



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

WEDNESDAY 28TH MARCH 2018

AT 6.00 P.M.

COMMITTEE ROOM, PARKSIDE SUITE - PARKSIDE

MEMBERS: Councillors G. N. Denaro (Leader), K.J. May (Deputy Leader),
B. T. Cooper, M. A. Sherrey, C. B. Taylor and P. J. Whittaker

AGENDA

1. To receive apologies for absence
2. Declarations of Interest

To invite Councillors to declare any Disclosable Pecuniary Interests or Other Disclosable Interests they may have in items on the agenda, and to confirm the nature of those interests.
3. To confirm the accuracy of the minutes of the meeting of the Cabinet held on 7th March 2018 (Pages 1 - 8)
4. Minutes of the meeting of the Overview and Scrutiny Board held on 26th March 2018 (to follow)
 - (a) To receive and note the minutes
 - (b) To consider any recommendations contained within the minutes
5. Market Options Report (Pages 9 - 28)

K. DICKS
Chief Executive

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20th March 2018



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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

7TH MARCH 2018, AT 6.00 P.M.

PRESENT: Councillors G. N. Denaro (Leader), K.J. May (Deputy Leader),
B. T. Cooper, M. A. Sherrey, C. B. Taylor and P. J. Whittaker

Observers: Councillors S. R. Colella and L. Mallett

Officers: Mrs. S. Hanley, Mrs. C. Felton, Mr C. Forrester, Mrs B. Talbot,
Mrs. H. Mole, Ms. T. Beech, Mr M. Austin and Ms. A. Scarce

94/17 **TO RECEIVE APOLOGIES FOR ABSENCE**

There were no apologies for absence.

95/17 **DECLARATIONS OF INTEREST**

There were no declarations of interest on this occasion.

96/17 **MINUTES**

The Minutes of the Cabinet meeting held on 21st February 2018 were submitted.

RESOLVED that the minutes of the meeting of the Cabinet held on 21st February 2018 be approved as a correct record.

97/17 **MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY BOARD HELD ON 12TH FEBRUARY 2018**

It was confirmed that the recommendations within the minutes in respect of the Medium Term Financial Plan 2018/19 – 2021/22 had been considered at the Cabinet meeting held on 21st February 2018. It was agreed that it would be more appropriate to consider the recommendations in respect of the Air Quality Management Area, Kidderminster Road, Hagley under that item of the agenda.

The minutes of the Overview and Scrutiny Board meeting held on 12 February were noted.

98/17

PERFORMANCE REPORT

The Deputy Chief Executive gave a brief overview of the Performance Report and advised Members that officers from the relevant areas were present to respond to any questions that arose. The Measures Dashboard was also displayed to assist Members. This was the first Corporate Performance report, which would in future be presented every two months covering a specific strategic purpose at each meeting together with a set of key corporate measures. This initial report considered the strategic purpose 'Keep my place safe and looking good'.

The following areas were highlighted and discussed in detail:

- Anti-Social Behaviour – example of data, which Safer Bromsgrove drilled down into with real time data being considered by the Group. It was noted that there had been a spike which had referred to a particular individual and details of how this had been dealt with were noted. Members discussed how this could have a huge impact on such data and on a particular area. It was noted that often the school holidays also triggered a spike in incidents.
- Environmental Services – the top 5 high profile demands were detailed for each of the Place Teams. The main areas were fly tipping and litter and it was noted that following the move to the Place Teams, who were able to react locally, with positive feedback having been received.
- In respect of bulky waste, it was noted that there had been a change in the way this service was provided, with a central team now responding to requests, which had proved more cost effective.
- Members thanked the Place Teams for their hard work and asked if there was any new initiative to deal with fly tipping. It was confirmed that a greater use of covert cameras was being planned with resources being used to raise the profile of their use and a lesson learnt from how they had previously been used. It was hoped that with additional cameras this would help combat the problem. It was also noted that there had been a number of successful, high profile; prosecutions which it was also hoped would act as a deterrent.
- Work was also being carried out with Safer Bromsgrove and the Police to obtain funding for signage to also be used as a deterrent.
- Members questioned the formalities which businesses had to go through to legally use the tips and were concerned that this may lead to fly tipping as an alternative. Officers were not aware of the bureaucracy that needed to be gone through for small commercial operators and agreed to investigate this matter further.

