

## REPORT TO EMERGENCY COMMITTEE

24 June 2020

<b>Subject:</b>	<b>Re-introduction of market stall fees in post-coronavirus recovery period</b>
<b>Director:</b>	<b>Interim Director – Regeneration and Growth Tammy Stokes</b>
<b>Contribution towards Vision 2030:</b>	 
<b>Contact Officer(s):</b>	David Harris Service Manager Strategic Assets and Land Gerry Ritchie Markets & Town Centres Group Manager

### **DECISION RECOMMENDATIONS**

1. That the Committee authorise the re-introduction of markets stall fees from 1 July on all markets at full rate except for the indoor market which will receive a 50% discount for the month of July and will then return to full fees from 1 August 2020.
2. That indoor market traders that are prevented from trading due to Government guidance on shielding or vulnerable groups are eligible for a 100% discount in their market fees to be reviewed on a monthly basis by the Director of Public Health and the Interim Director Regeneration Growth.
3. That the Director of Public Health and the Interim Director Regeneration and Growth in consultation with the Cabinet Member for Inclusive Economy be authorised to re-commence charging full market fees to indoor market stallholders.

## **1 PURPOSE OF THE REPORT**

- 1.1 Approval was given by the Emergency Committee on 22 April 2020 to cease charging rent to market traders for the period 23 March 2020 onwards, to be reviewed on a monthly basis by the Interim Director - Regeneration and Growth and the Section 151 Officer and the decision to reinstate charges to be reported back to the Emergency Committee.
- 1.2 The Reset and Recovery Board authorised on 11 June 2020 that the Council's markets could start to reopen in a phased manner from 22 June 2020.
- 1.3 The purpose of the report is to seek authorisation to start charging stall fees for market traders once the markets re-open.
- 1.4 The Markets Service has developed a comprehensive risk management strategy, with the assistance of the Council's Public Health and Health & Safety services, to mitigate risks from infection by coronavirus when markets re-open and this includes money handling procedures.
- 1.5 The Markets Service intends to introduce a contactless card system for receiving market stall fees, but this will not be operational until 1<sup>st</sup> July 2020.

## **2 BACKGROUND AND MAIN CONSIDERATIONS**

- 2.1 Non-essential retail, including indoor and outdoor market stalls selling goods that are not on the Government approved list, has been banned from operating under the Government coronavirus restrictions. This ban has now been lifted to allow outdoor markets to fully re-open on 1<sup>st</sup> June 2020 and other non-essential retail, including indoor markets, to re-open on 15<sup>th</sup> June 2020.
- 2.2 Government has provided some financial assistance for retailers during the period when they have not been able to trade, but many market traders, particularly on the outdoor markets, have not been eligible to receive this support. Therefore, a decision was taken by the Emergency Committee to waive fees for market traders from 23 March 2020 on all Council markets to help support them during the non-trading period.
- 2.3 The Markets Service is an income generating business unit which derives most of its revenue from market stall fees, as indicated in section 6. Continuing to waive stall fees will have a negative impact on the Service budget targets.

- 2.4 Outdoor market traders are charged on a daily basis only being charged when they use the market facility. Therefore, they have the flexibility to avoid paying market rents by simply not trading.
- 2.5 Indoor market traders are invoiced monthly regardless of whether they open their stalls. This reflects the semi-permanent nature of the indoor markets. Due to this charging structure, it is considered appropriate to put in place a mechanism to support those traders who cannot trade due to government guidelines of shielding. The 50% discount for the month of July for those traders who do open their indoor market stalls reflects the potential for fewer customers to access the indoor market due to the risk mitigation actions that the service needs to implement to achieve social distancing.
- 2.6 It is anticipated that there will be a delay in the return of market customers, so that market traders' income will take some time to return to pre-coronavirus levels and will be initially reduced.
- 2.7 Some market traders may not feel confident to return to trading immediately, either because they are in a vulnerable group due to having underlying health conditions or their age or live with someone who is in a vulnerable group.

### **3 THE CURRENT POSITION**

- 3.1 All Council markets are closed for trading except for those traders selling essential goods as specified under Government guidance.
- 3.2 All Council markets are planned to fully-reopen from 22 June 2020 in a phased manner with the last market re-opening on the 30<sup>th</sup> June.
- 3.3 All market stall fees were waived on the 23 March 2020 to provide financial assistance to market traders who could not earn their living due to the markets being closed.

