



Lichfield City Council

Donegal House, Bore Street, Lichfield, Staffordshire, WS13 6LU

Tel: (01543) 250011 Fax: (01543) 258441 e-mail: townclerk@lichfield.gov.uk

Town Clerk: Anthony Briggs

25 September 2020

To: Members of the Markets Working Group

Councillors J Checkland (Chairman) and P McDermott, D Robertson, J Smith, C Spruce and M Warfield.

Also to:

LCC Markets Officer (Jordan Appleyard)
LCC Deputy Town Clerk (Sarah Thomas)
LCC Civic Officer (Lucy Clarke)

Dear Councillor

Markets Working Group

You are invited to attend a meeting of the Markets Working Group to be held via 'Zoom' at **10:00am on Friday 2 October 2020** for the transaction of the following business. Any Councillor unable to attend should forward their apologies to the Town Clerk.

A link enabling members to join the meeting will be circulated separately. Any member of the public wishing to view the meeting should contact the Town Clerk (tony.briggs@lichfield.gov.uk) and the link and password will be provided by return.

Yours sincerely

Tony Briggs
Town Clerk

AGENDA

1 APOLOGIES FOR ABSENCE

2 DECLARATIONS OF INTEREST AND REQUESTS FOR DISPENSATION

3 MINUTES AND MATTERS ARISING

To confirm as a correct record the Minutes of the MWG meeting held on 17 July 2020 (copy attached) [*Minutes adopted by Council on 28 July 2020*] and to consider any matters arising from those Minutes.

4 REVIEW OF MARKET RENT INCENTIVES

To consider the Town Clerk's report at **APPENDIX 1**.

RECOMMENDED:

- 1. Having regard to the traditional January/February 25% reduction in pitch fees across all markets, the Markets Working Group to Confirm:**

Saturday Market:

- The status of the existing 25% fee discount for the Saturday Market following the Market of Saturday 10 October 2020**
- A review date for any extension/variation of the incentive**

Tuesday and Friday Markets:

- The status of the existing 50% fee discount for the Tuesday and Friday markets following the markets of Tuesday 6 October and Friday 9 October 2020**
- A review date for any extension/variation of the incentive**

- 2. To make policy decisions regarding other incentives:**

- Trader arrears, notably the status of the '72 hour notice' policy and the draft policy amendment at Appendix 1, point 5.**
- Any other incentives/actions to be confirmed by the MWG.**

- 3. To discuss whether LCC owned Market stalls should be reintroduced for the Friday/Saturday markets during the remainder of 2020.**

5 DATE AND TIME OF NEXT MEETING

To be decided by the Working Group, with regard to:

- any dates for review as resolved following consideration of agenda item 4 above**
- the scheduled review of the Producer's Market following it's December event (scheduled for 6 December) and the timescale for providing a recommendation to council on the future of the relationship with CJ Events thereafter (Council scheduled for 25 January 2021).**

ANY OTHER BUSINESS AT THE DISCRETION OF THE CHAIRMAN.

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Lichfield City Council

Minutes of the Meeting of the Markets Working Group (MWG) held via 'Zoom' on Friday 17 July 2020 at 10:00am

PRESENT: Councillors J Checkland (Chairman) P McDermott, D Robertson, J Smith, C Spruce and M Warfield.

IN ATTENDANCE: J Appleyard (LCC Markets Officer), L Clarke (Civic Officer), S Thomas (Deputy Town Clerk), A Briggs (Town Clerk)

APOLOGIES: None

1. DECLARATIONS OF INTEREST AND REQUESTS FOR DISPENSATION

None

2. MINUTES OF PREVIOUS MEETING

RESOLVED: *The Minutes of the MWG meeting held on 17 December 2019 be confirmed as a correct record [Minutes adopted by Council on 27 January 2020]*

3. MATTERS ARISING FROM MINUTES

None

4. PRODUCER'S MARKET REVIEW

The Working Group noted that due to the COVID-19 pandemic, the Producer's Market had only taken place on one occasion prior to the scheduled review date of June 2020. It had been suggested that a review take place after the November Market, but Cllr D Robertson suggested a review following the December Market would be more appropriate and this was agreed by the Working Group.

RESOLVED: *The Markets Working Group to review the partnership with CJ Events following the December 2020 Producer's Market and to make recommendations to Council regarding future arrangements as soon as possible thereafter.*

5. REVIEW OF MARKET RENT INCENTIVES

The Working Group reviewed the incentives as resolved at Council at its meeting on 11 June (Minute 24). Particular attention was paid to the 50% reduction in prevailing pitch hire rates - based on the Tuesday market model as currently adopted - having regard to the benefits of the incentive to Traders, the impact of the incentive on the public purse and the relative strength of each market.