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- Members raised the issue of education for young children in respect of recycling and whether visiting schools was something which had been considered.
- Members asked how the recycling rate compared with other authorities both locally and nationally. Officers confirmed that Bromsgrove had the highest rate within Worcestershire, with the national highest figure being 65%. This referred to those authorities who provided free garden and food waste collections.
- There were a number of projects planned which would highlight the need to eliminate cross contamination in recycling, which was currently a problem.
- It was confirmed that the tips were solely run by Worcestershire County Council and the figures were not including within those of the Council.
- The report also included a snap shot of the survey undertaken by the Bromsgrove Community Panel and concerns were raised in respect of feeling safe in the community after dark.
- The report also covered a number of key corporate measures, including sickness. A new system had been used and the figures included within the report were those for 2016/17. The number of days absence per full time equivalent was 8.10 days. The figures for 2017/18 would not available until April.
- Members asked whether return to work interviews were held and Officers confirmed that they were and the new system would allow for these to be recorded more accurately and for Human Resources and Payroll to be able to access them to ensure that they were being carried out appropriately.
- It was further confirmed that the figures were slightly below the average for other public sector organisations and the figures had remained broadly the same in recent years.

RESOLVED that the Corporate Performance Report be noted.

99/17

AIR QUALITY MANAGEMENT AREA - KIDDERMINSTER ROAD, HAGLEY - POTENTIAL REVOCATION

The Leader welcomed the Chairman of the Overview and Scrutiny Board, Councillor L. Mallett and Councillor S. Colella as a Member of the Board and as Ward Councillor for Hagley West. He proposed that the Cabinet considered recommendation a) that Worcestershire Regulatory Services (WRS) reverse the proposal to revoke the Hagley AQMA after consideration had been given to the other recommendations.

It was noted that recommendation d) that the Council increase the AQ monitoring points in Hagley from Stakenbridge Lane to the B4187 (Worcester Road junction) had already been discussed and actioned following the Overview and Scrutiny Board meeting.

Councillor Colella was invited to speak and in so doing explained the reason for the request that the revocation of the AQMA be reversed. He raised concerns around the current monitoring process and the use of the small test tubes which were analysed on a monthly cycle with a mean average being taken over a year. It was stated that there was equipment available which able to produce both a maximum and minimum reading, this was important as there were peak traffic times and the impact of residents would be higher particular for those travelling to school on foot or cycling. Hagley had carried out numerous investigations and research and had heard from experts. It was clear that traffic in the area had increased due to the recent developments and therefore it was difficult to understand how the current position had been reached. It was acknowledged that financial support would be needed to carry out such testing, but it was understood that in the not too distant future Central Government would be making available a number of grants for local authorities who needed to improve air quality in their areas.

Mark Cox responded to a number of points raised by Councillor Colella and explained that the testing that was used provided robust quality assurance and meet DEFRA guidelines. The monitoring to which Cllr Colella had referred was used to record measures with a rapid turnover and had a set up cost of around £30k this did not include the cost of maintenance, electricity etc or for the cost of analysing the data collected and calibration. This method was currently being used on the Worcester Road in Wychbold in order to ascertain whether an AQMA was required in that location. This method had also been used in Hagley initially to assess the area. The monitors needed to be in place for 6 months. It was accepted that air quality was a wide concern generally and that DEFRA had guidelines and protocols to follow in respect of AQMA's inception and revocation. The national objective, which took into account "peaks and troughs", was not being exceeded in the case of the Hagley AQMA and therefore it was not appropriate or necessary for it to be retained.

Members noted the availability of such equipment and commented that they had not been aware of this. Mark commented that this had in fact been used initially in Hagley when considering whether it was appropriate to establish an AQMA in the area.

Members had some sympathy with Councillor Colella's concerns in respect of the use of the mean average measurements and how the levels could fluctuate dependent on the weather and the traffic movement in the area. It was questioned whether by revoking the AQMA this would impact on the monitoring and the availability of funding for further investigations within that area and considered whether by

revoking the AQMA the monitoring would be made easier as it did not have to be so strictly based on the guidelines set out by DEFRA.

Mark explained that the annual average over a 3 year period took into account fluctuations and was confident that it met the DEFRA requirements and that there was no longer levels that we needed under the AQMA regime. He further advised Members that the grants referred to by Councillor Colella, were primarily used for larger authorities such as London and Birmingham who had particularly poor air quality and had been mandated to produce clean air. There were a large number of clean air zones which demanded attention throughout the country and it was very likely that they would receive the bulk of this funding.

The Leader referred to recommendation b) that the Council invest in sensitive and appropriate monitoring equipment in all its AQMAs and whilst he sympathised and accepted the need in principle, he requested further detailed costings to be brought back to Cabinet in order to give further consideration as to whether it was appropriate to fit these in all areas or in particular ones. It was noted that detailed monitoring had been carried out in all AQMAs in order to establish them initially and that the monitoring in Hagley had meet the requirements of DEFRA in order for it to be revoked. It was also confirmed that by revoking the AQMA it did not mean that the monitoring would stop, this would continue and the areas where it would take place had been discussed with the relevant ward Members and was being put in place, as requested in recommendation d).

In respect of monitoring for Particulate Matter as detailed in recommendation c) Mark Cox explained to Members that these levels were not monitored across the County but it had not been indicated that there was a particular problem. Any measures of nitrogen dioxide would impact on the particulate levels and whilst there were some issues in Bromsgrove there were none in Hagley.

