

CABINET

Festival Market Morecambe 9th October 2012

Report of Head of Environmental Services

PURPOSE OF REPORT			
To provide information to Cabinet in order to agree a direction for improving market provision in Morecambe and also Lancaster.			
Key Decision	X	Non-Key Decision	Referral from Cabinet Member
Date Included in Forward Plan	6 September 2012		
This report is public			

RECOMMENDATIONS OF COUNCILLOR BARRY

To be made at the Cabinet Meeting

1.0 Introduction

1.1 Lancaster City Council currently operates three markets within the District. These are-

- Assembly Rooms- Lancaster
- Charter Market- Lancaster
- Festival Market – Morecambe

This report does focus on Morecambe's Festival Market, because there are some matters that need to be brought to the attention of Cabinet. However, it does also identify that a strategic view of the Council's market provision needs to be taken in order to ensure the sustainability of the three existing markets.

1.2 The Festival Market in Morecambe was originally designed, following consultation with traders and other stakeholders, as a covered outdoor facility that could double up as a market and a venue for events and festivals.

1.3 The original intention for the market was that it would operate as a traditional 'outdoor' market, albeit with cover from the rain. As such traders would remove their goods at the end of each trading day. This would then allow for its other use as an events venue.

1.4 In the last few years the Festival Market itself has been rarely used for events. Effectively the Festival Market is now solely a market (with an outdoor events

programme).

- 1.5 Also the nature of the Festival Market has changed. Over a period of time many of the stalls have become permanent features with traders leaving goods overnight. This combined with the fact that the facility is covered understandably has resulted in the perception amongst both traders and shoppers that the Festival Market is an indoor market or market hall. When actually it was designed to be a covered facility that could host an 'outdoor' market.
- 1.6 In developing the Morecambe Area Action Plan (MAAP) consideration was given to the Festival Market and surrounding area. What the MAAP says about this is critical to this report in terms of setting the context.
- 1.7 In terms of location of the market and the general issues affecting the market the MAAP says-

The town centre can be anchored at its western end by an "entertainment hub". This can be grown from the existing complex of buildings around the old railway station ('The Platform') and the Festival Market and focus on this latter rejuvenated as a true indoor destination. This complex of buildings though very centrally located is paradoxically quite isolated and for pedestrians the various buildings relate very poorly to each other. The buildings and public entrances present to the main roads adjoining and so face away from each other. In addition, in form and design the complex appears somewhat incongruous in the context of the Midland Hotel across the seafront opposite. For various reasons pedestrian footfall here is constrained.

Following consultation with traders at the time, the Festival Market was designed as a covered outdoor facility capable of hosting festivals and events. In practice neither of these aspects has assisted trading particularly well. The market is a facility that is well liked by many local people and has a visitor function but trading is constrained and the ambience is deficient. In particular, the structure not being wind tight provides little protection from the cold and this makes trading quite challenging and impairs the experience it is possible to offer customers. Whilst the stalls were envisaged as being semi-transient and capable of moving out for a fortnight each year, in practice the stalls are well established units operated by a mixture of loyal and long-standing stall holders together with newer tenants helping to diversify the market's offer. Despite this, the centralised location offers an easily accessible location and the potential for a much higher profile and role in the town centre.

Development of the extensive areas of land west of Northumberland Street and to the rear of the Winter Gardens (and other properties fronting to Marine Road Central) is vital to knit the town centre together as one. This development must be properly structured to routes for pedestrian movement. Over time, development here and a town centre that is strengthening should support trading in premises fronting to Marine Road and thereby make investment in these and including the Winter Gardens more attractive to investors.

- 1.8 The MAAP development policy for this area (DO5) is –

The council identifies particular opportunities for investment and development of main town centre uses within the area defined on the Local Plan Proposals Map as Development Opportunity Site DO5.

The council will consider proposals for development within this Site in accordance with MAAP Spatial Policies 1 and 4, Policy EC1.1 of the Development Management DPD and all other relevant policies in this excepting for Policy EC 1.2 which will not apply.

In addition development should –

- relate well in urban design terms to the rear elevations of the Winter Gardens, those of the other premises fronting to Marine Road Central and those residential and other properties fronting to Northumberland Street*
- enable satisfactory access and servicing arrangements to the rears of all premises fronting to Marine Road Central*
- improve passive surveillance and overlooking of the train station*
- improve the legibility of pedestrian routes to and from the train station and onward*

In addition, any proposals involving changes to or the removal of existing facilities including any public realm, the existing skatepark and / or the bus station should either make satisfactory alternative provision or include a financial contribution to cover the full costs of this.

