



# **Tiverton Pannier Market Position Statement**

## **January 2017**

Prepared by Alan Ottey and Zoë Lentell, Market Managers

---

SUMMARY .....	3
Market Income over the Previous 3 Years.....	4
Market Floor Plan.....	6
TRADING SPACES.....	6
Schedule of Tolls .....	7
Pitches to Income Analysis.....	8
Business Assist Discount: .....	8
POSITION STATEMENT .....	10
Background Context.....	10
Challenges .....	10
1) Retaining traders.....	10
2) Attracting new traders.....	12
3) Footfall .....	14
Sources of Income.....	17
General Market.....	17
Monday Market .....	21
Market Café.....	21
Shop Unit.....	22
Special Events (not on General Market days).....	23
Venue Hire .....	24
Appendix A: Pitches to Income Analysis January 2017.....	26
Appendix B: Market Footfall April 2016 – December 2016.....	27

## SUMMARY

**Aim:** to facilitate positive change at the market to ensure it is adding value to Tiverton, with a view to revenue-based activity becoming cost neutral by April 2022.

### Targets:

#### 1) Increase Income

- Reviewing tolls and introducing a fair Pricing Policy with time-bound Discount Scheme by April 2017 (with enforcement for existing traders by April 2018)
- Reviewing leases by April 2018
- Achieving average of 85% occupied (and paid for) pitches by March 2022
- Increasing number of target pitches by 2 by April 2018
- Extend trading hours (days) with paid pitches by April 2019
- Produce an annual schedule of special events by December each year
- Explore capital value-added opportunities that would positively impact on revenue (invest-to-grow options)

#### 2) Reduce Expenditure

- Review cleaning contract (linked to procurement exercise)
- Review planned maintenance schedule by April 2017
- Explore capital value-added opportunities that would positively impact on revenue (invest-to-save options)

#### 3) Increase Footfall

- Finalise Communication Strategy by April 2017
- Increase appeal of physical environment by March 2019
- Increase appeal of trader offer by April 2019
- Review of opening hours and introduction of night market by April 2020

#### 4) Improve Market Governance

- Budget Management (now and ongoing)
- Ensure Health & Safety obligations and requirements are embedded within the management of the market

All of the above actions are included in the Town Centre and Market Strategy.

The Market Managers would like to add that the issues identified in this report may not be a full list. As we work to improve the market, we are uncovering further areas requiring, improvement and support.

## Market Income over the Previous 3 Years

	Forecast 2016/17	YEAR TO DATE	2015/16	2014/15	2013/14	COMMENTS
7250: Market Tolls	£56,596.10	£49,784.35	£66,246.75	£77,274.00	£84,619.30	See comment below table.
7510: Market Café Rent	£8,200.00	£6,560.00	£8,107.40	£5,162.27	£4,363.97	
7250: Monday Market	£5,280.00	£4,560.00	£5,050.00	£5,203.00	£4,835.00	2016/17: Sustained regular payments of £120 per week instead of reduced payments on lower footfall days.
7250: Shop Unit	£3,681.00	£3,067.50	£3,681.00	£3,631.00	£3,081.00	
7252: Trader Parking	£69.99	£69.99	£353.21	£291.75	£326.66	Traders on the Monday Market used to pay for parking.
7251: Events (gross)	£5,443.75	£5,443.75	£7,268.00	£0.00	£0.00	2016/17: Electric Nights (saw an increase in failed payments by traders not showing especially in September with bad weather).  2015/16: Electric Nights
7250: Events (gross)	£220.00	£220.00	£908.00	£488.00	£709.00	2016/17: Christmas Craft Market  2015/16: Electric Nights and Feast of St James  2014/15: Christmas Events
7250: Venue Hire	£300.00	£300.00	405.00	£2,425.00	£552.00	2016/17: Craft Fayre and Seed Potato event  2015/16: Craft Fayre and Feast of St James  2014/15: Craft Fayre, Soroptimists, Art Event, Feast of St James and five TASTE Streetfood events (£750 still outstanding payment but included in accounts)
7208: Display Cabinets	£0.00	£0.00	£36.63	294.77	£459.60	We no longer have display cabinets to hire out to traders
7255: Sundry Charges	£0.00	£0.00	£195.83	£577.58	£614.22	Formerly charged traders for electric.
<b>TOTAL</b>	<b>£79,790.84</b>	<b>£68,819.59</b>	<b>£92,251.82</b>	<b>£95,347.37</b>	<b>£99,560.75</b>	

## Comments

In 2013/14 and 2014/15, the Market charged for occupancy on Wednesdays and Thursdays. Traders could not sustain these payments, which jeopardised the regular Market days. Although, it would appear that a business decision was made to stop charging on non-market days for regular traders.

Prior to 2016/17, under the former Schedule of Tolls, traders paid per table instead of per pitch. This is against standard practice and again was affecting traders' business viability. In accordance with our desire for 360° stalls, we are offering traders two tables per pitch. The display/merchandising of goods is a very important part of sales.

