

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL
EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE
CABINET

Date 7 November 2018

1. **REPORT TITLE** Newcastle Market
- Submitted by:** Executive Director – Regeneration & Development
- Portfolio:** Deputy Leader of the Council and Portfolio Holder - Finance and Efficiency
- Ward(s) affected:** Town directly (and wider borough indirectly)

Purpose of the Report

To update Members on the current situation with the management of Newcastle market and seek a decision(s) on the preferred option for the future.

Recommendations

- a) That in the short term the Council continues to run the market on its current footing.
- b) That the Council reviews the management and operation of the market in Newcastle town centre in co-operation and consultation with local interested parties.
- c) That the views of the Economy, Environment and Place Scrutiny Committee are sought as a part of the review of the management and operation of the market in Newcastle town centre.
- d) That the Executive Director Regeneration & Development, in liaison with the Portfolio Holder, work with officers to consider the detail of the review.
- e) That the conclusion of the review is implemented at the earliest opportunity in liaison with the Portfolio Holder and other stakeholders.

Reasons

Despite extensive efforts by both parties it has not proved possible to transfer management of Newcastle market to an external operator. The Council therefore needs to consider what options are available to it to support and stabilise the market in Newcastle town centre.

1. **Background**

- 1.1 In March 2017 Cabinet resolved to seek an external operator to take on the running of the market in Newcastle town centre. Officers subsequently completed a tendering exercise and after due consideration recommended that an offer from Market Place Management Ltd be accepted. Accordingly, in October 2017 Cabinet resolved to accept that offer.
- 1.2 Since that time officers have been working with representatives from Market Place Management Ltd to come to a mutually acceptable agreement, taking account of difficult trading conditions which has resulted in further decline in the number of traders (along with

the income received by the Council). Despite extensive efforts by both parties to bring this to a resolution it has unfortunately not been possible to do so and consequently both parties have agreed that the matter will not be progressed.

2. **Issues**

2.1 The market is considered to be an integral part of the town centre offer and contributes to the overall retail experience for local people and visitors to enjoy. So in view of the above it is now necessary for the Council to consider both the short and longer term options for managing the market. It is considered likely that attempts to repeat a tender exercise would produce a further period of uncertainty for all stakeholders involved in the market.

3. **Options Considered**

3.1 As indicated above the option of seeking another partner to operate the market would not be appropriate at this stage because of the further period of uncertainty it would create. It is however appropriate to consider both the immediate and longer term options for the market.

3.2 For the immediate future, in consideration of the busy pre-Christmas trading period, it is considered most appropriate for the market operation to continue on the current basis.

3.3 In the longer term the Council needs to consider how best the market can be supported in the face of the nationally recognised challenges facing High Streets which has received extensive media coverage over recent months. The following options are available to the Council:

a) Continue to run the market on the current basis.

It is apparent that the current mode of operation for the market has been unable to stabilise its performance. If the market is to be supported and stabilised then the Council will need to consider how best it can use the resources available to it. Current working practices were established a considerable number of years ago and would benefit from being refreshed in light of changing operational requirements and changes in industry practice. In the longer term therefore continuing to run the market on the current basis would not be the recommended option.

b) Close the market

There has been a market in Newcastle town centre for in excess of 800 years and it forms a part of the town's identity. To close the market would be to disconnect the town centre from its historic origins and detract from the daily life of the town. It is acknowledged that High Streets generally face an unprecedented challenge from changing consumer habits. However the attraction of a street market contributes to the town's resilience in the face of this challenge and the market is a valued resource for many residents. This would not therefore be the recommended option.

c) Review the operation of the market

Carrying on with previous practices is demonstrably failing to achieve improvement to the market's performance so it is clear that changes are necessary. To do this to greatest effect it would be advisable to work with market traders, market staff, the existing contracted licensee, local partners (such as the BID) and the wider public to consider what is valued most about the market. The conclusion of this work would then enable officers in consultation with the Portfolio Holder to make a decision on the longer term vision for the market. This is the recommended option.

4. **Proposal**

- 4.1 That in the short term the Council continues to run the market on the current basis.
- 4.2 That the Council reviews the management and operation of the market in Newcastle town centre in co-operation and consultation with local interested parties.
- 4.3 That the views of the Economy, Environment and Place Scrutiny Committee are sought as a part of the review of the management and operation of the market in Newcastle town centre.
- 4.4 That the Executive Director Regeneration & Development, in liaison with the relevant Portfolio Holder, work with officers to consider the detail of the review.
- 4.5 That the conclusion of the review is implemented at the earliest opportunity in liaison with the Portfolio Holder and other stakeholders.

5. **Reasons for Preferred Solution**

- 5.1 Consideration of Newcastle market in partnership with those local businesses, organisations (such as the BID) and people who have an interest in its future will facilitate production of a locally supported and appropriate response to its future.

6. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

- 6.1 It is considered that the future management, operation and success of Newcastle Market contributes to the following new priorities as reflected in the Council Plan 2018-22:
 - a) Local Services that Work for local People
 - b) A Town Centre for All

7. **Legal and Statutory Implications**

- 7.1 The Council has an ancient Charter right to operate a market within Newcastle but no statutory obligation to run one. The ancient right is supported by provisions within Part III of the Food Act 1984.
- 7.2 The Council is not obliged to consult on the future of Newcastle market but it is in line with Council corporate priorities to do so in the interests of producing a locally responsive service.

8. **Equality Impact Assessment**

- 8.1 There is no identified equality issues as the proposed consideration of the market is intended to seek an improvement of the service to all customers. It could be considered that by retaining a street market in Newcastle town centre the Council is retaining a highly accessible form of retail in the town centre.

9. **Financial and Resource Implications**

- 9.1 There are no further adverse budgetary implications at this stage, whilst noting that known requirements were built into the 2018-19 budget. Financially the market is largely self-sufficient (excluding recharges) due to the pressure that was fed into the 2018/19 budget setting. This means that the income currently meets all controllable (direct) costs, with the exception of an amount that is equivalent to the business rates payable. Any longer term financial implications arising from future management of the market would need to be assimilated into the MTFS and the 2019/20 budget.

10. **Major Risks**

- 10.1 The main risk in the short term is that ongoing uncertainty could lead to ongoing decline in the market's performance. This should be mitigated by the ongoing management by the Council.
- 10.2 Any longer term risks will be considered as a part of drafting the longer term proposals for the market.

11. **Sustainability and Climate Change Implications**

- 11.1 Markets remain a sustainable retail option. In particular Newcastle market operates in a town centre location that is accessible by public transport and is within easy walking distance of a number of residential areas. The fresh produce on offer on the market uses less packaging than is commonly used by larger retailers and so offers consumers a less plastic-intensive shopping option.

12. **Key Decision Information**

- 12.1 The town centre market is in the Town Ward; however market customers will be drawn from a wider area of the Borough.
- 12.2 It was not possible to pre-plan this decision in the Forward Plan due to the need to respond in a timely manner to the cessation of the relationship with Market Place Management Ltd.

13. **Earlier Cabinet/Committee Resolutions**

- 13.1 18 October 2017
- 13.2 22 March 2017