

**BROMSGROVE DISTRICT COUNCIL**

**MEETING OF THE OVERVIEW AND SCRUTINY BOARD**

**11TH APRIL 2018, AT 5.30 P.M.**

PRESENT: Councillors L. C. R. Mallett (Chairman), S. A. Webb (Vice-Chairman), C. Allen-Jones, S. R. Colella, C.A. Hotham, R. J. Laight, C. J. Spencer, P.L. Thomas, M. Thompson, R. J. Deeming and S. P. Shannon

Observers: Councillor K. May

Officers: Mr. K. Dicks, Ms. A. Scarce, Mr C. Forrester, Ms C. Walsh, Mr D. Piper and Mrs L. Morris

108/17

**APOLOGIES FOR ABSENCE AND NAMED SUBSTITUTES**

Apologies for absence were received by Councillors C.J. Bloore and Councillor M. Glass with Councillor S. Shannon attending as substitute for Councillor C.J Bloore and Councillor R. Deeming attending as substitute for Councillor M. Glass.

109/17

**DECLARATIONS OF INTEREST AND WHIPPING ARRANGEMENTS**

There were no Declarations of Interest.

110/17

**TO CONFIRM THE ACCURACY OF THE MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY BOARD HELD ON 26 MARCH 2018 - TO FOLLOW**

The Senior Democratic Services Officer explained that it had been brought to her attention that information may have been reported inaccurately to the previous meeting regarding use of the Sports Hall. It was suggested therefore that the planned Task and Finish Group considering the lessons learnt from the process, invite Bromsgrove High School and BAM to attend a Task and Finish Group meeting to clarify the position.

The Chairman welcomed this suggestion and agreed that this would be the most appropriate action.

**RESOLVED**

- That the minutes of the previous meeting of the Overview and Scrutiny Board held on the 26 March 2018 be approved as a correct record.

- That representatives from both BAM and Bromsgrove High School be invited to contribute to the Board's 'lessons learnt' Task and Finish Group.

111/17

## **MARKET OPTIONS REPORT**

The Chairman welcomed all to the meeting and reminded attendees that options for the market would also be considered at Cabinet following the Board Meeting.

A Member queried the reason why the report had been withdrawn from the Board's March 2018 meeting agenda and whether this was due to the content being biased.

The Portfolio Holder for Economic Development, Regeneration and Town Centre, Councillor K. May gave reassurances that this was not the case and the report had in fact been withdrawn because the Chief Executive had only returned from leave on the day the report was to be issued and she had not been satisfied with the information included in the report. The Portfolio Holder thanked the stall holders for attending and their commitment to the market. She stated that she wanted a viable market and the Council was in support of the market.

The Head of Economic Development & Regeneration – North Worcestershire, introduced the report and highlighted that;

- The operation of Bromsgrove Town Centre Outdoor Market ('the market') was managed by North Worcestershire Economic Development and Regeneration (NWedr) which was a shared service hosted by Wyre Forest District Council.
- Following a competitive procurement process, in February 2015 a five year licence was granted to CJ Events (Warwickshire) Ltd (CJ Events) to operate the market.
- In December 2017 CJ Events provided formal notification terminating this agreement. The current licence agreement would end on the 4 June 2018.
- Officers had been considering the possible options for the future operation of the market. NWedr could continue to manage the market and a new procurement process commence; Or the operation of the market could be brought back in house under a new markets team.
- Market traders had expressed an interest in running the market. Officers had received legal advice that the market traders would need to submit a tender to do so. This was therefore not an alternative option to those presented in the report as it would come within the option of a new procurement process.
- It was envisaged that the market would continue to operate three days a week.
- The appointment of an external contractor to manage the market could provide the Council with an opportunity to secure a fixed income and expertise in running a professional market operation.

- If the market was to be brought back 'in-house', there were two options to support this approach. The options included; That the market be run by a dedicated markets team comprised of a Markets Manager, Senior Market Operative and two Market Operatives; Or that the market be directly managed by the Bromsgrove Centres Manager with a Senior Market Operative and two Market Operatives recruited to run the day to day operation of the market. A 'Centres Assistant' role could be recruited to, to support the wider work of the Centres Manager.
- Through the 'in house' approach it was anticipated that a 3-day week general market was likely to remain. Whilst the report outlined potential costs there may be other costs involved. There would need to be future investment and a marketing strategy. Income levels were likely to fluctuate but there could be stronger links between the centre management and the markets and a stronger relationship with traders.
- The Bromsgrove Centre Manager role was completely different to a Markets Manager role. The remit of the Centre Manager was focussed on developing the town centre and the Council's Centres Management Strategy 2017-20. Managing the market would result in difficulty in delivering the wider Centres Management Strategy as there would not be the capacity to do both.
- The external option included the opportunity for annual fixed income. In 2015, four bids were received which could provide a fixed income over the five year agreement.
- Reference was made to the table in the report which provided a summary of the net position for four different scenarios. Most cases demonstrated a deficit, and capital investment was required.
- The appointment of a professional and experienced markets operator would be well placed to provide a viable and sustainable market and a seamless transition in management.
- A draft specification had been prepared which placed more weight on social responsibility.
- It was recognised that market traders favoured the in-house option but this model was in decline and would take time to set up. It would take six months to develop a Markets Team and putting in place temporary arrangements would come at a risk.
- The in-house option was more limited and the benefits of this approach could not outweigh the risk.

The Chairman asked if a preferred option was being put across as this appeared to be the case. The current role of CJ Events, NWedr and Bromsgrove District Council in supporting the market was queried, along with what was entailed in running the market.

