

East Herts Council Non-Key Decision Report

Date: 23 October 2024

Report by: Councillor Vicky Glover-Ward –
Executive Member for Planning and Growth

Report title: Incentive packages for new stallholders at
Hertford Commercial Market and Hertford
Farmers' Market

Ward(s) affected: Hertford Castle

Summary

- The council's Corporate Plan, LEAF, includes as a key objective under the overarching aim of Acting with the Community, to *'help create thriving high streets, by encouraging local markets'*. This report lays out incentive packages to encourage new providers to run a stall at Hertford Commercial Market or Hertford Farmers' Market for a short period in the hope that this will enable them to establish the viability of acquiring a licence to take up a stall at either market for a longer period.

RECOMMENDATIONS FOR DECISION: That the Executive Member for Planning and Growth, acting under delegated authority at section 4.26.3 (p) 'to approve all in year changes to both fees and charges':

- (A) Approves an incentive for new stallholders of four consecutive free weeks at the weekly Hertford Commercial Market, which operates weekly, subject to terms listed in Appendix A of this report;
- (B) Approves an incentive of for new stallholders four consecutive free months at the monthly Hertford Farmers' Market, which operates monthly, subject to terms listed in Appendix B of this report;
- (C) Reviews the outcome of each incentive by no later than 31st December 2025 to ascertain its effectiveness and determine whether to continue or cease it.

1.0 Proposal(s)

- 1.1 To incentivise greater uptake at the council's weekly Hertford Commercial Market by introducing a 'four weeks free period' to enable potential stallholders to 'try-before-they-buy'.
- 1.2 To incentivise greater uptake at the council's monthly Hertford Farmers' Market by introducing a 'four months free period' to enable potential stallholders to 'try-before-they-buy'.

2.0 Background

- 2.1 The council's Corporate Plan, LEAF, includes as a key objective under the overarching aim of Acting with the Community, to *'help create thriving high streets, by encouraging local markets'*.
- 2.2 The council runs the Commercial Market in Hertford each Saturday. In addition, the council runs a Farmers' Market in Hertford on a monthly basis, each second Saturday of the month. Unfortunately, in recent times uptake of stalls at both markets has fallen considerably and the markets are not fulfilling their potential.

3.0 Reason

- 3.1 Unfortunately, Hertford Commercial Market typically only has up to 10 of its 51 available pitches filled each month. Furthermore, the Hertford Farmers' Market typically only has six of its current eight available pitches filled each week. Of note, more Farmers' Market pitches could be made available in demand increased. The low take up at both markets obviously detracts from the vibrancy of the markets which in turn means the markets underperform in bringing people into the town on market day and deprives the council of potential income.
- 3.2 Officers and the Executive Member for Planning and Growth have considered ideas for incentivising increased uptake at Hertford Commercial Market and Hertford Farmers' Market suggested by the council's temporary Markets Officer specifically brought in to work with existing stallholders and others to help revitalise the council's markets.

- 3.3 This report proposes a 'four free weeks period' for new stallholders at the weekly Hertford Commercial Market to run for four consecutive weeks and a 'four free months period' for new stallholders at the monthly Hertford Farmers' Market to run for four consecutive months to enable potential new stallholders to assess whether purchasing a pitch licence would be viable for them.
- 3.4 The fee that would not be collected during each incentive period amounts to £163 per stall. As this is for new stallholders who wouldn't otherwise purchase a pitch, this cannot be considered lost income as the council has no reasonable prospect of otherwise selling the pitch. Should the stallholder choose to take a pitch after the free period, the council could benefit from a four weekly (Commercial Market) or four monthly (Farmers' Market) fee of £163 or an annual fee at either market of, currently, £437.

