



Agenda

To all Members of the

OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE

Notice is given that a Meeting of the above Committee is to be held as follows:

Venue: Microsoft Teams - Virtual Meeting

Date: Wednesday, 23rd September, 2020

Time: 5.00 pm

The meeting will be held remotely via Microsoft Teams. Members and Officers will be advised on the process to follow to attend the Overview Scrutiny Management Committee meeting.

ITEMS:

1. Apologies for absence.
2. To consider the extent, if any, to which the public and press are to be excluded from the meeting.
3. Declarations of Interest, if any.

Damian Allen
Chief Executive

Issued on: Tuesday, 15th September 2020

Governance Officer for this meeting

Caroline Martin
Tel:01302 734941

A. Reports where the public and press may be excluded.

4. CALL-IN OF THE FOLLOWING EXECUTIVE DECISION: Market Operator - Temporary Financial Assistance (The Call In form (Appendix A) and Annex 1, and Appendix 1 to the Cabinet report attached at Appendix B is not for publication because it contains exempt information by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended) (*Pages 1 - 54*)

MEMBERSHIP OF THE OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE

Chair –Councillor Jane Kidd

Vice-Chair –Councillor John Healy

Councillors Bev Chapman, Neil Gethin, Mark Houlbrook, Richard A Jones, Majid Khan and Andrea Robinson



Doncaster Council

Date: 23rd September
2020

To the Chair and Members of the
OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE

**CALL IN OF EXECUTIVE DECISION: MARKET OPERATOR – TEMPORARY
FINANCIAL ASSISTANCE**

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Councillor Joe Blackham	All	Yes

EXECUTIVE SUMMARY

1. This report provides the opportunity for the Overview and Scrutiny Management Committee (OSMC) to consider the Called-In decision 'Market Operator – Temporary Financial Assistance'. The Committee will be given the opportunity to consider the views expressed by those Members triggering the call-in and any response from the Executive and officers. Following consideration of all relevant issues the Committee will agree its recommendations.

EXEMPT REPORT

2. The Call In form (Appendix A) and Annex 1, and Appendix 1 to the Cabinet report attached at Appendix B contains information which is NOT FOR PUBLICATION because they contain exempt information under Paragraph 3 of Part 1 of Schedule 12 (a) of the Local Government Act 1972 (as amended), information relating to the financial or business affairs of any particular person (including the authority holding that information

RECOMMENDATIONS

3. The Committee is asked to: -

Consider the reasons identified for call-in and determine the most appropriate course of action, this may include the following:

- (i) Refer the decision back to the Executive for reconsideration in the light of the recommendations from the Committee.

- (ii) Request that the decision be deferred until Overview and Scrutiny Management Committee or Panels have considered relevant issues and made recommendations to the Executive.
- (iii) Take no action in relation to the called-in decision(s) but consider whether issues arising from the call-in need to be added to the work programme of an existing or new Overview and Scrutiny Sub-Committee.
- (iv) If, but only if (having taken the advice of the Monitoring Officer and/or the Chief Finance Officer), the Committee determine that the decision(s) is wholly or partly outside the Budget and Policy Framework refer the matter, with any recommendations, to the Council after following the procedure in Rule 8 of the Budget and Policy Framework Procedure Rules. Only in this case is there a continuing bar on implementing the decision.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

4. The Call In process provides an opportunity for OSMC to review Executive decisions before they are implemented and where appropriate provide recommendations back to the decision maker for consideration. This provides checks and balances in the decision-making process enhancing accountability and transparency for Doncaster citizens.

BACKGROUND

5. The Call In process is an important mechanism in improving decision making as it provides a check and balance enabling Overview and Scrutiny Members to put an Executive decision on hold whilst OSMC meet to consider the issues raised by those Members calling in the decision. OSMC may make recommendations back to the Executive in respect of the decision or determine that no further action should be taken in respect of the decision and it should be implemented. The Call In process is detailed in the Constitution (Overview and Scrutiny Procedure Rule 9) and is triggered by the completion and submission of a call in form. The Call In Protocol gives guidance on how the process operates.
6. The call-in form was submitted within the agreed timescale, 5pm on Monday 14th September, 2020 and the Monitoring Officer has confirmed those Members calling in the decision have followed the correct process and identified sufficient grounds for the Call In to be valid. The Call In Form is attached at Appendix A for Members' information. This form is NOT FOR PUBLICATION because it contains exempt information under Paragraph 3 of Part 1 of Schedule 12 (a) of the Local Government Act 1972 (as amended).
7. The background to this decision is outlined in the Cabinet report (Appendix B and the Appendices 1 and 2 to the Cabinet report). The Cabinet decision record is attached at Appendix C.
8. The Members triggering the Call In are Councillors:

Sean Gibbons, Andy Pickering, Steve Cox, Nick Allen and Jane Cox.