The Head of Economic Development & Regeneration – North Worcestershire clarified that NWedr contract managed the external operator. Bromsgrove District Council employees should not currently be involved in running the market as CJ Events employed people to do this. Responsibilities included collecting rents, marketing, providing stalls and

running all aspects of the market. The Officer's advice was to re-procure the market.

The Portfolio Holder confirmed that her preferred option was to bring the market back 'in-house' as part of the service provided by the Council. The market was an important part of the community, brought people into the town and was at the heart of the town centre. If the service was brought 'in house' over time the Council could potentially take over the running of other markets in the local area.

Mr Sidhu, Bromsgrove Market Traders Association, put forward the Market Traders desire to run the market on a not for profit basis, transferring any profits back to the Council. He reported that CJ Events were initially interested in running the market but this interest appeared to have subsided. An employee of CJ Events who had previously been employed by the Council however continued to be very supportive. The market traders could provide a fixed guaranteed income to the Council and ensure the market had a good future.

During the course of the discussion in response to the issues raised by Members a number of points were clarified.

- In a response to a question regarding how much CJ Events had paid the Council to date, the Head of Economic Development & Regeneration – North Worcestershire confirmed that although he did not have the figures to hand the full amount to be paid over five years, had been paid in part. The Chairman agreed that this might be useful information, however the Board needed to make recommendations about the future of the market. What had gone before could make a difference as there might need to be different contractual arrangements.
- Mr Sidhu confirmed that he had paid over £30k in rent personally.

A Member made the following points;

- The report appeared to be biased.
- The suggestion that procurement was viable may not be true as the last provider had pulled out of the agreement early.
- If the market cost £44k this would be money well spent in comparison to other projects that the Council had invested in as it would, for example, provide security to the traders.
- The Council should make the most of its assets.

Mr Sidhu commented that a private company would be seeking a profit to run the market but the market traders would not do so. The income for the market operating over three days each week was £112k if every stall was rented out. Stalls are within allocated positions and this information could be gathered as there was only a certain number of positions available.

The Portfolio Holder queried which option, as presented in the report, was preferred by the market traders and the traders present said that they would prefer the option for the market to be run in house.

A Member suggested that the Market Traders offer should be developed further as it could be lucrative for all concerned if the profits were to be handed back to the Council.

Mr Sidhu explained that other markets were run differently and were able to fill the space, with sole traders employed to erect and dismantle the markets. He emphasised the importance of keeping the uniformity of Bromsgrove Market. Traders had shown their commitment to the market.

During the course of the discussion Members made the following points;

- The market traders suggestion was welcome. It was an appealing offer for the Council and clear regard should be given to how this model could work in practice. The market traders were keen to make the market an ongoing concern.
- The figures could be better than what was being presented, for example the Council could potentially find somewhere free of charge to store vans, agency figures were very high and it would be better to use any spare capacity in the existing Council workforce to run the market and the impact of non-domestic rates would be the same whether or not there was an external or in-house provider. The opportunity for a not for profit organisation to run the market should be taken on board. Bromsgrove market should be run by Bromsgrove Council, particularly as the Council was trying to become more commercial.
- The Chairman suggested that there would be no domestic rates if market traders got together to solve the issue by becoming a charitable trust.
- The Portfolio Holder was thanked for meeting with the market traders. The market stall holders were very much appreciated. If the Council could use its own vehicles and staff to run the market then savings could be made. The week day markets and themed markets were very popular and positive feedback had been received from residents. Local shops also felt the benefits of a good market.
- Mr Sidhu and the other stall holders were thanked for their contribution and it was suggested that Option 2, bringing the service 'in-house' would hand back control of the market to elected Members who could then go on to consult the market traders.
- Disappointment was expressed that the figures for the current contract had not been made available. It was queried why CJ Events had pulled out of the agreement and if this was due to the company losing money? It was suggested that Wyre Forest District Council and NWedr's involvement may not be necessary. The rising use of the internet and local supermarkets had an impact on the market so it had to be competitive; however the market could be taken forward.
- The Council could consider a third option to take the running of the market back in-house and support the creation of a not for profit stall holder organisation to run the market, with a commitment to continuing dialogue with the stall holders.

Mr Sidhu confirmed that he had spoken to CJ Events regarding income generated and understood that a profit of £630 per week was realistic.

The Chairman summarised the discussion and suggested that the Board put forward a recommendation to Cabinet that a third option be considered where by the running of the market be brought back 'in-house' and that an open and active conversation take place with the market traders regarding a not-for-profit vehicle taking the lead. This would be subject to the legal viabilities of this model. It was queried if a further local authority needed to be involved in running the market and suggested that the Council's relationship with NWER needed to be renegotiated.

**RECOMMENDATION** That following a unanimous vote the Board recommend that the market be returned 'in-house' and options for traders to run the market be explored.

112/17

**TO CONSIDER ANY OTHER BUSINESS, DETAILS OF WHICH HAVE BEEN NOTIFIED TO THE HEAD OF LEGAL, EQUALITIES AND DEMOCRATIC SERVICES PRIOR TO THE COMMENCEMENT OF THE MEETING AND WHICH THE CHAIRMAN, BY REASON OF SPECIAL CIRCUMSTANCES, CONSIDERS TO BE OF SO URGENT A NATURE THAT IT CANNOT WAIT UNTIL THE NEXT MEETING.**

There were no items for consideration.

The meeting closed at 18:25

Chairman