Councillor Mallett suggested that there was a need to focus on actions being taken rather than on the challenge of monitoring and that it was likely that the reduction which was influencing the revocation of the AQMA was most likely due to a number of reasons, which were undeterminable. However, it was noted that there remained issues in respect of traffic problems in a number of areas, for example along the Worcester Road in Bromsgrove where it was clear that the traffic had got worse, with an increase in the number of vehicles and those vehicles taking longer to travel along the road. It was therefore important, to establish the levels and for appropriate monitoring to take place, whilst understanding the need to take the financial implications of any additional monitoring into account, before making a decision.

Members went on to discuss a number of other areas in more detail, including:

- The work of a Residents' Air Quality Task Group which was established in Hagley.

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- The impact of diesel engines and the increase in levels of other CO² emissions.
- The national objectives under the DEFRA guidelines.
- Where the monitoring, using the more detailed equipment, was carried out initially.
- The monitoring was not there to improve the air quality but as a benchmark.
- There was no categorical explanation as to why the levels had reduced in respect of the Hagley AQMA.
- The revocation of the AQMA would not impact on the monitoring – if it were to be retained then any application for grant funding in the future would not be looked on favourably if the Council had an AQMA that did not meet the DEFRA guidelines.
- Preventative work such as the synchronising of traffic lights.
- Concerns that although the AQMA was revoked that residents would not accept that there had been improvements to the air quality.
- The levels were not borderline but well below the recommended level.
- The challenges facing WRS and the need for them to work closely with Worcestershire Highways in light of recent concerns raised in respect of issues which had been raised following developments where it has been proven that the information from WCC was not accurate. This was referred to within recommendation e).
- It was confirmed that monitoring would continue for a further 3 years and the locations had been reviewed following discussions at the Overview and Scrutiny Board.
- Concerns around this Council and WCC encouraging residents to walk and cycle yet the monitors were not on the road sides but by residential properties. It was confirmed that they were placed on the residential properties as part of the DEFRA guidelines.

It was confirmed that should the AQMA be revoked monitoring would continue and this would be provided to DEFRA for background information only. WRS would continue to work with WCC and assert pressure where possible to ensure that air quality was considered at every opportunity.

In respect of the recommendations from the Overview and Scrutiny Board, Cabinet

RESOLVED:

- a) that the Council increase the Air quality monitoring points in Hagley from Stakenbridge Lane to the B4187 (Worcester Road junction);
- b) that Worcestershire Regulatory Services continues to engage fully and positively with Worcestershire County Council Highways to resolve known local Highways issues that exist along AQMAs and adjoin carriageways that effect air quality and health; and

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- c) that further costings be obtained and presented to a future Cabinet meeting in respect of the Overview and Scrutiny Board recommendations b) and c).

Following the review of the air quality monitoring in Hagley, which had been undertaken and in light of the levels having fallen below the national objectives that required the adoption of an air quality management area Cabinet

RECOMMEND TO COUNCIL that Kidderminster Road, Hagley AQMA be revoked.

The meeting closed at 7.15 p.m.

Chairman

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FUTURE OF BROMSGROVE MARKET

OPEN REPORT

Relevant Portfolio Holder	Cllr Karen May Deputy Leader and Portfolio Holder for Economic Development, Regeneration and Town Centre
Portfolio Holder Consulted	√
Relevant Head of Service	Kevin Dicks – Chief Executive
Ward(s) Affected	Sanders Park
Ward Councillor(s) Consulted	N/A
Key Decision / Non-Key Decision	Key decision

1. SUMMARY OF PROPOSALS

- 1.1 The operation of Bromsgrove Town Centre Outdoor Market is currently managed by North Worcestershire Economic Development & Regeneration (NWedr), a shared service hosted by Wyre Forest District Council (WFDC) established under a Collaboration Agreement in May 2011. In 2015, WFDC appointed CJ Events (Warwickshire) Ltd (CJ Events) to operate the market, following a competitive procurement process.
- 1.2 In December 2017, CJ Events decided to serve notice on their licence agreement. In light of this decision, this report sets out options for the future operation of the market.

2. RECOMMENDATION

- 2.1 **The Cabinet is requested to consider the following two options for the future management and operation of Bromsgrove Town Centre Outdoor Market and RESOLVE which option it wishes to select:**
- 1) OPTION 1: the management of Bromsgrove Town Centre Outdoor Market is recommissioned/ contracted to an external provider for an initial term of 3 years with an option to renew for a further term of between 2 and 5 years with the contract to be managed by the NWEDR shared service; the conduct of a procurement and contracting process to select and appoint a contractor to manage Bromsgrove Outdoor Market be delegated to Wyre Forest District Council in consultation with the Chief Executive and the Portfolio Holder for Economic Development, Regeneration and Town Centre OR:**
 - 2) OPTION 2: the management and operation of Bromsgrove Town Centre Outdoor Market to be brought back ‘in-house’ with authority to be delegated to the Chief Executive in consultation with the Deputy Leader**

and Portfolio Holder for Economic Development, Regeneration and Town Centre to determine where a new markets team sits within the Council and/or NWEDR structure.