9. Overview and Scrutiny seeks to open up decision making to the public, notwithstanding this, Access To Information Rules apply and where issues of an exempt or confidential nature are raised, the Press and Public may be excluded from the meeting. The report considered by Cabinet on 1st September 2020 contained an Appendix which was exempt under Paragraph 3 of Part 1 of Schedule 12 (a) of the Local Government Act 1972 (as amended), as it contains information relation to the financial or business affairs of any particular person (including the authority holding that information). The issues raised by the "Call In" form also contain such information. The Committee is advised that the reasons for excluding the Press and Public from the Cabinet Meeting on 1st September, are still applicable to the OSMC Call In meeting.

Reasons for Call-In

10. The reasons for calling-in this decision are detailed in the call-in form attached at Appendix A and the attached annex 1.
11. The Committee is reminded that in accordance with the Call In Protocol the meeting should focus its consideration on these issues only as they have been agreed as the valid reasons for calling in this decision. It is not appropriate to raise new issues or those that are not relevant to this decision.

Agreeing an Outcome

13. Overview and Scrutiny Procedure Rule 9 sets out four specific courses of action, which OSMC may take when considering a called-in decision. The Committee may: -

- (i) Refer the decision back to the Executive for reconsideration in the light of the recommendations from the Committee.

This would require identifying any areas within the process or in respect of the decision, which could be improved, or submitting recommendations for alternative courses of action.

- (ii) Request that the decision(s) be deferred until Overview and Scrutiny Management Committee or Panels have considered relevant issues and made recommendations to the Executive.

OSMC may consider that the decision could be improved by further investigation of relevant issues to be conducted by the Committee or by the appropriate Overview and Scrutiny Panel. The Committee may wish to take account of any timescales, finance or other issues that are crucial to the decisions.

- (iii) Take no action in relation to the called-in decision(s) but consider whether issues arising from the call-in need to be added to the work programme of an existing or new Overview and Scrutiny Sub-Committee.

OSMC may consider that the call-in of this decision has identified issues which should be considered as part of its or one of the Overview and Scrutiny Panels' Work Plans. Consideration will need to be given to the

potential impact this may have on OSMC or the relevant Panel in terms of delivering its agreed work plan. This may require a reprioritisation of issues in order to achieve this.

(iv) If, but only if (having taken the advice of the Monitoring Officer and/or the Chief Finance Officer), the Committee determine that the decision is wholly or partly outside the Budget and Policy Framework refer the matter, with any recommendations, to the Council after following the procedure in Rule 8 of the Budget and Policy Framework Procedure Rules. Only in this case is there a continuing bar on implementing the decision.

14. The Monitoring Officer and Chief Finance Officer have considered the issue and have advised that the decision is within the Council's Budget and Policy Framework.

OPTIONS CONSIDERED

15. The recommended courses of action available to OSMC are detailed within the Council's Constitution (Overview and Scrutiny Procedure Rule 9) and these are detailed at paragraphs 13 of this report.

REASONS FOR RECOMMENDED OPTION

16. The completion and submission of the appropriate form by at least 4 elected Members (not all from the same political group) and confirmation by the Monitoring Officer regarding the validity of the Call In form means that OSMC must meet to consider the called-in decision.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

17. The Overview and Scrutiny function has the potential to impact upon all of the council's key objectives by holding decision makers to account through call-in. This supports accountability within the Council's decision-making arrangements thereby supporting strong governance and leadership.

RISKS AND ASSUMPTIONS

18. Specific risks relating to the decision are identified in paragraphs 34 to 38 of the report attached at Appendix B.

LEGAL IMPLICATIONS

19. The Local Government Act 2000 Sections 9F(2)(a) and 9F(4) establish that the Council's Scrutiny Committee has a power to review or scrutinise decisions made but not implemented by the Executive, which includes a power to recommend that the decision be reconsidered by the decision maker.

20. The Legal implications associated with the original decision are detailed in paragraph 39 to 43 of the report attached at Appendix B. Overview and Scrutiny Procedure Rule 9 of the Council's Constitution details the Call In process. Further guidance on the Call In Process is detailed in the Call In

Protocol.

FINANCIAL IMPLICATIONS

21. No specific Financial Implications have been sought for this report. The relevant financial implications associated with the decision are included within paragraphs 50 ad 51 of the Cabinet report attached at Appendix B and accompanying appendices 1 and 2.

