

Future of Berwick Market

Recommendation:		
1. To decide whether to accept the transfer of the market on the terms proposed.		
	Yes	No
Does the decision involve new expenditure?	Yes	
Is there an existing budget for the proposed expenditure (insert code)	See below	
What procurement level is required?	N/A	
Are there equalities impacts / an equalities assessment required?		No
Does this require a full council decision? (Reports for full council decision should still be sent to the relevant committee where possible.)	Yes	
Is there a background paper or papers? (provide links below).	Yes	
<ol style="list-style-type: none"> 1. Council has previously asked officers to discuss the possibility of Berwick Charter Market being transferred from Northumberland County Council (NCC) to local management. 2. NCC assumed responsibility for the management of the market as a consequence of local government reorganization in 2009, when the lease was automatically assigned to NCC by virtue of the legislation enabling the abolition of Berwick-upon-Tweed Borough Council. 3. The market charter is the property of the Guild of Freemen as successors to the old Berwick Corporation. It is proposed by both NCC and the Freemen that the existing lease be terminated and a new lease be created. Berwick-upon-Tweed Town Council (BTC) will be expected to pay both their costs and the Freemen’s costs in the event of this going ahead. 4. Previous negotiations have included proposals from NCC for the Town Council to subsidize improvements to the market. Those requests for a subsidy were refused by the Town Council as at that time it was not apparent to the Town Council what the financial status of the market was. 5. It is now clear from NCC’s proposals, also included in the background documents, that NCC sees the market as producing a profit of £10k per annum; after negotiations with NCC they have proposed for BTC to pay a premium of £40k to acquire the market rights. It is proposed that this would be paid in four instalments of £10k per annum. 6. The Freemen have indicated that the new lease would attract a rent of £1,500 per annum and a profit share of 33% off net profit, assessed on an open book basis. 7. Officer’s view remains that a properly promoted market is unlikely to generate a profit; and may even represent a cost to council over the initial three years of operation as efforts are undertaken to market and promote it to new customers and new stallholders. 8. Markets have been identified by the Institute of Place Management as being in the top 25 factors that can influence vibrant and vital town centres of the future. A well-run market offering a range of quality wares and products not elsewhere available in the town is a potential driver of footfall and a boost to other retail providers in the town. NCC on the other hand appears to be most concerned with not making a loss on the market. 		

9. It remains the case that officers can see no reason for the transfer of the market to BTC not to take place. However, a premium of even half the amount demanded by NCC (i.e. £40k) will need to be funded from reserves since there is no realistic prospect of a business plan being written that will fund increased trading via promotions and the repayment of a premium fee.
10. An interim cost code for the market has been inserted into the draft budget for 2024-25 and an interim amount for costs and receipts has been included, and it has been taken account of in the proposed staffing structure.

Issues arising from proposal

None.

Rationale for recommendation

Not applicable.