



**Corporate Policy and
Resources Committee**

Thursday 10 February 2022

Subject: Funding the future West Lindsey Markets model

Report by:	Assistant Director of Commercial and Operational Services
Contact Officer:	Ady Selby Assistant Director of Commercial and Operational Services ady.selby@west-lindsey.gov.uk
Purpose / Summary:	For Corporate Policy and Resources Committee to approve future funding of the West Lindsey Markets function.

RECOMMENDATION(S): It is recommended that Corporate Policy and Resources Committee;

1. Approves the proposed Market budget (as detailed at 2.5) into the Medium Term Financial Plan 2022/23-2026/27.
2. Approves £100k of the Cultural Strategy Reserve is earmarked to support the future development of Markets.

IMPLICATIONS

Legal: None from this report.

Financial : FIN/172/22/CPR/SSc

The new financial model creates a pressure on the MTFP of £50k 2022/23, £25.9k 2023/24, £25.9k 2024/25, £12.1k 2025/26 and £10.6k 2026/27. See table below.

Summary	2022/23	2023/24	2024/25	2025/26	2026/27
Employees	86,200	49,800	51,800	54,100	55,300
Premises	600	600	600	900	600
Transport	5,600	5,000	5,000	5,000	5,000
Supplies and Services	48,300	37,900	37,900	24,300	24,300
Customer and Client Receipts	(36,300)	(37,700)	(39,100)	(40,600)	(42,100)
New Market Costs	104,400	55,600	56,200	43,700	43,100
Current MFTP proposed	54,200	55,800	56,900	58,800	60,400
(Savings)/Pressure on MTFP for Market only	50,200	(200)	(700)	(15,100)	(17,300)
Cost to other Cost Centres	0	26,100	26,600	27,200	27,900
(Savings)/Pressure on MTFP Overall	50,200	25,900	25,900	12,100	10,600

£100k of the Cultural Strategy Reserve is earmarked to support the future development of Markets. The Cultural Strategy Reserve currently has a forecast balance of £235k as at 31.03.22.

Staffing : HR163-1-22

Existing market stall operatives may be at risk of redundancy. It should be noted that these positions are in addition to the operatives substantive posts.

(N.B. Where there are staffing implication the report MUST have an HR Ref)

Equality and Diversity including Human Rights : None from this report.

Data Protection Implications : All data collected as part of the Markets function will be handled in line with the Council's Data Protection Policies.

Climate Related Risks and Opportunities : None

Section 17 Crime and Disorder Considerations : None

Health Implications : None

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 :

Failure to adequately fund the proposals would result in the risk of non-delivery.

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

x

Key Decision:

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

Yes

x

No

1 Introduction

- 1.1 On 25th January 2022, Prosperous Communities considered a report regarding the future delivery of street markets in West Lindsey (Exempt Appendix 1).
- 1.2 The report was the culmination of work undertaken by officers and a leading sector consultancy, Quarterbridge (Exempt Appendix 2).
- 1.3 West Lindsey hosts three street markets - Gainsborough, Market Rasen and Caistor. In recent times there have been attempts to make the Gainsborough Market operate on a cost neutral basis, however the financial burden has continued to rise. Following reports delivered during 2020, Members commissioned officers to work with industry experts Quarterbridge, to find a new proposal for the future of West Lindsey Street Markets.
- 1.4 Presented in the Prosperous Communities Committee report was a proposal for the future operation of street markets in the District. It included a change of focus to move away from attempts to achieve cost neutrality and more towards an acceptance that the markets are key cultural assets that bring a USP and as such, should be invested in as part of the West Lindsey offer.
- 1.5 The report produced by Quarterbridge identified that the Council must invest and change to produce sustainable offerings. Current infrastructure is antiquated and unattractive, whilst more modern solutions such as gazebos may seem attractive, they are expensive and challenging to maintain. A design competition may produce a bespoke solution for markets in West Lindsey.
- 1.6 The Council should seek a new type of trader to mix with its loyal base, this trader may not attend every market, but more of a 'now and again' regime with speciality products.
- 1.7 Regular, small events which attract families would need to intersperse with larger events, the offering should be fresh and innovative. This would need driving and the proposal includes a new Towns Manager post, who would be the key linchpin between the stakeholders involved in the three town centres.
- 1.8 The environment needs to change too, a dwell time and café culture should be promoted. This means implementing public realm improvements including the reduction of regular traffic, greening of the space, art installations, etc.
- 1.9 The trader and public engagement exercises clearly identified that markets can be popular and footfall can increase for the benefit of all, if the right environment is created. The three towns in West Lindsey have unique and attractive centres, these can be enhanced with attractive, regular street market offerings. It will come at a price though, there would need to be an acceptance that the markets will be an ongoing burden to the taxpayer. Whilst this burden reduces in future years and there is available investment from the Levelling Up Fund, it is not possible to see a markets function which breaks even if it is adequately resourced.

