

REPORT TO: Corporate Services Policy and Performance Board

DATE: 21st October 2014

REPORTING OFFICER: Strategic Director Children and Enterprise

PORTFOLIO: Physical Environment

SUBJECT: Markets Update – Charging Policy

WARD(S) Appleton and Mersey

1.0 **PURPOSE OF THE REPORT**

1.1 The purpose of this report is to provide an update to Members on the adoption of a Markets Charging Policy. The Charging Policy captures key issues and questions raised at previous PPB meetings.

2.0 **RECOMMENDATION: That Members note the contents of the report.**

3.0 **SUPPORTING INFORMATON**

In June Members of this committee considered a report which outlined the changes and improvements that have been made at the markets during the last 12 months.

During the discussions, Members made a number of suggestions and observations relating to future priorities and actions at the Markets. Key areas included:

Power Supply and Power Consumption;
Occupancy/Vacancy Rates;
Rental Income;
Rental Arrears;
Expenditure;
Return on Investment i.e. an opportunity/cost analysis

It was noted that a review of market hall rents had taken place.

Members acknowledged that a payment system was required that more accurately reflects an equitable distribution of expenditure/costs across the market, and satisfactorily distinguishes between popular or, conversely, difficult to let stalls.

These considerations have led to the adoption of a charging policy for the markets.

A Charging Policy for Halton Borough Council's Markets has been implemented to provide a single source of information setting out how traders are charged for renting a stall or storage space within Widnes Market Hall, Widnes Open Market, and Runcorn Street Market. This will ensure transparency for traders and at the same time will provide a full working document that can be used by the markets management team to ensure that all traders are treated in a consistent and fair manner.

As part of this exercise, a review of the way Halton Borough Council charges its traders was undertaken to ensure that rents are consistent, competitive and viable. It should be noted that rents within Widnes Market have remained static since 2009/2010. The introduction of this Charging Policy will ensure that there is a consistent starting point for any future rent reviews.

Whilst carrying out the review it became clear that there were a number of areas where there did need to be changes made to the way that Halton Borough Council currently charges its traders. The principal changes are as follows:

- (a) Rents within the Market Hall should, moving forward, be based on up-to-date floor space and frontage measurements to ensure accuracy and consistency when calculating rents. New rents for each stall have since been calculated using a single competitive formula. These have been set at a level which will ensure that the majority of stall rents will remain comparable to existing rents and to ensure that during this transitional time, the market's rental income from these stalls will remain at a static level.
- (b) To ensure prompt payment by traders and to reduce arrears, all tenants within the Market Hall should be required to set up a Direct Debit to pay their monthly stall charges.
- (c) Consistent electricity charges for traders would be introduced as soon as possible to ensure fairness and equality between traders. In reviewing the way that Halton Borough Council charges for electricity consumption, it was agreed that a banding system should be introduced as set out in the Charging Policy. The bands have been kept at levels which are deemed to be affordable particularly to those tenants who use lower levels of electricity, but at the same time it was agreed that some of the tenants who use significantly more electricity than other should be billed accordingly. It was also considered that certain tenants who were deemed to be high users would be required to make payments based on actual usage and would have a meter installed on their stall(s). An audit of electricity usage in the market has been undertaken by Halton Borough Council's approved electrical contractors to inform this exercise. Most traders will see an increase in the amount that they are charged for electricity.
- (d) Runcorn Street Market will see the introduction of a new charging structure. Currently traders are charged for each Halton Borough

Council pop up stall that they use at a cost of £15 per pop up (3 meters of frontage). However, under the proposed pricing structure traders will be asked to pay according to the frontage measurements of their stalls. The price for a Halton Borough Council pop up will remain at £15 per stall. However, any additional space created using a trader's own stalls will be charged at a rate of £4 per metre. Traders who are willing to use their own stall on the Street Market without using a Council pop up will be charged £15 for the first 4 metres of frontage (minimum charge £15). This will allow traders to continue to rent a stall for the same current price of £15, but it will also provide an incentive to traders to use their own stalls.

- (e) New consistent store room charges are also proposed based on store room area. The costs that are proposed in the Charging Policy have been set at a level to ensure that most traders will not see a significant increase in costs. Those store rooms on the ground floor or on the first floor with lift access are charged at a higher rate than those on the first floor without lift access.

Licenses will be introduced for outdoor traders, daily use of the Market Hall, Runcorn Street Market traders, containers and store rooms.

Any changes in rental levels proposed within the Charging Policy will not be introduced until April 2015.

4.0 **POLICY IMPLICATIONS**

- 4.1 There are no further policy implications associated with this report.

5.0 **OTHER/FINANCIAL IMPLICATIONS**

- 5.1 There are no negative financial implications for the Council arising out of this report. It is expected that income will remain broadly in line with previous years, whereby the markets generate a small operating surplus. However, some savings are expected as a result of changes to how power supply is charged at Widnes Indoor Market.

6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

6.1 **Children & Young People in Halton**

N/A

6.2 **Employment, Learning & Skills in Halton**

The markets allow potential entrepreneurs and fledgling businesses the opportunity to set up in a supportive and low risk environment.

6.3 **A Healthy Halton**

N/A

6.4 **A Safer Halton**

N/A

6.5 **Halton's Urban Renewal**

Markets contribute to supporting the respective town centres. It also encourages local residents to 'shop local'.

7.0 **RISK ANALYSIS**

7.1 There is a risk that the Council does not see a return on its investment through increased footfall in the markets and wider town centres and an increase in traders paying rent.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 Access to the markets has improved to ensure that our markets remain accessible for all.

9.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None within the meaning of the Act