

Report of:	Head of Economic Prosperity
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Portfolio Leader:	Town Centre Regeneration
Key Decision:	Yes
Report Track:	Cabinet: 30/01/20

CABINET
30 JANUARY 2020
CANNOCK INDOOR MARKET CONSULTATION RESULTS

1 Purpose of Report

- 1.1 To update Cabinet on the outcome of the recent public consultation associated with the current Cannock indoor market facility.
- 1.2 To consider the Council's options with regards to the continued provision of a market within Cannock Town Centre (CTC).

2 Reason(s) for Appendix being 'Not for Publication'

- 2.1 In accordance with the provisions of Schedule 12A of the Local Government Act 1972 (as amended), Appendix 3 of this report is considered 'not for publication' under the following categories of exemption:
 - Exempt Paragraph 2 – Information which is likely to reveal the identity of an individual.
 - Exempt Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the Council).

3 Recommendations

- 3.1 That Cabinet approve the Street Markets option and note that a market operator will need to be procured in order to facilitate a street market on Tuesdays and Fridays potentially in Littleton Square and that the existing Prince of Wales market will continue to operate in its current format.
- 3.2 That Cabinet approve proceeding with taking all necessary steps to secure the closure of the current Cannock Indoor Market Hall during November 2020 to
 - (i) coincide with the planned re-tendering of the current street market contract and negate the need for a second market procurement exercise.

The re-tender would be on the basis that the newly appointed market operator will be required to run a street market in Cannock town centre on both Tuesdays and Fridays, and;

- (ii) ensure that the Council is in a position to provide vacant possession of the Market Hall which is included within the footprint of the CTC re-development scheme.
- 3.3 That Cabinet delegate authority to the Head of Economic Prosperity in consultation with the Town Centre Regeneration Portfolio Leader to take all necessary steps to implement the Street Markets option for future delivery.
- 3.4 That Cabinet delegate authority to the Head of Economic Prosperity in order to assist any market traders that wish to relocate to either Rugeley Market Hall, relocation to the Prince of Wales Market in its existing form or the street markets in order to continue to trade.

4 Key Issues and Reasons for Recommendations

- 4.1 The indoor market as it stands is unviable in the long term and will require financial investment in order to continue to be fit for purpose. Therefore, the Council needs to decide on the future market provision for CTC; the Council also decided in taking forward a CTC re-development scheme it should include the footprint of the Indoor Market Hall. This in principle decision was taken by Cabinet in April 2019. The Prince of Wales Market is not required as part of any re-development scheme.
- 4.2 There are various commercial and legal issues that could arise should the Council seek to alter or extinguish the market provision currently enjoyed in any redevelopment of CTC. This report proposes options that meet the Council's legal market obligations and look to maintain some market presence all be it potentially in a different manner.
- 4.3 In September 2019, the Council decided to run a public consultation process to consult with both the indoor market stall holders and members of the public before making any decisions on the future of the market. The Council agreed it would consider the views particularly those directly affected by any proposed changes. A report back to Cabinet following the outcome to the consultation process will follow before any final decisions are taken. This report is the follow up to the consultation process.
- 4.4 The consultation period ran from 3rd Oct to 31st Oct. As part of the consultation a series of options were presented regarding possible future delivery arrangements in order to gauge the public reaction along with affected stall holders. Potential options are set out in Appendix 1.
- 4.5 Consultation letters were hand delivered to all 20 Stall holders which set out potential options and asked for further suggestions from the traders. Of the 20 only 14 responded to their individual letters however one letter duly signed by 16 traders was received (see Confidential Appendix 3). This letter asked the Council to consider running a smaller indoor market in one of the empty shops in the centre of town.

