

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>

		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.