- 3) To recommend to Council that up to £40,000 is released from the economic development reserve to fund the potential costs of an 'in house' service for the first 12 months of its operation and that the Capital Programme for 2018/19 be increased by £25,000 should OPTION 2 be chosen by Cabinet.

3. KEY ISSUES

Financial Implications

- 3.1 The appointment of an external contractor to manage the market provides the Council with an opportunity to secure a guaranteed fixed annual income for the duration of the licence agreement. This contract will also include a quarterly rental fee for the use of Bromsgrove District Council owned equipment for the duration of the 3 year contract and paid directly to the Council. When the original procurement process was undertaken in 2015, four bids were received by potential operators, all offering to the Council a fixed income over the 5 year term of the agreement, demonstrating that the running of the market represents a viable proposition to potential operators.
- 3.2 Operating the market 'in-house' would result in a net cost to the Council. Officers have undertaken some initial work which estimates that the annual cost of operating the market could be between £109,000 and £143,000. This includes staffing costs, maintenance of equipment, IT, overheads and marketing costs. There would also be an initial capital out-going of £25,000 to purchase a van and a trailer and future investment in new stalls estimated at £55,000. A breakdown of the anticipated costs is attached at Appendix 1.
- 3.3 Similarly officers have prepared some initial income projections based on the current configuration of the market (33 3m x 3m stalls and one mobile unit) – also attached at Appendix 1. Initial projections show that an annual income of between £85,000 and £113,000 could potentially be generated.
- 3.4 In most scenarios it is anticipated that an in-house operation would run at a deficit and that it would require a subsidy from the Council. Based on officer projections the maximum deficit to be funded would be £58,000 with a £4,000 surplus being the most beneficial financial position

Legal Implications

- 3.5 NWedr currently directly manages the Bromsgrove Outdoor Market on behalf of the Council, under a Collaboration Agreement relating to the provision of

Economic Development and Regeneration Services between the Council, Redditch Borough Council and WFDC, which is the host authority.

- 3.6 The current delegation to WFDC is for the operation of the market in Bromsgrove, including the letting of stalls and general day to day management of the market. Between 2011 and February 2016, the market was run 'in-house' by NWedr.
- 3.7 Following a competitive procurement process in 2015, an external operator CJ Events was appointed by WFDC to run the market. CJ Events manages the day to day operations of the market with the contract between WFDC and the contractor. NWedr is responsible for the management of that contract and ensuring that performance is in line with agreed targets. CJ Events have served notice on the licence agreement and the licence (and CJ Events' operation of the market) will terminate on 4th June 2018.
- 3.8 The Council could now choose to ask WFDC to procure a new operator to run the market. Any procurement process would have to be run so as to ensure that the winning contractor delivered "best value" to the Council. Best value may be secured through a combination of a financial return (through licence fee, hire of equipment etc.) and socio-economic benefits for the town (proposed special events, increase of footfall, community involvement etc.). The scoring of the tenders would be developed by NWedR to ensure that the Council's priorities in this regard were fully captured.
- 3.9 It has been suggested that a further option could be for a 'co-operative' of local market traders to be formed to operate the market. If such a co-operative were formed it would be able to participate in any procurement process and the Council could award the operation of the market to it if it was able to demonstrate that it offered best value.
- 3.10 Alternatively the Council could bring the operation of the market back 'in-house', either taking it out of the NWedR shared service and operating the market itself or reverting back to the previous arrangement where NWedR operated the market. This could be on an interim or a permanent basis – taking operation of the market in-house would not preclude the Council from running a procurement process at a later date.
- 3.11 The Council may also wish to explore this in-house option if following a procurement process it does not have confidence that any of the bidders offer the requisite "value" and sufficiently guarantee the security and continuity of the market.

Service / Operational Implications

- 3.12 In July 2015, Cabinet resolved that the management of Bromsgrove Outdoor Market be externalised and that delegated authority be given to WFDC to

undertake a procurement process to select and appoint a suitable provider. Prior to this, the market services were managed by NWedr on behalf of Bromsgrove District Council.

3.13 Following a competitive tendering process, CJ Events Warwickshire Ltd (CJ Events) was appointed to operate the market on a 5 year licence arrangement commencing in February 2016.

3.14 The winning bid from CJ Events scored well against the agreed evaluation criteria of cost and quality and they were appointed on the basis of a strong proposal. The proposal included a financial offer to the Council of £95,000 over the five year duration of the licence agreement; the breakdown of this is as follows:

	Price (per annum) for acquisition of existing BDC owned stalls	Annual Fee for running the market	Total per annum (stalls + fee)	Total over 5 years
C J Events	£8,000 (£40,000 total)	£11,000	£19,000	£95,000

3.15 CJ Events took on the operation of the market in February 2016 and since then the management of the licence agreement has been pro-actively managed by the Head of NWEDR and the Bromsgrove Centres Manager.