- 4.6 Public consultations were carried out across four dates (8th, 17th, 19th, 25th Oct 10-2pm) with further consultations being received via telephone and email. In total 416 surveys were completed, excluding market traders.
- 4.7 Overall 190 people opted for underneath the Prince of Wales Theatre and 158 people preferred street markets, 39 for a combination of the two, 13 indicating that they would no longer shop at Cannock Market if there were any changes and a further 16 non respondents. It should be noted when asking users of the market only they preferred underneath the Prince of Wales Theatre and non users of the market preferred the Street Market option.

5 Relationship to Corporate Priorities

- 5.1 This report supports the Council's Corporate Priorities as follows:
- (i) Promoting Prosperity – Creating strong and diverse town centres links to the procurement strategy for a potential development partner for CTC.

6 Report Detail

Current Arrangements

- 6.1 The CTC indoor market is operated by the Council and held four times a week in the Indoor Market Hall on Tuesday, Thursday, Friday and Saturday (9am – 5pm) and in the Prince of Wales Market Hall on Tuesday, Friday and Saturday (9am – 4.30pm). The number of trading days increased for the market in the Indoor Market Hall in April 2017 as part of the Financial Recovery Plan for the Council (excluded Prince of Wales Market Hall). This change has not revitalised the indoor market and as a consequence a number of traders have already ceased trading and at present there are 16 traders and 41 vacant stalls. The immediate result of the changes was that 24% of existing traders left the Market Hall at the end of March 2017 which resulted in a 29% drop in the number of open stalls. However some of the stallholders that left were already contemplating retirement prior to the implementation of the Council's decision.
- 6.2 Notwithstanding officers' commitment to marketing and promotion of the indoor Market (both within the Indoor Market Hall and Prince of Wales Market Hall) there has been very little interest from prospective new traders. Where potential new traders have expressed an interest the reasons given for not taking a stall include the number of vacant stalls within the Market Hall and lack of vibrancy / footfall. The proportion of vacant stalls has consistently been greater on a Thursday (the additional trading day) as a number of existing traders declined to attend the Market Hall on the additional day. The additional trading day did not apply to the Prince of Wales Market Hall.
- 6.3 The contract to operate a weekly street market in CTC was awarded in October 2015 to the current operator E G Skett & Co (Sketts). Cabinet resolved at its meeting in April 2019 to extend Sketts contract to run a weekly Friday street market until 31st October 2020 and also for Sketts to operate a trial weekly Tuesday street market during the summer of 2019. This had mixed results although Sketts have indicated that they may consider resurrecting a Tuesday

street market from Easter 2020 until expiry of their existing street market contract however there is no current contractual obligation for them to do so.

- 6.4 CTC footfall figures for 2018 indicate that footfall is higher on a Friday by 27% more than the next highest day of the week (Saturdays).

The existing street market operator Sketts has advised that they consider Cannock's Friday Street Market to be unique in that it has regular repeat customers who are coming specifically to buy rather than just browse the market. The regular traders that attend Cannock Friday street market are higher in number than at any other street market operated by the current operator Sketts.

Redevelopment plans

- 6.5 Cabinet in April 2019 took the decision to focus on bringing forward redevelopment plans in CTC. In making this decision they agreed to the in principle use of the MSCP and the space underneath including the Indoor Market Hall being part of any redevelopment scheme (but subject to further reporting). The area occupied by the Prince of Wales Market hall is excluded from the footprint of the proposed re-development plans.

Consultation results

- 6.6 Stall Holders were asked their preference in relation to moving to underneath the Prince of Wales Theatre in a reconfigured space (operating on Tuesday, Friday and Saturday) or moving to a Street Market (operating on Tuesdays and Fridays, potentially in Littleton Square or any change in current arrangements would result in them deciding to no longer trade in Cannock. Results are as follows:

- 13 opted for the Prince of Wales.
- 0 opted for Street Market.
- 0 opted for no longer trading.
- 1 non respondent.
- 1 includes charity respondent.
- Further suggestions received included; one letter signed by 16 people moving to an empty shop unit in town and Rugeley indoor market (6 interested). A significant amount of commentary received regarding making the Prince of Wales market fit for their needs i.e. heating, lighting, security.
- 3 indicated that they would be interested in another commercial operator.