Members also considered the notice period required for Traders to advise the Council of their non-attendance in order to avoid incurring arrears as resolved at Council; the 24 hour period as resolved made it difficult for the Markets Officer to arrange casual cover for the vacant stall, causing a potential loss of income to the Council and to casual traders who may have been able to stand if they had received more notice of pitch availability. It was agreed that this timescale should be amended.

It was agreed that an evidence base to evaluate the proposed changes would be useful, and also that measures should be incorporated to allow the MWG to vary the terms of its resolution if a detrimental effect on the market/s was observed.

The Town Clerk confirmed an item on the July Council agenda could lead to the amalgamation of the September and October meetings of the City Council. If this were to

proceed, the delegated authority of the MWG would expire prior to the matter being discussed again at full council as had originally been planned. The MWG concluded that a request to extend the delegated authority as granted by council would therefore be appropriate. Moreover, the advantage of continued delegated authority, which would allow the council to respond to changing circumstances more quickly, was agreed by all members.

RESOLVED (under delegated authority):

a) The current 50% reduction in pitch fees as applied to the Saturday market cease and be replaced with a reduction of 25% to take effect from (and including) the market on Saturday 15 August until (and including) the Market of Saturday 12 September. This change to be reviewed by the MWG and, if deemed necessary by the MWG, varied as soon as practicable if a detrimental impact on the Saturday market is noted.

b) The current 50% reduction in pitch fees to remain in place for the Tuesday and Friday markets for the current period of delegated authority

c) With reference to the recommendation at Minute 24(d) of the Council meeting of 11 June 2020, the wording be amended with immediate effect to:

'No arrears to be charged to stall holders who are self-isolating, or those who confirm in good time that they will not attend. Arrears will be charged when a Trader does not attend on their usual or allocated trading day(s) and has not provided at least 72 hours' notice to the City Council (unless they are self-isolating or shielding). Any Trader who is self-isolating must advise the City Council at the earliest opportunity and will not be allowed to return to the Market for a period of time in line with prevailing Government guidelines for self-isolation (currently 14 days).'

RECOMMENDATION TO COUNCIL

That the delegated authority of the MWG as resolved at Council on 11 June 2020 be extended to allow decisions as to prevailing pitch fees etc to be made outside of the potentially restrictive timescales for full council meetings. Delegated authority to be in place until 31 March 2021 or upon resolution of the Council, whichever is the sooner. In the event that this recommendation is adopted, the resolutions at Minute 5 above to be extended to 12 October 2020 [that date being nine days after the next scheduled meeting of the MWG and would allow time for communication with Traders as to any changes in incentives agreed at that meeting]

6. DATE AND TIME OF NEXT MEETING

10.00am on Friday 2 October 2020

7. ANY OTHER BUSINESS

The Chairman highlighted a recent email from a Trader stating that some Traders are leaving the Square early. The Markets Officer confirmed that he undertakes spot checks on this longstanding matter and has not observed such behaviour recently.

Cllr C Spruce stated he had been very impressed with the Producer's Market and requested further information as to the advertising that is undertaken by LCC following his discussions with CJ Events representatives. The Deputy Town Clerk confirmed that considerable social media advertising is undertaken and that the City Council had also advertised the market in the July and August issues of the Lichfield Advertiser and its sister publications that are distributed in surrounding towns and villages. The Markets Officer confirmed that the Farmers' Market poster on the Square had also been removed.

THERE BEING NO FURTHER BUSINESS

THE CHAIRMAN DECLARED THE MEETING CLOSED AT 10.42am

MARKETS WORKING GROUP 2 OCTOBER 2020 – APPENDIX 1

REVIEW OF MARKET RENT INCENTIVES

At its meeting of 22 July 2020, the City Council adopted all decisions and recommendations of the MWG, to include the extension of delegated authority to introduce/vary/end incentives to traders until 31 March 2021. As a result, the following is currently in place:

Saturday Market

Pitch fees charged at 75% of prevailing rate from Saturday 15 August and scheduled to end following the Market of Saturday 10 October 2020. The discounted rate being 50% prior to Saturday 15 August.

Tuesday and Friday Markets

A 50% reduction in pitch fees in place for the Tuesday and Friday markets until and including the Friday Market of 9 October 2020.

