
THANET MARKETS: MARGATE WEEKLY GENERAL MARKET

To: **Cabinet – 31st July 2014**

Main Portfolio Area: **Strategic Economic Development**

By: **Kate Wilson, Community Regeneration Officer**

Classification: **Unrestricted**

Ward: **Margate Central Ward**

Summary: This report identifies the requirement to relocate the Margate Market to a new site, and requests Cabinet support that following the move the Council takes on the management of Margate market.

For Decision

1.0 Background

1.1 Regular markets can bring a multitude of benefits to their local area. In 2009, the Communities and Local Government Committee Report¹ identified five key benefits to a local town and community of a successful market:

- *Economic development:*
 - Increases footfall resulting in an increase in local spend that supports local retailers and businesses;
 - Increases local entrepreneurialism as the availability of stalls in a market offer accessible space, with low start-up and running costs. Alan Sugar started with a market stall!
- *Social:*
 - Creates hubs of social activity that are popular with all sectors of the community resulting in improved local social cohesion.
 - Increases the access to cheaper fresh food leading to improved health, especially for the poorest quartile; studies consistently show market prices being lower than supermarkets.
- *Regenerating town centres:*
 - By drawing in new people and more customers markets can help to change the perceptions of a location to that of a busy, thriving centre.
- *Reducing environmental impact in the retail sector:*
 - Stall-holders tend to source their stock from local producers and wholesalers, which reduces travel and gives an outlet for local businesses and farmers.
 - Markets encourage people to shop locally, often within walking distance of their homes.

1.2 The Report¹ highlights the positive feedback the Committee received from shop keepers and surrounding businesses, who said market days are often the busiest day in the town or their second busiest after Saturday. A National Farmers Union study found 80% of neighbouring businesses saw a boost to trade on the establishment of a nearby market.

¹ –Market Failure?: Can the traditional market survive?
<http://www.publications.parliament.uk/pa/cm200809/cmsselect/cmcomloc/308/30803.htm>

- 1.3** With the growing acknowledgement of the positive impact on an area of a thriving market, councils across the country are seeing markets as drivers of economic development and linking their management and performance into their economic strategies and plans. This economic development approach to supporting markets is carried through to the market operation agreements, which are including criteria for performance and quality; for example: entrepreneurialism is promoted by making market stalls available at competitive rates to local entrepreneurs and producers.
- 1.4** When Swale Borough Council tendered the operation of their town markets, it was from an economic development aspect. This meant they were open to and supportive of the Faversham market being operated by a newly formed local co-operative. On winning the tendering process. the co-operative has re-energised the market which is now three days a week, and the co-operative has set-up two additional specialist monthly markets – Antique and Vintage (Antiques, Vintage and Collectibles) and Best of Faversham (Arts, crafts and Food). They operate all the markets under the brand of Faversham Markets. This approach has been highly beneficial to the town centre.
- 1.5** Margate market is struggling, it does not have a formal home, it has few stalls, no space to expand, and the quality and range of the offer has been receiving negative comment. For the last decade, Margate Town Partnership has had the responsibility for Margate market and they have focused on the logistics. It is proposed that the Council moves Margate market from the High Street to Cecil Square where it will have the space to expand while still supporting the footfall within the town centre, and takes on the responsibility of the market.
- 1.6** When Margate market is under the responsibility of the Council, an economic development approach to the management of both Ramsgate and Margate weekly town markets will be implemented. This will include bringing an integrated approach to the management of both markets helping them to build through cross promotion to customers and stall-holders. This approach has been successfully elsewhere.

2.0 Margate Market: Issues and Opportunities

- 2.1** Due to its present High Street location Margate market needs to move. It is not an acceptable long term site for reasons of highway safety, space for stalls and issues related to the shop frontages. It is proposed that the Council takes responsibility for Margate market and undertakes the processes required to formally move the market to a new site in Cecil Square.
- 2.2** In the recent past, Margate market has been rather nomadic, Margate Town Partnership has moved it from the lower High Street to Cecil Square to The Centre/Regal Walk and then to the High Street. The market was moved to its current location without the required agreement from Kent Highways and without planning consent. Kent County Council Highways have indicated that they would support a permanent formal home for the market, but would not support the present location.
- 2.3** Since the market moved into the upper High Street, the businesses have expressed disquiet about stalls blocking their frontages. As the High Street re-builds and vacant shops have re-opened, the number of places stalls that can be erected without seriously blocking shop windows has reduced. The market now runs sporadically along the upper High Street including occasionally spilling onto the pavement next to Boots near the pedestrian crossing. This situation is not good for the development of the market as stalls have to be moved when vacant premises re-open creating instability for the customers and the stallholders; the market operator, Hughmark has

stated this situation has made it difficult to develop the market and they are presently not covering their costs.