1.10 It is very relevant that these proposals can be supported by wider regeneration work, in particular the Levelling Up Fund opportunities in Gainsborough and the heritage-led regeneration efforts in all three locations.

2. Financial Implications

2.1 The capital investment from the Levelling-Up Fund is expected to underwrite the cost of the stall design, plus purchase of the stalls. At this time the implications of the final design are unknown, it is however prudent to allow for ongoing maintenance and transportation in revenue budgets.

2.2 It is recommended that the current stalls continue to be utilised until April 2023, this allows time to procure new stalls.

2.3 If approved, the Towns Manager post should be scheduled to be recruited to in October 2022. This will allow sufficient time for the post-holder to become familiar with their work area before the new market stall regime is implemented in April 2023.

2.4 Allowance has been made for continuation of the contractual event management arrangements in the short term.

2.5 Table 1 below demonstrates the headline financial position of the Markets over the next five years.

Table 1 Financial Projection for Markets function

Summary	2022/23	2023/24	2024/25	2025/26	2026/27
Employees	86,200	49,800	51,800	54,100	55,300
Premises	600	600	600	900	600
Transport	5,600	5,000	5,000	5,000	5,000
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(Savings)/Pressure on MFTP for Market only	50,200	(200)	(700)	(15,100)	(17,300)
Cost to other Cost Centres	0	26,100	26,600	27,200	27,900
(Savings)/Pressure on MFTP Overall	50,200	25,900	25,900	12,100	10,600

2.6 It can be seen that these proposals would bring an additional burden to the Council in 2022/23 of £50.2k. This is because the current stall operation would continue, as would the Marshalls Yard contract and the new Towns Manager would start in October 2022.

2.7 This new burden would then reduce in future years as the new stall regime is delivered and the reliance on other contracts reduces.

2.8 By 2026/27 it is estimated there would be a saving of £17.3k on the net cost of the Markets function, against the current MFTP budget, however the appointment of the Towns Manager will release some capacity of current operational management which will be redirected to other services areas, resulting in an overall £10.6k burden to the Council's bottom line.

2.9 It is proposed that £100k of the Cultural Strategy Reserve is earmarked to support the development and delivery costs over the next 3 years.

3 Prosperous Communities decision

3.1 Having considered all the issues raised in the reports, Members resolved to;

1. Support the vision for West Lindsey Markets, recognising that they are key cultural and heritage assets that perform a wide socioeconomic function in the District.
2. Support the proposal for a three year plan to regenerate markets across West Lindsey based on the principles set out in the report.
3. Agree the extension of current contractual arrangements.
4. To recommend to Corporate Policy and Resources Committee the proposed Market budget (as detailed at 2.5) be incorporated into the Medium Term Financial Plan.
5. To recommend to the Corporate Policy and Resources Committee the earmarking of £100k for the purpose of supporting the Markets three year development and delivery plan.

4. Recommendations

It is therefore recommended that Corporate Policy and Resources Committee;

1. Approves the proposed Market budget (as detailed at 2.5) into the Medium Term Financial Plan 2022/23-2026/27.
2. Approves £100k of the Cultural Strategy Reserve is earmarked to support the future development of Markets.