## Market Floor Plan



### KEY:

DELI STREET CAFE	LOCKABLE TARGET UNIT	UNUSEABLE SPACE	INDOOR TARGET PITCH (360°)	OUTDOOR EXTRA	STORE ROOM	INDOOR EXTRA	OPEN UNIT	DELI SHACK SHOP
------------------	----------------------	-----------------	----------------------------	---------------	------------	--------------	-----------	-----------------

### TRADING SPACES

We currently seek to let 49 pitches:

- 29 Indoor Pitches (S1 – S17 and N1 – N12)
- 20 East Side (lockable units) (E03 – E04, E06 – E08, E10 – E24)

### Additional Space Available:

- 1 Pop-up Art Stall (E01)
- 1 Charity Stall (E02)
- 1 open unit (A4) – this is being converted into a lockable unit by April 2018
- 3 Outdoor Pitches (uncovered) (reducing to 5 by April 2018 with conversion of corner unit)
- 1 Indoor Pitch (centre of hall)
- 1.5 Indoor Pitches (three half pitches, used as access points by traders for the other pitches each side)

### Fixed Units for Separate Leases

- 1 Shop Unit (E05)
- 4.5 Market Café

## Schedule of Tolls

### GENERAL MARKET TOLLS

	Normal Price	Notes
<b>INDOOR</b>		
Casual Trader (≤ two tables)	£14.00 per day	Payable daily in advance. Traders move onto standard price when have been trading regularly for 12 weeks.
Standard Pitch (≤ two tables)	£11.00 per day	Payable daily in advance.
Extra table	£6.00 per day	Payable daily in advance.
<b>LOCKABLE UNITS</b>		
New traders (from 01/04/2017)	£37.00 per week	Payable weekly in advance.
Existing traders	£11.00 per day	Payable daily in advance. Transferring onto new rates from 01/04/2018.
<b>OUTSIDE</b>		
Casual Full pitch	£20.00 per day	Payable daily in advance. Traders move onto standard price when have been trading regularly for 12 weeks.
Casual Half pitch	£14.00 per day	Payable daily in advance. Traders move onto standard price when have been trading regularly for 12 weeks.
Standard Full pitch (200ft <sup>2</sup> )	£17.00 per day	Payable daily in advance.
Standard Half pitch (100ft <sup>2</sup> )	£11.00 per day	Payable daily in advance.
<b>CHARITY STALL</b>		
Charity Stall (≤ two tables)	£0.00 per day	Twelve pitches free per year. Additional items offered at 50% discount of standard price payable daily in advance.
Pop-up Art Stall (≤ two tables)	£0.00 per day	Twelve pitches free per year. Additional items offered at 50% discount of standard price payable daily in advance.

### CHARGES

	Normal Rate	Notes
Display Cabinets	£4.00	Payable daily in advance.
Parking Permits (whole day)	£1.00	One parking permit is included free with each pitch. Additional permits to be purchased daily in advance.

## FIXED UNITS



### Notes

Café Space	Agreed separately as part of annual lease. Payable monthly in advance.
Shop Unit	Agreed separately as part of annual agreement. Payable monthly in advance.
Store Room	£37.00 per week. Payable weekly in advance.

## DISCOUNTS

	Normal Rate	Notes
Standing Order	10%	Payable monthly in advance (equivalent of £9.90 per pitch).
Business Assist	50%	Discount for three months; option to extend for further three months. Maximum time of six months.
Bulk Discount	16.7%	Traders occupying and paying for five pitches, get one additional pitch free. Discount applies daily.
Non-Market Day	£100%	There are currently no charges for regular indoor traders on existing non-general market days.
Discretionary	Varied	Previously agreed rates with traders prior to 01/04/2017. Existing agreed rates expire 31/03/2018.

## VENUE HIRE

	Normal Rate	Trader Rate*	Charity Rate
North End	£90.00	£70.00	£45.00
South End	£110.00	£80.00	£55.00
Whole Pannier Market Hall	£200.00	£150.00	£100.00
Trader Parking Permits	£2.00 each for day	£2.00 each for day	£2.00 each for day
Electricity Costs	£3.50 per hour (with additional £3.50 per hour if usage exceeds 10kw per hour)		
Staffing Costs	Costs for Council officer attendance/supervision (if required) will be calculated based on each individual event's requirements. Standard costs are £15.50 per hour between 08:00 and 18:00, Monday to Saturday, and at £31.00 per hour at all other times. Please contact us on 01884 243351 for a quote.		
Repair and Cleaning Costs	Failure to adhere to the terms and conditions of hire may result in additional charges being applied (such as compensation for any repair or cleaning costs incurred resulting from damage or neglect of the hirer(s) or replacement for loss of Council-owned equipment or keys).		

\*Trader rate applies to regular traders at the Pannier Market; casual traders will need to pay normal rate.

## THIRD PARTY MARKETS

### Notes

Monday Market	Agreed separately as part of annual contract with third party.
---------------	--

## Pitches to Income Analysis

*See attached appendix*

## Business Assist Discount:



This is a way of encouraging new business and entrepreneurship as they help new small mainly single person initiatives gain experience to compete in a business environment. It provides a way for new ideas to develop and for new businesses to become established and form an active part of the local economy.

They are in the form of mentoring, providing training on specific subjects such as social media, book keeping, promotion etc. (many of these free). There are also initiatives around rent to enable a new business to get over the difficult period of becoming solvent.

Within the retail market world there are numerous business assists with most markets doing some sort of initiative as very often this is an area the local authority includes in their future planning. The private sector also does various business assists for new types of traders and innovative ideas.

### Background Context

The economy of the Market is reliant on the footfall of the town centre. Tiverton is currently attracting a greater ratio of people on the lower rungs of the socioeconomic ladder whereas we need more visitors with disposable income. Furthermore, the majority of visitors are pensioners on minimum income levels. Therefore, the town is failing to attract our desired customers such as young families and working professionals. There are a number of (historic) reasons behind this issue. This has been reflected in the Town Centre Masterplan and also in the Town Centre and Market Strategy and Action Plan.

There is a national decline in footfall in both town centres and markets. The majority of town centres are evolving slower than the change in public shopping behaviour with the main threat being online shopping and uncertainty in the national economy as a result of political changes (such as Brexit) and interest rates. There is a fear of further recession; the economic climate can change very quickly. Therefore it is essential that we have a robust but flexible strategy with strong leadership.

Town Centres need to adapt to the changes in the population's social behaviour with a balance of retail, leisure and business offer to draw visitors. This includes changes from large shops to small convenience stores. Larger retail businesses are withdrawing from small, market towns and focussing on larger town and city centres (especially those with student populations).

