

Subject:	Rawtenstall Market	Status:	For Publication
Report to:	Full Council	Date:	20 th March 2019
Report of:	Chief Executive	Portfolio Holder:	Leader of the Council
Key Decision:	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
Contact Officer:	Cath Burns	Telephone:	01706 252443
Email:	cathburns@rossendalebc.gov.uk		

1.	RECOMMENDATION(S)
1.1	For Members to note the outcome of the investment and management tender process.
1.2	To authorise the Legal Services Manager in consultation with the Director of Economic Development and the Portfolio Holder to award an initial 12-month agreement to the Clog Market for the management of Rawtenstall Market as detailed within the report.
1.3	For Members to receive in March 2020 a progress report detailing the success of this agreement in boosting vibrancy and footfall and a review of future options.

2. PURPOSE OF REPORT

- 2.1 To update Members as to progress made on the investment and management tender and award a management agreement to the Clog market.

3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:

- **A connected and successful Rossendale that welcomes sustainable growth:** our priority is to ensure that we are well connected to our residents, key partners and stakeholders. We want to make the most out of every pound we spend and we are always looking for new and innovative ways to make the resources we do have, work harder for us.
- **A proud, healthy and vibrant Rossendale:** our priority is to ensure that we are creating and maintaining a healthy and vibrant place for people to live and visit.

4. RISK ASSESSMENT IMPLICATIONS

- 4.1 There are several risks associated with this proposal which are set out below:
- That the renewed management arrangements fail to improve footfall at the market. This is mitigated by the Clog Market having extensive local experience and a proven track record of holding successful events in Rawtenstall that attract large visitor numbers.
 - Risk that market traders will not endorse the changes. This is mitigated by a series of consultation meetings and surveys that have taken place since the tender was announced, which have been favourably received by the traders.
 - Opportunity cost risk of the proposal not being approved. Without these changes boosting the current market offer it is likely that the market will not attract new visitors which are needed to raise levels of spend, ensuring the financial sustainability of many of the stall holders.

5. BACKGROUND AND OPTIONS

5.1 Background – Rawtenstall Market

The current market hall in Rawtenstall was opened in 1906 with Thursday and Saturday as the designated opening days. The site consists of a traditional covered market hall as well as

a front area that has cabins in an open environment.

Since 1906 the retail environment has changed considerably reflecting wider social and lifestyle changes. Increased competition from discount supermarket chains and the internet have added further pressure on the traditional business model. However, markets that have adapted and changed have proved that revised markets have a place in the modern retail environment. Shoppers are increasingly seeking an authentic experience and have embraced markets that sell products that they cannot buy in the mass market shops. Typically homemade, organic and niche products as well as special events have proved to be successful in attracting shoppers. An example of revised markets is in Altrincham, Trafford; following extensive refurbishment it now incorporates regular design, food, vintage and craft specialist markets as well as other themed markets five days per week. The aim is not to exclude existing traditional traders or shoppers but to add new and additional offers that attract new people. Although some new markets have been introduced in recent years in Rawtenstall there is a need to improve the market hall experience to visitors.

5.2 Background – the tender process

A Council report was presented on 13th December 2017 that received authority to hold the investment and management tender competition as well as the scoring of the bids. Following extensive advertisement, a three-month open tender process took place. Three interested parties registered their interest in making a bid but unfortunately, none were received within the timescales which was also the case after a further one month extension.

Following the tender process a request for further dialogue was received from the Clog Market. These discussions developed the option of a 12-month management agreement which is presented today.

5.3 The Clog Market proposal

After discussions with the Clog Market the following management agreement proposal has been developed which is outlined in more detail in the supporting documentation appendix 1 and 2 but is summarised below:

Vision:

- Become a vibrant market which reflects our communities
- Be successful, profitable and sustainable
- Becomes a centre of excellence for independent retailers and entrepreneurs

Aims:

- Increase footfall to the market
- Increase new customers to the market
- Increase frequency and duration of customers' visits
- Improve relationships with traders
- Increase income through new lets, business expansions and events.
- Increase the range of and value for money of goods and services
- Reduce costs
- Reduce the number of empty stalls and units

Actions and plan:

- Rossendale Council to continue to own the market and remain responsible for the buildings routine maintenance and associated cost, these will be approved through a

scheme of delegation in connection with the approved buildings repair contract.