HUMAN RESOURCES IMPLICATIONS

22. No specific Human Resource Implications have been sought for this report. Any relevant implications are included within paragraph 52 of the Cabinet report attached at Appendix B.

TECHNOLOGY IMPLICATIONS

23. No specific technology implications have been sought for this report. Any relevant implications are included within paragraph 53 of the Cabinet report attached at Appendix B.

HEALTH IMPLICATIONS

24. No specific health implications have been sought for this report. Any relevant implications are included within paragraph 54 of the Cabinet report attached at Appendix B.

EQUALITY IMPLICATIONS (AS 110920)

25. There are no specific equality issues included with this report.

APPENDICES

Appendix A – Call in form and Annex 1;

Appendix B – Cabinet Report dated 1st September, 2020, Appendix 1 (Exempt) and Appendix 2

Appendix C - Cabinet Decision Record Form

CONSULTATION

26. Consultation undertaken is set out in paragraph 56 of the Cabinet report at Appendix B.

BACKGROUND PAPERS

27. The Council's Constitution
The Call In Protocol

REPORT AUTHOR & CONTRIBUTORS

Christine Rothwell, Senior Governance Officer – telephone 01302 735682
Email: caroline.martin@doncaster.gov.uk

Andrew Sercombe Governance and Member Services Manager, telephone:
01302 734354
Email: Andrew.sercombe@doncaster.gov.uk

Debbie Hogg
Director of Corporate Resources

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Doncaster Council

Date: 1st September 2020

To the Mayor and Members of the
Cabinet

MARKET OPERATOR - TEMPORARY FINANCIAL ASSISTANCE

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Mayor Ros Jones Cllr Joe Blackham	All	Yes

EXECUTIVE SUMMARY

1. The markets in Doncaster are a thriving destination for people to visit and spend time in the town centre. They are improving and there have been positive social media and press engagements about the market estate, especially the Wool Market, highlighting how the nature of the area is more appealing.
2. Doncaster Council ran the markets and there was a controllable loss of £0.58m prior to the contract award to Market Assessment Management (Doncaster) Limited "MAM". The markets management within the council was very traditional and the markets estates had become very dilapidated. There was a large capital investment programme to improve the Corn Exchange, Wool Market and Fish Market electrics.
3. Following a competitive procurement process, on the 15th May 2019 the Council entered into a concession contract with MAM to manage the markets in Doncaster and Mexborough.
4. MAM have spent the first year planning improvements and increasing lettings across both Doncaster and Mexborough markets. The look and feel of the Wool Market has greatly enhanced this once neglected and care-worn building.

5. The trading position for markets has been difficult in the first year of the contract and the Covid-19 Pandemic has had a detrimental effect on the economy in the United Kingdom and this has impacted on local markets. Business conditions in the north of England have been very difficult for retail and many previously successful large chains have disappeared from the High Street.
6. The Council have been in discussions with MAM who have outlined that the operation is unsustainable and have asked for support from the Council by way of a contribution to their costs, support to make significant operational efficiencies and investment in the estate over the next 2 years.
7. The Council now need to consider urgently a number of options in determining the best outcome for the markets, balanced with the level of risk and financial investment involved in each.

EXEMPT REPORT

8. Whilst this report is not exempt it does contain an exempt appendix 1. The appendix 1 is not for publication because it contains exempt information within paragraph 3 of schedule 12a of the local government act 1972, as amended, as it contains exempt information relating to the financial or business affairs of any particular person (including the authority holding that information).

RECOMMENDATIONS

9. Cabinet are asked to support Option 1:
 - Cabinet agrees to temporarily subsidise the operation of the markets at a cost of £0.91m by entering into a temporary variation of the contract until 31st March 2022. The variation will suspend amounts due from MAM to the Council under the existing contract and provide a capped amount of financial support to aid the delivery of the market management service until 1st April 2022, at which point the provisions of the existing contract will resume.
 - Cabinet agrees to delegate authority to the Director of Corporate Resources (or in their absence the Assistant Director of Finance) in consultation with the Assistant Director of Legal and Democratic Services and the portfolio holder for Highways, Street Scene and Trading Services to agree the terms of the contract variation.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

10. The management and operation of the markets either with an external provider or through insourcing the service means the markets estate will continue to be a busy commercial environment and focal point of Doncaster and Mexborough.
11. This proposal would see the markets management model maximising its position to develop opportunities, contributing to create jobs, growth and revenue through the generation of new small businesses and rents. These businesses feed in to the high street and larger premises as they develop from embryonic lifestyle and ideas in to real business outcomes.