Tiverton is a dormitory town with our desired customers not being present in the town during the working week to visit the Market. We are losing customers to nearby larger towns and cities (such as Exeter and Taunton). Tiverton doesn't benefit from the resources or economy that Exeter has, for example, but there are alternative options for the town to follow. Tiverton town and market is suffering from failure to react quickly enough to change. It needs to adapt, providing an alternative draw to bring people back into the town and ensure its economic vibrancy and sustainability. Modern customers are looking for a social experience when they visit town centres and this is the key opportunity for the market's survival and longevity.

### Challenges

#### 1) Retaining traders

Since April 2016, the market has lost 6 long-term traders (covering 9 pitches), mostly due to either ill health or traders not making enough money for their business to be viable as well as two short-term traders (covering 2 pitches), one of these being seasonal to the summer only as selling plants. Some traders leave to grow their business into a shop unit in the town centre, although we have not had any do this since April.

Issue	Solution / Opportunities	Cost / Benefit Implications
<p><b>Footfall:</b> see section below</p> <p>Our biggest reasons for losing traders are lack of footfall /spend. Without footfall, we will not have successful traders and without successful traders we will not maintain or increase income.</p>	<p>See below</p>	<p>See below</p>
<p><b>Lack of trader engagement:</b> Some traders are apathetic to change and are reticent to adapt their business models to modern retail needs. There are traders who never attend consultative meetings with Market Management.</p>	<p>Provision of business support and training for traders.</p> <p>Experienced trader mentors for new businesses as well as facilitated business support sessions from Market Management.</p>	<p>At <b>nil cost</b> to MDDC as covered by the business support contract with BusinessBoost.</p> <p>The direct costs are for staff time involved in supporting traders.</p>
<p><b>Historic trader disputes / relationships:</b> there are a number of traders that vacated prior to April 2016 due to breakdowns in relationships with either other traders or Market Management. There was a loss of confidence in the market in general.</p>	<p>Introduce exit meetings with vacating traders.</p> <p>Revise trader terms and conditions to cover acceptable behaviour policy.</p> <p>Management being able to mediate traders.</p>	<p>Improved retention and positive atmosphere.</p> <p>The direct costs are for staff time involved in supporting traders.</p>
<p><b>Balance of Goods:</b> there isn't a Balance of Goods Policy (Tenant Mix) which means the market could be oversaturated with similar goods resulting in traders losing money. Without this policy, we are supposed to offer a vacant pitch to whoever is top of the list or risk breaching EU legislation. Customers want a variety of choice at the market.</p>	<p>Introduce a balance of goods policy.</p>	<p>Improved reputation of the Market.</p> <p>Short-term it may mean not filling vacant pitches; however, long-term it will ensure retention of good traders.</p>
<p><b>No waiting list:</b> Traders that wish to occupy new lockable units would be vacating pitches in the Pannier Hall without new traders ready to fill the space created.</p>	<p>Create a waiting list of traders.</p>	<p>Reduced vacancy periods.</p>

## 2) Attracting new traders

The Market targets to fill 49 pitches each general market day (29 indoors in the Pannier Market Hall and 20 lockable units). Since April 2016, we have seen an increase in the number of pitch occupancy, with the average occupancy between April 2016 and December 2016 being 77%\*. However, several of the pitches occupied are offered at discount rate (see income section below for more information).

The Market Café and Shop Unit are leased on a separate basis and therefore are not included in this figure. There are additional outside spaces available for use that are also not included in this figure as they are not target pitches.

\*this figure is an estimated calculation based on income collected and known occupied pitches (including discounted pitches). Figures are being recorded for KPI monitoring however, these had previously been recorded against unplotted bays. We have now plotted all the bays for the Market and improved recording procedures so reliable accurate figures are being collected going forward.

Issue	Solution / Opportunities	Cost / Benefit Implications
<p><b>Reputation:</b> The best way of attracting new traders is through word-of-mouth / promotion by other traders. It is very easy to lose your good reputation, but takes a long time to build it. The market has suffered previously from a poor reputation.</p>	<p>The market has undertaken a rebranding exercise. We are re-establishing the reputation and have received positive feedback from both traders and members of the public.</p> <p>We need to reconnect with lost traders (if still in business) to encourage them to return to Tiverton.</p> <p>Seek to achieve award-winning status for the general market.</p>	<p>Increase in new traders leading to increase in occupancy and tolls income.</p>
<p><b>Digital Presence:</b> Traders check websites and social media for activity. The market has successfully grown its Facebook page and has nearly 1,000 likes. Twitter is also increasing its reach. However, there is currently not a dedicated website for the market, instead there is an out-of-date version run by an</p>	<p>Communication Strategy including digital communications and social media has been drafted (to be finalised).</p> <p>A website is being created ready to go live in May 2017.</p>	<p>Reputation benefits from having control over our own website.</p> <p>The cost of creating the website is coming from the Digital Transformation budget.</p>

unaffiliated volunteer.		
<b>Trading environment:</b> The current condition of the market is unwelcoming. The Market is badly in need of redecoration, modernising with addition of colour and warmth.	Repaint the market with colour. Working with local artist Jo Mortimer and PETROC College to create an art trail through the market.	Business case being prepared for capital investment with quotes by April 2017.
<b>Information:</b> There is no set paperwork to provide traders with identifying terms and conditions, safety arrangements, payment etc.	Create a trader welcome pack for all new traders.	Packs will be available digitally. Printed copies available on request, already allowed for in budget.
<b>Resources:</b> Traders desiring a stall but unable to attend the market due to lack of staff or time resources or other commitments.	Evaluating the potential of establishing a cooperative unit.	Variety of offer.  Income from unit, leading to business development with traders taking their own stalls.
<b>Merchandising Opportunities:</b> The current customer does not want to see goods sold out of boxes or on the floor. There is no opportunity for traders to merchandise their goods. Instead they are merely provided with a trestle table, no different to they would receive at a car boot sale. In addition, there is a lack of awnings for the lock-ups, which does not give the visitor a good impression to leave with.	Introduction of lock-ups and improved facilities.	Business case being prepared for capital investment with quotes by April 2017.
<b>Digital Infrastructure / Wi-Fi:</b> The Market benefits from Wi-Fi access via The Cloud within the market building. However, access is unstable and insecure with black spots in some of the units.	ICT are investigating better secure network options to enable secure transactions for traders to digitise their payments and ensure access to internet from all units	Awaiting cost information from ICT. Deadline for quotes by December 2017.

