

REPORT TITLE: WINCHESTER CITY STREET MARKET MANAGEMENT
CONTRACT AND OPERATING POLICY

17 OCTOBER 2023

REPORT OF CABINET MEMBER: Winchester City Street Market Management
Contract and Operating Policy

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WARD(S): WINCHESTER TOWN AND SURROUNDING WARDS

PURPOSE

This report sets out the Winchester Street Market Operating Policy which will provide the framework for operation of the city street market which has been created in response to:

- a review of the city street market which included the findings and recommendations made in an independent report undertaken by The Retail Group in 2022, see link to Business & Housing Policy Committee papers in previous committee report,
- the need to align the operation of the city street market with the priorities outlined in the council plan,

The Winchester City Street Market Operating Policy (attached as appendix 1) will form part of the specification for the competitive tender process to procure a market operator.

RECOMMENDATIONS:

Cabinet is asked to:

1. Adopt the Winchester City Street Market Operating Policy, see Appendix 1.
2. The Corporate Head of Service: Economy and Community be given delegated authority to commence the competitive tender exercise to seek bids for a market operator and to award the contract to the most economically advantageous tender for a term of 3 years with an option to renew annually for up to a further 2 years based on performance of service provision.
3. That the Corporate Head of Service: Economy and Community be authorised to enter into all necessary agreements with the preferred contractor to manage the street market.
4. That delegated authority be granted to the Service Lead: Legal to execute and enter into all necessary contractual agreements.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

- 1.1 Tackling the Climate Emergency and Creating a Greener District
- 1.2 The Operating Policy encourages the adoption of sustainable measures such as discouraging single use plastics. Applications to trade will be considered against number of criteria with 40% weighting given to sustainable measures such as the where products are sourced and the trader approach to, for example reducing use of plastics recycling of products and waste.
- 1.3 Homes for all. None
- 1.4 Vibrant Local Economy
- 1.5 Having a vibrant and attractive street market in the centre of Winchester city contributes to the visitor economy, supports local traders including independent businesses, encourages start-ups and provides access to goods and services for both residents and visitors. In doing so this increases footfall and dwell time of people in the city which results in increased spend per visit. It helps achieve a stronger, greener, more sustainable local economy, contributing to the city's distinctive and competitive offer and influencing young people choosing to live and work in the district.
- 1.6 Living Well
- 1.7 The curation of the city street market through the adoption of the operating policy will ensure a suitable range of products are available at prices which meet the needs and expectation of our residents and visitors including those most affected by the cost of living.
- 1.8 Your Services, Your Voice
- 1.9 The operating policy and market operator contract aims to:
 - (i) Attract a wider diversity of residents and businesses
 - (ii) Ensures the market is accessible and inclusive
 - (iii) Drives satisfaction and performance

2 FINANCIAL IMPLICATIONS

- 2.1 The established city street market is currently operated on behalf of the council by Southern Market Traders. The market operates 51 weeks a year from Thursday to Saturday with a Sunday market alternating with the Winchester Farmers Market. The current income and expenditure for this activity is set out below:

	2023/24	
Winchester Market	Forecast	Budget
Daily Market (Thurs, Fri, Sat)	£250,000	£300,000
Sunday themed markets and concessions	£23,000	£25,000
TOTAL INCOME	£273,000	£325,000
Market Operators Contract Fee	£84,000	£84,000
Direct Operating Costs	£67,000	£67,000
Indirect Operating Costs	£41,000	£41,000
TOTAL EXPENDITURE	£192,000	£192,000
NET INCOME	£81,000	£133,000