12. The borough needs to seize the opportunity on the current market position, as there has been a change in our citizens shopping habits due to Covid-19 where market patronage has strengthened with weekly footfall in early July 2020 of an average of 47,000 people. The markets have seen increased shopper confidence and usage through being less crowded and more open than supermarkets, thus allowing social distancing, and allowing shoppers to purchase fresh, local produce with guaranteed stocks.

BACKGROUND

13. MAM has operated the contract, improving the Markets and managing the new Wool Market following the transfer from the Council who opened the venue and ran the new Wool Market from 26th March 2019 to 15th May 2019.
14. In the tender, the provider proposed significant investment of £6.2m over the 25-year contract period, which included £2.3m of this to be spent in the first 5 years of the contract. Whilst MAM are actively seeking a new investment partner, it is very unlikely that investment anywhere near the planned scale will happen within the next three years.
15. Under the existing provisions of the contract, there is a guaranteed annual amount paid by the provider to the Council in each year over the life of the contract of £122k plus an amount of £130k for insurance and an existing lease at Mexborough (at 2019/20 prices). These amounts will still be received for the remainder of the contract period from 2022/23 to 2043/44.
16. There has been no rent increase to traders as the proposed increase was halted once the Covid-19 virus hit the country and effected traders and their customers.
17. Occupancy has increased in the Doncaster market from 127 units (baseline figures, May 2019) to 137 units (Q4, 2020 KPI figure) prior to the lock down. As of 31st March 2020, there are 28 voids across the Doncaster estate.
18. Mexborough occupancy levels have decreased from 39 units occupied (baseline 2019) to 36 units (Q4, 2020 KPI figure). A competition to entice traders at Mexborough which was put on hold due to the Covid-19 lockdown has now been launched.
19. There is expected to be a reduction in the number of traders across both Doncaster and Mexborough markets after allocation of the government business grants and opportunities for retirement and alternative employment arise over the next uncertain year. The market traders have been eligible and received Business Support Grants due to Covid-19.
20. MAM reduced costs and had plans for investment in the Doncaster estate. These have been revised and are outlined in Appendix 2. The new revised strategy and vision makes reference to some exciting plans. Significant components include:
 - Doncaster Market is well placed to act as a catalyst for community driven initiatives and incubator space for small business
 - Community, localism and entrepreneurial spirit which will pave the way for recovery

- Mexborough street food night market
- The Basement 'Mexborough' food hall and venue
- The Wool Market – flexible space developed into a new primary seating area with stage
- The Wool Market – boutique retail focus, beauty lifestyle retail, experiential options, dart games, mini golf, selfie pods, rage rooms, instagrammable feel
- The Outdoor Market, remove permanent stalls, encourage flexible pop ups and street scape the square to become an attractive place to spend time
- The Corn Exchange – build a strong brand identity as being home for artists and creative makers, mezzanine coffee shop
- Sunny Bar – create in 2025 Sunny Bar Productions, a home for independent food producers, brewery tap room, chocolatier, artisan bakers, and coffee roaster
- Market Entrance – new feature entrance with modern trading area for fish restaurant and key fruit and vegetable businesses
- Market Vaults – the vaulted cellars beneath the Corn Exchange offer a significant opportunity to develop into a select jazz bar.

21. In the first year of the operation, the costs for MAM of managing the Markets were in excess of income, shown in Appendix 1. From 2022/23, the Markets are projected to make a return that is sufficient to cover the cost of the concession. This is indicative of a changing retail, food and beverage-trading environment that has previously existed.
22. Social distancing will impact turnover rents agreed in the Wool Market and other food retail areas until customer confidence returns in the next few years as society adapts to new social norms and a vaccine is found.
23. The Town Centre Masterplan includes specific objectives relating to the market including **'creating a nationally recognised market, raising the aspirations and functions of the markets as enterprise generators and location for start-up and business opportunities.'**
24. There will be workforce challenges in the near future, as the Markets will need to be restructured to reflect changes in shopping and trading.
25. To in-source the markets there would need to be considerations to:
 - Appoint to the senior management function
 - Have sufficient and adequately experienced staff as part of a new markets team
 - Manage the markets, whilst actively seeking new investment and innovation
 - Engage with all market traders and stakeholders
 - Invest in innovative and entrepreneurial skill sets
26. Whilst managed by the Council the markets made a controllable loss of £0.58m per annum. This significant amount would be more than the subsidy required for the 2 year period.
27. The Markets of Doncaster and Mexborough should continue to create and enhance wider social value and environmental benefits such as;

