



Petitions Committee

13 June 2014

Report title	Petition No 130-14 Bilston Market – Objection to the Increase In Fees & Charges 2014/15	
Cabinet member with lead responsibility	Councillor John Reynolds City Services	
Wards affected	All	
Accountable director	Keith Ireland, Delivery	
Originating service	Commercial Services	
Accountable employee(s)	Chris Huddart	Head of Service
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Report to be/has been considered by	N/A	

Recommendation(s) for action or decision:

The Committee is recommended:

1. To support the approved 2014/15 increase in fees and charges for the Markets Service applied to licence traders operating at Bilston Retail Market from 1 April 2014.

Recommendations for noting:

The Committee is recommended to note:

1. The issues raised in the petition having regard to the concerns raised by the market traders.

2. The percentage price increase that has been applied to the fees and charges over the past five years and comparisons with neighbouring councils.
3. The level of demand that currently exists for stalls on Bilston Indoor Market.
4. The rationale behind the fee increase applied and action taken by the Markets Service to mitigate any issues following the increase in fees and charges.

1.0 Purpose

- 1.1 To consider the petition received from the traders at Bilston Market objecting to the 2014/15 increase in fees and charges that will be applied to licenced traders operating at Bilston Retail Market from 1 April 2014.

2.0 Background

- 2.1 At the Bilston Traders Forum meeting held on 23 January 2014, the Cabinet Member for City Services consulted with trader representatives about the proposed fees and charges that were going to be presented to the Cabinet (Resources) Panel meeting held on the 11 March 2014. The rationale for the increase in fees and charges was explained at the meeting and the views from traders were noted.
- 2.2 Cabinet (Resources) Panel held on 11 March 2014 approved the revised level of Markets Service fees and charges to take effect from 1 April 2014. Proposals approved included the following:
- 5% increase for all Markets Service licence fees and charges (Wolverhampton, Wednesfield and Bilston markets)
 - Amended trader incentive offer
- 2.4 The scale of the 5% increase to market traders varies according to the location of the stall. However, in general terms, the increase in cost per day ranges from £0.70 to £1.90. Detailed in Appendix A are all the costs relating to Bilston Market.

3.0 Key Considerations for Fees and Charges 2014/15

- 3.1 A number of key factors were taken into considerations when setting the fees and charges in 2014/15. These include the following:
- The financial position of the Market Service and Wolverhampton City Council as a whole
 - The likely approach of neighbouring authorities
 - The historical pattern of fees and charges reviews, and the impact on occupancy
 - The effect of trader incentives
- 3.2 An increase in fees and charges will contribute to reducing the Council's medium term budget deficit, which is projected to be £59.2 million by 2018/19 as stated in the Five Year Budget and Medium Term Financial Strategy 2014/15 to 2018/19. Maintaining the approved increase to the licence fee at Bilston Indoor Market will increase income by £18,000 and at Bilston Outdoor Market by £17,000. Bilston Retail Market's annual total will increase by £35,000.

- 3.3 Consideration has also been given to fees and charges applied by neighbouring authorities such as Dudley, Walsall and Sandwell. Although their fees and charges are on a par with Wolverhampton the pattern of rent rises differ as summarised below:

Table 1 Comparison of Rent Rises of the last Five Years

	Dudley	Sandwell	Walsall	W-ton
2010/11	1%	0%	15%	1.5%
2011/12	2%	0%	0%	0%
2012/13	0%	0%	0%	0%
2013/14	0%	0%	16.5%	5%
2014/15	0%	0%	0%	5%
Total % Increase	3%	0%	31.5%	11.5%