- 2.2 The market layout has a maximum capacity of 65 pitches, including 20 pitches operated at weekends in the Broadway. Currently the market operates on an average 65% occupancy throughout the year, as reflected in the income above. Based on past performance of the market, feedback from the current operator and as a result of the soft market testing the aim would be to increase this occupancy to an average of 75%.
- 2.3 There are no plans to change the number of pitches operated on the market, or the layout of the market which would bring about a financial implication.
- 2.4 The number of days and times the market operates will be adjusted to enable the introduction of themed and specialist markets including evening markets, as supported by the recommendations in the independent review. The purpose of this is to add value to the overall markets and wider city offer for both residents and visitors, improving the reputation and influencing dwell time, spend and impact on the overall local economy. In doing so this will serve to protect the existing and develop new income streams.
- 2.5 Current pitch fees are broadly in line with local area and competitor destinations. Therefore there are no immediate plans to change pitch fees.
- 2.6 Consideration has been given to the current traders operating on the market and it is not anticipated that the adoption of the operating policy would unduly restrict the ability of the vast majority to trade and thus lead a financial impact.
- 2.7 The introduction of the operating policy would be phased as part of a structured transition plan over a six month period to provide sufficient time for those who need to undertake any enhancements to the way they trade in order to meet the requirements of the policy. Undertaking this approach is considered to limit any financial risk.

- 2.8 Despite the above, any change brought about by procuring a new contract and adopting the operating policy for the street market could present a financial risk. This is potentially due to a reduced number of traders taking pitches during the transition period and beyond following the commencement of the contract. This might occur because traders are unable or not prepared to align their business with the operating policy or do not wish to operate with the market operator.
- 2.9 In terms of financial implications that the procurement process might bring about, tenderers will be asked to outline their approaches to:
- a) protecting the established revenue streams for the council,
 - b) generate additional and new revenue streams, considering how they might:
 - (i) limit and/or share appropriate financial risk with the council,
 - (ii) propose incentives for the operator to develop the market offer both in terms of quality and additional revenue generation.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 There is no signed written agreement currently in place between the council and the market operator. In order to provide the necessary legal framework to manage the market operations a new contract needs to be issued.
- 3.2 The tender opportunity is above the UK threshold for a services contract and an open tender procedure is being utilised in accordance with the council's Procurement Rules and The Public Contract Regulations 2015. The opportunity will be advertised via 'Contracts Finder' and 'Find a Tender', both sites are designed to help suppliers find public sector procurement opportunities.
- 3.3 The contract will be for an initial period of three years, with annual reviews and will include an option to extend annually for a further two years.
- 3.4 An exception to procurement rules decision record was approved 27 October 2022. The variation of the standard evaluation weightings, as set out in 29.1 (ii) of the Councils Contract Procedure Rules, reflects 60% in favour of quality and 40% towards cost. This will enable the procurement of an appropriately experienced market operator and ensure that the service and quality of the city street market is the main consideration when evaluating tender submissions.
- 3.5 A robust performance monitoring schedule will form part of the contract and activities will be conducted in accordance with the council's Contract Management Framework.

4 WORKFORCE IMPLICATIONS

- 4.1 Responsibility for the street market contract will transfer from the Estates to the Economy team following completion of the tender exercise. Existing Economy staff resources will oversee the implementation of the Operating Policy and the competitive tendering for the market operator. The team will be responsible for the ongoing contract management and monitoring with the selected operator.

5 PROPERTY AND ASSET IMPLICATIONS

- 6 All necessary permissions from Hampshire County Council to enable the operation of a street market in the High Street and Middlebrook Street, as outlined in the Operating Policy will be secured prior to commencement of the new contract. The council will retain ownership of the stall gazebos for use by traders.