Arrears Policy

No arrears to be charged to stall holders who are self-isolating, or those who confirm in good time that they will not attend. Arrears will be charged when a Trader does not attend on their usual or allocated trading day(s) and has not provided at least 72 hours' notice to the City Council (unless they are self-isolating or shielding). Any Trader who is self-isolating must advise the City Council at the earliest opportunity and will not be allowed to return to the Market for a period of time in line with prevailing Government guidelines for self-isolation (currently 14 days).

The MWG is now asked to review the incentives and decide on next steps, utilising the delegated authority agreed by Council in July.

It is requested that any variation to the existing incentives does not come into force prior to **week commencing 12 October 2020** in order that such changes can be effectively communicated to traders in good time, and any administrative preparations made. A summary follows to assist the MWG in their deliberations.

1. Trading Conditions

Traders continue to report that footfall is down, but anecdotally the City Centre has seemed very busy, notably during late summer. Evidence from other sources such as LDC's Lichfield Place Board appears to suggest that while footfall is around 70-80% of 'normal' levels, visitors into the City are less likely to purchase and more likely to simply enjoy the open areas of the City, notably parks and other open spaces.

The relatively quiet late Autumn period prior to any uplift for Christmas may have a further effect on trade; traders would no doubt point to this if pitch fees were to return to normal and would seek an extension in incentives to support them towards the Christmas period. There then follows the difficult trading months of January and February, during these months there is a longstanding 'reduced rent' concession of 25% applied to pitch fees across all three markets. With that in mind, the MWG may wish to apply any further incentives until 31 December 2020, with the longstanding January/February incentive then taking effect.

A rota remains in place for Saturday markets; following discussions with the MWG it was agreed that all traders apart from fresh produce would be included. Some traders are unhappy with the rota, but the Market Square is a finite size and can only support so many traders and maintain the social distancing requirements that allow the market to remain open. While some traders have complained about the system, none have put forward any viable alternative. Other traders have been extremely cooperative and appreciative of the effort that the Council has made to accommodate them.

2. LCC's Financial Position

The four-month financial summary was reported to council at its meeting of 22 September 2020. This summary indicates that the market function will *carry a cost to the Council of around £73,000* during 2020/21, against a (pre-COVID) budget of a £9,000 surplus. This is an overall variation of £82,000, or approximately 10% of the precept and places significant pressure on LCC budgets. It is also noteworthy that until a few years ago, the market would regularly generate a surplus for the City Council in the region of £30,000 - £40,000 per year.

As discussed previously, the reduction in capacity on the Square – and resulting loss of rental income - is beyond LCC's control, however the existing incentives put in place by the MWG and Council do have a considerable impact on income.

The anticipated year end variance figures within the four-month summary are based on actual figures from April – July (which include the lockdown period) and an assumption that social distancing measures and existing rental incentives – either those put in place by the MWG or the longstanding January/February 25% reduction mentioned above - will remain in place until the end of the financial year. Operating cost savings were also factored into calculations to provide a representative figure. If the MWG varies the incentives, the figures will be subject to potentially significant change as demonstrated in the table below which compares current income to projected income if discounts were removed.

Market Day	Average Income at Current Fee Levels £	Average Income if 100% Rate Charged £
Tuesday	275	507
Friday	275	410
Saturday	458	548
TOTAL PER WEEK	£1,008	£1,465

N.B. 50%/25% discounts apply to stall fees only, not to additional area charges, service charge, parking charges etc, hence the figures above do not reflect the percentage difference between current fee discounts and normal rates. The relaxation in the arrears policy has also had a negative impact on income, discussed further at point 5 below.

The overall COVID related losses to the Council are forecast to be lower than some original estimates, due largely to reduced event costs and other budgetary savings, however the loss remains significant and unsustainable in the long term. The Council holds healthy revenue reserves of around £700,000 currently, but the health of those reserves relies on a significant recovery during 2021/22, a recovery that is perhaps far from certain. These reserves should not be confused with the large *capital* reserve held by the council; while revenue funds can be utilised for capital spend, the opposite does not apply.

3. Market Stall Provision & Other Costs

There is currently only one skip 'lift' per week, rather than the usual two that would operate under full market conditions. This has caused some friction, with traders leaving waste next to the skip in direct violation of their licence and the reasonable instructions of the Markets Officer. Such behaviour also creates a fire hazard. The waste was all placed in the skip by the City Council's Market Square operative, demonstrating that the skip was not full as Traders had claimed. The reduction to one lift reduces costs by approximately £70/week.