### 3) Footfall

We are establishing a baseline for footfall, recording the number of people on General Market days. From this, it will identify the trend of footfall at the Market. Footfall is monitored three times a day for 10 minutes on Tuesdays, Fridays and Saturdays, at the same time each day (10am, 12noon and 2pm). An average of the three totals is then used to estimate the daily total. Footfall fluctuates throughout the seasons due to holidays, Christmas, weather and special events. We are evaluating the impact of events on footfall and spend at the Market. This has shown already that special events increase footfall.

Issue	Solution / Opportunities	Cost / Benefit Implications
<p><b>Communication:</b> The Market has successfully used social media and other communication channels to attract new visitors.</p> <p>After some initial consultation with local teenagers, they indicated that they would not engage with our current methods of communication to hear about the market. Instead, they suggested bringing the market to them with pop-up events (such as by the skate park).</p>	<p>Communication Strategy including digital communications and social media has been drafted (to be finalised).</p> <p>A website is being created ready to go live in May 2017.</p> <p>Recommend we work with a dedicated market photographer, using a local business.</p> <p>Work with traders to introduce loyalty discount schemes (with local employers).</p> <p>Support town centre website project to link the market to the town.</p> <p>We are working with The Gazette and Out There on monthly promotion packages.</p>	<p>Reputation benefits from having control over our own website.</p> <p>The cost of creating the website is coming from the Digital Transformation budget.</p> <p>We are obtaining quotes for a dedicated photographer (already factored into 2017/18 budget).</p> <p>There is money in the budget for 17/18 that would cover 2 gazebos required for pop-up events. A business case being prepared for further capital investment with quotes by April 2017.</p> <p>Further digital communication projects (such as a market or town centre app and digital advertising boards) should seek external funding via a new constituted friends of group – see below).</p> <p>Promotion packages are already included in the 2017/18 budget.</p>

<p><b>Leisure / social offer:</b> Today's customers are looking for a social experience in the retail world. The Market has a distinct lack of leisure or social offer (except for special events). There needs to be an alternative draw for people to visit that the retail traders can 'piggyback' on.</p>	<ul style="list-style-type: none"> <li>• Pop-up play area</li> <li>• Jogging trail</li> <li>• Social activities (gaming area, chess tables, ping pong)</li> <li>• Street entertainment and animation</li> </ul>	<p>Business case being prepared for capital investment with quotes by April 2017.</p> <p>Street entertainment included in 2017/18 events budget.</p>
<p><b>Physical Visibility:</b> The Market is hidden, obstructed from view of the town centre by other buildings and lacks directional signage to get there. A survey in 2012 indicated that only long-term local residents knew Tiverton had a market and even not all of them knew which days the market operated on.</p> <p>The Pannier Market sign in Fore Street has faded and is in dire need of brightening to make it visible. However, this is listed and needs permission from Conservation.</p>	<p>Partly covered by the communication strategy.</p> <p>Partly covered by the Tiverton Town Centre Masterplan.</p> <p>Short-term action requires improvement to the signage to the Market (subject to permission from Conservation).</p>	<p>Business case being prepared for capital investment with quotes by April 2017.</p>
<p><b>Trader offer:</b> The Market has grown its offer on Fridays and Saturdays and now covers all of the major food groups that customers desire. There is a need to improve offer on Tuesdays and introduce fashionable offers such as 'vintage'.</p>	<p>Target vintage traders, starting with special events and growing into regular traders.</p> <p>Target more hot food traders.</p>	<p>Improved offer = improved footfall = improved reputation = more traders = more income.</p>
<p><b>Market opening times:</b> The Market needs to monitor shopping trends and customer needs in regards to opening times. Any development of a night market will need to be part of improved promotion of the wider town's evening economic activities.</p>	<p>We will undertake a customer consultation in year 1 to determine customer needs regarding opening times.</p> <p>Dependent on outcome of consultation, we will look to introducing a regular night market in year 2.</p>	<p>Any changes to the opening hours could affect staffing needs and we will need to ensure that staff hours are amended to reflect the new system without increasing this expense.</p>
<p><b>Digital maturity:</b> The Lloyds Banking Group 2016 UK Digital Business Index identifies a large percentage of SMEs are</p>	<p>Work with traders to assess their level of digital maturity, looking at their skills, potential and</p>	<p>The main cost here will be staff time. However, investment in our traders is investment in the market. As traders improve</p>