- 3.4 During 2014/15 rents at Dudley markets have not been increased, because the council will be redeveloping the Market and Market Place in late April or early May and traders will be moved to a temporary market. Walsall markets increased the daily fee by £5 per stall in 2013, but have not increased rents for 2014/15; the market has been partly relocated recently due to construction works taking place which separate the market into two areas. Sandwell have confirmed that there will be no increases in rent for 2014/15. Several neighbouring authorities are also continuing with flexible pricing incentives to sustain existing occupancy levels.
- 3.5 The number of people visiting Bilston Indoor Market is recorded electronically on a daily basis. Bilston Indoor Market traders continue to benefit from a consistently high footfall of approximately 9,000 visitors a day.
- 3.6 There are 88 stalls in Bilston Indoor Market hall, all of which are occupied. When stalls become vacant, they are not difficult to let due to the high level of demand for stalls on the indoor market. There are currently 25 applications on the waiting list.
- 3.7 Trader incentives were introduced in 2007/08 across all markets and continue to be well received by both new and existing outdoor traders. Incentives (explained in Appendix B) offered during 2013/14 have resulted in a significant number of lettings across all open markets. Bilston Licensed/Casual Open Market traders continue to benefit from the incentives daily. Occupancy on the open market remains stable through the financial year.
- 3.8 Currently, there is no dispute resolution process available to licensees and they do not have the same level of legal protection as business tenants.

4.0 Details of the Petition

4.1 A petition has been received from the traders at Bilston Market containing 180 signatures. The petition highlights concerns in relation to the increase in fees and charges for 2014/15 at Bilston Retail Market.

4.2 The petition outlined specific concerns in relation to the increase in fees & charges for 2014/15. These are summarised below:

- The detrimental effect that a 5% increase in fees and charges could have on traders at Bilston Market. Traders say that they are finding conditions very difficult and believe the increase is unsustainable.
- If traders are not successful in their fight to freeze rents they will go to an arbitrator for a reduction in rents, as they believe the rents are excessive in comparison to shops in the town centre.

5.0 Financial implications

5.1 An increase in fees and charges will contribute to reducing the Council's medium term budget deficit, which is projected to be £59.2 million by 2018/19 as stated in the Five Year Budget and Medium Term Financial Strategy 2014/15 to 2018/19.

5.2 The agreed proposals within the 2014/15 Fees and Charges Report reflect the Council's budgetary policy in previous financial years and the 2014/15 budget set for the Market Service.

5.3 Maintaining the approved increase to the licence fee at Bilston Indoor Market will increase income by £18,000 and Bilston Outdoor Market by £17,000 total annual income of £35,000.

[CH/23042014/K]

6.0 Legal implications

6.1 There are no immediate legal implications arising from the increase in fees and charges.
[RB/23042014/B]

7.0 Equalities implications

7.1 The contents of this report have no direct equality implications.

8.0 Environmental implications

8.1 There are no environmental implications arising from the increase in fees and charges.

9.0 Human Resources Implications

9.1 There are no human resource implications arising from the increase in fees and charges

10.0 Corporate Landlord Implications

10.1 There are no immediate corporate landlord implications arising from the increase in fees and charges

Appendix A

Proposals for Fees and Charges in 2014/15

Bilston Market

(a) **Indoor Market – (individual fees depend upon size, location and amenities of stall)**

Main Market Hall Stall	Licence Fee 2013/14 (£)	Proposed 5% Increase 2014/15 (£)
Zone 1	132.20	138.80
Zone 2	N/A	N/A
Zone 3	122.65	128.80
Zone 4	102.90	108.05

Facility	Fee 2013/14 (£)	Proposed 5% Increase 2014/15 (£)
Storerooms	22.20 – 30.75	23.30 – 32.30
Car Parking	9.15 + VAT	9.60 + VAT
Car Parking	3.95 + VAT	4.15 + VAT

(b) **Bilston Market – Miscellaneous Fees and Charges**

Miscellaneous	Fee 2013/14 Per Week (£)	Proposed 5% Increase 2014/15 Per Week (£)
Indoor Spaces	60.85	63.90
Indoor Spaces	(Daily) 15.25	(Daily) 16.00
Children's Rides	60.85	63.90