The contract with All-Fit, who erect the City Council owned Market Stalls, allows them to levy charges on the Council when stalls are not required; these include ongoing storage costs, and provision for a 'retainer' fee if markets are *cancelled* for a whole week. The storage costs are not arguable, and would total around £3,500 per annum, the only invoice received to date is for costs associated with storage in August. The retainer fee charges are perhaps arguable, the wording of the contract stating that such fees are payable when markets are cancelled, but the markets are still taking place, potentially making this clause void. If the retainer fee costs *are* payable they would amount to approximately £4,500 per annum; no invoice has yet been received. An assumption that the invoices will be received and paid is included within the headline figures discussed in the 'LCC's Financial Position' section above.

It was originally decided that stalls would not be provided due to the possibility of COVID-19 transmission as a result of the stalls being handled by third parties and left unattended on the Square overnight between Friday and Saturday. It would also be far more difficult to enforce any social distancing when using LCC owned stalls as by their nature they are fixed to each other with no space in between. In addition, this 'fixed' nature makes varying the layout on the Square to maximise capacity within government/local guidelines all but impossible. From a Trader perspective, providing their own stalls results in reduced pitch fees charged by the Council in line with the Tuesday market model. Traders appear to have accepted the need to provide their own stalls and in the main are happy to do so.

The contract with All-Fit comes to an end in November 2021, though there is an option to extend for a further three years. It is proposed that a report is taken to Council in March or April 2021 to ascertain whether the Council wishes to extend the contract, vary it or give notice of a wish to terminate on the expiry date.

In the meantime, the contractor would understandably appreciate some degree of surety as to whether the stalls will be required in the short to medium term, and the MWG is therefore asked to discuss this further. It is recommended that if the decision is to maintain the status quo, the MWG confirm this to be the case for the remainder of 2020 and that a review be scheduled for the next MWG meeting; officers can then inform All-Fit accordingly.

4. Trader Comments Received

There have been some negative comments from a vocal minority of Traders, notably in regard to the Saturday rota and its perceived unfairness. Changes made to the rota in consultation with the MWG to include more traders and to sort the rota list alphabetically generated further negative comments. No viable alternative has been proposed.

There have also been representations made by traders to individual members of the council (such submissions being at least somewhat inaccurate), and comments submitted to the Town Clerk with a clear inference that the City Council, its members and its officers do not perhaps know what they are doing in regard to the running of the market and the traders should have a

greater say in the decisions that affect it. Questions as to the appropriate retail experience of officers and MWG members have been raised, seemingly without consideration of the fact that what is being considered is more than simply a question of retail but relates to appropriate implementation of guidance and regulations as well as regard for the public purse and public safety. In such submissions, trader comments appear to have little appreciation for the overarching guidance and requirements that the Market is currently working to in consultation with LDC, notably in regard to the one-way system and social distancing measures. I would not wish for LCC to contravene this guidance knowingly, particularly as the consequences could include sanction against LCC - including the closure of the market.

I would be very concerned about increased trader influence in decisions relating to the market as most of those decisions carry with them a financial implication to the public purse and it is for the City Council, or its appropriately delegated – and accountable - Committees and Officers to make such decisions, without an increased voice or influence from those who would likely have a clear conflict of interest. Based on representations made to date, it would also appear that some traders only become concerned about a particular policy or decision when they believe it has a detrimental impact upon them personally; the council must take a holistic view of the markets function and this will likely lead to individual traders feeling they are being unfairly treated even when this is not the case.

At its most basic level, traders pay to the council a sum of money to rent a space on LCC land from which they can sell their goods; some traders believe their influence should extend far beyond this and into the realms of policy and decision making, but that is a matter for Council.

5. Arrears Policy

The current relaxed arrears policy was introduced to ensure Traders did not accrue arrears when not attending the market as a result of self-isolating or issues with stock supply. It could be argued that this generosity has been abused somewhat, with many traders giving the required 72 hours' notice to coincide with forecast poor weather or Bank Holiday weekends. There were also two traders who cited the need for a COVID test as a reason for not attending the market on 29 August (bank holiday weekend). Both traders were in attendance at the market of 28 August and made no mention of the upcoming test. Both traders returned to the market on 1 September after receiving negative results but appeared to have the view that the COVID test would release them from any arrears.