3.16 On 3rd December 2017, WFDC received formal notification of CJ Events intention to terminate the licence agreement with the contractual six months notice given. This means that CJ Events licence will terminate on 4th June 2018. The Council now needs to decide how to move forward to ensure that a vibrant market offer can continue to be delivered.

3.17 Officers have liaised with the current market traders and a briefing session was held on 27th February 2018. Although concerns were expressed by the traders relating to the Council undertaking a new procurement process to select and appoint an external operator, assurances were given by officers that the views of traders would be taken on board. Furthermore, a number of traders have expressed an interest in running the market through a ‘co-operative’ arrangement.

Future options

3.18 Officers have reviewed the potential options available to the future management and delivery of Bromsgrove Town Centre Outdoor Market.

Option 1: NWedr continues to manage the market and commences a new procurement process to appoint a suitable external operator;

Option 2: The market is brought back ‘in-house’ and a new markets team is created either within Bromsgrove District Council or NWedr;

3.19 There is the potential for a traders co-operative to operate the market. However, such a co-operative would be required to submit a proposal as part of a competitive tendering process (as per Option 1) and the bid would need to be assessed against the agreed set of evaluation criteria.

3.20 An options appraisal for both of the options is set out as follows:

Option 1:

- Market continues to be managed by NwedR and run by an external operator, seeking innovation in the way the market is operated and an improvement of the existing offer
- Bromsgrove District Council receive an annual fixed sum from an operator to operate a general market as part of a licence agreement

Description:

- 3-day per week general market (Tuesday, Friday and Saturday)
- Specialist and themed markets
- External operator responsible for all aspects of running the market
- Operator collects stall charges on Council behalf
- NwedR and Bromsgrove Centres Management undertake the day-to-day management of the contract including Performance Management reviews and monitoring
- Operator to undertake day-to-day onsite management of the market and collection of fees including on-the-day casual bookings

NB Advice from WFDC Legal and Procurement officers suggested that it may be possible to speak to the operator that had the second highest score as part of the procurement exercise held in 2015 (subject to the operator honouring their original proposal) and that they could operate the market for the remainder of the 5 year term that CJ Events were contracted to deliver. However, given the passage of time and the fact that the Council is required to secure best value through any procurement exercise, it is advised that if the Council was minded to select this option, that it should commence a new procurement process.

Advantages / benefits	Disadvantages/Risks
<p>Offers a consistency in approach and management</p> <p>Annual guaranteed income which enables the Council to forecast income and set budgets; operator is able to keep its expenditure down through economies of scale of running multiple markets and specialist knowledge thereby increasing the potential for the Council to receive a set income</p>	<p>Under performance of external market operator</p> <p>External operator serves notice on the contract before end of three year term</p>

<p>Operator takes on the responsibility for the secure storage and transportation of all market related equipment</p> <p>Operator takes on the responsibility for the market stalls and equipment</p> <p>Additional income received from operator for the hire and use of Bromsgrove District Council owned market stalls and equipment</p> <p>Increase to stall fees made in agreement and consultation with NwedR to protect the interests of the stall holders and market</p> <p>Operator to take responsibility for providing cover for any team sickness, leave or leaving post</p> <p>Specialist knowledge and expertise in running a professional market operation</p> <p>Experience of taking part in National initiatives such as Love Your Market, Small Business Saturday, Youth Market</p> <p>Capacity and experience to hold specialist markets and events across multiple days (e.g. week long Christmas market, weekend long food festival)</p> <p>Through experience of operating markets in other areas, judge which initiatives and specialist events will work in Bromsgrove town centre</p> <p>Covered by all relevant insurance and indemnity policies, health & safety, risk assessments etc</p> <p>Incentive for the operator to deliver a high quality and diverse outdoor market</p> <p>External operator would have experience of working in partnership with Local Authorities, BIDs and Town Centre Management Frameworks</p> <p>Minimal expenditure for Council</p> <p>Confidence that the delivery of the market is under the management of a professional operator</p> <p>Protection of the Council reputation and credibility</p>	<p>May attract a lower financial offer to run the outdoor market</p> <p>Stall rate increase requested</p>
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Option 2:

Either Bromsgrove District Council or NWedr undertake the responsibility for the financing, management and operation of Bromsgrove Town Centre Outdoor Market.