2.4 Current Market arrangement

- 2.4.1 Hughmark has operated the market under agreement with Margate Town Partnership (*a separate body from Margate Town Team*) for a number of years. The market was set-up through a formal licence for a three year period with the ability to renew by mutual consent and relates to when the market was held in the lower High Street and Cecil Square. The agreement is based on Margate Town Partnership providing Hughmark with a site and Hughmark remitting to the Partnership a proportion of their income from the market after operating costs are subtracted.
- 2.4.2 In 2010 the Margate Town Partnership folded, however a new' Margate Town Partnership was reinstated. During a meeting, the new MTP and Hughmark decided to carry on the market under the same terms – nothing was signed and the original licence has never been updated.
- 2.4.3 The market moved from Cecil Square following a request from Kent Highways for a Traffic Regulation Order (TRO) application rather than the weekly road closures then being obtained under the Town Police Clauses Act 1847, which are intended for one-off events. A TRO application was never made, as the market was moved to The Centre/Regal Walk in agreement with the then landlord. When landlord went into administration in 2012, the administrators asked for the market to be removed as they felt it was not conducive to attracting tenants, hence the current unauthorised use of the upper High Street.
- 2.4.4 When the market was previously in Cecil Square, remittances for loss of the Council's parking revenue were not paid by Margate Town Partnership, as it was argued that the income they made was recycled to events and Christmas lighting in the town. The suspension of the parking spaces in Cecil Square equates to a potential loss in parking revenue income of £9.1K per annum, so not receiving an income to cover this cannot be an option.

2.5 Margate market relocation

- 2.5.1 The challenge is to re-locate the market to a site which is noticeable and accessible to the public and acceptable in Highways terms. Council officers have been in dialogue with Kent Highways, Margate Town Partnership, Margate Town Team and the current market operator to try to find a permanent location where Margate Market can better serve the town.
- 2.5.2 Markets can best serve towns by being located so they help to drive footfall in the town centre without being excessively competitive with local shops. The market needs to be well-located and visible so it can help encourage shoppers to come to the High Street. Stalls which block shop frontages are counterproductive as shopkeepers are put to disadvantage. Equally, locations must not be dangerous in Highway terms nor adversely affect traffic circulation. Town centre parking is another important variable which must also be taken into account.
- 2.5.3 Margate presents several challenges in identifying a market site which meets the site criteria above. The High Street is long and relatively narrow, resulting in stalls being pushed too close to shop windows and/or blocking emergency vehicle movement. Potential sites at either end of the High Street would be too divorced from the main bulk of shops to give the benefits of added footfall. Vacant sites off the High Street

are separated from it, not easily visible and/or would require capital expenditure to remodel and resurface.

2.6 Cecil Square

2.6.1 Cecil Square has been identified as the best option available after considering a number of other sites (Annex 4). The square is highly visible, well-located to help drive footfall to the High Street and College Square, while spacious enough for a reasonably-sized market without blocking any shop windows. Also, the current operator Hughmark previously successfully operated a market on the Cecil Square site and is keen for the market to move back to the square (see Annex 1).

2.6.2 To move the market to Cecil Square would require closing a section of the square with the suspension of the parking bays - a potential loss of parking revenue of £9.1K per annum, and moving the current site of the taxi rank to the opposite end of the Square on market days (see Annex 2). In 2010/11 the last year Hughmark operated the market in Cecil Square, MTP was remitted close to this figure.

2.7 Informal pre-consultation of businesses fronting Cecil Square

2.7.1 An informal pre-consultation, via letter was undertaken with the taxi drivers' representative, Thanet Hackney Carriage Association, and the businesses fronting the proposed market area. The aim of the pre-consultation was to identify any concerns/suggestions that need to be considered, thus reducing the chance of objections during the formal consultations required in the TRO and planning application procedures.

2.7.2 The Thanet Hackney Carriage Association responded that the taxi drivers have no objection to the market moving to Cecil Square and the associated repositioning of the taxi rank as long as the proposed taxi rank included space for a turning point.

2.7.3 There are no problems with deliveries to Store 21 as these are from the High Street. Accessibility will need to be maintained for cash deliveries to NatWest Bank and the doctor's surgery has stated that access for an ambulance is needed at all times. The advice received from other officers is that there is enough space to accommodate these requests.