- Encourage trade in sustainable, fresh, local, food, produce, goods and services
 - Social inclusion – the ease of becoming a trader can support a wide range of people to earn a living and can be attractive to new business ventures to the area
 - Enable entrepreneurship and promote a sophisticated retail environment
 - Face to face contact and its wellbeing benefits
 - Support deprived urban communities – providing value, quality produce to those living close to or in the Town Centre's that do not have access to their own transport
 - Environmental sustainability – the way a market can promote and sell locally produced food and the benefits that brings to the wider environment and promoting links between rural and urban communities
 - Reinforce Mexborough market as a hub of local social activity and central to the town's retail offer.
28. MAM have developed close links to the town centre management functions and Business Doncaster within the Directorate of Economy and Environment.
29. The events team within Learning, Opportunities, Children & Young People (LOCYP) directorate work closely with MAM on town centre performances and events, for example, Delicious Doncaster Food Festival. The key events in the town centre have become part of the social calendar and are revisited year on year e.g. Armed Forces Day, St Leger Festival, Christmas Markets and Christmas Lights Switch-on.

OPTIONS CONSIDERED

30. Option 1 - To continue a contract with associated lease with the current provider, over the course of a 25-year term, financially assisting (subsidising) MAM temporarily for two years. This will take the form of a contract variation. To temporarily subsidise the operation of the markets at a cost of £0.91m by entering into a temporary variation of the contract until 31st March 2022. The variation will suspend amounts due from MAM to the Council under the existing contract and provide a capped amount of financial support to aid the delivery of the market management service until 1st April 2022, at which point the provisions of existing contract will resume.
31. Option 2 - To not subsidise operations and ultimately risk contract failure, which will see the Markets return to be managed and operated in-house by the Council. This has been discounted due to the specialised retail expertise and knowledge that is required to manage a successful markets estate. This option carries the most cost risk as the operation previously made a significant loss under Council control, and the costs would be uncapped and ongoing whereas costs in Option 1 are capped and for a temporary period.
32. Option 3 - There is an option of cessation of the Markets in Doncaster and Mexborough that has been discounted due to the nature of Doncaster and Mexborough being market towns, bringing visitors to the town centres and the detrimental impact reduced footfall and vacant assets would have on the vibrancy of the town centre. Cabinet are requested to note this.
33. The contract variation (Option 1) is the recommended option.

REASONS FOR RECOMMENDED OPTION

34. MAM have brought about positive changes to the Market – increased footfall, management of the successful wool market, reduced voids and proactive and collaborative approach to reopening after Covid-19. Income from the Markets had declined significantly over the past five years and was running at a loss £0.58m per annum whilst managed by the Council.
35. To ensure that Doncaster and Mexborough Markets are the best in the region the constant focus, drive and passion that MAM deliver; is required to prevent a stagnation and backwards approach to citizens’ town centre experience.
36. Although the first year of the contract has not performed as well as MAM expected, MAM have outlined in the strategy and vision document how they consider how this can be made more profitable over the remaining contract period. Which will allow the entity to become profit-making over the course of the rest of the contract and therefore the financial assistance is a temporary measure.
37. The Doncaster and Mexborough Markets: Strategy and Vision (Appendix 2) outlines the route map for considerable proactive and ambitious changes to the markets quarters in both Doncaster and Mexborough.

IMPACT ON THE COUNCIL’S KEY OUTCOMES

38.

	Outcomes	Implications
	<p>Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <p>Better access to good fulfilling work Doncaster businesses are supported to flourish Inward Investment</p>	<p>Ability to boost self-employment opportunities from local enterprises.</p> <p>Local producers will be a focus to ensure the regional economy is given an opportunity to showcase their wares.</p>
	<p>Doncaster Living: Our vision is for Doncaster’s people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <p>The town centres are the beating heart of Doncaster More people can live in a good quality, affordable home Healthy and Vibrant Communities through Physical Activity and Sport Everyone takes responsibility for keeping Doncaster Clean</p>	<p>The vibrant street food and entertainment, combined with a heritage and new outlook will ensure opportunities to shop, eat, socialise and feast the eyes on an eclectic mix of culture and real life living with all the sights, smells and tastes of a vibrant and thriving economic offer.</p> <p>The social value of a market offer will be there for people to enjoy and interact as the market place has been a meeting and procurement hub for hundreds of</p>