1.9 The action set identified in the MAAP is-

The Platform / Festival Market / Superbowl complex of buildings is an important area on and close to the central seafront. It is the interface between several quarters yet footfall is much lighter than the location would suggest and trading here is consequently challenging.

The location affords much potential as a leisure and entertainment hub and as an anchor to the town centre. There is scope for investment and development to improve and extend what is on offer in this area and to increase vitality and activity. But there are difficult issues. There are issues with property and premises and how fit for purpose these are and how well the various elements relate to each other and the wider surroundings.

As example, the Visitor Information Centre (VIC) offers a high quality and award winning service but is not readily found from main points of arrival or easily accessed direct from the seafront. The Festival Market has a loyal custom base but the building relates poorly to its surroundings and the offer needs to be invigorated.

The council working in partnership with private organisations with a stake in this complex of buildings to study investment and development potentials and options including to –

- provide for a stronger offer complementary to the main draws of the Cinema and Festival Market e.g. the food and drink offer in the vicinity and new retail*
- refurbish and redevelop buildings and premises as appropriate to improve these as premises for trading*
- improve the setting of the complex, pedestrian connections to and from and arrangements for coach drop off and pick up.*

- *rejuvenate the Festival Market, potentially in a reconfigured and upgraded building, possibly focused on a marketplace and festival area at its centre and, via introducing new management approaches*
- *support the cinema offer and improve its presentation, quality and ambience*
- *make more of the currently council led entertainment offer and the visitor services as presently at the Platform*

Subject to the outcome of the study the council and its partners to consider the options.

Complementary with the above actions the city council to work with those others with interests in land west of Northumberland Street to help facilitate beneficial investment and development and including for the Winter Gardens and the Winter Gardens arcade.⁷

- 1.10 In asset terms the land, facility and surrounding car park are all owned by the Council. In financial terms the market costs approx £250,000 per annum to run and is expected to generate £350,000 per annum of income.
- 1.11 The market has capacity for 93 stalls with a trading area of 9.29 square metres and 15 lock-up shop units with a trading area of 13.37 square metres. The charges to traders are shown below and the rates are based on it being an outdoor market.

Festival Market Summer (1st May to 31st October) Daily charges

Shops	Stalls
Tuesday/Thursday £17.25	Tuesday/Thursday £14
Saturday £19.75	Saturday £14
Sunday £22.25	Sunday £22

Festival Market Winter (1st November to 30th April) Daily charges

Shops	Stalls
Tuesday/Thursday £14.75	Tuesday/Thursday £10
Saturday £14.75	Saturday £12
Sunday £17.25	Sunday £17

- 1.12 Following the closure of Lancaster's indoor market Morecambe market will act as the base from which Lancaster's charter market and Assembly Rooms are managed. This will ensure a more consistent approach and a more efficient one.
- 1.13 Generally the market offering provided in the District has the potential to make a significant contribution towards the delivery of the Council's corporate plan in the following ways-
- Increase visitors coming to the District
 - Increase visitor spend in the District
 - Enhance recognition of the District as a visitor destination
 - Protect the district's local heritage
 - Reduce CO2 emissions from council activities

- Reduce Council's energy usage

1.14 Besides the MAAP the following significant contextual issues also need to be considered-

- Square Routes Project
- Duchy's plans for the Castle
- Private market provision within the District
- Impact of M6 link

1.15 To ensure the Council's markets fit within this context and contribute to the Council's aims it is important that a strategic view of the market offering in the District is taken.

1.16 In doing so it is obviously important to engage with relevant stakeholders. Already traders at Morecambe Market have expressed concerns about a number of issues. These include-