2.7.4 The Council received written feedback from one business (Annex 5). The key points were:

- 'The presence of the market in front of business premises makes it much more difficult for clients both to see and to access the offices. This limitation on business is not acceptable.
- The setting of the market in Cecil Square significantly limits the most convenient parking for the business located there. In reality, it takes out 20% of the business week.
- Although I am sure you will advise of a clean street and working environment, I would remind you of the significant amount of rubbish present each week on the conclusion of the market. This does not present a good business front, and again is damaging.
- There is considerable noise from the market, both from the stall holders calling out their wares, and indeed from the shopping public. This is not conducive to a proper work environment with offices that front Square, and nor does it support focussed and considered meetings or decisions from clients. It is at best obtrusive, and more often obstructive. The burger van smell is significant, and is a similarly poor factor in a working environment'.

2.7.5 When the officer hand delivered the letters to the businesses, another business in the area was positive about the proposed move.

2.7.6 **The recommendation** is that the Council proceeds with the relocation of the market to Cecil Square, ensuring the layout reflects the space required for the taxi rank, cash deliveries and the ambulance. The market operator can be requested to take into consideration the feedback from the businesses.

3.0 Procedures Required to Move Margate Market to a Formal Site

3.1 A permanent market site at Cecil Square will require one-day-per-week suspension of parking bays with a potential loss of on-street parking revenue equating to around £9.1K per annum. Kent Highways has requested that the Council obtains a Traffic Regulation Order (TRO) in order to provide a regular weekly closure of the Highway. Kent Highways are happy in principle with a market use of this site one day per week and have also stated that they would agree the use of Highway land through an exchange of letters with the Council with no further costs to the Council for the use. Planning Consent will be needed and would not normally be approved until the formal approval of the TRO.

3.2 Submission of the TRO application (requires 3-6 months for approval due to advertisements and time for lodging and resolution of objections). Kent County Council has informally agreed in principle with the Cecil Square location. They have suggested employing a local specialist consultant to draw up and submit the TRO application at a likely total cost (including the application) around £600 plus advertising costs of up to £100.

3.3 Submission of Planning Application (requires 8 weeks for approval depending on any objections and will require Planning Committee decision) at a cost of £385. Planning Applications normally follows TRO approval so that Planning Application reflects any changes that might result from objections to TRO application. These two processes could be run concurrently to reduce overall approval time, but there is a risk that the Planning Application might need to be revised if the TRO changes as a result of objections.

3.4 Exchange of letters of agreement with Kent County Council regarding the use of the Highway land by Thanet District Council for use of a market, at no cost to the Council for the use;

3.5 Brief report to Joint Transportation Board for information and any comments.

3.6 Order to suspend parking bays – Order to suspend can be pursued one week before commencement of market.

4.0 Options

4.1 Support the proposal for Officers to start the process to relocate the Margate market to a formal site in Cecil Square. The alternative is to not have a weekly market in Margate, as the current informal situation cannot continue indefinitely.

4.2 In order to put the formal processes in place £13,085 (£1,383 set-up costs and £11,700 operation costs) will be required. It is expected that this will be contained within existing budgets, it is envisaged that there will be some displacement within the parking income (cars parking elsewhere) and some of the cost is expected to be covered by income from the market. After the first year of the market being in Cecil Square the on-going annual costs i.e. loss of parking income will be reviewed in

relation to potential income and whether it needs to be considered as part of the budget build for future years.

Proposals for Decision:

Relocate the Margate Market to Cecil Square and be responsible for the market

5.0 Next Steps

- 5.1** Officers will start the formal processes required to move Margate market to a formal and permanent site.

