

**Report to: Place and Economic Development Committee, 13th March 2023**

**Report of: Deputy Director - Economic Development**

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**Subject: ANGEL PLACE MARKET IN WORCESTER CITY CENTRE**

**1. Recommendation**

**1.1 That the committee agrees to the preferred option to continue with a market operator model and award the contract of the Angel Place market to the current operator of the High Streets market for the remainder of the contract period.**

**2. Background**

2.1 In January 2020, Worcester City Council commissioned specialist markets consultancy The Assembly Line to review arrangements for Worcester markets. The review made recommendations about the future markets offer for the city, considering the Council's ambitions for the City Centre and the economic conditions at the time, these were reflected in a PED report brought to the Committee in October 2020.

2.2 Following on from this review, the following changes have been made in market operations in the city centre:

2.2.1 Following a procurement exercise, Cotswold Markets Ltd now deliver:

- two monthly Saturday speciality markets on the High Street. This contract began in October 2021.
- manage the Angel Place market
- are the current Victorian Fayre operators, having successfully delivered for the last two years.

2.2.2 The Victorian Fayre has been delivered by Cotswold Markets for the last two years, we are recommending that this contract is extended to 2023 whilst a procurement exercise for a supplier to manage all market operations is delivered for 2024.

2.3 The Council was successful in securing funding through the Future High Streets Fund which includes the redevelopment of Angel Place. The design of this area is being developed by the project team in partnership with consultants and considers the outcomes of the markets review, the views of members and stakeholders, and the longer-term vision to create a cultural hub for the city in the area.

2.4 The markets review highlighted that trading conditions in Angel Place market have been challenging for several years. This was verified by feedback from market traders as well as both the current and previous market operators. Whilst the High Street Saturday markets trade well, and Worcester in general benefits from high footfall and a low vacancy rate (when compared to national averages), Angel Place traders had reported a downturn in trade due to a variety of factors, including a reduction in footfall through the area, and a change in consumer shopping habits.

- 2.5 Using urgency powers, the Managing Director had agreed to temporarily subsidise the market operator to ensure that the Angel Place market can continue until members are able to decide the long-term future of this space. Due to improved trading conditions this arrangement has now come to an end and the Operator is now paying full business rates
- 2.6 The current market operator has put in place several measures to try to improve conditions, including reducing the number of hours and days trading and additional promotion to try to attract more footfall. This has slowly led to a turnaround in the market, which has seen traders that had previously moved to other areas, returning to regular pitches at Angel place.
- 2.7 The market currently relies on the use of free storage space for the use of the market operator, which will continue to be an essential requirement moving forward.
- 2.8 The Angel Place design process options:
- 2.8.1 **Option 1**-Allocate space for traders using street trading pitches where traders manage the installation and deinstallation of their own stalls
  - 2.8.2 **Option 2**- Allocate space for traders through current arrangements, with Angel Place included within the wider markets contract. Reviewing annually to ensure ongoing sustainability.
  - 2.8.3 **Option 3**- Allocate no space for traders – in which case consideration needs to be given to what happens to the existing market traders. There are currently nine regular traders working Thursday markets, taking an average of 14 units and Friday and Saturday, with an average of 10 and 8 units respectively.

### **3. Option 1**

- 3.1 The option is to offer a small number of street trading pitches to existing market traders (and potentially new traders). In line with street trading policies, this would then remove the need for a market operator, as traders would be responsible for their own pitches. This option would require a review of street trading across the city to identify appropriate trading pitches. All applications are subject to 28 days consultation, providing individuals with the right to trade, but not an identified trading spot.
- 3.2 A street trading licence costs £3460 per year for a smaller trading space. This fee is paid annually and gives the applicant a right to trade with a requirement for the trader to identify and agree an appropriate space to trade. The licensee is not liable for business rates.
- 3.3 Street trading will require increased input from the City Centre team to ensure the quality and consistency of offer, particularly with the arrangements for specialist markets and the Victorian Fayre, where previous years have seen a street licence trader insisting on pitching in a spot that forced the market operator to pay the individual to move, to ensure the effective set-up and flow of the Christmas market.

### **4. Option 2-Preferred option**

- 4.1 This option is to continue with the established market in Angel Place as part of a wider procurement of a single Market operator for all market trading activity in the City. This takes into account improved trading conditions and a single coordination arrangement that can allow the Angel Place market to form part of the wider market activity.

It will also include the market space within the designs in the FHSF process, to ensure quality. There are two possible options for a storage compound, Crown Gate and 8 Angel Place, this requirement will need to be reviewed moving forward.

- 4.2 Consultation with the current Market Operator suggests that although the Angel Place market has seen a small turnaround, it only remains a viable option as part of a wider markets contract, potentially including the Christmas Fayre in the future.
- 4.3 Consultation with market traders at Angel Place has identified that they wish to continue trading at Angel place and are happy with current arrangements, including the Officer provided to set up and take down stalls each day. Some traders have suggested that they would consider licencing and stall ownership, but may see the annual fee as prohibitive, with current stalls costing £11 per day as opposed to the estimated £70 pr day with a licence arrangement.
- 4.4 The option will see the current operator take on Angel Place market as part of the wider High Street market arrangements. This contract began in October 2021 and runs until August 2024 with option to extend for 2 years.

## **5. Option 3**

- 5.1 The remaining **Option 3** is to give notice to discontinue the Angel Place market at a date to be confirmed and cease all trading in the area. This is not recommended because of the loss of existing traders and the reputational risk that although officers would work with traders to seek alternative locations from which their business can trade, this cannot be guaranteed.

## **6. Implications**

### **6.1 Financial and Budgetary Implications**

If option 1 is agreed, the council will receive an income from street trading pitches offered to the current traders from Angel Place, dependent upon take up of this option. Without a market operator in place, the City Centre team will be required to have a far greater involvement in managing traders to ensure the quality of the offer across the city.

Option 2-as subsidy arrangements have now ended at Angel Place and the market operator is now responsible for paying full business rates. This equates to £4280 income pa under the new guidelines

### **6.2 Legal and Governance Implications**

Option 1 will require a review of street trading options across the city, including Angel Place, the High Street and the wider city to ensure that street trading licences can be issued in a compliant manner.

Advice was sought on preferred option which confirmed this was lawfully permitted under procurement rules. The contract will run until August 2024, with a possible 2-year extension.

### **6.3 Risk Implications**

There is a risk that should Option 1 be the preferred choice, market traders will not wish to take up the street trading option. This will be mitigated by conversations with market traders to take place once members have agreed a preferred option. There is a reputational risk to the council of moving or closing a market that current figures suggest is a going, if minor, concern.

- 6.4 Corporate/Policy Implications  
Street trading policy will be reviewed
- 6.5 Equality Implications  
There are no equality implications associated with this report
- 6.6 Human Resources Implications  
Option 1 will increase the work of the Council licencing team. With no market operator in place to support traders, City Centre staff will see an increased workload in providing additional support to street traders in identifying appropriate pitches and ensuring compliance with regulation.
- 6.7 Health and Safety Implications  
There are no health and safety implications associated with this report
- 6.8 Social, Environmental and Economic Implications  
Although only just beginning, the market at Angel Place is beginning to see positive recovery. Including it within plans for the wider city markets will provide a larger and more coherent market offer that will encourage visitors to move throughout the city.

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**Background Papers:** None