<p>digitally immature and are therefore disadvantaged.</p> <p>Research shows that people who use smart phones to research goods before coming into town centres will spend more there.</p> <p>Very few of our traders have any digital presence; the majority rely on passing footfall as a means to tell people about their products. With this level of digital immaturity, they are losing visibility to potential customers over other businesses that are successfully using digital channels to promote themselves.</p>	<p>form a strategy.</p> <p>Identify digital champions at the market and in the town centre to mentor and encourage other businesses.</p> <p>Encourage traders to market themselves digitally and extend their website features to include click and collect.</p>	<p>their digital skills and presence, they will build a growing clientele and increase footfall benefitting the other traders.</p>
<p><b>Appeal:</b> The Market is untidy, unkempt, appears to be outdated, uncared for and falling apart. It is a stark large building that can feel cold and empty even with traders there. There is no appeal for a shopper to want to stay when visiting. The Market should be an attraction for the town centre given its heritage and listed status but instead has the opposite effect. There is a perception of ‘historic market still living in bygone days with nothing for modern shoppers’.</p>	<p>See above</p>	<p>See above.</p>
<p><b>Dilution:</b> The Market is open on Wednesdays and Thursdays in addition to the three advertised general market days. There is a risk that this is diluting footfall from the general market days. Although the long-term goal is to establish successful six-day week trading, this needs to be grown and may be better to contract back to the three days in the short-term.</p>	<p>There is currently no data for us to analyse regarding this. We have to establish some baseline information and come up with a recommendation by December 2017.</p>	<p>Information being gathered with business case to be prepared by December 2017.</p>
<p><b>Tiverton and a shifting town centre:</b> Customers are parking for free at Tesco and shopping in the Gold Street / Lowman Green area.</p>	<p>Review parking charges in the town centre.</p> <p>Need to improve the walkways through Market Walk to attract people to walk through to the Market. This is being looked at as part of the</p>	<p>Any changes to parking charges will impact on income and footfall.</p>



	Town Centre Master Plan.	
<b>Weather:</b> The Market is very dependent on clement weather for good footfall. Our figures show that when there is rain, our footfall plummets.	We need to provide shelter for people at the Market such as sheltered outdoor seating.  Connecting Market Walk to the Market with a form of roof structure (either full, partial or canopied) would provide better links between the market and the town centre and offer the necessary shelter.	Business case being prepared for capital investment with quotes by April 2017.

### Sources of Income

The Market's income sources are the following:

- General Market
- Monday Market
- Lease of the Market Café
- Lease of the Shop Unit
- Special Events
- Venue Hire

### General Market

The General Market takes place on Tuesdays, Fridays and Saturdays.

Issue	Solution / Opportunities	Cost / Benefit Implications
<b>Tolls:</b> The tolls have not been reviewed since 2012, with little change since 2009. There is disparity amongst tolls charged for	Benchmarking exercise of tolls compared to near	As detailed below.

<p>longstanding traders against the existing schedule of tolls.</p> <p>Increasing tolls could lead to a decline in number of traders.</p> <p>Potential VAT implications re café, shop unit and lock-ups.</p>	<p>neighbours.</p> <p>Introduce Fair Pricing Policy for all traders starting with new traders and giving existing traders 12 months to align with this policy.</p>	
<p><b>Tables:</b> Previously, traders were charged £11 per table, whereas now they are being charged £11 per pitch. This means traders are able to have two tables L-shaped in one pitch and paying half of what they used to pay. This change was introduced to retain traders struggling to pay for two pitches but needing the extra space to display their goods.</p>	<p>We are reviewing the pricing policy (by April 2017). Recommend charging fixed pitch price including two table; extra tables at £6 each.</p>	<p>We need to assess how many traders require additional tables and calculate income.</p>
<p><b>Standing Order:</b> Traders paying by Standing Order currently receive a 10% discount, which means they are only paying for 45 instead of 50 weeks per year (therefore making pitches the equivalent of £9.90 each instead of £11.00). As of December 2016, there are four general market traders receiving this discount for a combined total of 31 pitches per week. Over 50 weeks, that is a loss of £1,705 potential income.</p>	<p>Recommend reducing this to 5% in the new pricing policy for all new traders from April 2018. We will honour the existing arrangement for current traders for 12 months before bringing them in line with the new policy</p>	<p>Market pricing policy will be in line with common practice across markets nationally.</p> <p>Equivalent tolls charged per pitch for payment by Standing Order will increase from £9.90 to £10.45 (compared to £11.00 for cash payments).</p> <p><b>This will save us £852.50 on existing standing order agreements per annum.</b></p>
<p><b>Long-standing Discounts:</b> The Market has three traders that have been in receipt of discounts for a number of years (agreed with the former management) without any evidence of a written agreement. Based on the minimum amount per pitch of £9.90, for 50 trading weeks, this is a loss of £1,235.00 per annum.</p> <p><b>Updated for January 2017 (under new Schedule of Tolls)</b></p>	<p>It is common practice for Markets to reward traders occupying a minimum 5 pitches (at any one time) with an additional pitch free of charge.</p> <p>Recommend reinforcing this arrangement with a proper written policy and agreement.</p> <p><b>This has been updated in the new Schedule of Tolls.</b></p>	<p>Current long-standing discounts will expire on 31/03/2018.</p>
<p><b>Business Assist Discounts:</b> Three traders are in receipt of 'Business Assist Discount' to help them while they are growing their</p>	<p>Introducing pricing policing outlining standard prices per pitches. The policy will cover 'business</p>	<p>The market will not retain businesses that can't</p>

