

MANAGEMENT OF EPSOM MARKET

Report of the: Director of Operations
Contact: Ian Dyer, Head of Operational Services
Urgent Decision? No
If yes, reason urgent decision required:
Annexes/Appendices (attached): None
Other available papers (not attached): None

REPORT SUMMARY

A report updating the Committee on the management of the Market Place in Epsom and putting forward recommendations for the future.

<u>RECOMMENDATION (S)</u>	<i>Notes</i>
<p><u>That the committee:</u></p> <ol style="list-style-type: none">Maintain existing inherited trader's rents at current rate to ensure retention.Agree that the Director of Operations has delegated authority to offer reduced rents to new traders offering required commodities.Notes that consideration is being given to developing speciality markets such as food and night markets in Epsom.In the light of the request from the Strategy and Resources Committee (paragraph 2.7 and 2.8) advise on how the budget surplus should be deployed.	

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 The Market Place contributes to the Key Priorities of Economic Vitality and the Visual Appearance of Epsom Town Centre.

2 Background

- 2.1 Epsom Market (Thursday & Saturday) was brought back 'in-house' in April 2011. Now in the third year of Council management, the Market Place is developing into a thriving trade and entertainment space.

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2.2 Key Achievements

- Annual income increased from 38k to 88k following the return to in-house management
- Rent collection changed from cash handling to direct debit for all regular traders
- Reinvestment of revenue income above budget in 2011/12 to provide new electricity posts.
- Revenue surplus of the 2012 budget held in reserve to replace old steel Market stalls that are currently stored on the Market Place, to improve the visual appearance of the town.
- Introduction of an annual Market licence agreement and operation agreement
- Advertising panel litter bins installed to promote events
- Lamp column banners erected to promote Market Place
- An events licence to enable the use of the Market place as a venue for entertainment
- Christmas event and light switch on
- A Santa's grotto for the 2013 Christmas period, to be located in Epsom Clock Tower, to increase foot traffic to the market and attract new traders
- Speciality markets including Farmers, French, Vintage cars and Local Enterprise, and charity boot sale in partnership with local traders.

2.3 When taking the management of Epsom Market back in-house the Council officers found that there was no standard set payment rate for the square footage taken up by each trader. This made some commercial sense and to ensure that the historic market was stabilised in year one, the officers recommended making no changes to the rental fees to each trader.

2.4 In January 2013, Council officers managing the market requested an internal audit and recommendations were made to improve financial management. Recommendations include the need to formalise officer delegated power to set charges, to obtain the best possible commercial rate to attract new traders and keep the present traders operating on the market. It was recommended that the officers should work to a base target charge rate.

2.5 The target base rate was set at the present average rate being £41.50 for a 3.1m by 3.1m space.

2.6 Traders, whose rents were significantly under the target rate per square footage were moved to the higher rate as part of a pilot. This was with a view to bringing traders rates into alignment. Since commencing this process 9 traders' have ceased trading due to the current economic climate and the increase to individual rents. In one case applying this charge increased the market traders charge rate by 100%.

2.7 At the Strategy and Resources Committee on 25 June the Committee considered a report on 'Funding Work on Promoting Economic Vitality'. The following information was provided:-

- "The Environment Committee is responsible for the Epsom Market. The current budget anticipates a net surplus of £17,675. In the past two years additional surpluses (above the budget plan) have been generated. In 2011/12 funding was set aside for improvements to the electricity supply posts. Officers are currently examining the option to use the additional revenue generated in 2012/13 to purchase/store new stalls to help improve the appearance and attractiveness of the market. It may be possible to utilise the ground floor of the Clocktower whilst no tenant can be found.

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- Subject to the views of the Environment Committee, the Council could have a policy that any revenue generated that provides a budget surplus is reinvested in the town centre to support economic activity in the Borough”.

2.8 The Strategy and Resources Committee agreed that “Subject to the views of the Environment Committee, it was suggested that the Council could have a policy that any revenue generated by Epsom Market that provided a budget surplus ought to be reinvested in the Town Centre to support economic activity in the Borough”.

3 Proposals

4.1 Moving forwards the plans are to:

- Attract new traders and new commodities to Epsom Market Place by targeting specific traders such as menswear, children’s wear, shoes and fish stall etc.
- Explore the possibility of more specialist market,
- Pilot new speciality markets such as street food and night markets.
- Work towards replacing existing unattractive stall frames and tarpaulins with high quality pop up gazebos.
- Install ground anchors on the market place to ensure safe set up without ugly bulky weights
- Improve marketing by implementing a strategy for promotion of the market

4.2 It is recommended that the Director of Operation has delegated authority to offer reduced base rate fees to traders offering sought after commodities as identified. Under the Council’s Scheme of Delegation this authority will be exercised by the Head of Operational Services on behalf of the Director of Operations. This flexibility will be used to encourage new businesses with diverse ranges of commodities to invest in their stall, marketing and create a viable business that will grow.

4.3 It is recommended that the existing rents that were inherited when the management of the market came back in-house are maintained. This will improve trader retention and protect overall income. Focus will remain on bringing in new traders with varied commodities that diversify the current offering.

4.4 Reinvesting revenue from income surplus to the set annual budget will develop and improve the aesthetic quality of the Market Place. This will attract new traders and improve the experience for visitors to the Market Place.

4.5 By exploring and developing new speciality markets we will attract a broader selection of visitors to the Market Place. This will improve engagement with local businesses and provide new opportunities for traders and scope for more events.

5 Financial and Manpower Implications

5.1 No implications as reduced rates will be reserved for new traders.

6 Equalities and Other Legal Implications

6.1 None for the purposes of this report

7 Sustainability Policy and Community Safety Implications

7.1 None for the purposes of this report

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8 Partnerships

- 8.1 None for the purposes of this report

9 Risk Assessment

- 9.1 None for the purposes of this report

10 Conclusion and Recommendations

- 10.1 To encourage new traders and shoppers alike, it is essential that there is a varied retail offering at Epsom Market and speciality markets are promoted. Flexibility with charging will support this, therefore it is recommend that the Committee delegates authority to the Director of Operations (to be exercised by the Head of Operational Services) the ability to offer reduced rents to new traders offering required commodities.
- 10.2 It recommended that existing inherited trader's rents are maintained at the current rate to ensure retention.
- 10.3 The Committee notes that consideration is being given to developing speciality markets such as food and night time markets.
- 10.4 In the light of the request from the Strategy and Resources Committee the Committee is asked to advise on how the budget surplus should be deployed.

WARD(S) AFFECTED: TOWN