



**MANAGEMENT TEAM**

**Monday, 4 January 2021**

**Subject: Reintroduction of rental charges for traders on Gainsborough Market**

Report by:

Chief Executive

Contact Officer:

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Purpose / Summary:

For Members to consider the re-introduction of rental charges for traders onto Gainsborough Market. To update Members on performance with the Marshalls Yard contract and ongoing work for the long term strategy for the Market.

**RECOMMENDATION(S):**

- 1. Re-introduce full rental charges for traders from April 1, 2021.**
- 2. Members welcome the ongoing work outlined in Part 3 of the report.**

## IMPLICATIONS

**Legal:** None at this time, any future proposals will be subject to legal scrutiny if necessary

### **Financial : Financial : FIN/120/21/SSc**

#### **Part 1 - Reintroduction of rental charges from 01/04/2021.**

On 29<sup>th</sup> May 2020, an urgent delegated decision was made to allow traders who attend Gainsborough Market to trade free of charge until the end of March 2021.

The table below shows the forecast of the financial impact of this decision for 2020/21.

<b>Financial impact - Free of charge market trading</b>	<b>£</b>
Loss of Market Income forecast	36,300
Marshall Yard compensation for loss 50% of market stall income	1,000
Less - Funding from Covid Loss of Income Fund	(37,300)
<b>Total</b>	<b>0</b>

The 2021/22 income budget in the MTFP is the same as last year, £36.3k (£35k Market Stall income and £1.3k License and Wayleaves).

**Staffing :** Should any future proposals around the operation of the Market mean changes to staff Terms and conditions, an appropriate consultation process will be undertaken

**Equality and Diversity including Human Rights:** Future proposals will include an assessment of equality and diversity issues in line with the policies of the Council.

**Data Protection Implications :** None at this time, any future data implications will be assessed by the Data Protection Officer.

**Climate Related Risks and Opportunities:** Climate related risks and opportunities will be assessed as part of any future proposals.

**Section 17 Crime and Disorder Considerations:** A more successful Market could result in a livelier, more vibrant Town Centre and a consequent reduction in crime

**Health Implications:** A more successful Market and events programme could result in a livelier, more vibrant Town Centre and a consequent improvement in residents feelings of wellbeing.

**Title and Location of any Background Papers used in the preparation of this report :**

Wherever possible please provide a hyperlink to the background paper/s  
If a document is confidential and not for public viewing it should not be listed.

**Risk Assessment/ *Mitigating actions* :**

Failure to implement charges could result in loss of income for the Council/ *Timely decision required*

**Call in and Urgency:**

**Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?**

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

**Key Decision:**

A matter which affects two or more wards, or has significant financial implications

Yes

No

## **Executive Summary**

This report is delivered in three parts. Part 1 considers the reintroduction of rental charges for traders on Gainsborough Market for April 1, 2021. Options are identified and discussed; it is recommended that, taking into consideration the position on other local markets and the lack of evidence that charging would act as a barrier to traders attending, rental charges for stalls should be re-introduced.

Part 2 of the report updates on performance with the two year contract currently in place with Marshalls Yard. They provide promotional and marketing support for the General Market, organise and promote the monthly Farmers Market, as well as delivering two annual events in the Town Centre. Whilst the Farmers Market and events have been successfully delivered wherever possible within restrictions, it has not resulted in any growth of the General Market. It is difficult to identify what impact the Covid crisis has had on attendance.

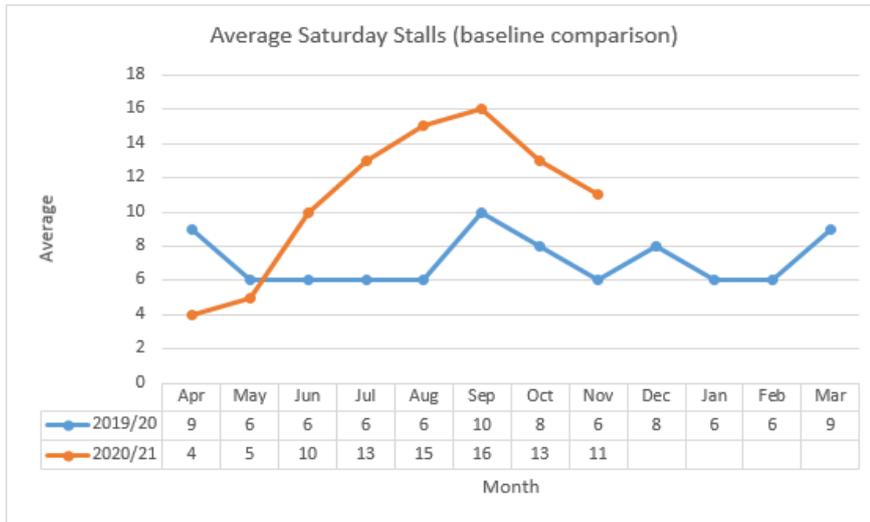
Part 3 identifies the work which officers have undertaken regarding the long term future of the Market. Officers are in the final stages of procurement of a consultant to produce a headline report for Members to consider in the Spring. This report will give an assessment of the current position with the Market, linked to regeneration work in the town centre, as well as giving an options analysis for future delivery of the function.