- 6.7 Members of the public were asked their preference in relation to the future delivery of a CTC market. Options provided were: underneath the Prince of Wales Theatre in a reconfigured space (operating on Tuesday, Friday and Saturday) or a Street Market (operating on Tuesdays and Fridays, potentially in Littleton Square or any change in the current arrangements would result in them deciding to no longer shop at Cannock market. Results are as follows:

- 416 total surveys completed – of these 134 people didn't use the market and 282 did use the market (all be it a proportion (57) stated rarely or sometimes)
- Non users verbatim comments as to why they didn't use the market included;
 - Nothing in there (lack of variety)
 - Smelly, dingy, uninviting
- In total 190 opted for the Prince of Wales.
- 158 opted for Street Markets.
- 39 opted for a combination of Street Markets and Prince of Wales.
- 13 opted for no longer shopping in CTC market.
- 16 non respondents.
- Further suggestions/comments received included;
 - Moving to an empty shop unit in town.
 - A significant amount of commentary received regarding making the Prince of Wales market more inviting.
 - Combining with Inshops (in Cannock Shopping Centre).
 - Reduce rents.
 - The whole town centre needs a revamp.
 - Street markets add vibrancy to a town centre.
 - Regular Themed markets needed.

6.8 Non users of the Market preferred a Street Market (80 people) as opposed to underneath the Prince of Wales Theatre (33 people). However, users of the market preferred underneath the Prince of Wales (157) as opposed to street markets (78) having many comments about the need for the environment to be similar to that of the existing facility for concern regarding the traders.

Summary and conclusions

6.9 The outcome of the consultation has demonstrated that there is no overall clear consensus as to the preferred option. The majority of the existing Indoor Market Hall traders and users of the Indoor Market have signalled a preference for moving into the Prince of Wales Market Hall, subject to the Council undertaking works to improve the environment within the Prince of Wales Market, whilst non users of the Indoor Market prefer Street Markets. Other suggestions have been put forward through the consultation, such as the potential to relocate the traders into an empty vacant unit.

6.10 Cabinet should note that the indoor market is not viable in the long term and there is a clear need to vacate the existing Indoor Market Hall to ensure it can be included in a re-development scheme and any developer will expect that vacant possession can be offered. Equally the market is not financially viable in the short term, but it fulfils the Council's obligation to hold a Tuesday market in the town centre.

- 6.11 Moving traders from Cannock Indoor Market to the Prince of Wales Market would require re-configuration of the existing Prince of Wales Market stall layout to accommodate those traders that wish to move into the Prince of Wales Market. In order to relocate, existing Cannock Indoor Market traders have indicated that they would require the Council to undertake alterations to the current heating and lighting specifications of the Prince of Wales Market. Dependent on the number of Cannock Indoor Market Traders that wish to move, it would also be necessary to reconfigure the current occupancy arrangements of the two existing Prince of Wales Market traders. Officer's advice is that the refurbishment of the building to the extent requested by Cannock Indoor Market Traders could cost the Council up to £100k to implement and potentially have an adverse affect on at least one of the existing businesses operating from the Prince of Wales Market. Consideration needs to be given to whether the proposed alterations to accommodate an, as yet unknown, number of traders from Cannock Indoor Market should outweigh the risk of jeopardising an existing successful business and well established business currently operating from the Prince of Wales Market. Alternatively, if any Cannock Indoor Market Traders were prepared to relocate to the Prince of Wales Market in its existing form there are a small number of currently vacant stalls within the Prince of Wales Market and therefore a limited opportunity for some existing Cannock Indoor Market Traders to relocate to the Prince of Wales Market.
- 6.12 Officers have looked into the potential option put forward by market traders (see Confidential Appendix 3) asking that the Council runs a smaller market in one of the empty shops in the town centre. Whilst there are vacant units currently available for this purpose, none are within the ownership of the Council therefore there would be a cost to the Council in taking on a lease for a unit and fit out costs to enable the unit to be run as an indoor market. Officers do not consider that the operation of a smaller indoor market will be financially viable and this option would not provide a long term sustainable solution. Therefore it is recommended that this option is not taken forward.
- 6.13 The current Street Market is popular and there is the potential to build on the recent Tuesday trial, to establish a regular Tuesday and Friday market offering. The consultation has identified that there is support for a twice weekly Street market offer from shoppers who do not visit the Indoor Market. The current street market contract is due to be re-tendered by the Council during 2020. There is the opportunity to include a requirement to operate a Tuesday street market in addition to a Friday street market in the new contract specification; and subject to a competitive procurement process, this new contract would come into force mid-November 2020. It is considered that the operation of a twice weekly Street market is the most sustainable and financially viable option for a market operation in Cannock Town Centre going forward.
- 6.14 It is proposed therefore that Cannock Indoor Market Hall is scheduled for closure in November 2020, thereby avoiding a period during which there would be no market operating in Cannock town centre on a Tuesday (the charter market day).
- 6.15 Any decision to close the indoor market would require all necessary legal notices to be issued in order to achieve vacant possession of the asset by a target date of November 2020. By vacating the premises by this date gives the Council the

