (including human rights):	N/A
Risk Implications:	N/A
Equality Issues/EQIA assessment:	N/A
Crime & Disorder:	N/A
Every Child Matters:	N/A

## APPENDIX 1: TWO DAY TRADER FEES AND CHARGES COMPARISON

### Kings Lynn fees & Charges for Markets 16/17

Kings Lynn set different fees for week day and Saturday trading. The fees are based on per foot and per metre calculations. They have no difference in fees between summer and winter.

PITCH/PRICE/TRADER				
	Kings Lynn Per foot	GYBC Per foot	Kings Lynn Per metre	GYBC Per metre
Weekday Permanent Trader	£1.40	Summer £2.42	£4.60	Summer £7.94
		Winter £1.12		Winter £3.67
Weekday Casual Trader	£2.05	Summer £3.63	£6.73	Summer £11.91
		Winter £1.68		Winter £5.51
Sat Permanent Trader	£1.20	Summer £2.42	£3.94	Summer £7.94
		Winter £1.12		Winter £3.67
Sat Casual Trader	£1.75	Summer £3.63	£5.74	Summer £11.91
		Winter £1.68		Winter £5.51

## **APPENDIX 2 FIXED/SIX DAY MARKET FESS AND CHARGES COMPARISON**

### **Norwich Market Fixed Unit Fees**

In Norwich your fees are based on the position of your stall, rather than the good that you sell. Prices range from £185 - £500 per month. This is in comparison to Great Yarmouth fixed stall fees which range from £500 - £740 per month and are based on the goods that you sell from your stall.

### **Coventry City Council Fixed Unit Fees**

Coventry City Council offer unit fees and a fixed cost of £8,000 per year, which equates to £666.67 per month. This fee is regardless of the goods you sell and covers general retailing as well as street food.

### **Burnley Borough Council**

Burnley Borough Council offer unit fees at fixed costs but fees are based on whether you are local business (registered and operating in Burnley) to regional to national. Local businesses are charged £580 per month while national ones are charged £1,560.