4.0 Options

- 4.1 Not introduce incentives – NOT RECOMMENDED as the current marketing of Hertford Commercial Market and Hertford Farmers' Market has not seen an increase in stalls while the council's temporary Markets Officer, who has spoken with market stallholders in the district and beyond, believes the incentives could encourage potential stakeholders to test out whether having a stall at the market would be viable.
- 4.2 Trial a shorter or longer number of 'free weeks/months' or a 'half price licence' or similar package of incentives – NOT RECOMMENDED as the aim is to make the incentive as clear and easy to understand – 'it's free' – while affording enough time for the stallholder to assess the viability of their continued involvement. The council's temporary Markets Officer has advised that the proposed incentives would be sufficient for a potential stallholder to assess the case for purchasing a licence.
- 4.3 Introduce a 'four free weeks' incentive for new stallholders at Hertford Commercial Market and a 'four free months' incentive for new stallholders at Hertford Farmers' Market – RECOMMENDED for the reasons laid out in this report.

5.0 Risks

- 5.1 There is a risk that the incentive fails to attract any or very many potential stallholders to either try the free trial or continue at the market afterwards. As there is currently no other prospective of securing more stallholders at Hertford Commercial Market or Hertford Farmers' Market, this would not constitute a financial loss.
- 5.2 There is a risk of take up of the incentives being over-subscribed. Arguably, this is a welcome problem to have although there could be a reputational risk if a significant number of potential stallholders were turned down. This risk can be mitigated by advertising that the incentives are being offered on a 'first come, first served' basis and should a pitch become available in the future a fresh application for the incentive could be made.
- 5.3 One might conclude that the incentive is simply a way for an existing stallholder to benefit. The terms of the incentives, included in outline in Appendix A and B, would preclude an existing stallholder or someone benefiting from an incentive in the previous 18 months from being eligible for an incentive.

6.0 Implications/Consultations

- 6.1 The council's temporary Markets Officer has consulted existing and potential stallholders to help officers draw up this proposal.

Community Safety

None arising directly from this report.

Data Protection

None arising directly from this report.

Equalities

None arising directly from this report.

Environmental Sustainability

None arising directly from this report.

Financial

The council's Fees and Charges Policy makes clear that it is the overriding policy position of the council that service users should make a direct contribution to the cost of providing services (both discretionary and statutory) at their point of use wherever this is not prohibited by statute. Furthermore, the Fees and Charges Policy makes clear that *'the charge levied should, in general, be such that it at least covers the total cost of providing the service'*. This is an important principle given the council's fiduciary duties to ensure the prudent use of council taxpayers' money. The proposals in this report would see the council not charging a fee of £163 although as there is currently no other prospective of securing more stallholders at Hertford Commercial Market or Hertford Farmers' Market, this would not constitute a financial loss.

The fee for stallholders at the council's markets are not subject to levels set by government or another body and thus the council has discretion to make charges that cover its costs. Of note, it would need to look to other mechanisms should it wish to make a surplus; this is not the council's intention.

It is obvious that applying free periods would act against cost recovery. That said, the council's Fees and Charge Policy allows for a charge below cost recovery to be levied in certain circumstances. Of particular relevance here is:

- the setting of a charge with due reference to *'any relevant council strategies or policies... so that any charge is in line with policy and corporate priorities'*. Of note, Council agreed at its meeting of 28th February 2024 to *'helping create thriving high streets, by encouraging local markets'*; this proposal is being considered with this corporate objective in mind;
- *'the desirability of **increasing** or decreasing usage of a given service...'* [emphasis added]; the 'free period' incentives have been specifically designed to enable potential stallholders to 'try-before-they-buy' and hence there is a possibility of at least a proportion benefiting from the incentive going on to purchase a licence and thus increase the council's income.

Health and Safety

None arising directly from this report.

Human Resources

None arising directly from this report.

Human Rights

None arising directly from this report.

Legal

The council runs Hertford Commercial Market and Hertford Farmers' Market under its power to do so contained in the Food Act 1984. Section 53 (1) of this act enables the council to '*demand in respect of the market, such charges as they may from time to time determine*'. The council thus has legal power to introduce this incentive.

Specific Wards

Hertford Castle

Appendices

Appendix A – outline terms of the Hertford Commercial Market incentive.

Appendix B – outline terms of the Hertford Farmers' Market incentive.

7.0 Background papers, appendices and other relevant material

Contact Member

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