Description:

- 3-day per week general market (Tuesday, Friday and Saturday)
- Specialist and themed markets
- Bromsgrove District Council or NWedr employees & agency staff as required store, transport, erect and take down stalls
- Council retains stall charge income
- Bromsgrove District Council or NWedr responsible for the collection of stall fees
- Bromsgrove District Council or NWedr recruits and manages a markets team
- All current and future financial and personnel requirements to maintain and sustain the outdoor market is the responsibility of BDC or NWedr
- Cover for the loss of staff, sickness, long term sickness and associated costs the responsibility of Bromsgrove District Council or NWedr
- All relevant licenses, public liability, health & safety implications the responsibility of Bromsgrove District Council

Advantages / benefits	Disadvantages/Risk
<p>The Council takes full responsibility for the future financing, management and operation of Bromsgrove Town Centre Outdoor Market</p> <p>Supported by the majority of current stall holders</p> <p>All fees generated by the market will be paid directly to Bromsgrove District Council</p> <p>Bromsgrove District Council / NWedr has direct relationship with market traders</p> <p>Opportunity to implement a frequent meeting regime with market stall traders to strengthen communication and partnership working</p> <p>Bromsgrove District Council has control of implementing any stall charge rises or decreases</p>	<p><u>Cost implications</u></p> <p>Recruitment of:</p> <ul style="list-style-type: none"> • Markets Manager • Markets Officer (onsite) • Operatives (stands, waste removal) • Mileage and expenses • Admin and back office (booking, taking stall payments etc) • Vehicles to transport market stalls • Fuel costs • Maintenance of vehicles, MOT, tax, insurance • Maintenance and replacement of stalls <ul style="list-style-type: none"> • Council does not have the ability to benefit from economies of scale from running multiple markets which increases the cost of running a market operation and reduces the net income to a level which is not profitable. <ul style="list-style-type: none"> • Cost of implementing a stall fee

<p>Bromsgrove District Council has a social reputation and responsibility to work with the local community and businesses</p> <p>Opportunity to reinvest income from the Bromsgrove town centre outdoor market as part of the commercialism agenda</p>	<p>collection and payment process</p> <ul style="list-style-type: none"> • Operational budget to run specialist and themed markets and events and associated marketing campaigns • Costs of covering annual leave, sickness • Costs and loss of income associated with the cancellation of markets due to adverse weather conditions, highways work etc. • Loss of staff • Lack of specialist knowledge and experience of running an outdoor market • No consistent income generation and ability to forecast year-on-year • Insular approach and not reacting to other local and national initiatives • Resources to implement a coherent and professional marketing and communications strategy to promote the market and specialist events
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Summary and Conclusions

- 3.21 Given the Council’s limited resources and expertise in running markets, it is considered that the management of the market by an external operator (Option 1) above provides the best opportunity to fully maximise the income to the Council, at the same time as making savings in expenditure, whilst also creating a competitive, diverse, sustainable and thriving market that adds to the overall offer and vibrancy of Bromsgrove town centre.
- 3.22 With the strong town centre management structure, experience and skills of the NWedr team and the commitment to build the market into a strong asset for the town centre means NWedr are best placed to manage an external procurement process and contract manage a new markets operator. The role of the

Bromsgrove Centres Manager will be pivotal in early management of the licence agreement and positive relationship with the new operator. The Bromsgrove Centres Strategy 2017-2020 puts a clear emphasis on the crucial role the outdoor market plays as an economic driver.

- 3.23 A draft specification and evaluation criteria has been prepared and it is anticipated that a procurement process would take 6 weeks from the date of this report, which means that a new operator could be appointed to commence the running of the market in early June. The outline timetable is as follows:
- Advertise tender opportunity – Tuesday 3rd April 2018
 - Deadline for submissions – Tuesday 15th May 2018
 - Evaluation and scoring – completed by Friday 18th May 2018
 - Appointment of operator – Monday 21st May 2018
 - Contracting and transition period – Monday 21st May to Monday 4th June 2018
 - Operator in place by Tuesday 5th June 2018
- 3.24 The proposed evaluation criteria are attached at Appendix 2. The criteria has been amended to place more emphasis on securing an operator that is socially responsible and community focused and can demonstrate a robust approach to performance management and monitoring. Specifically the tenders will be evaluated on a 60/40 basis in favour of quality over price.
- 3.25 Should members agree to continue to work with an external operator (following a competitive procurement process) there should be no service or operational implications and NWedr would strive to achieve a seamless transition with minimal disruption to the markets operation.
- 3.26 Alternatively, should the Bromsgrove Town Centre outdoor market revert back to an in-house function there would be implications regarding the timescale to recruit the posts required to develop a markets team, establish the appropriate infrastructure and frameworks and the risk that the market will cease to operate during the transitional period which will be damaging to the traders and customers.
- 3.27 It is estimated that it will take at least 3 months from the date of this meeting to establish a markets team and this will involve a selection and recruitment process, which means that it is likely that there would be a break in the operation of the market when the current operator finishes on 4th June 2018. It will take at least 3 to 6 months to develop the marketing offer and to put in place the appropriate systems and processes required to operate the market effectively and efficiently. This is based on a best case scenario of being able to recruit successfully to the proposed staffing positions.
- 3.28 It is considered that with an in-house option that there will be a limited opportunity to grow the market and income to the Council will not be guaranteed as experience shows that income generated by a Council run market fluctuates from year to year. The capacity and know-how to run speciality markets and

special events will be limited which means that the ambition to create a vibrant offer within the Town Centre will not be realised. If the Council is minded to take the market operation back 'in-house', then a decision will need to be made as to where the function should sit, this could either be within the NWedr shared service or directly managed by the Council itself. It is proposed that this decision should be determined in line with the delegation at paragraph 2.1