<p>business. There are no written criteria for this discount and those in receipt of it have nothing confirmed in writing with agreed review periods. The discount is not defined to a set timescale so could continue indefinitely. Market Officers are currently at risk of accusations of favouritism by agreeing to offer this discount without the appropriate procedures in place.</p> <p><b>Updated for January 2017:</b></p> <p>Based on minimum amount of £9.90 per pitch, current agreed discounts total £57.60 per week, leading to a potential loss reduced income of £2,880 per annum.</p>	<p>assist' discounts and qualification criteria with a set time frame.</p> <p>Hold regular business support meetings with traders to help them achieve their business goals with a date for paying full tolls.</p>	<p>pay for pitches.</p> <p>The existing business discount units will be reviewed with the traders and 12 months given to start charging full tolls.</p>
<p><b>Cash Collection:</b> There have been weaknesses in the cash collection and recording procedures. There has been no formal recording system to verify how much a trader owes in they fail to maintain their payments.</p>	<p>Review the cash collection process and make robust. <b>COMPLETED</b></p> <p>Look to introduce weekly payment system up front instead of tolls</p>	<p>Improved, robust procedures will minimise the risk of traders leaving without paying their tolls. <b>COMPLETED</b></p> <p>Direct Debits require a trader database connected to our financial systems first.</p>
<p><b>Trader Records:</b> Inadequate trader records and record keeping mean that files aren't up-to-date with insurance certificates and there has been no previous monitoring of failed attendance or payments.</p>	<p>Trader database (the Market Officer is updating all records).</p>	<p>The cost of creating the database is coming from the Digital Transformation budget.</p> <p>Improved record keeping will strengthen our governance arrangements and ensure effective monitoring of trader payments.</p>
<p><b>Target Pitches:</b> We currently target to fill 49 pitches (29 indoor and 20 outdoor) plus the market café and the shop unit.</p> <p>There are planned works at the Market by April 2018 to create two more lockable units from E1 and E2 (totalling 51 target pitches).</p>	<p>Converting new lock-ups for 2018.</p>	<p><b>Income from filling the extra two units (three days per week minimum) at S/O rate could bring us an extra £2,970 per annum.</b></p> <p>The cost of this work has already been factored into the 2016/17 budget.</p>
<p><b>Additional Pitches:</b> There are a number of outdoor and open</p>	<p>Opportunity to use additional space at the Market</p>	<p><b>Income from filling five extra pitches per week</b></p>

<p>sheltered pitches that we can expand into when we have more traders. On average, we had 5 additional pitches occupied per week this year.</p>	<p>when have enough traders to fill this.</p>	<p><b>at £11 per pitch could bring us an extra £2,750 per annum.</b></p>
<p><b>Terms and Conditions:</b> There is a lack of procedural and policy support for reclaiming unpaid tolls, meaning we are at risk of not being unable to reclaim this money.</p>	<p>We are currently working with legal on this as part of reviewing trader terms and conditions.</p>	<p>Procedures to be in place by April 2017.</p>
<p><b>Lock-ups:</b> The current arrangement is for three-day trading but there are no terms and conditions to enforce this so we could lose units on general market day without receiving tolls. Traders store goods in the units so we are unable to offer them to alternative traders on unused days.</p>	<p>We are revising our terms and conditions with the proposal for all new let units must open on general market days.</p> <p>We are investigating the pros and cons of lease vs licence options with legal for these units.</p>	<p>Procedures to be in place by April 2017 (effective for all new traders). Traders in units will pay weekly tolls instead of daily tolls so we have a secure income across the week (recommend this to be £37 per week).</p>
<p><b>Free Trading on Wednesdays and Thursdays:</b> The market is currently open on Wednesdays and Thursdays but as they are not general market days with established footfall, regular traders are allowed to trade for free. Currently, only one indoor trader makes the most of this opportunity and apx half of the unit traders.</p>	<p>Maintain the existing arrangement for indoor traders for the next 12 months while we monitor footfall and the benefits of trading on these days.</p> <p>In addition, we will look at hiring the South Hall out to third parties in 2018 and advertise opportunities to organisers for specialist markets (such as antiques, vintage, dolls houses).</p>	<p>There is potential to generate venue hire income on Wednesdays and Thursdays subject to research and interest. However, it is important to continue to grow the footfall on these days to have a better offer to increase venue hire appeal and enable us to look at charging tolls on these days in the future.</p>
<p><b>Payments:</b> A large number of traders are paying cash daily on the day of trading. Traders are currently able to cancel their pitch at the last minute (or fail to attend) without any penalty charges resulting in a vacant pitch and lost tolls.</p>	<p>We will look to revise the payment process in line with new procedures to receive weekly payments upfront.</p> <p>Promote electronic payment such as Standing Order.</p>	<p>This will minimise loss of income from cancelled pitches.</p>

## Monday Market

The Market is let out on Mondays to a third party to run an 'Antiques and Flea Market'. They pay £120 per day and, due to bank holidays and a fortnight's break in January, run this Market for 44 weeks per year. This amounts to a total annual income of £5,280.00.

Issue	Solution / Opportunities	Cost / Benefit Implications
<p><b>Fees:</b> The whole market hall is let for £120 compared to our tolls sheet of £200. This was an agreed discount for setting up the Monday Market with the intention to increase tolls after the first year. However, this increase has never been introduced.</p>	<p>Recommend introducing monitoring arrangements with hirer and discussing increasing fee to £150 from 2019.</p>	<p><b>An increase in the hire fees to £150 would result in an annual increase of £1,320.</b></p>
<p><b>Branding:</b> The Market is advertised as an 'Antiques and Flea Market' yet is basically an indoor table-top sale for second-hand goods. The Market used to hold a popular weekly antique fair but this stopped about 10 years ago.</p>	<p>Discuss rebranding the Monday market with the organiser as part of new monitoring meetings.</p>	<p>Reputational benefit to the Market.</p>
<p><b>Parking Tolls:</b> Traders attending the Monday market used to pay £2.00 for a parking permit for the day. This has not been charged since July 2016 (with no written change to policy). We had been regularly receiving £10 per week for this. Over the 44 weeks of trading this is a loss of £440 per annum.</p>	<p>Review policy regarding parking charges.</p> <p>Recommend not reintroducing parking fees for this day as proposing to increase weekly hire fees to organiser.</p>	<p>Improved governance arrangements.</p> <p>No change to income/expenditure.</p> <p>Reputational benefit of offering free parking to traders across the week.</p>

## Market Café

The Market Café is let out at £120 per week for the fixed space of:

- the Café counter (used to serve and to prepare toasted products)
- the two bays inside the South Hall immediately next to the café counter
- the kitchen (which is basically a larder and sink)
- one of the store rooms

- two pitches outside of the South Hall adjacent to the café space

The café occupies an additional bay for cooking and is charged an extra £44 per week for this.