- The Council's commitment to markets.
- In winter the facility is very cold and traders say that this puts off their regular customers.
- Traders say that actually the majority of their trade takes place in the summer months. They feel that the majority of their shoppers are visitors to the District and people who live on nearby caravan parks during the summer. Therefore they feel that more could be done encourage more visitors during the summer and more locals during the winter.
- Traders feel the structure of the facility could be better maintained (eg the sliding doors, problems with electricity supply) and that generally the facility needs some investment.
- Traders would like to see expansion of existing Council markets (eg extra days) but not in a way where markets are competing against one another.
- Car parking charges at the Festival Market. Traders feel that because the adjacent supermarket car park is free shoppers are more inclined to go to the supermarket rather than the market.
- Coach parking. There has been an increase in coach parties visiting the market. Many of the visitors prefer to be dropped off immediately outside the entrance to the building as opposed to having to walk from the coach stop which is about 30metres away.
- Visibility of the market- traders do not feel that visitors realise that there is a market as it is not clearly visible from the Promenade. The way the entrances are located does not help with this and creates a disconnect with the surrounding area.
- Marketing of the market. Traders feel more could be done to promote the market more widely.
- Some traders think that a different location for the market could benefit trade. All traders think that having a market in Morecambe is essential.
- A private market operates nearby this creates issues for traders.
- Traders express a particular concern with regard to rent payments. Following recommendations from Audit Committee traders can no longer pay their rent in cash at the market. This is a positive step forward as it improves safety for staff, reduces handling charges, is fully auditable etc. Clearly the onus is on traders to keep up to date with their rental payments but some fell in significant arrears. In turn they blamed this on no longer

being able to pay cash on the day. The Council has in place a clear policy for management of debtors. This policy had not been fully applied and the situation worsened. Officers have now taken action to ensure that Traders who have built up arrears are now being dealt with in accord with the Council's policy. The arrears situation is now improving significantly. And further work is being undertaken by Internal Audit to ensure these improvements are sustained.

2.0 Proposal Details

- 2.1 The above can be distilled in to the following main points-
- 2.2 **BUILDING ISSUES-** The Festival Market was originally designed to be an 'outdoor' market. The perception now is that is an 'indoor' market. The design of the building means that to convert it into an indoor market with heating, structural improvements, insulation, different doors etc would require significant investment. Some initial investigation works took place and suggested that to make the needed improvements that would be needed to heat the building the building in a sustainable way would require between £200-300K of investment. Detailed condition surveys of all Council buildings have been commissioned and are currently taking place. It is expected that these will provide much more detailed information, that could be used to provide more detailed costings.
- 2.3 Traders have asked if a temporary heating solution could be put in place. The existing electricity supply to the building needs upgrading and will not cope with industrial electrical heaters and these would be very expensive to run in any case. Gas heaters have also been investigated but there are a number of safety and operational issues associated with these which mean that this would not be a practical solution.
- 2.4 **COACH / CAR PARKING-** The County Council will not permit an additional entrance to the market car park for coaches, because of valid safety concerns. Another option would be to remove a number of parking spaces in the car park to safely facilitate coach access (approximately 15). This would mean coach parties could be dropped off at the entrance of the building. This would obviously impact on revenue generated from car parking, particularly on summer Sundays when the car park is full. Any changes to existing parking fees for market shoppers would also impact on revenue generated from car parking. Options can however be considered by Members when the annual car parking fees and charges report is considered, as part of this year's budget.
- 2.5 **MARKET LOCATION-** the land and facility belongs to the Council. The work done in developing the Morecambe Action Plan highlights that in some ways the Market is well located, in some ways it isn't. Traders generally feel the location of the market is good but needs to be better connected to the centre of Morecambe. To ensure that all avenues are explored consideration could be given to whether locating the market elsewhere, in Morecambe, would address some of the issues raised above and then the area occupied by the market be used for something else. Clearly an option like this would require a detailed business case and consultation. There is no guarantee though that the Council could afford this option, even if there was a case for doing so.
- 2.6 **MARKET OFFERING-** it is clear that Morecambe's market is valued and is well used. The Council currently provides two other markets. Managed effectively

these markets can make a significant contribution to the delivery of the Council's corporate plan, and are potentially key to complementing the aims of projects like Square Routes and the Morecambe Area Action Plan. In order to ensure the ongoing sustainability of the Council's markets it is essential that we gain an understanding of what the needs of existing market users are. Even more importantly we also need to understand the needs of those who currently don't use the markets but would if the offering was right. Once understood we will then be in a position to manage the markets in a more effective way.

