

For publication

Markets Fees and Charges 2024-25

Meeting:	Cabinet
Date:	19 March 2024
Cabinet portfolio:	Town Centre and Visitor Economy
Directorate:	Leisure, Culture and Community Wellbeing
For publication	

1.0 Purpose of the report

- 1.1 To set the fees and charges for the Chesterfield Open Markets for 2024-25.

2.0 Recommendations

- 2.1 That the fees and charges for the Chesterfield Open Markets for 2024-25 be as detailed in Appendix 1.
- 2.2 That the agreed 2024-25 rates of Fees and Charges be put in place from Monday 1 April 2024.
- 2.3 That as part of the market reconfiguration (part of Revitalising the Heart of Chesterfield) a review of the pricing structure be undertaken, following best practice adopted nationally and ensuring a value for money approach is taken to realise the full income potential of the market, the results of which will inform the pricing structure for the new market configuration.
- 2.4 That the Service Director for Leisure, Culture and Community Wellbeing, through delegated authority with the Cabinet Member for Town Centre and Visitor Economy, apply appropriate negotiated fees for new activities and opportunities that are introduced during the period covered by this report.

3.0 Reason for recommendations

- 3.1 Supporting the town centre economy is at the heart of our approach and continues to be a key priority for the Council. It is necessary to sensitively increase stall fees to ensure the cost-effectiveness of the Markets operation in relation to increases being seen in

maintenance costs, energy costs and staffing costs. Prior to the increase in April 2023 there had been no increase in Fees since 2016

- 3.2 As part of the Revitalising the Heart of Chesterfield project, the open market is set to benefit from a £1.5 million intervention alongside a wider Northern Gateway and public realm scheme. It is anticipated that this will help support, strengthen and re-invigorate the market area ensuring it is ready to meet the future demands of the town centre.

4.0 Report details

Approach to setting fees and charges

- 4.1 In accordance with the Medium-Term Financial Strategy, fees and charges are required to be reviewed on an annual basis to ensure that the cost of providing the service is recovered.
- 4.2 The Medium-Term Financial Plan is constructed on the basis that additional income will be generated from fees and charges, the process being followed for the review of income to be realised includes an assessment of each fee to identify how it meets the Council's strategic purposes and the level of increase that is proposed as well as taking into account of present economic conditions. The fees have been based on a robust estimate of the impact of cost increases and demand within the services and the Council's overall financial position. This includes assessing the affordability of any of these increases to our residents and customers. Cost pressures and changes in demand include:
- Increase in energy costs.
 - Inflationary increases resulting in increases in supply costs and materials.
 - NJC Pay Claim for 2023-24 which has resulted in a higher than budgeted for pay increase for staff.
 - Any specific service issues around cost increases or service usage.

Service specific context

- 4.3 Any review of fees and charges needs to be sensitive to any impact it may have on the current trader base, which is fragile and is in decline. The impact of the cost of living, the economic downturn and Trader's retiring are all key factors in this downturn in Trader numbers. Any increase that is viewed as un-realistic or un-sustainable regarding the current trading patterns could have a negative effect on trader numbers and result in further losses. The proposed increase can be seen at Appendix 1 and is viewed as sensitive enough to not impact on current occupancy.
- 4.4 A review of other fees and charges in towns similar in size to Chesterfield would indicate that the proposed fees remain realistic and comparable. A benchmarking exercise is detailed at Appendix 2.

4.5 The National Association of British Market Authorities (NABMA) released the 2022 National Market Survey in December 2022. The headlines nationally were that:

- Nationally occupancy levels (outside London) were continuing to decline annually from 2017.
- There was a significant reduction in stalls available which further masked the occupancy decline, noted as thousands.
- The national average stall price was £22.97.
- Trader numbers had reduced from 46,000 in 2021 to 32,000 in 2022.
- Less traders were working on traditional markets, switching to part-time market working and focussing on speciality event markets.
- Only 40% of the 241 markets surveyed were delivering a surplus, 27% were in deficit and 23% were at break-even.
- The full report can be seen at Appendix 3.

4.6 At the Markets Consultative Committee held on 27 February 2024, the Trader representatives were informed that the Council were looking to introduce a sensitive rise of Market Fees & Charges, they were informed the average rise would be between £1.10 and £3.10 per stall depending on size, location and trading day. A Trader made the comment that Chesterfield offered the "best and most flexible" trading options on Markets locally and that stall rents were "not a barrier" to standing on Chesterfield Market. There was general acceptance from the committee of the intention to raise fees from 1 April 2024.

4.7 The council is committed to providing a good quality, well maintained, safe and vibrant market. The sensitive increase being suggested for 2024-25 helps ensure these standards are maintained and further future investment in our Market through the Revitalising the Heart of Chesterfield project is evidence of the commitment.