opportunity to include the indoor market hall in the footprint of a re-development scheme but comes with risks associated with security and mothballing the property and securing an operator to run a Tuesday and Friday street market, via a competitive procurement process.

- 6.16 Furthermore, closing the indoor market hall and ceasing the indoor market would result in implications for Council Markets staff as the street market is operated by an external operator. The implications are set out in Confidential Appendix 3.
- 6.17 In summary, Officers are recommending to Cabinet that steps should be taken to close the Indoor Market Hall and establish a Tuesday Street Market, as this is the most viable and sustainable option to secure a market offering in Cannock Town Centre. It also enables the Council to include the Indoor Market Hall in the footprint of a potential re-development scheme and provide certainty to any developer that vacant possession is secured.
- 6.18 Members are asked to note that Cannock Indoor Market Traders will be offered assistance by officers to explore the alternative options available to them such as relocation to the Prince of Wales Market in its existing form; a stall on Cannock Street Market or relocation of their business to Rugeley and the Council owned Indoor Market Hall there.

7 Implications

7.1 Financial

7.2 In 2018/19 the Stall Income achieved was £146,310 against a budget of £172,000 giving a shortfall of £25,690. There was a net loss of £52,050 in 2018-19 compared to a budgeted net loss of £24,720 for controllable costs/income. A shortfall in income has been evidenced year on year since 2015/16. The number of occupied trading stalls is 16 and vacant stalls is 41.

The budgeted controllable cost of operating the Indoor Market for 2020-21 is summarised below:

Cost		2020-21 £
Staffing – trs 0409	99,040	
Premises Related	93,540	
Supplies & Services	49,380	
Total Expenditure		241,960
Less Rents	-120,000	
Less Other Income	-2,400	
Total Income		-122,400
Net Expenditure		119,560