6.0 Corporate Implications

6.1 Financial and VAT

- 6.1.1 Kent Highways have advised that the TRO should be submitted by a consultant familiar with these. This is likely to cost in the order of £600 (KCC & TDC Parking estimates) together with advertising of the Notice (costing up to £100).
- 6.1.2 Moving Margate Market to Cecil Square for one day per week would result in a potential loss of approximately £9.1K p.a. parking income. It is proposed that this would be at least mainly (if not fully) mitigated by an agreement between the Council and the market operator. The anticipation is that the combination of a better location and the agreement (which would include quality and growth objectives) would result in the market growing and further offsetting the parking revenue loss. There is also potential that at least some of the parking revenue would be offset by customers parking elsewhere in the town centre.
- 6.1.3 Business Rates and Public Liability costs will be incorporated into the operator agreement so that the Council is not put at risk in these respects.
- 6.1.4 Traffic barriers will need to be organised on market day to control the vehicular access to the square, which will involve barriers being placed out at 06.00hrs and collected at 16.00hrs. When the market was previously in Cecil Square, this service cost MTP £50 per week. This service would need to be arranged by either contracting a company (the Council does not have the capacity) or preferably this will be covered by the operator.
- 6.1.5 It is proposed that any market income to the Council (after accounting for any losses for the on-street parking account and any other administrative costs) should be recycled to projects in Margate town centre.
- 6.1.6 The VAT officer has stated that 'provided the Council does not incur any significant vatable expenses in relocating and running the Margate Market, and the current proposal doesn't seem to include significant expenditure, then there should not be any VAT related issue to the recommendation to move the Margate market.
- 6.1.7 With regards to new management agreement, it would be necessary to identify the VAT implications in detail as part of the review of the different management options. Accordingly, the VAT officer will be brought into the management evaluation process for report back to Cabinet.

6.1.8 Summary of the costs of relocating and operating the Margate market in Cecil Square

Activity	Cost £	Total £
<i>Relocation costs (one-off)</i>		
Traffic Regulation Order (TRO)	700	
Planning Consent	385	
		1,085
<i>Operation of market¹</i>		
Suspension of parking bays	9,100 p.a.	
Putting out and collecting barriers ²	2,600 p.a.	
		11,700 p.a.

¹ This cost is expected to be covered (mainly) through the market operator remitting to TDC an agreed proportion of their income after operating costs are subtracted.

² Calculated at £50 per week

6.2 Legal

6.2.1 Officers need to understand the legal implications of Margate Town Partnership existing agreement with the current Margate Market operator. Initial advice from Legal indicates the need to look more closely at the agreement in order to form a view as to whether there may be any termination penalties.

6.2.2 Officers will work with the legal team to ensure appropriate legal agreements are put in place to optimise the impact of the market on the development of the town and minimise risks to the Council. It is intended to utilise national best practice legal template advice from national Association of British Market Authorities (NABMA).

6.3 Corporate

6.3.1 The Proposal is in line with the Council's Corporate Plan Priority 1 supporting the growth of our economy and the number of people in work, Priority 3 supporting community and voluntary organisations (Margate Town Team objectives in improving Margate Town Centre) and Priority 5 by overcoming the currently unacceptable location in Highway terms (although Parking is adversely affected).

6.3.2 There are some risks that need to be understood in initiating this proposal:

- Objections to the Traffic Regulation Order (TRO) (application cost approximately £700) may result in the TRO being delayed or not being finalised by Kent County Council. The informal consultation that has taken place has identified the need to have access for cash deliveries to the Natwest Bank and ambulance access to the surgery. It is intended to find acceptable solutions prior to formal TRO consultation to mitigate the issues. Kent have already indicated *in principle* agreement in writing;
- Refusal of Planning Consent for Change of Use (application cost £385) – mitigated by informal discussions with Planners;
- Change to TRO following any objections, resulting in amendment to Planning Application and therefore delay in Planning Consent – mitigated by informal TRO consultations with affected organisations / businesses
- Uncertainty regarding status of agreements between Margate Town Partnership and Hughmark for Margate, and legal implications of the Council entering into new agreement with new operator – to be investigated with Property and Legal;
- VAT issues – VAT Officer to be involved in the process to ensure liability, for report back to SMT.

6.4 Equity and Equalities

- 6.4.1 The market is intended to be available to all residents and visitors to the town, and the proposed new Margate location would be fully accessible to all. Efforts will be made to encourage a wider appeal than at present for Margate Market. Due to the availability of the market for all, an Equality Impact Assessment is not considered relevant and therefore has not been carried out.

7.0 Recommendation

The following proposal is set out for decision:

- 7.1 Support the Council relocating the weekly Margate market to Cecil Square and being responsible for market.

8.0 Decision Making Process

- 8.1 This is a decision by Cabinet.

Contact Officer:	Kate Wilson, Community Regeneration Officer ext 7037
Reporting to:	Louise Askew, Economic Development Manager

Annex List

Annex1	Photos of Cecil Square with market
Annex 2	Plan of Cecil Square
Annex 3	Markets in Thanet
Annex 4	Sites considered as a location for Margate market and rejected
Annex 5	Informal Consultation of the businesses fronting the proposed Cecil Square site

Background Papers

Title	Details of where to access copy
Margate Market File	Economic Development & Regeneration Team

Corporate Consultation Undertaken

Finance	Matthew Sanham, Finance Manager (Service Support)
Legal	Dawn Cole, Senior Legal Officer