



AGENDA ITEM: 5(k)

CABINET 12 November 2013

Report of: Assistant Director Community Services

Relevant Head of Service: Managing Director (People and Places)

Relevant Portfolio Holder: Councillor M Forshaw

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SUBJECT: ORMSKIRK MARKET

Wards affected: Borough Wide

1.0 PURPOSE OF THE REPORT

1.1 To advise Members of the representations that have been made by market traders on Ormskirk Market.

2.0 RECOMMENDATION

2.1 That rather than accede to the request from market traders to remove the additional space charges currently applied as part of the market charges, the previously agreed 5% increase in market stall charges not be implemented in 2014/15 and the financial implications at paragraph 5, be noted.

3.0 BACKGROUND

3.1 West Lancashire Borough Council operates the Ormskirk Market on a Thursday and Saturday each week in Aughton Street and Moor Street, Ormskirk.

3.2 Ormskirk Market is reasonably "healthy" at the moment although traders are complaining of reduced takings and very poor weather conditions in February, March, April and May of this year have certainly not helped the situation.

3.3 Current stall availability on a Thursday and Saturday is as follows:

	Thursday	Saturday
Stalls Available*	103	103
Stalls rented to Licensed Traders	84	81
Stalls available to rent to casuals	18	21
(Number of Licensed Traders	50	49)

*Please note there is a charity stall on each market day which therefore reduces the available stalls for rent by one.

- 3.4 Recent market charges in pounds per session for stalls from April 2003 are as follows:

Year	Licensed	Casual
April 2003	21.00	21.00
April 2004	21.50	21.50
April 2005	21.50	21.50
April 2006	23.10	23.10
April 2007	23.10	23.10
April 2008	23.10	23.10
April 2009	24.10	24.10
April 2010	24.10	26.50
April 2011	24.10	26.50
April 2012	25.30	27.80
April 2013	25.30	27.80

- 3.5 Where traders can utilise additional space in front of their stalls they can opt to use this space and pay an additional charge for its use. Currently traders pay £4.50 per stall on Aughton Street and £2.25 per stall on Moor Street with annual income from the additional space charges generating approximately £9,900 per annum. Certain traders can also access electricity supply points and pay a charge of £3.00 per session for this supply.
- 3.6 As part of the 2011/12 MSR proposals, Council agreed in October 2011, to increase market rents by 5% in April 2012, with a further 5% increase being applied in April 2014. The April 2012 increase was subsequently applied. In the intervening period market traders have complained that their takings on the market have reduced and also there have been more instances of traders being unable to trade due to bad weather.
- 3.7 Members will be aware that market traders recently held a rent strike to highlight their concerns over high charges on the market in relation to their overall reducing income. Discussions were held with the traders' Committee, and as part of the suspension of this action they requested that the Council look at some way to assist them financially in these difficult trading times.

4.0 ISSUES

- 4.1 It was recognised that trade in the retail sector has declined both regionally and nationally. Furthermore in the Portas Review, published in December 2011, the Government commissioned an investigation of ways to address the retail decline

of the High Streets. The review noted that, in the future, High Streets need to be places that will develop and sustain new and existing markets and businesses. This decline in the national retail economy has adversely affected income on Ormskirk market, which is also the case in other markets and High Street across the country.

- 4.2 In a number of meetings, representatives from the Market Traders Committee have asked for a reduction in stall rents. They have been advised that in the current economic climate Members would be unlikely to agree to any reduction in current stall rental charges as this would impact adversely on the projected budget income for the market. The Committee then asked for Members to consider the removal of the additional space charges. It was agreed that a report would be presented to Cabinet to consider how traders could be best helped financially.
- 4.3 Ormskirk Market is a Charter Market, managed by WLBC and extremely important to the vibrancy and vitality of the town centre business community. As such the Council should be supportive of the market, particularly in these difficult economic times. The two market days are by far the busiest in Ormskirk town centre, with footfall being significantly increased on both days.
- 4.4 Pattern of stall take up on the market is different on a Thursday and Saturday. Stalls on a Thursday tend to be more in demand as there is not direct competition from other outdoor local markets. Saturdays on the other hand have competition from other markets operating on the same day and we therefore struggle to fill all the stalls or attract any new traders.
- 4.5 Although the daily charge of £25.30 per stall initially does not appear to be overly expensive, some traders rent up to three stalls plus additional space on a Thursday and Saturday resulting in their annual charges totalling £9,300 which equates to £179 per week.
- 4.6 It should be noted that not all traders currently use additional space at their stalls and therefore these traders would not benefit from the removal of the additional space charges. The withdrawal, however, of the proposed increase in market stall charges from 1 April 2014 would benefit all traders on the market.

5.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 5.1 As part of the 2011 MSR proposals it was agreed to increase market stall rents by 5% as from 1 April 2014 (there was no increase in charges applied in the 2013-14 financial year) and this would net an increase of approximately £12,500 per annum.
- 5.2 The loss of income from withdrawing additional space charges on the market would be in the region of £9,900 per annum.
- 5.3 Overall combined licensed / casual trader market rent income was down in the 2012 /13 financial year by £18,350. As a result the net overall market surplus was down from the anticipated budget figure of £61,190 to £50,550. There is clearly a need, however, to keep the market stall charges at a reasonable competitive level, particularly on a Saturday.

6.0 RISK ASSESSMENT

- 6.1 Income on the market is depressed due to the current economic climate affecting market stall take up. There would appear to be a fine balance in setting market charges at an appropriate level that maintains the ongoing viability of the market, helping to secure its future.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

None