7.3 The costs associated with the Consultation Exercise have been contained within existing budgets.

- 7.4 Once the consultation exercise had been completed and the results considered the Head of Economic Prosperity has recommended that the Council closes the existing Cannock Indoor Market Hall during November 2020 and proceeds with the increased Street Markets option for future Markets delivery.
- 7.5 The Street Market held on Fridays currently generates a rental of £10,000 per annum for the Council, with the only costs being staff time. No information as to the revised level of income has been obtained should the Council add an additional street market on Tuesdays. When the current provider trialed operating a Street Market on Tuesdays it was less popular than Fridays, therefore an estimated additional £5k of income has therefore been included.
- 7.6 As referred to in para 6.3, *“when the street market contract is re-tendered by the Council during 2020 the requirement to operate a Tuesday street market in addition to a Friday street market will be included in the new contract specification”*; at this point in time the revised level of income will be known.
- 7.7 As referred to in para 6.11, the Head of Economic Prosperity does not consider the option to relocate the occupants of Cannock Indoor Market (CIM) into the Prince of Wales Market (PWM), at an estimated £100k, a viable alternative option. There would also be additional ongoing costs for the PWM such as power, heating and security etc., none of these have as yet been quantified. Furthermore, the Head of Economic Prosperity does not consider relocating traders into a vacant retail unit to be financially viable, even if the offering is on a smaller scale.
- 7.8 As referred to in para 6.13, the closure of Cannock Indoor Market would result in considerable residual costs for the Council until the Market is redeveloped i.e. Rates, electricity, security, and Mothballing Costs. These are currently being costed.
- 7.9 As referred to in para 6.14, the closure of Cannock Indoor Market would result in implications for Council Markets staff as the street market is operated by an external operator. The estimated cost of redundancies is £21,160 and actuarial strain is £11,550; there will also be a reduction in the management responsibilities of the remaining post, however the post will be protected at the current level of £26,317 until 3 years after closure.
- 7.10 An estimate of the net financial position for 2020-21 to 2022-23 as a result of closing the Indoor Market and increasing the Street Market Provision is attached on Appendix 3. It is not known at what point the closed market will be redeveloped – the figures assume that this is after 2022-23. The estimated savings to the Council once the site has been redeveloped is also detailed on Appendix 3 and is based on 2022-23 budgets increased by inflation. A summary of the estimated figures is shown in the Table below:

Estimated Position Re Closure Of Cannock Indoor Market & Increase In Street market Provision	2020-21 £	2021-22 £	2022-23 £	Est Savings Post Redevelopment £
Redundancy - Est Costs	21,160	0	0	0
Actuarial Strain - Est Costs	11,550	0	0	0
Est Reduction In Costs Recharged From Markets Staffing - 0409	-32,780	-85,320	-87,780	-88,680
Est Increase In Costs / Reduction In Income Until Indoor Market Redeveloped - 0410	24,300	71,510	71,030	-25,030
Est Additional Income From Street Market	-5,000	-5,000	-5,000	-5,000
Estimated Net Cost / (Savings)	19,230	-18,810	-21,750	-118,710

These figures are currently being reviewed and the costs of Mothballing established and will be available shortly as the majority of the figures are indicative of potential savings / costs that could arise. In accordance with the draft revenue budget report any variations in mothballing costs will be met from the budget support reserve.

7.11 Should Members agree with the recommendation to close Cannock Indoor Market and proceed with an increased Street Market Provision, a further report should be submitted to Members once the costs/income figures have been established / clarified by the Head of Economic Prosperity.

7.12 **Legal**

The Council has legal obligations in relation to holding a market in CTC and Counsel advice has been sought on this matter – please refer to **CONFIDENTIAL APPENDIX 3**.

7.13 **Human Resources**

Please refer to **CONFIDENTIAL APPENDIX 3**.

7.14 **Section 17 (Crime Prevention)**

None.

7.15 **Human Rights Act**

None.

7.16 Data Protection

The **CONFIDENTIAL APPENDIX 3** contains information that could identify an individual and therefore is not published.

7.17 Risk Management

The carrying out of a Consultation Exercise could result in a financial risk for the authority which is not quantifiable. Please refer to **CONFIDENTIAL APPENDIX 3**.

7.18 Equality & Diversity

None.

7.19 Best Value

None.

8 Appendices to the Report

Appendix 1: Market Stall Holder Consultation Letter

Appendix 2: Public Consultation Survey

Appendix 3 (Exempt): Confidential

Previous Consideration

Cannock Indoor Market Consultation	Cabinet	19 September 2019
Cannock Town Centre Development Prospectus	Cabinet	11 July 2019
Cannock & Rugeley Town Centre Redevelopment	Cabinet	18 April 2019
Briefing Note of Working Group to Review Cannock Street Market	Promoting Prosperity Scrutiny Committee	13 March 2019
Cannock Indoor Market Hall	Cabinet	14 December 2017
Cannock Town Centre Redevelopment – Markets	Cabinet	18 September 2008

Background Papers

None.