Issue	Solution / Opportunities	Cost / Benefit Implications
<b>Lease:</b> The café is let out on an annual lease (February to January); however, the lease doesn't outline the specific area that the café is occupying and paying for, nor does it specify the complete list of responsibilities for landlord or tenant.	The lease is due for renewal and we have sent a copy to legal for their consideration and input.	There is no direct expense for improving the lease as this is covered by internal recharges.
<b>Payment Method:</b> The current payment arrangements for the café differ from that of other traders.	This will be changed when the lease is renewed with clear pricing for the space used.	The café should receive the same discount as the rest of the traders.
<b>Environmental Health:</b> An issue has been raised about lack of fresh water supply to the actually cooking area used by the café. They currently use buckets of water for handwashing and replace this as and when required using the kitchen sink.	Environmental Health have requested a more permanent, fixed, arrangement. This will require reorganising the layout of the café at expense to us.	There will be a cost for the improvement works to the café. We are waiting for a quote and design from Property Services.  £TBC – deadline by April 2017
<b>Provision of Equipment:</b> MDDC as landlord has previously supplied (and maintained) the majority of equipment for the café.  There is also an expectation that MDDC will provide all of the equipment needed for a successful café and pleasant eating environment (such as patio heaters and wind breakers).	Investigating IR35 law and impact on café. <b>COMPLETED – NOT APPLICABLE</b>  The new lease will outline who is responsible for what.	We will temporarily extend the current lease so we have the necessary time to create a robust annual licence agreement.  New agreement to be in place by December 2017.

## Shop Unit

Unit E5 and part of the store room behind has been converted into a shop unit. The unit is leased under a separate agreement on an annual basis.

Issue	Solution / Opportunities	Cost / Benefit Implications
-------	--------------------------	-----------------------------

<b>Lease:</b> The Shop Unit is on a separate agreement to the rest of the traders. It is assumed that they are trading on a daily licence.	Investigate options with legal whether to establish an annual licence for this unit.	Security of lease and occupancy.
<b>Invoices:</b> There is currently a lack of clarity of what the lease includes	Invoices are being renewed in the new financial year. Adequate information to be provided to accounts to ensure this is reflected on the invoices.	Any equipment used will be included in the new invoices.

### Special Events (not on General Market days)

The Market has run a series of streetfood events (Electric Nights Streetfood), which have won two awards and boosted the reputation of the Market and the local area, highlighting Tiverton as a food destination.

Issue	Solution / Opportunities	Cost / Benefit Implications
<p><b>Organisation:</b> In 2014 MDDC rented out the market to a third party to run a streetfood market, charging £300 per month. However relationships with the event organiser broke down, and organisation of the streetfood market was brought in house.</p> <p>Electric Nights Streetfood has brought us £6,638.75 in income to the Market for running these events. However, the cost of running them each month has totalled £5,736.54*. This results in a provisional profit of £902.21.</p> <p><i>(*At the time there was no separate accounting of expenses for the Electric Nights Streetfood so it is difficult to have an exact figure for costs, apart from which a number of items were of shared use with the General Market)</i></p>	<p>The reputation of organising the events is good for the Market and MDDC.</p> <p>Recommend retaining organisation for 2017 and put a business case together for 2018.</p>	<p>Aim to increase profit in 2017.</p>
<p><b>Sustainability:</b> Streetfood is currently fashionable but these style of events have an expiry date. We need to evolve these events going forward to ensure their sustainability. One option for this is</p>	<p>Look to introduce pop-up restaurants / themed food and entertainment evenings in 2018.</p>	<p>Business case with costings being prepared by September 2017.</p>

to offer a roving food truck rally style event around Mid Devon. However, this will mean the income doesn't come to the Market (although still to MDDC). Other options for the Market include Pop-up Restaurants (ticketed food and entertainment events).	Any activities will be subject to market, local government and licensing laws.	
<b>VAT:</b> The income for these events has been affected by the need to now charge VAT on the pitch fees.		
Electric Nights Streetfood has proved to be a huge success as a community event, attracting people into the town centre. Impact on the local night-time economy is minimised by lack of activity in the town centre at this time.	Encourage local businesses to join in with a 'food trail' in 2017.	Benefit to local economy in Tiverton's town centre.
<b>Other events:</b> There is potential to run different ticketed events at Tiverton Market to generate additional income.  Other events we are looking at include: Special Markets, Farmers Market, Start-up Opportunities, Pop-up movie nights, Teenage market, CSR events and general special family events.	Look to pilot new event 'Canvas Nights' (Paint and Prosecco) at the Market in 2017 with more events in 2018. The best way to increase income at this event is to run the bar ourselves. However, we need to ensure that we are not breaching legislation by doing so.  Investigate introducing a Farmers Market (either on a Friday night or Sunday).	Research with legal and accounts viability of running our own bar at Canvas Nights event.  Ticketed event, targeting social groups (such as birthday parties and hen nights) will bring direct income. Projected costs are being calculated – business case to be prepared by April 2017.  Business case being prepared regarding introducing a Farmers Market.

## Venue Hire

In 2016, we have hired out the market building three times (twice for a potato event at £50 each and once for a craft market at £250).