Part 1 is for decision, Parts 2 and 3 are for Member information.

### **1. Options for re-introduction of rental charges on Gainsborough Market**

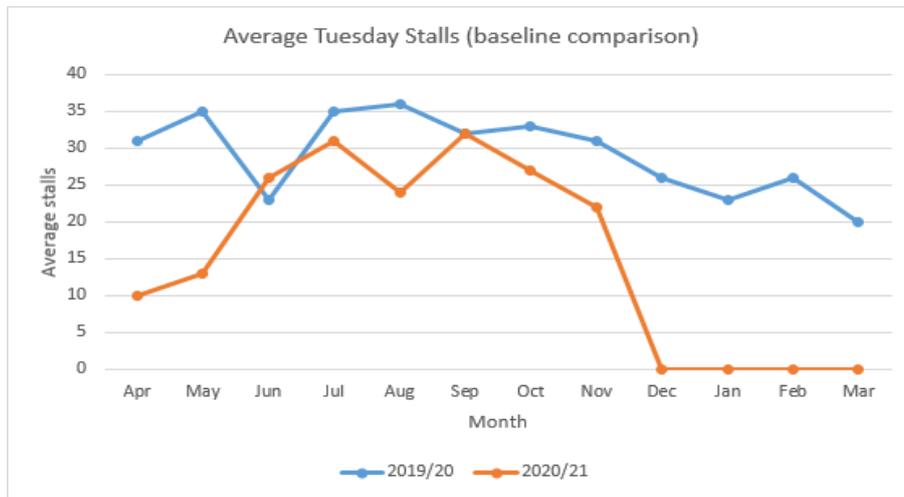
- 1.1 On 29<sup>th</sup> May 2020, an urgent delegated decision was made to allow traders who attend Gainsborough Market to trade free of charge until the end of March 2021. This was as a result of the challenging conditions in town centres and the Government directive to re-open the High Street wherever possible.
- 1.2 On 17<sup>th</sup> September 2020, Corporate Policy and Resources Committee resolved to extend the free rental period for traders on the monthly Farmers Market, also to the end of March 2021.
- 1.3 A decision is now required regarding rental charges for stalls both on the General Market and the Farmers Market from April 1<sup>st</sup> 2021.
- 1.4 During the first lockdown in March 2020, the Market remained open for traders selling essential goods, such as food and pet supplies. As restrictions eased, other traders were permitted onto the Market in line with national guidelines.
- 1.5 Figure 1 below shows stall numbers on the Saturday market as compared to the last financial year. It can be seen that the number of stalls is above pre-Covid levels.

Figure 1



1.6 Figure 2 below shows the number of stalls on the Tuesday Market as compared to the last financial year. Attendance on this Market is more dynamic, but with a general trend below the 2019/20 data.

Figure 2



1.7 Income from stall rental was forecast to be £36.3k for 2020/21, to date there has been no income from stall rentals in this financial year.

1.8 Three options have been identified for the re-introduction of rents on the Market.

1. **Link the charges for stalls to the tier system** – when West Lindsey is in Tier 4 and only essential traders can attend, rental charges to be waived. Charges to be applied when West Lindsey is in a tier where the full market can operate, currently tier 3 and below. There remains a level of uncertainty around which tier the District will be in at the April deadline, or indeed beyond. Given the dynamic nature of the tier system, this option may be challenging to operate and lead to confusion amongst traders and staff.

2. **Continue with free rent for traders throughout 2021/22** – this option may support both traders and the wider ‘High Street’ offering, however it would result in continued loss of income for the Council. Also, it may make any eventual decision to re-introduce rents on the Market more challenging to implement. There is little evidence that offering free rents encourages more traders to attend the Market.
  
3. **Re-introduce full charge from April 1, 2021** – This may result on the loss of some traders, however it is relevant to highlight that the one year of free rent currently enjoyed by traders at Gainsborough Market is above and beyond that offered by surrounding market operators.

1.9 Table 1 below shows the projected financial implications of each of the suggested options.

Table 1

Option	Financial Impact
Link the charges for stalls to the tier system	Impossible to predict due to uncertainty around tier system
Continue with free rent for traders throughout 2021/22	Pressure on annual budget of £35k
Re-introduce full charge from April 1, 2021	Dependent on attendance, potential to achieve target income

1.10 Table 2 below shows the current charges for rental of market stalls.

Table 2

	Tuesday Casual	Tuesday Registered	Saturday Casual	Saturday Registered
1 stall	£17.50	£16	£16.50	£10
2 stalls	£35	£27	£33	£20
3 stalls	£52.50	£35	£49.50	£25
4 stalls	£70	£43	£66	£30
5 stalls	£87.50	£51	£82.50	£35

1.11 As an incentive to new traders and to support the Saturday Market, new traders are offered stalls at £7.50 each for six months.