- The market to be open on occasions Friday and Sunday to complement the traditional Thursday and Saturday opening days
- A new events space to be created with the removal of some outside stalls
- A programme of events during the evening and weekend to be held at the market site, attracting higher levels of footfall
- Permanent retail offer considered within the market hall to fill vacant space
- Internal and external layout changes funded jointly by the Council and the Clog Market. As part of this proposal, the Council is committed to investing £3.2k to remove the outside steel stalls, one cabin and the plastic canopies between the outside cabins; funded by the existing repairs and maintenance revenue budget.
- Existing traders to receive fee protection in 2019 with terms and conditions with the Clog market responsible for fee collection
- Marketing and publicity campaign
- Clog Market to be responsible for utility costs paid upfront by Rossendale Council and recharged to the Clog Market.
- Clog market to receive 90% of all profit (reinvested into social campaigns and into the company) with 10% shared with the Council; based on an open book process.

It is envisaged that the new arrangements will start in April 2019. The management agreement will be reviewed early 2020 with a further report brought to Council around March 2020.

COMMENTS FROM STATUTORY OFFICERS:

6. SECTION 151 OFFICER

- 6.1 As at the end of December 2018 Rawtenstall has incurred a 9 months trading deficit of £8.6k (being direct income less direct expenditure). The inclusion of indirect costs (ie: apportioned supporting staff costs) the deficit increases to £13.1k.
- 6.2 Under the terms of the agreement, other than capital maintenance, the risk and reward of direct income and costs pass to the Clog Market.
- 6.3 During 2018/19 capital expenditure of £6.5k has been incurred in relation to tarmacking. Until the long term future of Rawtenstall market is certain and secured, Officers recommend that minimal costs are incurred (c £5k) during 2019/20 to ensure the building and public areas are compliant for Health & Safety matters.

7. MONITORING OFFICER

- 7.1 Following the unsuccessful tender process, this proposal will give the Council an opportunity to consider its options for the future viable management of the market. It will pilot this particular business model for 12 months, the results of which will then inform any future competitive tender processes. All necessary legal agreements will need to be entered into.

8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT

- 8.1 This proposal supports the vision and priorities of the Council's Corporate Strategy. Attracting a quality investor to reinvigorate and manage Rawtenstall Market is identified within the Action Plan of the adopted 2018 Economic Development Strategy. A series of consultation meetings and surveys have taken place and have been favourably received by traders.

9. CONCLUSION

- 9.1 This report outlines the terms of a proposed 12-month management agreement with the Clog Market that aims to work with existing traders to bring about an enhanced market and events

offer. This supports our original aim in the December 2017 report and begins the journey of creating a vibrant and modern market experience.

Background documents (attached)

Appendix 1 Proposal

Appendix 2 Action Plan

Company Introduction.

The Clog Market is an independent pop up market based in Rawtenstall, Lancashire. Started in 2016, it is a popular outdoor market and recognised as having an excellent track record for quality products and a positive customer experience. Created and owned by Jane Boys, Rossendale Business Awards - Enterprising Woman Award Winner 2018, it has been approached by two out of area council authorities to work in collaboration. In 2018 it was listed in Northern Life magazine's "Best Christmas Markets" in the north of England.

The Clog Market has been actively involved in regenerating Rawtenstall's high street town scene by introducing markets and events to the town centre whilst building individuals skills, creating jobs and regenerating the economy through sales and income. This has ensured resources remain within Rawtenstall and been of benefit to existing Rawtenstall businesses. The Clog Market is now considered to be a benchmark for other markets in Rossendale. Customers attend The Clog Market to shop, socialise and be inspired. They value the social atmosphere and experience. The Clog Market promotes Rawtenstall as being a place to shop, visit, work and live.

With a social business model, The Clog Market has a remit to build skills, confidence and capacity of traders, many of them female, to enable them to create earning potential. The majority of profit is reinvested to further the organizations objectives in creating positive social change.

Our Values.

Be Enterprising. (Make, bake, create, produce, trade)

Be Passionate. (Take pride in what you do.)

Be Social. (Build strong relationships and take part in our community.)

Our Vision.

Our vision is to provide a commercial environment for creative individuals so they may have the opportunity to develop their own enterprise and entrepreneurial skills.

Our Mission.

Our mission is to create vibrant street markets which reflect, improve and inspire our communities.

RAWTENSTALL MARKET

Rawtenstall market sits within the conservation area of Rawtenstall but does not hold heritage or historic status. Opened in 1906 with Thursday and Saturday designated market days. The site consists of a covered market hall and an external open area to the front with trader cabins in-situ. Combined, it contains approximately 69 stalls over an area of 2103m².

Rawtenstall indoor market is in need of extensive repair and modernisation. It is without a dedicated manager, business plan, vision or strategy and for numerous years, as a business, has been failing. The stall rental price structure does not appear to be equitable and is below commercial value. RBC conducted a survey of trader opinions in 2018 with the majority of stallholders perception of the market identified as being poor. There is a culture of negativity around the market. Marketing and advertising is inadequate, social media representation is basic and sometimes hostile towards RBC.