7 CONSULTATION AND COMMUNICATION

- 7.1 Business and Housing Policy Committee on 6 October 2022 considered the findings and recommendations of an independent review undertaken that year on behalf of the council by The Retail Group. This also incorporated findings and recommendations relating to the market from a wider retail study undertaken by Lambert Smith Hampton in 2020. The key areas raised by the committee have been considered within the operating policy and included:
- a) Discouraging the use of single-use plastic within the district's Street Markets.
 - b) Safety issues in connection with loading and unloading be considered as part of any future procurement exercise and separately with market stall holders.
 - c) Timescales relating to re-tendering.
 - d) The ease of access through the Winchester Street Market.
 - e) The long-term aim of using The Broadway be considered.
- 7.2 In considering the policies for the future operation of the market a working group of officers from the Economy and Estates teams was established. Representatives from Procurement, Legal, Finance and Environmental Health teams have provided guidance as part of this group's work.
- 7.3 A meeting with the current market operator was held on 20 June 2023 to discuss and gain feedback on the key changes proposed for the future operation of the market.

- 7.4 Soft Market Testing, see Appendix 3, has been undertaken with five established market operators including the existing operator to further test the proposed operating policy.
- 7.5 The Cabinet Member for Economy and Culture has been kept informed and has been given the opportunity to comment on progress via regular Cabinet Member update meetings.
- 7.6 To support the tender exercise and the introduction of the Operating Policy a communications and transition plan, see Appendix 4, will be produced to ensure local stakeholders, interested parties and residents are fully informed about the process and timescale proposed for this contract.
- 7.7 Town Forum on 14 September 2023 followed by Business & Housing Policy Committee on 19 September 2023 will (has) consider(ed) the Operating Policy.
- 7.8 **SPACE HOLDER** – feedback from Town Forum 14 September 2023
- 7.9 **SPACE HOLDER** – feedback from Business & Housing Policy Committee 19 September 2023

8 ENVIRONMENTAL CONSIDERATIONS

- 8.1 As part of the tender process bidders will be required to set out how they will assist the council to meet its environmental targets by reducing its carbon footprint, proactively managing and reducing its impact on the environment, its use of natural resources and to develop its Corporate Social Responsibility.
- 8.2 All bidders will need to complete and 'pass' a standard qualification selection questionnaire as part of the procurement exercise. The questionnaire is designed to check the business conduct of suppliers including proven offences of grave professional misconduct, including environmental matters and modern slavery.
- 8.3 Additionally, 10% of the evaluation weighting for 'quality requirements' will be allocated to environmental considerations.
- 8.4 The Operating Policy seeks to encourage applications from street market traders selling sustainable or Fairtrade products as well as street market traders operating in a sustainable way, for example by reducing plastic use and encouraging recycling of products and waste.

- 8.5 The location of where the street market trader's business is based and the geographic source of their products for sale will be considered as part of the application process. The highest scores being given to those that are travelling and sourcing products with the least miles to operate on the street market.
- 8.6 Sustainability will be considered when developing a programme of themed markets with the market operator. Additional sustainability focussed opportunities will be considered with the market operator as part of the transition plan.

9 PUBLIC SECTOR EQUALITY DUTY

- 9.1 The Public Sector Equality Duty (PSED), at section 149 of the Equality Act 2010, requires public bodies, including the council to have due regard to the aims of the general equality duty when making decisions and when setting policies.
- 9.2 Having due regard to the need to advance equality of opportunity involves considering the need to remove or minimise disadvantages suffered by people due to their protected characteristics.
- 9.3 An Equality Impact Assessment has been drafted which has not identified any significant negative impacts. Feedback from Town Forum and Business & Housing Policy Committee will be considered in the final version for Cabinet on 17 October.

10 DATA PROTECTION IMPACT ASSESSMENT

- 10.1 All personal information collected as part of the implementation of the new city street market operating policy and the procurement process, including that contained in contract documentation will be held in accordance with the Council's Data Protection Policy and comply with the six Data Protection Principles set out in Article 5(1) of the General Data Protection Regulation (GDPR) and sections 35 to 40 of the Data Protection Act 2018 (DPA).