1.12 Some evidence has been gathered regarding reductions in rental charges for Markets in surrounding towns. Officers believe Retford has offered discounted rents during Covid, when non-essentials returned after the first lockdown rents were £5 a stall, however this has now increase to half rents being paid. It is understood no discounts have been offered at Brigg. Horncastle & Louth have confirmed after the first lockdown stalls were discounted to £10 a stall for June & July, thereafter full rents have been charged. Finally, Newark have indicated discounted rents were offered for a short period after the initial lockdown, however full rents are in place again now.

**Recommendation: Re-introduce full rental charges for traders from 1<sup>st</sup> April 2021**

## 2 Marshalls Yard Contract

- 2.1 In December 2019, Members resolved to commission officers to seek to secure a two year contract with Marshalls Yard to provide comms and marketing for the General Market, deliver a monthly Farmers Market and organise and promote two annual events, all of which would aim to support an increase in traders and stall usage on Gainsborough Market.
- 2.2 As the end of the first year of the contract is approaching, a summary of performance with the contract is provided at Table 3 below. It should be noted that 2020 has been a challenging year for Markets, and events in particular.

Table 3

<b>Farmers' Market Traders</b>									
<b>Month</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>
<b>No. of Traders</b>	Lock down	Lock down	10	14	14	16	15	9*	12
<b>Capacity %</b>			55%	77%	77%	88%	83%	50%	66%

\*Essential Traders only allowed

- 2.3 Despite the challenges, traders continued to support the Farmers Market, the event was almost at full capacity again before second lockdown.
- 2.4 A summary of marketing activity undertaken by Marshalls Yard can be found at Appendix 1.
- 2.5 In addition, a three day Continental Food Market was held in late August. Due to restrictions, this was promoted as an event for local residents only. Despite this, the event was successful and a summary report can be found at Appendix 2.
- 2.6 During the second national lockdown, a delegated decision was taken to cancel the Christmas Market event for 2020, most other Christmas Markets both regionally and nationally were also cancelled.
- 2.7 Officers will continue to work with Marshall Yard and Gainsborough Town Council to deliver a full programme of events in 2021/22, subject to any continuing restrictions.

### **3 Future Gainsborough Market Considerations**

- 3.1 Over the past few years, Members have considered various proposals for the future of Gainsborough Market.
- 3.2 Improved work practices have made the Market less costly to deliver. A promotional and marketing contract with Marshalls Yard has delivered a popular monthly Farmers Market and a number of headline events.
- 3.3 Despite these initiatives, the number of stalls and traders on the general market has not risen, this trend is in line with the national picture and obviously affected by the Covid outbreak and consequent restrictions. Members have continued to support the function as Gainsborough Town Centre regeneration plans are being defined.
- 3.4 Officers are now developing a long term strategy for the Market, this work will be carried out with Members as key stakeholders.
- 3.5 Officers are in the final part of a procurement process to potentially commission a retail market development consultant to undertake a headline strategic review of the current and future offering for the Market.
- 3.6 The consultant works in a three stage process;
  - a. An understanding of the current position including a high level options analysis
  - b. Consultation process with stakeholders
  - c. Final options development and proposals
- 3.7 The company identified are approved consultants to the National Market Traders Federation and members of the Association of Town and City Management and Institute of Place and Management. They cite a number of high profile case studies where they have developed and delivered business cases for market functions.
- 3.8 Officers are in the final stages of developing a scope for Stage 1 of this work. The first steps will be to undertake a high level review of the existing market, including operations, finances and tenant occupancy/mix. As part of this high-level review, the consultants will research the local and regional demographic that make up the existing and potential customer base. They will undertake the following tasks:
  - Issue a request for information from the client.
  - Identify the local population demographics and existing and potential customer base for the market.
  - Undertake a review of the existing market including financial sustainability, operational management, staffing and the offer.
  - Provide suggested improvement routes with existing market is applicable.
  - Develop a business case for the Market over the next 10 years in a 'No-intervention' scenario to forecast income and expenditure.

- Identify potential alternative locations for the market and operating styles including a covered or indoor location if applicable.
- Provide recommended high-level proposals for the future of Gainsborough Market.

3.9 The scope will also include an assessment of how the Market can transform from being a cost centre seeking to achieve cost-neutral status, to being a complimentary addition to the Town Centre offering. It will therefore consider the ongoing and future regeneration work in the town. In addition, the consultants will consider existing markets in Market Rasen and Caistor and also give a headline assessment for the potential for pop-up markets in other villages within the District. It is expected that this work will be ready for presentation to Members in Spring 2021.