Customer / Equalities and Diversity Implications

- 3.29 Operators would be required to demonstrate their commitment to equal opportunities and diversity through the procurement process. If the market is brought back in-house then the Council will be required to produce a new Equality Impact Assessment.

4. RISK MANAGEMENT

- 4.1 The key risks are outlined in the options appraisal at paragraph 3.20.

5. APPENDICES

Appendix 1: In-house operation: projected costs and income

Appendix 2: Proposed Evaluation Criteria

6. BACKGROUND PAPERS

Cabinet Report April 2015: Bromsgrove Market

AUTHORS OF REPORT

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APPENDIX 1

BROMSGROVE MARKET: PROVISIONAL COSTS OF “IN HOUSE” OPERATION (March 2018)

Item	Costings 17/18 figures	“One off” Costs	Annual Cost
<p>Market Manager: Band H</p> <p>Overall management/ responsibility of market operation & associated staff including</p> <ul style="list-style-type: none"> • marketing and promotion • budgets • trader liaison • bookings • risk assessments • health and safety • addressing day to day issues <p>Hours 3 days @7.4 = 22.20 hrs per week. $22.20 / 37 = 0.61$</p>	<p>Top Band H: £27,344</p> <p>Plus “on costs”(say 34%) £9,297</p> <p>to include:</p> <ul style="list-style-type: none"> • National Insurance • Pension • Employee related insurance • Statutory sick pay • Public liability insurance • Training costs <p>£36,641 x .061 = 22,351</p>		<p>£22,351</p>
<p>Senior Market Operative: Band F</p> <p>Responsible for putting up/taking down stalls. Responsible to Market Manager & responsible for two Market Operatives.</p> <p>Hours 4am to 8.30am & 4.30 pm to 6.30pm = 6.5 hours x 3 days = 19.5 hours per week. $19.5/37 = 0.53$</p>	<p>Top Band F: £22,393</p> <p>Plus on costs: £7,614</p> <p>£30,007</p> <p>X 0.53 = 15,904</p>		<p>£15,904</p>

<p>Market Operatives: Band D</p> <p>Put up and take down stalls</p> <p>Hours 4am to 8.30am & 4.30 pm to 6.30pm = 6.5 hours x 3 days = 19.5 hours per week. 19.5/37 = 0.53</p>	<p>Band D: £17,513</p> <p>Plus on costs: £5.954</p> <p>£23,467</p> <p>0.53 = £12,438</p> <p>X2 = £24,875</p>		<p>£24,875</p>
<p>Equipment:</p> <p>Transit Tipper Van/4x4 Land Rover or similar type vehicle with sufficient power to tow a fully laden trailer</p> <p>Trailer: 20ft long Flat bed, high sided double axle</p> <p>Market Stalls, tables, canopies, fixing equipment, etc (already in BDC ownership)</p>	<p>Purchase: £20,000 (second hand) - capital</p> <p>Annual running costs:</p> <ul style="list-style-type: none"> • Vehicle excise duty £250 • MOT £50 • Insurance £1,250 • Servicing/Maintenance £1,000 • Miscellaneous £1,000 • Fuel £1,500 <p>Purchase: £5,000 (Second hand)</p> <p>Annual maintenance/MOT</p>	<p>£20,000</p> <p>£5,000</p> <p>£0</p> <p>(But original)</p>	<p>£5,100</p> <p>£250</p>

		cost Sept 2014 £55,000 excl vat)	
Staff mileage expenses	£200		£200
Protective clothing/uniform and equipment	£500		£500
Marketing/ Advertising	£2,000		£2,000
IT/laptops/tablets Mobile phone	£1,000		£1,000
Electricity	£3,000		£3,000
Overheads	£20,000		£20,000
Depreciation on equipment			£5,000
Miscellaneous	£1,500		£1,500
SUB TOTAL		£25,000	£103,430 (add 5% contingency) £108,601) Approx £109,000
OTHER POTENTIAL COSTS			
<i>Agency staff</i>	<i>£5,000</i>		<i>£5,000</i>
<i>Town centre Market Office/welfare facility ? @ Parkside</i>	<i>£0</i>		<i>£0</i>
<i>Office unit if not Parkside</i>	<i>Rent, rates and energy</i>		<i>£5,000</i>
	<i>Furniture</i>		<i>£500</i>
<i>Storage for van/trailer/equipment – covered over @ Parkside car park)</i>	<i>£0</i>		<i>£0</i>