Risk	Mitigation	Opportunities
<ul style="list-style-type: none"> - continued economic downturn results in reduced customer spend on the market leading to reduction in number of market traders. 	<p>to mitigate any significant risk will be considered.</p> <p>The tender specification will require bidders to outline their approach to relationship management as part of a transition plan and throughout the life of the contract to mitigate this risk.</p> <p>Competitive tender specification requires bidders to offer mitigating arrangements to respond to such circumstances to limit financial exposure for both the market operator and the council.</p>	<p>and shared ownership of risk and reward.</p>
<p>Exposure to challenge Challenge from market operators for failure to undertake a compliant competitive tender process.</p> <p>Existing market traders unable to trade due to inability to meet new operating policy.</p> <p>Residents unsupportive of the changes made to the market operation.</p>	<p>Robust tender process supported by the council's procurement and legal services to ensure compliance with the Public Contract Regulations 2015.</p> <p>Existing market traders will be supported through the changes as part of an agreed plan of transition delivered by the market operator and supported by the council. This will include advice and guidance as well as up to six months for traders to bring about the changes required.</p> <p>A communications plan will detail ongoing information to share with residents to keep them informed of any changes to the street</p>	<p>Effective communications raises awareness and drives additional resident</p>

Risk	Mitigation	Opportunities
	market.	footfall to the market.
<p>Innovation Inadequate innovative approaches to market operations stifles appropriate development of the offer, limits introduction of an appropriate range of products for sale, leading to reputational damage and reduction of footfall.</p>	<p>Best practice research along with soft market testing has generated innovative approaches which have informed the development of the tender specification. The competitive tender specification requires bidders to consider development of the market offer in terms of innovation and range of products for sale. This will be supported by the adoption of the City Street Market Operating Policy. Adoption of KPIs and associated contract management will also serve to mitigate this risk.</p>	<p>Innovative approaches to operating the market could lead to improved quality, reduced operating costs and strengthened reputation.</p>
<p>Reputation The provision of a poorly curated street market offer which does not meet the needs and expectations of residents and visitors results in a negative impact on the perception of the wider city offer, reduced footfall to the high street, leading to reduced spend in the local economy.</p> <p>The adoption of City Street Market Operating Policy leads to complaints from High Street retailers and traders.</p>	<p>The adoption of the City Street Market Operating Policy, the delivery of a robust transition plan, and agreed with the market operator, an incentivised plan of development will aim to mitigate these risks.</p> <p>The adoption of a robust transition plan along with regular communication with High Street retailers, which takes into consideration feedback, will form part of the contractual agreement between the market operator and the council.</p> <p>A proactive communications</p>	

Risk	Mitigation	Opportunities
<p>Public criticism of the planned changes to the market operation are experienced during the policy approval process, procurement/contracting of the market operator and delivery of the transition plan.</p>	<p>framework plan has been drafted which aims to define the need for change, its benefits, and fosters support and engagement from residents, businesses and market traders.</p>	
<p>Achievement of outcome Non-compliance with the City Street Market Operating Policy means that the desired improvements are not achieved.</p> <p>Time required to transition takes longer and delays delivery of outcomes.</p>	<p>A robust transition plan will be agreed and delivered to include advice and guidance to support existing traders to meet the policies over a six month period, and a requirement for the market operator to curate a waiting list of market traders who do meet the agreed policies.</p> <p>Through ongoing contract management, including regular performance reviews, established milestones and KPIs will be reviewed and actions put in place to mitigate emerging delays where possible.</p>	
<p>Property The location in which the city street market operates is not in the control of the city council.</p>	<p>The High Street and Middlebrook Street fall under the responsibility of Hampshire Highways. The city street market is an established operation in this area. However, periodic meetings and communications with Hampshire Highways will be maintained along with any licencing requirements met to mitigate any risks to operating the market.</p>	