Issue	Solution / Opportunities	Cost / Benefit Implications
<b>Third party events:</b>  Potato event (£50)	Increasing to two (one December and one in summer)	



Craft Market (£250)		
<p><b>Competition:</b> Market law means other markets cannot set up within 6 and 2/3 miles of Tiverton Market without our permission. However, there are many other local market type events (events with stalls) that do not approach us.</p>	<p>Introduce street trading policy to monitor or limit competition. Can legitimately ask for a nominal application fee (such as £15 per application) and promote the Market as a venue.</p>	<p>Potential income from applications. Reduced competition from nearby venues.</p>

## Appendix A: Pitches to Income Analysis January 2017

### JANUARY 2017: MARKET OCCUPANCY AND TOLLS KPI REPORT

#### OCCUPANCY

WEEK BEGINNING	TUESDAY								
	NO. TRADERS	PITCHES OCCUPIED	% Occupied (out of 49)	Target % Occupied	NO. AT MIN RATE	NO. AT BUS. ASSIST	NO. AT BULK	NO. AT LONG	EXTRA PITCHES
02/01/2017	10	22	45%	75%	21	0	1	0	0
09/01/2017	17	35	71%	75%	31	3	1	0	1
16/01/2017	18	38	78%	75%	33	4	1	0	1
23/01/2017	19	39	80%	75%	34	4	1	0	1
30/01/2017	17	37	76%	75%	34	4	1	0	3
<b>Average</b>	16	34	70%	75%	31	3	1	0	1

WEEK BEGINNING	FRIDAY								
	NO. TRADERS	PITCHES OCCUPIED	% Occupied (out of 49)	Target % Occupied	NO. AT MIN RATE	NO. AT BUS. ASSIST	NO. AT BULK	NO. AT LONG	EXTRA PITCHES
02/01/2017	19	39	80%	75%	33	3	2	1	1
09/01/2017	17	37	76%	75%	32	2	2	1	1
16/01/2017	21	43	88%	75%	36	3	2	1	2
23/01/2017	21	43	88%	75%	36	3	2	1	2
<b>Average</b>	20	41	83%	75%	34	3	2	1	2

WEEK BEGINNING	SATURDAY								
	NO. TRADERS	PITCHES OCCUPIED	% Occupied (out of 49)	Target % Occupied	NO. AT MIN RATE	NO. AT BUS. ASSIST	NO. AT BULK	NO. AT LONG	EXTRA PITCHES
02/01/2017	19	39	80%	75%	32	3	2	2	0
09/01/2017	21	42	86%	75%	34	3	2	2	0
16/01/2017	20	42	86%	75%	34	3	2	2	0
23/01/2017	19	41	84%	75%	33	3	2	2	0
<b>Average</b>	20	41	84%	75%	33	3	2	2	0

#### TOLLS CHARGED

WEEK BEGINNING	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	OTHER
02/01/2017	£ -	£ 280.25	£ -	£ -	£ 465.75	£ 412.87	
09/01/2017	£ 120.00	£ 415.25	£ 32.80	£ 32.80	£ 460.75	£ 436.87	
16/01/2017	£ 120.00	£ 442.25	£ 32.80	£ 32.80	£ 520.75	£ 436.87	£ 50.00
23/01/2017	£ 120.00	£ 449.95	£ 32.80	£ 32.80	£ 517.45	£ 422.57	
30/01/2017	£ 120.00	£ 463.95					

**Subtotal** £ 480.00 £ 2,051.65 £ 98.40 £ 98.40 £ 1,964.70 £ 1,709.18 £ 50.00

#### January Total

Amount Charged £ 6,452.33  
Amount Banked on eAnalyser £ 6,861.10

#### Comments

There has been good retention from the Christmas period into January with 4 new traders continuing to trade regularly at the Market. We are expecting another Christmas trader to return in February. We have had some changes in occupancy to the lockable units during January. One trader retired due to ill health, vacating two units. An existing trader expanded into one of those units and we have filled the second. Another trader has retracted from three units into two and that third unit has also been filled. All lockable units are occupied with a waiting list. We have had two traders change payment method to Standing Order this month and others are expressing an interest in this payment method. One trader is experiencing payment difficulties and we are working with them to manage the arrears and a repayment plan has been agreed. Some December tolls were cashed in January. There was one venue hire in January for a Seed Potato event.

## Appendix B: Market Footfall April 2016 – December 2016

<u>W/C</u>	<u>Tuesday F/fall</u>	<u>Friday F/fall</u>	<u>Saturday F/fall</u>	<u>Total per week</u>	
18.4.16	1864	1768	2768	6400	
25.4.16	1752	1944	2200	5896	
2.5.16	1848	1896	2832	6576	
9.5.16	2424	1880	2672	6976	
16.5.16	1656	1656	1248	4560	
23.5.16	1768	2432	2616	6816	Spring event
30.5.16	2360	1672	1856	5888	
6.6.16	1848	1848	2528	6224	
13.6.16	1160	1608	1720	4488	
20.6.16	2000	2120	2568	6688	
27.6.16	1752	1640	2048	5440	
4.7.16	2088	2272	2184	6544	
11.7.16	2032	2040	3600	7672	Feast of St James
18.7.16	1672	2512	1864	6048	
25.7.16	2176	1560	1896	5632	
1.8.16	1488	1568	2016	5072	
8.8.16	1464	1392	3336	6192	
15.8.16	1712	1920	2584	6216	
22.8.16	2168	2600	2880	7648	Summer event
29.8.16	1536	1832	2792	6160	
5.9.16	2472	2376	2600	7448	
12.9.16	1496	1584	2336	5416	
19.9.16	2216	2328	1896	6440	
26.9.16	1776	2672	2296	6744	
3.10.16	1720	1752	2352	5824	
10.10.16	2552	1904	2336	6792	
17.10.16	1936	2104	2144	6184	
24.10.16	3080	2216	2448	7744	Magic event
31.10.16	1824	1968	2224	6016	
7.11.16	1968	2136	2600	6704	
14.11.16	1976	1576	2008	5560	
21.11.16	1608	2536	3016	7160	
28.11.16	2032	1936	2336	6304	
5.12.16	1856	2208	2592	6656	