

AGENDA ITEM: 6

SUMMARY



Report for:	Finance and Resource Overview & Scrutiny
Date of meeting:	03rd July 2012
PART:	1
If Part II, reason:	

Title of report:	Update on Hemel Hempstead Street Market with draft tender document.
Contact:	Nick Tiley, Portfolio Holder for Finance and Resources Author/Responsible Officer – Mike Evans
Purpose of report:	1. Provide an update on the street market and a copy of the draft tender document.
Recommendations	1. Note the current position of the street market and the forthcoming tender opportunity.
Corporate objectives:	Regeneration: <ul style="list-style-type: none">- Drive value from Council-owned assets- Deliver a regeneration plan- Attract investment Safe and Clean Environment: <ul style="list-style-type: none">- Maintain a clean and safe environment- Protect our green spaces Building Community Capacity: <ul style="list-style-type: none">- Empower local community action and delivery- Support social enterprise Dacorum Delivers: <ul style="list-style-type: none">- Efficiencies- VFM- Performance excellence- Reputation and profile delivery

<p>Implications:</p> <p>'Value For Money Implications'</p>	<p><u>Financial</u></p> <p>The current market produces circa £35k pa (net) to the Council. In addition, the Council receives income from the Street Trading Licences (including the Food Court). The intention is to roll all these opportunities into the new Management Agreement. The tender document will set out this base level of income and seek proposals for profit share and/or inward investment beyond this base rent.</p> <p><u>Value for Money</u></p> <p>The current market operation produces a reasonable level of income; the new market will meet this level of income together with an improved profit share and/or investment strategy. In addition the new management agreement will have a stronger focus on operational matters.</p>
<p>Risk Implications</p>	<p>Risk Assessment has been completed.</p>
<p>Equalities Implications</p>	<p>Equality Impact Assessment will be completed by end of June 2012.</p>
<p>Health And Safety Implications</p>	<p>The market involves the public and the Council, as landlord, is responsible for the appropriate level of operation through the services of our tenant.</p>
<p>Consultees:</p>	<p>Chris Taylor – Group Manager (Strategic Planning and Regeneration)</p> <p>Dave Wells (Strategic Planning and Regeneration Officer (Town Centre))</p> <p>Jim Guiton (Town Centre)</p> <p>Adriana Livingston (Team Leader – Valuation and Estates)</p> <p>James Doe – Assistant Director (Housing, Regeneration and Development)</p>
<p>Background papers:</p>	
<p>Glossary of acronyms and any other abbreviations used in this report:</p>	

Background

This paper provides an update on the street market and includes a draft copy of the tender document that will be put to the open market in July 2012.

A key aspiration of the Council is to improve the quality of the offer available in Hemel Hempstead Town Centre. The Council is focused on the revitalising the town centre with the ultimate goal of increasing its prosperity and celebrating and conserving its heritage for the future.

The street market at The Marlowes and the one morning per week market at The Market Square are operated by Town and County Markets. This legal agreement with the operator expires in mid October and as such the Council will seek proposals from prospective operators in July/August and complete a new agreement before the expiration of the current agreement.

A thriving and vibrant market is seen as an important economic ingredient in successful town centres and as such the identification of a suitable operator is critical to ensuring the successful delivery of this facility. By improving the offer of the street market it is assumed that the increased footfall will take place and in turn will assist in the delivery/retention of retailers and other complementary uses to the area.

Current Position

The existing market stall layout is disjointed and leaves stalls spread across The Marlowes. The new back-to-back configuration consolidates the market offer into a much improved layout for the traders and customers. The new street market plan is attached for reference. This clarity will assist the operator and therefore the stall holders in the day-to-day implementation of the market. The tender document has emphasised the need for stronger operational management and the submissions will be judged on the responses to these requests as well as the other criteria set out in the tender document. Also the Management Agreement is currently being redrafted by our solicitor and this will reinforce the operational requirements set out in the agreement.

As the street market is a key feature in the town centre, the Council has increased its management of the asset. This is now being undertaken by the Estates team, with regular input from the Town Centre Working Group, which considers the growth and direction of the town centre. The tender documents have been created in conjunction with this group and the analysis of the tender results will also be undertaken with the Group and colleagues from the Council's Procurement team. Once the tender documentation has been finalised, a working group of three Assistant Directors will review the document and allow it to go to tender.

The tender document will include copies of the planning consent, the details of the TUPE transfer from the existing operator and details of the street trading licences. There are three employees of the market that were transferred under TUPE terms and conditions when the contract for the market management was initially let. Subject to legal feedback, in the event that ownership of the market operation transfers, these employees will be transferred under TUPE regulations.

Conclusion

The next four months will be important in the delivery of the refreshed street market. The key objective over this period is to identify the operator who has the vision and credibility to take forward The Marlowes Street market, the Market Square market and the emerging opportunities that will arise from the public realm improvements in the Old Town. The new lease will be for a period of five years, so this is a medium to long term relationship, and is an opportunity for the Council, its operator and the Town Centre stakeholders to improve the quality of the market offer in Hemel Hempstead, which in turn will assist in the vitality of the town centre.

Currently the market is reliant on The Council. A new management regime is sought that will build capacity in the market, rather than the delivery of just a secure income stream.

The results of the tender will be reported to the Portfolio Holder as soon as they are ready, which is likely to be early August. If there are any unforeseen difficulties, the current operator should be able to continue with the current arrangement until the new agreement has been secured. However every effort will be made to complete the new agreement prior to the termination date of the current contract.