<i>Storage unit if not Parkside</i>	<i>Rent, rates, energy</i>		<i>£7,500</i>
<i>*NNDR on market (not yet assessed)</i>	<i>£15,000 (estimated NNDR payable?)</i>		<i>£15,000*</i>
<i>Sub total "Other Potential Costs"</i>		<i>£500</i>	<i>£33,000 (add 5% contingency)</i> <i>£34,650</i> <i>Approx. £35,000</i>

- a) Total annual provisional costs excluding "Other Potential Costs": Approx £109,000
- b) Total annual provisional costs including "Other Potential Costs": Approx £144,000
- c) Total capital outgoing: £25,000

BROMSGROVE MARKET: PROVISIONAL INCOME FROM “IN HOUSE” OPERATION

SCENARIOS

1. 33 no 3m x 3m pitches plus one mobile unit

Day and charge per stall	A) Ave no. of stalls per week per annum	B) Ave no. of stalls per week per annum	C) Ave no. of stalls per week per annum
Tues @£28	33	25	15
Fri @ £28	33	25	20
Sat @ £28	33	25	20
Total income per week	£2,772	£2,100	£1,540
Total income per annum	£144,144 plus mobile unit @ £4,680 (£30 per day) £148,824	£109,200 plus mobile unit @ £4,680 (£30 per day) £113,880	£80,080 plus mobile unit @ £4,680 (£30 per day) £84,760

Maximum potential income: circa £149k – however all pitches are not going to be occupied every market day every week.

More realistic income based on 25 pitches being occupied every market day every week: circa £113k

Worst case income figure based on lower number of pitches being occupied; circa £85k

Historically:

The annual budget and income when NWedr operated the market is set out below:-

Year	Budget £	Income £	Comment
11/12	58,050	110,388	WFDC from 01/06/11 More flexibility on stall location and numbers
12/13	76,640	106,263	More flexibility on stall location and numbers
13/14	75,930	94,094	Market moved from High Street to outside Asda 18/02/14. Rents reduced and but less traders
14/15	85,780	60,421	Market operated outside Asda until 02/09/14: rents were reduced but less traders Pitch numbers reduced to a fixed number (33 no. 3m x 3m) plus one mobile unit
15/16	84,920	74,127	Market outsourced from 15/02/16

Summary of Proposals

From 2018/19 assuming full year	Income £	Budget £144,000	£ Surplus + /Deficit -	Income £	Budget £109,000	£ Surplus + /Deficit -
Scenario 1	113,000	144,000	-31,000	113,000	109,000	+ 4,000
Scenario 2	85,000	144,000	- 59,000	85,000	109,000	-24,000

Plus add capital costs: Van/Trailer: £25,000 and potential replacement of stalls in 5 years time c£55,000.

With the right management and promotion, the potential **annual income** stream is between £90,000 & £100,000

If Parkside is used to accommodate the market officers and also to store the equipment securely (in the car park or similar), then an **annual budget** of around £110k could be achieved.

In most scenarios the market would be running at a loss. The margins are extremely tight and income streams will inevitably be variable year on year.

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Appendix 2 – Proposed Evaluation Criteria for Procurement of an External Operator

All Tenders will be evaluated on a 60/40 in favour quality over price.

Quality Criteria (100% will be converted to 60% of the total tender score)	Weighting
<p>1. <u>Method of Operation</u></p> <p>Please describe in detail how you propose to manage and operate the Bromsgrove town centre outdoor market.</p>	30%
<p>2. <u>Specialist themed markets and campaigns</u></p> <p>Please describe in detail your proposed programme or action plan for specialist themed markets and campaigns.</p>	20%
<p>3. <u>Advertising, Marketing and Promotions</u></p> <p>Please describe in detail how you will develop a marketing and promotional strategy for Bromsgrove outdoor market.</p> <p>Include how you will promote the market, attract new and diverse businesses in particular young people and entrepreneurs, offer start up incentives and improve the digital presence of the market.</p>	15%
<p>4. <u>Communication and Customer Care</u></p> <p>Please describe in detail how you will provide high quality communication and customer care with NWedR, Bromsgrove District Council, market traders, members of the public, town centre businesses and partners.</p>	10%
<p>5. <u>Corporate and Social Responsibility, Service, Utilities, Recycling and Waste Management</u></p> <p>Please give details on how you propose to add social value to this Contract. Please include effective protection of the environment, prudent use of natural resources, working with town centre businesses.</p> <p>Please give details of the day-to-day management of waste, litter and ensuring the town centre is left clean and tidy.</p>	15%
<p>6. <u>Performance Management</u></p>	10%

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<p>Please demonstrate how you approach and manage the quality of information in your organisation. Please include the provision of management and performance information, reporting to NWedR, self-monitoring systems and new industry practices.</p>	
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