	Building on our cultural, artistic and sporting heritage	years.
	<p>Doncaster Learning: Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <p>Every child has life-changing learning experiences within and beyond school Many more great teachers work in Doncaster Schools that are good or better Learning in Doncaster prepares young people for the world of work</p>	<p>Children and young people will visit the safe and thriving retail environment with parents and primary carers.</p> <p>The traditional heritage of the market towns of Doncaster and Mexborough will be preserved for future generations to enjoy.</p>
	<p>Doncaster Caring: Our vision is for a borough that cares together for its most vulnerable residents;</p> <p>Children have the best start in life Vulnerable families and individuals have support from someone they trust Older people can live well and independently in their own homes</p>	<p>Markets are a traditional place of value for older and vulnerable people, where they can shop with confidence and engage with friendly and knowledgeable traders.</p> <p>Visiting markets and engaging with positive and passionate traders can help people's wellbeing and morale.</p>
	<p>Connected Council: A modern, efficient and flexible workforce Modern, accessible customer interactions Operating within our resources and delivering value for money A co-ordinated, whole person, whole life focus on the needs and aspirations of residents Building community resilience and self-reliance by connecting community assets and strengths Working with our partners and residents to provide effective leadership and governance</p>	<p>Wi-Fi, cashless and EPOS (Electronic Point of Sale) facilities are available for the modern shopper.</p>

RISKS AND ASSUMPTIONS

39. The markets have played a key role in the history of Doncaster and Mexborough, maintaining this is essential for both towns and the borough as a whole.

40. Without financial support and investment it is highly unlikely that MAM will be able to continue as a business entity and therefore the service currently provided by them will cease.
41. Continued investment is required for the markets for their survival particularly as we have witnessed a change in shopping habits of younger generations, the impact of Covid-19 on the shopping experience and the significant response towards improving the environment.
42. The Council is the holder of the Doncaster Borough Charter of 1505 granted by King Henry VII. This gives the Council the exclusive right to hold markets in Doncaster. The Council can grant a right for other parties including the preferred provider to manage markets in the area.
43. Rossington Market remained with the council and is supported by the communities team.
44. Should the recommended option not be agreed and the Markets were to be brought back in house this would involve TUPE for those staff in MAM identified as predominantly working on Doncaster and Mexborough markets.

LEGAL IMPLICATIONS [Initials SRF Date 09.07.20]

45. The Council holds the Doncaster Borough Charter of 1505 granted by King Henry VII. This gives the Council the exclusive right to hold markets in Doncaster and the Council is permitted to grant a right for another party to manage markets in the area.
46. Section 1 of the Localism Act 2011 provides the Council with a general power of competence, allowing the Council to do anything that individuals generally may do. Section 111 of the Local Government Act 1972 gives the Council the power to purchase goods and services.
47. MAM have been in discussions with the Council in response to difficulties which it has found itself in and has made a request for financial assistance for a short period of time.
48. The report requests approval to subsidise the operation of the markets at a cost of £0.91m by temporarily suspending the concession mechanism. This is a variation to the original concession contract.
49. A formal variation will be required to amend the current contract.

FINANCIAL IMPLICATIONS [Initials CA Date 20.07.20]

50. The revenue cost of Option 1 is £0.91m (£0.66m in 2020/21, £0.25m in 2021/22). These costs will be funded from contingency budgets. The Council's contingency budget is limited and this decision will deplete the balance significantly, therefore it may be prudent to create additional capacity through the budget setting process to provide more flexibility to fund unrelated pressures that may arise in 2021/22.

51. The detailed cost assumptions for both options are set out in Exempt Appendix 1.

HUMAN RESOURCES IMPLICATIONS [Initials RH Date 08.07.20]

52. There are no specific HR implications relating to the recommended option. Should this not be agreed further HR advice should be sought in terms of the next steps relating to workforce implications.

TECHNOLOGY IMPLICATIONS [Initials PW Date 06.07.20]

53. There are no technology implications in relation to the recommended option outlined above.

HEALTH IMPLICATIONS [Initials CT Date 07.07.20]

54. Doncaster markets can play an important role in improving and maintaining health and wellbeing. They provide a place for meeting and social connection as well providing easy access to healthy and affordable food. Markets also provide low cost opportunities for business start-ups and attract visitors to the area. Their contribution to a healthy and vibrant society for Doncaster residents is significant; therefore, the Director of Public Health agrees that Option 1 to support MAM by way of the proposed contract variation would be a sensible approach to enable MAM to overcome the impact of Covid-19 on their original business plans and ensure our markets remain viable.

EQUALITY IMPLICATIONS [Initials HF Date 07.07.20]

55. Doncaster Council has a statutory responsibility to have due regard to the protected characteristics under the Equality Act 2010. This includes the requirement of the need to eliminate discrimination, harassment and victimisation and other such factors as part of the Act whilst advancing equality opportunities for all. The proposals outlined within the report will allow the continuation of benefits to all Doncaster citizens irrespective of protected characteristics.