The market hall appears dated with rows of high sided stalls you cannot see through. It lacks visual appeal. Despite a sign stating it is a meeting place, there is an absence of rest places in the market hall. It does not lend itself to gathering, meeting, sitting, chatting, watching. Stall occupancy rate is reported to be at 73% (Jan 2018) with many traders using adjoining empty stalls as extra space for their own business, free of charge. The market is open two days per week serving a 9-4 shopping community each Thursday and Saturday. It no longer serves the demands of today's shoppers and therefore lacks sustainability.

Operating a building and business of this size at this low level does not generate a revenue for RBC, a revenue which could be reinvested back into the building or business. RBC are unable to finance a programme of repair and modernisation for the market or employ a full time market manager.

In 2018 Rossendale Borough Council (RBC) held an invitation to tender for the investment and management of Rossendale market, they did not receive any tenders.

There is a current wave of support to move the market to the town square area, however, that area (to be known as Spinning Point) is currently under development and will form a housing, retail, leisure and transport hub. There has been some support from some market traders for this and they have made their opinions known on social media and in the local news. Market traders have stated how they would like Rawtenstall market to hold specialist markets, festival and events.

The town square area is not an option. It is currently being developed and will be known as “Spinning Point.”

Rawtenstall also has a privately owned farmers market currently operating from the town square. As this area is being developed the future of the farmers market’s location is uncertain. If RBC’s focus is on regenerating the town’s market no other independent markets should be allowed on council owned land around the centre of Rawtenstall.

However, as this market is established, we would offer them the opportunity to join us on Sundays or allow them to remain on the town square for the remainder of 2019 subject to rental payment of £150 per market being paid to Rawtenstall Market. This money would contribute to Rawtenstall Market’s Christmas market costs. This payment should start immediately.

Rawtenstall market will be the provider of all formal markets on RBC owned land and will form work relationships with other organizations in Rawtenstall to collaborate in Rawtenstall town events (i.e. with The Whitaker Museum and ELR).

PROPOSAL.

Rossendale Borough Council continue to own and operate the market in collaboration with The Clog Market. The Clog Market are working on behalf of Rossendale Borough Council as market managers. The market remains at its Newchurch road site and the focus is on reinvigorating the market.

The market will remain open Thursday and Saturday with specialist markets on occasional Fridays and Sundays. Rawtenstall Market will include a programme of monthly events, evening events and annual events.

Although the market commercially underperforms, lacks management, vision, a marketing strategy and does not generate revenue, it has potential to improve and it remains an asset for Rawtenstall.

To enable festivals and more specialist events to take place on the market site more space would need to be created. Currently, the market site does not allow for or accommodate gathering, sitting and socialising. From the main rd (Newchurch rd) the view is of a row of dated wooden cabins, it is without a clear view to the market hall and it is not always apparent that the market is open for business. In the event of holding a specialist market traders would wish to be grouped together, seating and rest areas would need to be created.

With a small amount of structural change, the outside market could be transformed into a more visually appealing environment.

Existing market traders would be supported through the changes and new traders would be encouraged to join the market.

With a strong management and marketing approach the market could transform into a more vibrant commercial area.

If financially viable, the market hall could be developed over time into a more flexible retail space following a phased renovation programme. This hall could evolve into a space for small businesses to share, work in and trade from. The space could include - but is not limited to - food and drink, a micro brewery, creative artisan studios, a bakery, cafe, shared creative space, open 5-6 days per week with extended opening hours.

MOVING FORWARD.

- * Meet with current traders to discuss opportunity to regenerate market.
- * Initially to ensure a timely handover period, apply a make do and mend management approach to the buildings. With minimum expenditure, make good any defects which significantly affect the daily running of the hall. Make some small structural changes to ensure the site has free space areas. Costs will be agreed and shared by RBC and The Clog Market.
- * Remove at least one cabin from the front row and all the old metal market stalls to create much needed open space (RBC).
- * Some traders may need to move stall to enable the market to develop at an improved level.
- * Remove all the overhead wood frame shelters from all cabins (RBC).
- * Convert the old market office into a private staff toilet (RBC)
- * Convert a space in the indoor hall into a new visible market managers's office (JB).
- * Convert a space in the indoor hall into a baby changing/feeding room (JB).
- * Unless funding is secured public wifi is not an option for the site. Wifi will be installed in the managers office for the market manager's use (JB).
- * Remove a section of the stalls in the indoor hall. Replace with tables and chairs to create a much needed indoor rest area (JB).