- 2.7 **CONSULTATION-** In preparing this initial report is very clear that there are many people who have a genuine desire to ensure the prosperity of the Council's markets. Engaging the views of these people will be vital. In developing the report consultation has taken place with representatives traders from Morecambe Festival Market- a document from one of the traders is attached and this sets out preliminary views (APPENDIX 1).
- 2.8 **CHARGES TO TRADERS-** currently the charges made by the Council to traders (as set out in para 1.11) reflect that the market is basically a covered outdoor market. Improvements to the building would obviously require a reappraisal of the charges that the Council makes to traders.
- 2.9 In terms of strategic options there are in outline basically three-
- 2.10 **STRATEGIC OPTION 1- DO NOTHING (MAINTAIN EXISTING FACILITY) -** the fabric of the facility will still need some investment to maintain it and address any existing problems; the extent will be informed by the conditions survey. This may have some impact on the financial standing of the market and the contribution that the market can make towards the Council's corporate plan. It may mean a lost opportunity to take advantage of the much greater sum of the parts that adopting a strategic view to market provision could offer. This option may also be inconsistent with the MAAP, but it may prove to be the only affordable option. It would still involve appraisal of current rents.
- 2.11 **STRATEGIC OPTION 2- CONSIDER OPTIONS FOR IMPROVING THE EXISTING FACILITY AT MORECAMBE-** based on the condition survey currently being undertaken a range of costed solutions for improving the current facility in Morecambe could be brought forward. These would be combined with realistic plans for ensuring the sustainability of the Council's markets as a whole. It is expected that to implement these considerable investment would be required and market rents would need to increase, so ultimately any options may prove financially unworkable. This option assumes that the best place for a market in Morecambe is the existing location. Development of this option would need to take into account the MAAP.
- 2.12 **STRATEGIC OPTION 3- CONSIDER ALL OPTIONS-** this differs from OPTION 2 in that it does not assume that the only location for a market in Morecambe is where it currently is. In preparing this option consideration would be given not just to how the current Festival Market could be improved (as per OPTION 2) but to what other options there could be for providing a sustainable market in Morecambe. As with OPTION 2 realistic plans for ensuring the sustainability of the Council's markets as a whole would also be developed. This option is most consistent with the MAAP, but again it may prove unworkable financially.
- 2.13 Both options 2 and 3 would require an officer working group to develop the

options. It is expected that in developing the options consultation would take place with a wide range of stakeholders, obviously including traders, Elected Members, Morecambe Town Council, business representatives, shoppers etc.

2.14 To take forward options 2 and 3 thoroughly and within existing resources, it is expected that reports would be available in order to inform the 2014/15 budget process.

2.15 Options 2 and 3 will clearly take some time to develop and implement, if approved. Besides the 3 strategic options outlined above Cabinet may wish to consider some short term options for the Market. These include-

2.16 SHORT TERM OPTION 1- Provision of coach drop off point- this would require the removal of approx 15 car parking spaces and associated revenue and some lining work to be undertaken. Traders feel it will increase the amount of coach parties that visit the market and there is anecdotal evidence to suggest that coach companies also agree this would be advantageous. If Cabinet wishes to consider this option it could be appraised more fully and implemented if appropriate, from within existing budgets.

2.17 SHORT TERM OPTION 2- Amendment of car parking charges for the Festival Market car park. This would have a much more significant budgetary impact than the provision of a coach drop off point. It would also be likely to increase the amount of vehicles in the area, require new car park equipment and create other unintended consequences. If Cabinet wishes to consider this option again it could be built in as an option in the car parking fees and charges report that will be considered as part of the budget process.

2.18 SHORT TERM OPTION 3- Look at different ways of marketing the market. This would require a look at how best to promote the market(s). Consideration would need to be given to the resource required to undertake the work as it couldn't be done from within existing resources. The resource implications would be brought in through the budget process.

2.19 SHORT TERM OPTION 4- Look at some short term practical ways of improving the insulation of the market. The aim of this would be to reduce the winter extremes of temperature. Additional resource would be required to establish what the option were and further additional resource would be required were any of the options to be implemented. The risk of this though is that adopting a piecemeal approach to the maintenance issues affecting to the market becomes more costly in the medium / long term.

2.20 Overview and Scrutiny Committee have formed an informal task group to also consider the Festival Market. At its meeting on 10th September 2012 Members of the group requested that the following be considered by Cabinet-

(1) options for insulating the Market's roof particularly with polystyrene materials.

OFFICER COMMENT- See SHORT TERM OPTION 4 and STRATEGIC OPTIONS 2 and 3 above

(2) wind protection and draft stopping, particularly around the Market's doors including the possibility of installing barriers in front of each door.

OFFICER COMMENT- See SHORT TERM OPTION 4 and STRATEGIC OPTIONS 3 above

(3) installing a coach drop off in the Market car park.

OFFICER COMMENT- See SHORT TERM OPTION 1 above

(4) marketing (including coach companies) and the signage of the Market.