CONSULTATION

56. There has been engagement on this report with the Director of Corporate Resources and with the Portfolio Holder for Highways, Street Scene and Trading Services. MAM have engaged with market traders and shared their vision at both Doncaster and Mexborough markets.

APPENDICES and BACKGROUND PAPERS

57. Appendix 1: Exempt Information Doncaster Council Market Management Costs (containing Option 1&2)

58. Appendix 2: Market Asset Management (Doncaster) Ltd: Doncaster and Mexborough Markets Strategy and Vision

REPORT AUTHOR & CONTRIBUTORS

Drew Oxley, Head of Trading Services
01302 862236
drew.oxley@doncaster.gov.uk

Helen Flint, Policy and Insight Officer
01302 736297
Helen.flint@doncaster.gov.uk

Debbie Hogg
Director of Corporate Resources

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Appendix 2 Market Asset Management (Doncaster) Ltd: Doncaster and Mexborough Markets Strategy and Vision



DONCASTER AND MEXBOROUGH MARKETS: STRATEGY AND VISION

Vision statement

Doncaster Market is one of the best markets in the North, and still one of the largest in the country. We wish to see it returned to its historic significance on a regional and national level.

Both Doncaster and Mexborough Markets must return to their roles as central community hubs, not just for mercantile transactions but as social, community, leisure and education destinations. We want to restore the market as **the beating heartbeat of the town, by locals and for locals.**

As the country moves past the far-reaching impacts of Covid-19, it is **community, localism and entrepreneurial spirit which will pave the way for recovery.**

With an already **excellent fresh food offer, a destination street food and entertainments venue, creative enterprises and independent retail**, the Doncaster Market is well placed to act as a catalyst for community driven initiatives and incubator space for small and start-up businesses.

Mexborough Market is a key part of the town centre, providing vital fresh food sales. It is well placed to assist with the regeneration of the town centre, providing a focus for new residents when moving to Mexborough, providing high-quality independent retail and an exciting street food offer.

We want to put together **services to help our local independent businesses** grow, build facilities to **encourage creators and artists to thrive**, design initiatives to offer **experiences and education to young people**, and **collaborate locally** to enable Doncaster, Mexborough and their Markets to thrive.

By giving each distinct area of the market a distinct character and unique selling point, whilst ensuring they are seamlessly connected and encourage circulation, the market will thrive.

Fish Market and International Food Hall - A unique collection of independent food retailers, offering excellent value for locally sourced, quality food produce.

Corn Exchange - The home of culture and creatives, in which independent artists, makers and skilled tradespeople can all be found under one roof.

Wool Market - A shopping, dining and leisure venue offering boutique retail and services alongside an exciting international street food offer and entertainment venue.

Mexborough Market - A modern community market offering a range of retail, fresh food and hot food to service the local populace, with potential to add an exciting street food offer.

Goose Hill - Traditional market offer, with independent market traders, combined with a new hot food offer on 'Market Top'.

Sunny Bar - The Sunny Bar end of the International Food Hall needs to be repurposed from vacant stalls and storage to being a focus of food and drink production in the heart of Doncaster.

Market Vaults - Convert the old market cellars under the Sunny Bar end of the International Food Hall to be a unique specialist Jazz/Blues bar, combining small live music performance with a unique atmosphere.

Key Elements:

Physical improvements

- Wool Market
- Outdoor Market
- Mexborough Market
- Lock Up Units
- Corn Exchange
- Goose Hill
- Sunny Bar

Commercial

- Wool Market Business Model
- Creator Pods
- Delivery Service
- Incubator Space and Lettings
- Sunny Bar
- Market Vaults
- Mexborough Ground Floor

Community

- Building a Social Media Community
- Developing Opportunities for Young People
- Doncaster Market Online
- Creative Groups
- Local Collaborations
- Arts and Creative Hub

Resources

- Podcasting and Digital Media
- Social Media Training
- Workshop Space
- Business Development
- Incubator and Pop-Up Space

Mexborough Market has been historically neglected, although it has continued to trade with a nice mix of traditional market traders. As a result of the Coronavirus crisis, and a couple of traders expanding into High Street shop units, there are now going to be a number of vacant units in the market.

Reducing operating overheads for the market should be a priority, and refocusing resources is a key way of undertaking this. At present gazebos are used on the outdoor market which is labour intensive, while the fixed stalls in the market square are not used. Market gazebos will no longer be used within the square and the existing market stalls will be used by the businesses going forward. This will also increase sight-lines to the surrounding shops.