Risk	Mitigation	Opportunities
<p>The street market cannot operate in usual location due to priority given to civic or other events.</p>	<p>A Festivals and Events programming policy is being developed which will outline the acceptable uses of High Street and Broadway and any instances where the city street market will need to be relocated. These will be agreed and deployed in partnership with Hampshire County Council.</p>	
<p>Community Support Residents do not support the revised operating policies resulting in a reduction in footfall.</p>	<p>A robust communications plan will be developed building on the framework , see Appendix 4, in partnership with the market operator which will include notification to residents of the planned changes. The Market Operator will be required to collect feedback from traders and market customers during the transition period and share this with the council. Any appropriate revisions to the City Street Market Operating Policy will be considered as a result.</p>	
<p>Timescales Timescales slip regarding the competitive tender process, contracting a market operator, undertaking the transition period and plan which limit the publicity opportunities due to the pre-election period.</p>	<p>Effective programme management will be used throughout the tender, contracting and transition periods including the establishment and monitoring of key milestones.</p>	
<p>Project capacity Competing council priorities result in a lack of resource available to deliver this</p>	<p>Options for redeploying capacity from other teams in the service (or wider) will be</p>	

Risk	Mitigation	Opportunities
programme of work.	explored as soon as resource issues are identified as part the programme management regime.	
Other The competitive tender process does not result in securing an ongoing market operator.	The existing market operator will be in place until such time as a successful competitive tender process is achieved. If an operator is not secured from the first competitive tender, feedback will be sought from bidders to enable a revision of the specification.	Feedback from the tender exercise leads to a new approach to contracting a market operator.

12 SUPPORTING INFORMATION:

Current street market operation

- 12.1 The city street market is a well-established, long-standing market, operated on behalf of the council since 2011 by Southern Market Traders Management Consultants Ltd. The market operates 51 weeks of the year daily from Thursday to Saturday. A themed antique/collectibles and art and design market operates on Sundays alternating with the Hampshire Farmers Market.
- 12.2 The maximum pitches available are 65 on a Sunday (including the Broadway) and currently 45 Thursday to Saturday.
- 12.3 The market currently operates in the High Street and Middlebrook Street. Whilst the intention is to maintain this location and layout flexibility will be reserved for the council to consider alternative/extended locations in the city, for example if there were road closures in Jewry Street and Market Street to facilitate one off/special events.
- 12.4 It has previously operated in Middlebrook Street car park and has extended up as far as The Ivy in the High Street in the past.
- 12.5 The market typically operates on average at 65% occupancy throughout the year, with January and February traditionally quieter months. Premium pitch fees are charged during the festive period with a flat rate fee at all other times.
- 12.6 For clarity the Hampshire Farmers' Market that takes place every second Sunday is operated under licence with council and falls outside the market management contract.

- 12.7 There are two pitches dedicated for concessions, numbers 75 and 76 in Market Street and St Maurice's Covert respectively. Concessions are operated under a licence with the council and form part of the market operator's contract. Traders operating on these pitches are required to meet the requirements of the operating policy.
- 12.8 Traders offer a range of goods for sale, typically found on a traditional market. Some traders are local, others travel significant distances to trade on the market, offering goods for sale but also services such as double glazing, driveway replacement, roadside recovery.

Evidence base and justification of the operating policies

- 12.9 The justification for the operating policy of the city street market is:
- a) the lack of a contract in place with the current market operator,
 - b) the findings and recommendation from the research undertaken by Lambert Smith and Hampton and the Retail Group,
 - c) the desk research into other markets undertaken by officers,
 - d) the outcome of the soft market testing,
 - e) that the market has capacity and can accommodate more traders,
 - f) the need to drive footfall after the pandemic and the impact of the cost-of-living crisis on residents and visitors,
 - g) the need to operate a curated market to protect the assets of Winchester's historic heritage setting.
- 12.10 A Retail Study was undertaken by Lambert Smith Hampton in 2020, see Appendix 2. As part of the study the following recommendations were made with regard to the street market:
- a) Whilst the facilities of the city centre were considered as quite or very good by the users surveyed the street market was rated mainly as quite good to middling,
 - b) The existing street market offer is a recognised strength and it is identified as a growth opportunity, both to improve the existing market offer and to add additional themed offers, evening markets, street food markets etc,
 - c) It is recognised as adding to the provision of independent retailers in the core city centre area, something that might not be otherwise affordable given pressures on space and rents,
 - d) Through expanding the independent offer, the street market will be expanding the choice and variety of goods available in the city centre.