With supply chains returning to pre-COVID efficiency it is now perhaps appropriate to revise the arrears policy, but with an eye on the potential for further lockdown measures in the future. **A reinstatement of the previous policy, with exceptions, is recommended.** Draft wording is provided below for consideration:

'A trader must advise the City Council at the earliest opportunity when any of the following applies:

- ***symptoms of COVID-19 are displayed***
- ***required to self-isolate as a result of potential exposure to COVID-19***
- ***contacted by NHS Track and Trace***

Any Trader so affected will not accrue arrears for related absences and will not be allowed to return to the Market for a period of time in line with prevailing Government guidelines for self-isolation (currently 14 days). A copy of a negative COVID test and/or confirmation of NHS Track and Trace contact may be requested prior to your return.

Those considered to be in a vulnerable category due to age or ongoing medical conditions and have been advised to shield by health professionals will also not be charged arrears for such absences. Arrears will be incurred for other absences in line with the prevailing conditions within the Trader Licence agreement.' Exemption from arrears will not be applied retrospectively.

6. Comparison to Current Local Market Practice and Incentives

Discussions with professional event companies such as CJ events, with whom the City Council has worked closely on the Producers Market, have revealed that their rents were only incentivised for a period of 8 weeks following lockdown. In addition, the introduction of card only payments across all of their markets as part of their COVID secure action plan has resulted in traders reporting a 50% increase in sales.

CJ events have been working closely with officers from Warwick Council to deliver a Covid safe market which includes maintaining social distancing measures, even though restrictions have eased. Event staff restrict numbers onto the market square and as a result they report that public confidence has returned, and footfall has increased. It is notable that all these measures have been implemented with the cooperation of traders with very little if any criticism received, whereas the less stringent measures put in place by LCC in consultation with LDC have received considerable criticism from a minority of vocal traders.

Officers have been liaising with other local markets regarding their operating methods during the current pandemic. **The information gathered is presented in the table overleaf** and provides a useful comparison against Lichfield markets. From the data gathered it is apparent that Lichfield is the only local market not providing stalls for traders and also the only local market offering an ongoing reduction in stall rent with no caveat attached. All markets listed in the table are outdoor.

RECOMMENDED:

- 1. Having regard to the traditional January/February 25% reduction in pitch fees across all markets, the Markets Working Group to Confirm:**

Saturday Market:

- The status of the existing 25% fee discount for the Saturday Market following the Market of Saturday 10 October 2020**
- A review date for any extension/variation of the incentive**

Tuesday and Friday Markets:

- The status of the existing 50% fee discount for the Tuesday and Friday markets following the markets of Tuesday 6 October and Friday 9 October 2020**
- A review date for any extension/variation of the incentive**

- 2. To make policy decisions regarding other incentives:**
 - Trader arrears, notably the status of the '72 hour notice' policy and the draft policy amendment at Appendix 1, point 5.**
 - Any other incentives/actions to be confirmed by the MWG.**
- 3. To discuss whether LCC owned Market stalls should be reintroduced for the Friday/Saturday markets during the remainder of 2020.**

Market Operator	Applicable Market Location/s	Incentive/s	Traders Erect Own Stalls?	Social Distancing Measures	Cleaning Schedule
Lichfield City Council	Lichfield	Tuesday/Friday market: 50% discount (since lockdown) Saturday market: 25% discount reduced from 50% for market of 15 August 2020 and thereafter	Yes	Traders spaced one metre apart. No stall sheeting between traders	Traders to clean own stalls
CJ Events	Warwick Kenilworth	50% discount for 4 weeks – new Traders only Book 4 weeks in advance receive two weeks free No arrears charged for lockdown period	No	Traders in blocks of two and then spaced one metre apart No stall sheeting between traders	Stalls disinfected after each market
LSD Promotions	Tamworth	None	No	Traders spaced two metres apart No stall sheeting between traders	Stalls cleaned after each use
Newcastle Under Lyme B.C.	Newcastle Under Lyme	6 weeks free rent following lockdown easing (expired) £1000 discretionary grant (central Government funding) No arrears for lockdown period	No	None No stall sheeting between traders	None
Sketts	Cannock Coventry university Kidderminster Redditch Rugeley Warwick University	No arrears for lockdown period Rugeley only: 50% discount for new traders for 2 weeks	No	Traders in blocks of two then spaced two metres apart, stall sheeting between traders Rugeley only: Traders spaced one metre apart, no stall sheeting	Stalls cleaned weekly at storage facilities. Rugeley only: Touch points cleaned every few hours
Walsall Council	Bloxwich Walsall Willenall	50% discount for six weeks following lockdown easing (expired)	No	None Stall sheeting between traders where possible	Traders to clean own stalls