- * Protect current traders stall fees until the end of 2019.
- * All traders to be issued with a new licence and agree to The Clog Market's traders terms and conditions.
- * Introduce a sensible, equitable, fee for all new traders who apply to join the market from 2019 onwards.
- * Encourage single day use on the outside market to prevent the market being block booked with traders selling products that may not blend in with the new specialist markets being introduced.
- * All market stalls to be used for the sale of goods. No cabins - with the exception of one retained for the market's use - to be used as self storage.
- * Begin a marketing campaign, obtain ownership of the current social media pages or create new ones, obtain a new website.
- * Release a date for first market.
- * On a day to day level Rawtenstall Market is managed by The Clog Market and receives all stall rental fees from existing and new traders.
- * Existing regular traders pay rent on a weekly basis in advance each Monday for the following Thursday and Saturday. Rent arrears should not be acceptable and anyone in arrears of more than two weeks is at risk of having their licence revoked. All monies to be paid in full by bank transfer.
- * All new traders will pay in advance by BAC at the time of booking.
- * RBC continues to support the market with ownership, Insurance cover, utilities and costs. They then charge The Clog Market quarterly for these amounts. At the end of year RBC will take 10% percentage of any profit made.
- * The Clog Market reinvests the majority of any profit made to further the organizations objectives in creating positive social change. The remainder is invested back into the company. The business owner of the Clog Market is unpaid.

If Rawtenstall market is to be more successful - in terms of traders making more money and giving more potential independent entrepreneurs the opportunity to start a business - then it needs more customers to shop on the market.

Rawtenstall Market is not working as well as it could and needs to change. NABMA (The National Association of British Market Authorities) argues that authorities have two options to deal with struggling markets. They can either allow their markets to continue to decline or they can be decisive and bold. Those deciding to be bold may have to take a reduction in terms of income initially – which is a difficult decision to make in the current climate – but the argument follows that authorities would at least be guaranteed an income for a period. For this to happen stallholders and the Council need to ensure that Rawtenstall Market:

- Sells what customers want to buy;
- Is open when they want to shop,
- Allows them to buy items in the way they want to (eg with debit cards, via the internet, with a guarantee and easy returns policy etc);
- Provides an environment in which they wish to buy goods and services
- Is constantly adapting to meet the ever evolving aspirations of retail customers and to beat the competition.

The Vision for the market is to:

- Become a vibrant market which reflects our communities
- Be successful, profitable and sustainable;
- Becomes a centre of excellence for independent retailers and entrepreneurs;
- Create a destination for Rossendale residents and visitors.

Achieving this vision will enable Rawtenstall Market to act as an important 'anchor' for the town centre and will further enhance Rawtenstall's reputation for vibrancy, independent retail and leisure.

The objectives to help realize this Vision are to:

- Increase footfall to the market
- Increase new customers to the market
- Increase frequency and duration of customers' visits
- Improve relationships with traders
- Increase income through new lets, business expansions and events.
- Increase the range of and value for money of goods and services
- Reduce costs
- Reduce the number of empty stalls and units

To achieve these objectives the market would need to:

- Open up the outside market cabin area to make the market more visually appealing.
- Remove at least one cabin and all the metal frame stalls.
- Create areas of space so customers may gather
- Make the market a more flexible area
- Allocate stalls and units according to goods on offer
- Move stall position of some current stall holders
- Marketing campaign utilizing social media
- Introduce a new website and profile traders
- Increase social interaction via social media
- Establish a market traders forum

Create a new marketing strategy, create a new website, maximize the potential of social media networking. The new website would profile traders free of charge, and include details of offers and events, recipes etc;

- Social media (Twitter, Facebook, Instagram, blogging) is proving particularly important as a means of communication with new target markets. For example @clogmarket has over 2,260 followers on Twitter, and bloggers regularly comment on the market;
- Markets promotions are linked wherever possible with wider events and opportunities, and market staff would work closely with other Rossendale organizations and be actively involved in Rossendale events.

- New opportunities for joint working with partners are an important part of the awareness-raising campaign; for example traders would participating in Rawtenstall Annual Fair at The Whitaker Museum and events with East Lanc's Railway.
- The markets would actively encourage TV companies, local film producers and media students to use the market as a location where possible.
- Produce a monthly news letter for traders supported by text alert and regular management and trader meetings to keep up to date with the latest news and developments.
- Offer skills training with RBC where possible - Invest In Rossendale
- Offer onsite social media training
- Offer visual merchandising training
- Work with North West food organizations to promote fresh food/vegetarian/vegan nutrition, develop the market as a local food destination.

Vacancy rates across the whole of the market are estimated to be around 50% in real terms and this situation is unlikely to improve if the market remains with current environment and stall numbers.

A reduction of the number of stalls would give greater competition for stall demand and lower vacancy rates would increase control over the quality of offer and add to the vibrancy of the market.

A revitalised market would provide value and a quality alternative to shopping in supermarkets, meet local demand, help to support shops, restaurants and pubs in the area around the market place, and create opportunities for local people to establish small retail businesses.