12.11 An independent review was conducted on behalf of the council by the Retail Group in 2022, see Appendix 2. It concluded:

- a) The market is anchored by a good fruit and veg trader, excellent fishmonger and a butcher,
- b) There is an award winning cheese trader, excellent bread, pies and cakes traders and a growing range of other food operators,
- c) The catering offer is good, with an excellent coffee provider and several hot food specialists,
- d) The non-food traders cover a wide variety of categories, from silver plate cutlery to bedlinen, leather goods and artisan producers.

12.12 The research carried out with users of the market showed that whilst 75% of respondents were satisfied with the current street market provision:

- a) 72% were keen to see occasional event markets,
- b) 65% would like to see more visiting themed markets.

12.13 The research identified opinions from local businesses operating in and around the high street. These included:

- a) An improved market would be considered an attraction, generate additional footfall, would be popular and add some benefit to local businesses,
- b) In future the markets need to complement existing businesses and have broad appeal,
- c) The current markets are in the right location, market shoppers use other town centre facilities, traders do not provide unfair competition,

12.14 The independent review recognised:

- a) The Thursday, Friday and Saturday markets could all grow and use the space used by the Sunday market, further along the Broadway. This would increase the appeal of the market and all the associated economic benefits,
- b) The market needs to be presented to a better average standard, there are some excellent traders and some reducing the average. Despite this it was felt that the market was well managed and the trader manager relationship appeared positive,
- c) There are opportunities to improve the product quality, further expand the variety, more local / regional produce, trader delivery and improved stall quality, signage, information and use of space, sightlines, first impressions and overall experience.

12.15 The review also considered four well established markets:

- a) Ridley Road, Hackney – a large street market trading across the week

Accepted as a very important part of a visit to the town centre, with most people using it the majority of times they visit. Only 10 to 15 % of visitors never use the market.
- b) Medway Markets - Rochester High Street Farmers and Artisan Market

Two thirds of consumers visit the market most times or every time they visit the town centre and the market is trading. Consumers like the quality of the market (stalls and product) and the choice available.
- c) Bury Market, Greater Manchester

Bury Market recognised by the community as being of great importance and value, contributing to the local identity of the town. Repeat and long standing customers is high. The Market is described by the community as a vital social hub who feel safe and welcome there.
- d) Queens Market, Newham

Ninety-two percent of market users strongly agree or agree that it is a community hub offering a social and welcoming environment and 96% strongly agree or agree that significantly contributes to the areas local identity.

12.16 The review recommended:

- a) extending the offer to complement the wider retail offer in terms of quality and mix including more local and regional producers,
- b) introducing early evening, themed and touring markets including youth/student, entrepreneur/start up business and independent/local producer themes, and
- c) introducing street events and offerings to attract a younger adult demographic.

12.17 In summary the review recognised that whilst the market was established and long standing, there were opportunities to use it as a springboard to deliver a more proactively curated market offer which aligns more closely with the council plan. In particular around priorities including sustainability, supporting local businesses, competitiveness, driving footfall and the overall quality of the market offer and its impact on the reputation of the city for residents and visitors.

12.18 Desk research was undertaken by officers reviewing a range of local markets as well as those in locations complementary to Winchester city. This included Eastleigh, Southampton, Basingstoke, Salisbury, Chichester and Frome as well as the Christmas Markets hosted in Winchester, Bath and York.

12.19 The research concluded:

- a) All market operators had an operating policy in place, with some taking a more comprehensive approach.
- b) All market operators undertook some sort of application and assessment process, considering both mandatory compliance as well as qualitative considerations.
- c) A growing number of operators were considering the sustainability credentials of the traders and that of their goods for sale.
- d) The pitch fees currently charged in Winchester are broadly in line with others. There is the opportunity to consider modest increases when it is felt appropriate to do so.
- e) The delivery of a sense of place, clear branding, operator owned gazebo's was varied.