OFFICER COMMENT- See SHORT TERM OPTION 3 above

(5) the cost of re-wiring introducing 3 phase electric in the Market.

OFFICER COMMENT- See STRATEGIC OPTIONS 2 and 3 above

3.0 Details of Consultation

As outlined within the report.

4.0 Officer Preferred Option (and comments)

4.1 The officer preferred strategic option is STRATEGIC OPTION 3. The options that come forward are likely to provide the best strategic options for delivery of a market within Morecambe, will take account of the MAAP, and will be designed to complement market provision as a whole, but it must also be recognised that it may still prove financially unworkable. It is also envisioned that in developing this option Officers will bring forward the building issues identified within the commission survey and costed options for resolving them. This option will avoid a piecemeal approach to the dealing with the maintenance issues affecting the building.

4.2 The officer preferred short term options are SHORT TERM OPTION 1 and SHORT TERM Option 3.

5.0 Conclusion

5.1 The report provides options for the future of the Council's provision of markets

RELATIONSHIP TO POLICY FRAMEWORK
As outlined within the report
CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)
Markets are a facility available to all
LEGAL IMPLICATIONS
There are no legal implications at this stage.

FINANCIAL IMPLICATIONS

In accounting terms, markets are a trading undertaking. The asset management requirements of operating a market (e.g maintenance, return through rents chargeable) will have direct bearing on its trading position and financial objectives.

Morecambe Market is a well established market facility. The 2012/13 current revenue budget assumes a net surplus of £102K for 2012/13, £94K for 2013/04 and £85K for 2014/15, but these do not currently provide for any support services charges.

The report seeks direction for the future of market provision in Morecambe and Lancaster and whilst there are no direct financial implications at this present time, Members should be mindful that the development of each of the options could ultimately result in costs, which ultimately would be passed onto the tenants through increased charging.

STRATEGIC OPTION 1 to do nothing comes with inherent risk. The fabric condition of the building is in high need of reinvestment if the Council are to continue gaining existing rent levels. Whilst there are maintenance budgets available within Morecambe Market, it might be these are insufficient in the future to cope with the level of repair required. Any programme of works will need to be financially appraised.

STRATEGIC OPTIONS 2 or 3 would require the establishment of an officer working group featuring a diverse membership of senior managers from across the council. It is hoped that their time could be accommodated within service business plans and therefore managed from within existing budgets, however there may be a need for specialist advice to support the group. It is likely that once developed, either of these options will result in the need for significant capital investment, and whilst unquantifiable at the moment, a further report would be required to Cabinet to report the recommendations of the working group in operational and financial terms.

SHORT TERM OPTION 1 requires the removal of approximately 15 car parking spaces and the provision of new lining. The car park operates to capacity on very few occasions therefore it is expected that this will have minimal financial impact due to displacements. The provision of lining can be managed from within existing budgets.

SHORT TERM OPTION 2, as discussed in the report, if Cabinet wish to make any changes to the car parking tariffs operating in the car park, then any recommendations will be included as part of the forthcoming car parking fees and charges report which is considered as part of the budget process.

SHORT TERM OPTION 3 discusses additional marketing to promote the market. There are no resources available for this so compensating savings would need to be found prior to this taking place.

SHORT TERM OPTION 4 looks at short term practical ways of improving the insulation of the market. Inevitably there will be some financial consequence to this option where again no resources are available so compensating savings would need to be found. There is also the possibility that this work could be wholly abortive should members choose to approve either of Strategic Options 2 or 3.

OTHER RESOURCE IMPLICATIONS**Human Resources:**

NA

Information Services:

NA

Property:

As outlined in the report

Open Spaces:

NA

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been consulted. The Council already has competing demands for capital investment and should not expect to be able to afford to do all it might want to – prioritisation is needed and savings will be needed in various service areas. Cabinet is advised, therefore, to consider where market improvements may fit in priority terms and this should inform whether it is worth Officers spending time in pursuing Strategic Options 2 and 3. The risk is that time and money is spent in developing options and expectations are raised, only for them to prove unworkable financially. Managing expectations will be crucial if these options are taken forward.

MONITORING OFFICER'S COMMENTS

The Deputy Monitoring Officer has been consulted (in the absence of the Monitoring Officer) and has no observations to make on this report.

BACKGROUND PAPERS**Contact Officer:** Mark Davies**Telephone:** 01524 582401**E-mail:** Mdavies@lancaster.gov.uk**Ref:**