

Future of Berwick Market

To consider the future management of Berwick Market.		
Recommendations:		
<ol style="list-style-type: none"> 1. To note the Town Clerk’s update on proposals to assume responsibility for Berwick Charter Market, and, if council is so minded: <ol style="list-style-type: none"> a. To appoint a working party to negotiate and approve under delegated authority the terms for the transfer of the Charter Market lease to Berwick-upon-Tweed Town Council provided the sum required by way of premium is no more than £40k OR b. To amend the proposed budget to delete references to the market. 		
	Yes	No
Does the decision involve new expenditure?	Yes	
Is there an existing budget for the proposed expenditure (insert code)	See para 9 below	
What procurement level is required?	N/A	
Are there equalities impacts / an equalities assessment required?	Yes	
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. This matter has been considered by council, and by Budget and Administration Committee, and has been considered as part of the ongoing Staffing Review. 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. As explained in the background papers, the lease is the property of the Guild of Freemen as successors to the old Berwick Corporation and as such their consent would almost certainly be necessary for any change. We understand the rent paid for the lease to the Freemen to be in the order of a peppercorn, but this will likely be reviewed at the end of the term of the current lease if the transfer is achieved by way of assignment. That lease end is beyond the scope of council’s Medium-Term Financial Plan however. 4. The transfer of the market to Berwick-upon-Tweed Town Council (BTC) could, in theory, be achieved by either the assignment of the lease to BTC, or by NCC sub-letting the market but retaining the benefit of the lease. If BTC is assigned the lease it acquires the powers and rights under the lease, which extend beyond the management of the market to include regulating markets under the charter, and organizing the May Fair as described by the charter. If the market is sub-let, NCC might consider retaining those other rights. Officers therefore recommend that council pursues the assignment of the lease and all its rights, even though this means that all the obligations under the lease (including the duty to operate the market) are assumed by BTC. 		

5. Preliminary negotiations have included alternative 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.
6. 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; hence the request from NCC for BTC to pay a premium of £80k to acquire the market rights. It is clear therefore that NCC could, on the basis of those figures, afford to re-invest in the market if it believed it was possible to drive up trader attendance and rents by providing a better market without subsidy from BTC.
7. It is arguable that NCC's assertion of a profit of £10k per annum is dependent on NCC not recharging the full costs of the market services provided by its own teams, and that the market is less profitable than it appears. Officer's view is 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. The draft budget has been amended to reflect the levels of income evidenced by NCC, and NCC's external costs have been assumed as a budget baseline.
8. There appears to be a conflict between how BTC sees the market, and how NCC operates it. 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. Provided councillors do not see the market as a revenue driver for BTC, 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, but if this proposal is not taken forward the budget will be amended appropriately.

Issues arising from proposal

None.

Rationale for recommendation

Not applicable.