5.0 Alternative options

5.1 A larger increase than proposed could be applied to the current fees and charges. It is felt that the proposed fees which are being proposed are sensitive and sustainable. Any increase above this is viewed as potentially having a detrimental impact on Trader occupancy.

5.2 To not raise stall fees, however this is not viewed as realistic due to the Council's current financial circumstances.

6.0 Implications for consideration – Financial and value for money

6.1 Current occupancy levels continue to fall. Monday – 22 traders occupying 45 stalls, Thursday 109 traders occupying 120 stalls, Friday 27 traders occupying 55 stalls and Saturday 45 traders occupying 80 stalls. As such around 300 stalls let each week.

- 6.2 The budgeted income for 2023-24 is £218,000, and it is currently forecast that income achieved for the year will be circa £210,000. The proposed fees and charges as outlined in Appendix 1 are anticipated to realise income growth for 2024/25 of £18,000. This includes a further occupancy and attrition decline of around 10% in total.
- 6.3 The proposed 20p increase in electricity recharged for stall lighting is anticipated to cover the uplift in energy costs of around a 10% increase.
- 6.4 These raises combined would see stall price increases of between £1.10 and £3.10 per stall. This makes an average stall price on Monday and Friday £19.70, Thursday £29.00 and Saturday £29.40.

7.0 Implications for consideration – Legal

7.1 The recommendations have no negative Legal implications.

8.0 Implications for consideration – Human resources

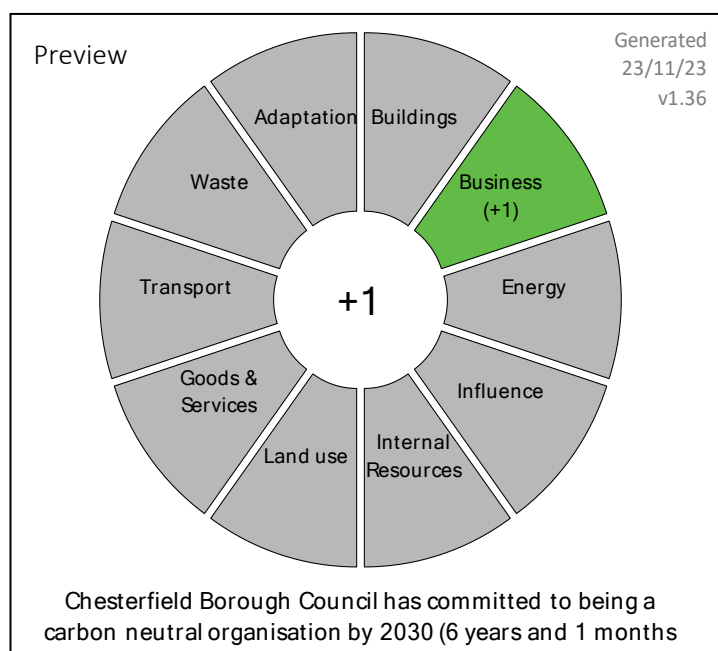
8.1 The recommendations have no negative Human Resources implications.

9.0 Implications for consideration – Council plan

9.1 A sensitive increase in fees continues to support the Council Plan by assisting in the three key objectives, making Chesterfield a thriving Borough, Improving the quality of life for local people and providing value for money services.

10.0 Implications for consideration – Climate change

10.1 It is viewed that the proposed fees and charges increase have no material change from a climate perspective on the market’s operation. The Climate Change Impact Assessment can be seen at Appendix 4.



11.0 Implications for consideration – Equality and diversity

11.1 A Preliminary Equalities Impact Assessment has been undertaken and as a result of this it has been identified that there is no disproportionate impact for protected groups. The completed equality impact assessment can be found at Appendix 5.

12.0 Implications for consideration – Risk management

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
Increase in charges may result in trader losses and a reduction in income	M	M	Sensitive assessment to ensure minimum financial impact on existing Trader base. Communications plan to all users outlining the Council's need to increase fees sensitively	L	L
Damage to Council's reputation	H	M	Sensitive assessment to ensure minimum financial impact on existing Trader base. Communications plan to all users outlining the Council's need to increase fees sensitively	L	L

Decision information

Key decision number	<i>All key decisions must be in the Forward Plan at least 28 days in advance. There are constitutional consequences if an item is not in the Forward Plan when it should have been. Contact Democratic Services if in doubt.</i>
Wards affected	All

Document information

Report author	
Andy Bond, Town Centre Operations Manager, Leisure, Culture and Community Wellbeing.	
Background documents	
These are unpublished works which have been relied on to a material extent when the report was prepared.	
<i>This must be made available to the public for up to 4 years.</i>	
Appendices to the report	
Appendix 1	Open Market Fees and Charges 2024-25
Appendix 2	Benchmarking Exercise.
Appendix 3	NABMA National Market Survey 2022
Appendix 4	Climate Change Impact Assessment
Appendix 5	Equality Impact Assessment