Dear XXXXXX,

Cannock Town Centre Indoor Market Public Consultation.

The Council is writing to all indoor Market stall holders about *potential* changes to future delivery arrangements for the operation of a market in Cannock Town Centre.

The Council recognises that the indoor market in particular isn't operating successfully and hasn't been for some time now. This is despite efforts to address both its trading format (number of days) and its appearance (investment in improving the market entrance). The indoor market hall building is becoming expensive to maintain and is reaching the end of its economic life.

The Council needs to consider the long term future of the building in the context of any future redevelopment proposals for Cannock, given its connection to the currently closed Multi – Storey Car Park which is also in Council ownership.

We are keen to maintain a Market offer especially given its history in Cannock Town Centre but the format potentially needs to change to make it successful and this is the basis of the consultation.

Please indicate below whether or not you would be interested in continuing to trade if the market was operated on any of the following basis. (Please circle any that would be of interest).

- A Underneath the Prince of Wales Theatre in a reconfigured space (operating on [Tuesday, Friday and Saturday] (and to stop holding an indoor market on Thursday).
- B Street Markets (operating on Tuesdays and Fridays potentially in Littleton Square, but not on Thursdays and Saturdays).
- C Any change to current arrangements would result in you deciding to no longer trade in Cannock.

Do you have any other suggestions for future market provision in Cannock Town Centre?

If so please state below.

Would you be interested if there was another commercial operator able to offer you accommodation, not Council owned but on similar terms, except you would need to trade 6 days per week?

Yes No

If you have any queries, please do not hesitate to contact me on 01543 464490.

This consultation will run from 3rd October to 31st October

Any views expressed after this date may not be taken into consideration.

The Council will report back to Cabinet the outcome of this Consultation exercise. If you would like to be kept informed of the outcome to this process then please provide contact information below:

Name: _____

Business Name: _____

Email: _____

Telephone: _____

Please return this survey in the pre-paid envelope provided or ensure its return to :

Economic Development Service
Cannock Chase Council
Beecroft Road
WS11 1BG.

Closing date 31st October 2019

SAMPLE

At Cannock Chase Council we take your privacy seriously and we are the data controller. We will only use your personal information to communicate with you directly on a specific issue or project (this includes any administration in connection with any meetings or discussions held) and only where you have agreed for us to do so. We will not share your details without prior consent being sort to any third parties. You can find more information about how we handle your personal information by visiting www.cannockchasedc.gov.uk/privacynotices

Appendix 2

The Council are conducting this survey with members of the public who maybe potentially affected by changes to future market facilities in Cannock Town Centre.

The Council recognises that the indoor market in particular isn't operating successfully and hasn't been for some time now. This is despite efforts to address both its trading format (number of days) and its appearance (investment in improving the market entrance). The indoor market hall building is becoming expensive to maintain and is reaching the end of its economic life.

The Council needs to consider the long term future of the building in the context of any future redevelopment proposals for Cannock, given its connection to the currently closed Multi – Storey Car Park which is also in Council ownership.

We are keen to maintain a Market offer especially given its history in Cannock Town Centre but the format potentially needs to change to make it successful and this is the basis of the consultation.

Do you use Cannock indoor market?

Yes No

If not, why not?

How do you think the future market provision should be delivered? (Please circle)

- A Street Markets (operating on Tuesdays and Fridays potentially in Littleton Square) but not on Thursdays and Saturdays.
- B Underneath the Prince of Wales Theatre in a reconfigured space operating on [Tuesday, Friday and Saturday and to stop holding a market on Thursday]
- C Any change to current arrangements would result in you no longer shopping at Cannock market.

Do you have any other suggestions for future market provision in Cannock Town Centre?

If so please state below.

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