12.20 Soft Market Testing was carried out in order to inform how the council might progress future operations of the street market in central Winchester prior to procuring a contract for a market management company.

The aim of the soft market testing was to:

- a) gather information to support the council's decision-making process in any next steps,
- b) inform our thinking regarding commercial considerations of operating the street market,
- c) identify innovative and cost-effective delivery solutions, which may inform our specification development,
- d) understand the optimum way of procuring.

12.21 A soft market testing questionnaire, see appendix 3, was included on contracts finder which generated a significant amount of interest from operators and resulted in five, representing over 40 markets responding. A summary of the questionnaire responses included:

- a) All operators reported opportunity to grow and develop the Winchester city market. This included the average annual pitch occupancy, additional themed and touring markets as well as special events, additional trading days and sponsorship,
- b) All operators had experience of a range of financial models and most included a fixed management contract fee option in their response. Two have operated on a shared income model relating to additional income generated above set KPIs. One would consider operating on a profit share basis and one operated a revenue share arrangement with the traders,
- c) Most operators adopted a flat fee structure and one operated a pitch fee based on season and location,
- d) All operators adopted an application and assessment process to varying degrees,
- e) Most operators supported encouraging local traders, local goods for sale and start-up businesses,
- f) All operators supported the adoption of sustainability including two which operated a ban on single use plastics,
- g) All were supportive of a collaborative planned period of transition.

The Vision for Winchester City Street Market

12.22 Based on the independent review, research undertaken and the evidence base, the proposed vision for the Winchester City Street Market is for a well-curated, high-quality, locally driven street market which meets the expectations of its visitors, supports the local economy and adds to the vibrancy of the city centre by:

- a) providing access to a diverse and affordable range of products and food & beverage,
- b) driving footfall, spend and dwell time,
- c) raising awareness and reputation of the city's retail offer,
- d) reducing the street market's carbon footprint,
- e) complementing existing retail activities,
- f) encouraging business start-ups and innovation.

12.23 This approach also aligns with the Winchester District Ten Year Green Economic Development Strategy which aims to position the city as 'a vibrant place for business' making it 'a go-to place' for business start-up's by providing affordable space.

Proposed Street Market Operating Policy

- 12.24 The Operating Policy which sets out the way the contracted market operator and market traders will be expected to manage and operate the city street market, responds to the reviews undertaken, feedback received and the evidence collected. It forms a key part of the competitive tender and contracting process and sets the standard expected in terms of:
- a) a City Street Market Operating Policy which drives the qualitative delivery of the city street market with which all market traders will be required to comply in addition to meeting compliance and legislative requirements,
 - b) market traders which offer a wide range of high-quality, appropriately priced products, which complement those currently available and meet the expectations from the range of visitors using the street market
 - c) national groups and chains as well as service providers such as motor breakdown, double glazing, subscription organisations such as Woodland Trust/RSPB, will be discouraged,
 - d) a market trader selection process (as outlined in 10.20) which recognises both qualitative considerations as well as compliance and legislative requirements,
 - e) practices which reduce carbon impact through the provision of locally sourced goods for sale; adoption of sustainable practices and the location of the market traders, favouring those that travel least miles to operate on the street market,
 - f) a pitch pricing policy which reflects seasonality, availability and within three pricing bands made up of premier pitches, standard pitches and charity pitches,
 - g) themed markets which encourage entrepreneurs, start-up business and independent/local producers as well as those that attract a young demographic/student audience,
 - h) opportunities to increase dwell time including the appropriate expansion of street food provision, street entertainment, outdoor seating etc,
 - i) repeat customer visits through encouraging up to four new approved traders to the market to replace the existing in any 12 month period enabling an appropriate level of mixed and changing offer,

- j) a stronger sense of place and visual identity through the provision of branding, signage and colour co-ordinated gazebos.