(c) **Bilston Open Market**

Stall Fee Middle	2013/14 Licensed Trader Per Day (£)	2014/15 Proposed 5% Increase Per Day (£)
Monday	13.60	14.30
Thursday	26.90	28.25
Friday	13.60	14.30
Saturday	28.65	30.10

Stall Fee Middle	2013/14 Casual Trader Per Day (£)	2014/15 Proposed 5% Increase Per Day (£)
Monday	16.95	17.80
Thursday	30.25	31.75
Friday	16.95	17.80
Saturday	31.95	33.55

Stall Fee Corner	2013/14 Licensed Trader Per Day (£)	2014/15 Proposed 5% Increase Per Day (£)
Monday	22.70	23.85
Thursday	30.80	32.35
Friday	22.70	23.85
Saturday	34.80	36.55

Stall Fee Corner	2013/14 Casual Trader Per Day (£)	2014/15 Proposed 5% Increase Per Day (£)
Monday	26.10	27.40
Thursday	34.25	35.95
Friday	26.10	27.40
Saturday	38.20	40.10

Loading Bay Fee	2013/14 Per Day (£)	2014/15 Proposed 5% Increase Per Day (£)
Monday - Small Vehicle	20.30	21.30
Monday - Large Vehicle	33.95	35.65
Thursday - Small Vehicle	33.95	35.65
Thursday - Large Vehicle	55.90	58.70
Friday - Small Vehicle	20.30	21.30
Friday - Large Vehicle	33.95	35.65
Saturday - Small Vehicle	33.95	35.65
Saturday - Large Vehicle	55.90	58.70

Patio Area Fee	2013/14 Licensed Trader Per Day (£)	2014/15 Proposed 5% Increase Per Day (£)
Monday	22.70	23.85
Thursday	33.30	34.95
Friday	22.70	23.85
Saturday	33.30	34.95

Patio Area Fee	2013/14 Casual Trader	2014/15 Proposed 5% Increase Per Day (£)
Monday	26.10	27.40
Thursday	36.70	38.55
Friday	26.10	27.40
Saturday	36.70	38.55

Extension Space Fee	2013/14 Per Day (£)	2014/15 Proposed 5% Increase Per Day (£)
Monday	12.90	13.55
Thursday	12.90	13.55
Friday	12.90	13.55
Saturday	12.90	13.55

Demonstration Area / Space Fee	2013/14 Per Day (£)	2014/15 Proposed 5% Increase Per Day (£)
Monday	17.20	18.05
Thursday	30.35	31.85
Friday	17.20	18.05
Saturday	32.30	33.90

Wolverhampton Markets – Incentive Packages 2014/15

In order to ensure that incentives packages are allocated in a fair and equitable manner, the following restrictions will apply:

A current licensed indoor / outdoor trader cannot terminate an existing stall licence and then re-apply for a stall which qualifies for an incentive package until a period of 26 weeks has elapsed between termination of their existing licence and re-allocation of the new licence.

Bilston Indoor

- Vacant stalls (six weeks and over) –50% reduced rent for a 24 week period for new traders offering a trade line that is not currently represented on the indoor market. New traders eligible for this incentive will be required to pay all electricity charges associated with their stall.
- Trade line.
- Vacant stalls (six weeks and over) – 50% reduced rent for six weeks for stalls carrying an existing tradeline

Bilston Outdoor

- Casual trader converting to a licenced stall receives a 50% rent reduction for four weeks after 13 weeks on licence.
- Existing Licence holder who takes on an additional stall gets 50% rent reduction for 13 weeks.
- Licensed trader who introduces a friend who takes a stall for 13 weeks will receive a 10% rent reduction for four weeks.
- Any existing trader who takes on a vacant stall on a casual basis after 9.00 am, gets 50% rent reduction (Thursdays and Saturdays only)
- Existing Licensed and Casual traders can rent an additional stall at a flat rate of £10.00 a day (after 9.00 am Monday and Fridays only)
- All Open Market licensed traders to be offered 20% discount if rent is paid one month in advance during the Kipper Season (January to March).