### **4 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)**

- 4.1 Colleagues in Public Health and Health & Safety services have been consulted on all relevant coronavirus risks and suitable risk mitigations have been implemented.
- 4.2 Colleagues in Finance, IT and Audit services have been consulted on implementing a contactless card payment system to minimise the risk of collecting market stall fees.

## **5 ALTERNATIVE OPTIONS**

The Council could continue to waive market stall fees, but this would continue to have a negative impact on the Service's budget and would act as a disincentive for some market traders to return to trading.

## **6 STRATEGIC RESOURCE IMPLICATIONS**

- 6.1 The rental income budget set for Markets and Street Trading in 2020/21 is £89,000 per month. During the Coronavirus pandemic, the indoor markets were closed, and the outdoor market only allowed the trading of 'essential' goods. As set out above, it is now proposed to open the markets in a phased format between the 22 July 2020 and 30 June 2020. The proposal to reintroduce the fees will enable the council to collect fees to help meet the costs of managing the service. It should be noted however that the level of income is not expected to return immediately as some traders may chose not to return to trading at this point.
- 6.2 The proposal to provide a 50% discount to indoor market traders would reduce income by £22,000 for the month of July (assuming 100% occupancy of stalls). The number of indoor market traders that will fall within the 'vulnerable' bracket is unknown. There are 45 occupied market stalls within the indoor market. If 20% of these were occupied by people in vulnerable groups, the loss of income would be circa £4,850 for the month of July 2020 and then £9,700 per month after 1 August 2020.

## **7 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 7.1 Market operators and local authorities have the legal right to set and adjust stall fees for markets at their discretion.

## **8 EQUALITY IMPACT ASSESSMENT**

- 8.1 The re-introduction of market stall fees for market traders that do not feel able to return to the market to trade due to being classed as vulnerable, as defined in Government guidelines, or living with someone who is classed as vulnerable may raise an equality issue.

## **9 DATA PROTECTION IMPACT ASSESSMENT**

There are no data protection implications of the proposals

## **10 CRIME AND DISORDER AND RISK ASSESSMENT**

There are no crime and disorder implications of the proposals

## **11 SUSTAINABILITY OF PROPOSALS**

11.1 The proposals will support the economic sustainability of the Markets Service by enabling the generation of revenue and so reduce the negative impact of lost income.

11.2 The proposal will support the economic sustainability of market traders by facilitating a phased return to full rents that will help offset the likely delay in the return of customers.

## **12 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)**

The proposals will support the health and wellbeing of market traders who will be able to return to earning their livelihood by their own means.

## **13 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND**

The ability to enable the service to start generating income again will assist the Council in protecting the asset value of the indoor market.

## **14 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

14.1 The lifting of coronavirus related restrictions on retail by Government means that Council markets can fully re-open from 15<sup>th</sup> June and the Markets Service is planning to reopen all its markets in a phased manner from 22 June to the 30 June 2020.

14.2 The majority of market traders have been unable to derive their livelihood from market trading whilst the markets have been closed and to reduce the negative financial impact on the approximately 100 small family businesses that this comprises, the Council waived all market fees from 23 March 2020.

14.3 The waiving of market stall fees is having a negative financial effect on the budget of the Market Service which has an income budget set for £89,000 per month.

- 14.4 Whilst it is desirable, from a service budget viewpoint, to re-introduce market stall fees as soon as possible, it is likely that market trading will be depressed for a while and, consequently, market traders' income will be lower than normal as customer confidence slowly returns.
- 14.5 The Service has developed a comprehensive risk management strategy to enable the re-opening of markets to be as safe as possible for staff, traders and customers but there may be some traders that are reluctant to return to trading immediately if they consider themselves to be classed as vulnerable, as defined by Government guidelines, or live with someone that is vulnerable. Therefore, the reintroduction of stall fees for those traders may raise issues around equality and discrimination.

## 15 **BACKGROUND PAPERS**

Report to Emergency Committee on 22 April 2020: Decision to not pursue rent arrears on the Council's commercial portfolio for the March to June 2020 quarter.