12.25 In order for market traders to operate on the city street market they will be required to apply for pitches and be assessed against a set criteria. This approach incorporates the existing arrangements. Successful applicants will be recognised as an approved trader and will be offered a permit to trade. As part of the transition plan, see Appendix 4, all current market traders will be assessed against the set criteria by the market operator in partnership with the council. All new applications will be assessed by the market operator, as set out in the operating policy, see Appendix 1 and overseen by the council as part of ongoing contract management.

12.26 There are five stages to the application process to become a trader on the street market as outlined below:



12.27 The table below outlines how applications to trade on the market and existing market traders will be assessed. A percentage allocation has been given to the five areas of qualitative assessment and within each of these applicants will be scored 0 – 5. Our research showed that this approach was in line with many other markets, including those who participated in the soft market testing, recognising some taking a less formal approach whilst others, such as Greenwich, London and LSD adopting an evaluation similar to that recommended. Full details will be available in the City Street Market Operating Policy.

Qualitative Assessment	
GOODS FOR SALE	SUSTAINABLE CREDENTIALS
60% of qualitative Score	40% of qualitative score
Areas for consideration: Quality of goods for sale Compatibility of goods for sale with existing high street offer Goods for sale meeting local need or demand	Areas for consideration: Sustainability credentials of the goods for sale and the market trader including: Provenance of goods, using local or fair trade products or ingredients use of recycled for sustainable goods organic and/or seasonal foods reduction of single use plastics reduction in energy consumption distance travelled trader

Market operator tender exercise

12.28 Bidders will respond to the specification with a fixed operating fee along with an outline their approach regarding the overall operation of the city street market and will include how the following will be delivered:

- a) The vision for the Winchester city street market,
- b) The adoption of the operating policy,
- c) The adoption of the legislation and compliance policy,
- d) Protection of the established revenue streams for the council,
- e) Opportunities to generate additional and new revenue streams and related financial models
- f) A detailed transition plan to include roles, responsibilities, and actions required of the market operator (both outgoing and incoming), the market traders and the council,

- g) A framework communications and engagement plan aimed at all audiences including residents, visitors, current market traders, high street retailers and other stakeholders, such as the BID.

12.29 The revenue collected from pitch fees on behalf of the council will fund the costs of the market operator contract fees, as outlined in 2.1.

12.30 The table below outlines the proposed competitive tender programme, which will be kept under review:

Activity	Timeline
Soft Market Testing	July 2023
Adoption of the operating policy and delegated authority to procure and contract	September/October 2023
Tender open to applications	October – November 2023
Response evaluation	November – December 2023
Tender submission interviews	January 2024
Appointment of contractor and contract execution	January – February 2024
Contractor handover period if required	March 2024
Transition period, adoption and execution of agreed operating policies	April to September 2024

13 OTHER OPTIONS CONSIDERED AND REJECTED

13.1 Do nothing – continue with the current market operator. This was rejected in favour of mobilising the findings and recommendation of both reviews.

13.2 Contract the current market operator to operate the market under the revised operating policies. This was rejected in favour of offering the opportunity to the market via the competitive tender process to ensure best value and compliance.

13.3 Serve notice to the current market operator and operate the market in house. This was rejected as neither the resources nor expertise is available within the council.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

Business & Housing Policy Committee, Thursday 6 October 2022, Findings and future plans following the Street Market Review:

[\(Public Pack\)Agenda Document for Business and Housing Policy Committee, 06/10/2022 18:30 \(winchester.gov.uk\)](#)

Other Background Documents:-

Retail Group Independent Market Study 2022

Soft Market Testing Questionnaire

Framework Transition and Communications Plan

APPENDICES:

Appendix 1 – Draft Winchester City Street Market Operating Policy.