The Fish Market has two vacant units which are not being utilised. These could be converted to maximise income potential, either as storage units, garages, takeaway or lock-up units.

While our letting activities are producing results within the market hall, lack of footfall and interest from the public in the market is a larger issue for the market and increasing the range and number of the users needs to be a key focus.

Street Food Events

Mexborough Market would benefit from a programme of events in the town centre, starting with a Street Food Night Market along the High Street or in the car park to the rear of the Market Hall.

Stalls could be erected with a range of Street Food, and benches spread around to encourage dwell time. Local bands could be invited to play and create a relaxed, family friendly atmosphere.



'The Basement' Food Hall and Venue

The ground floor storage area of the market hall only provides very cheap storage options for retail businesses. This area could be converted into a Food Hall, along the lines of the Wool Market in Doncaster, creating space for 3 or 4 kitchens and a bar, with communal seating and a performance area for live bands.

Creating a family friendly but exciting atmosphere, in a safe and secure environment, expanding seating into the area to the rear of the market hall.

It would be a trimmed down fit-out, using the base materials of the building and filled with lights, plants and street art, to provide a backdrop for exciting food and drink.

The street food kitchens will also be able to provide a takeaway service to the wider area, increasing income for the market and the street food traders.

Space to the rear of the market could be incorporated into an outdoor seating area, with a balcony area as well, potentially connecting the two parts of the market.

Using the Wool Market as an example of how new users have been introduced to the market area and the town centre in general, the new food hall would be an exciting addition to Mexborough.

This could provide a key reason for people living in the area around Mexborough to visit the town centre.

Timescale

At present, there are complications with road closures, however street food events could be put in place for Spring 2021.

Signage can be installed in the short-term, building on the newly created Mexborough Markets logo.

The food hall could be undertaken to be open for Spring/Summer 2022.



The Wool market

Key Issues:

There is **too much retail space** in the Wool Market, which has not been fully filled despite a lot of interest in lettings and discounted rents. Customers do not circulate to the stalls opposite the open space, and these units look vacant and detract from the offer. Stalls 24 and 25 at the front of the market have never been let, and block sight-lines.

As we come out of the Coronavirus crisis, more space is needed for people to sit, spread out and enjoy themselves. The seating area regularly becomes full on a Friday and Saturday night and during Bank Holiday weekends. **More space is needed for seating to increase covers in the venue and promote social distancing in the mid-term.**

Since the opening of the Wool Market, it does not generate enough income to cover its expenses, which include heating and electricity, security, live entertainment and on-hand cleaning staff into the evenings.

More commercial terms must be developed.

Street Food Proposal:

Turnover rent levels of 1.5%, rising to 5%, over takings of £1,500 per week were initially agreed by DMBC and Market Consultants Quarterbridge, as a way to stimulate the launch of the venue and allow businesses to become established. However the unanticipated levels of success the Wool Market has enjoyed from its launch have meant this is no longer sustainable. In the 2019/20 financial year, the Wool Market Catering units turned over £1,595,000 between the twelve units. Of this, they collectively paid £35,256 in rent, which is not sufficient to cover security and entertainment costs alone.

As street food units come off their original contracts, and new businesses join the Wool Market, they will be signed on **more commercial turnover terms. The flexible space on the left of the market can be developed into a new, primary seating area** with stalls 1-2 replaced by a main stage. The central seating area and stage can be spread out and comfortable furniture items like sofa's and armchairs can be integrated to increase dwell time.

Stalls 12, 13, and 15 can be amalgamated to create a bar which extends onto this area as a craft beer and bottle bar, and stall 3 can be converted to a pop-up tiki bar on favourable commercial terms.

New terms must be developed which increases the proportion of turnover and removes the weekly threshold. Other food halls offer rents of 15-25% of net turnover.

As new leases are agreed and the additional bars added, these will be on terms of 7.5% - 10% of turnover with no threshold. *(To illustrate the commercial impact this would have, if this had been in place in Year 1 it would have equated to rental income of £119,625 -*

£159,500.) **Creator Pods and Digital Media Studios:**

The aim is to create a space designed for a plug and play experience, where creators can produce podcasts, videos and other forms of social media content. The Creator Pods would be kitted out with several vital pieces of equipment allowing creators to come along with just their laptops and cameras ready to create.

The Creator Pods are not just a fantastic facility for the community to take advantage of, they give us the tools to create new, better and more content to promote not only the markets, but Doncaster as a town.

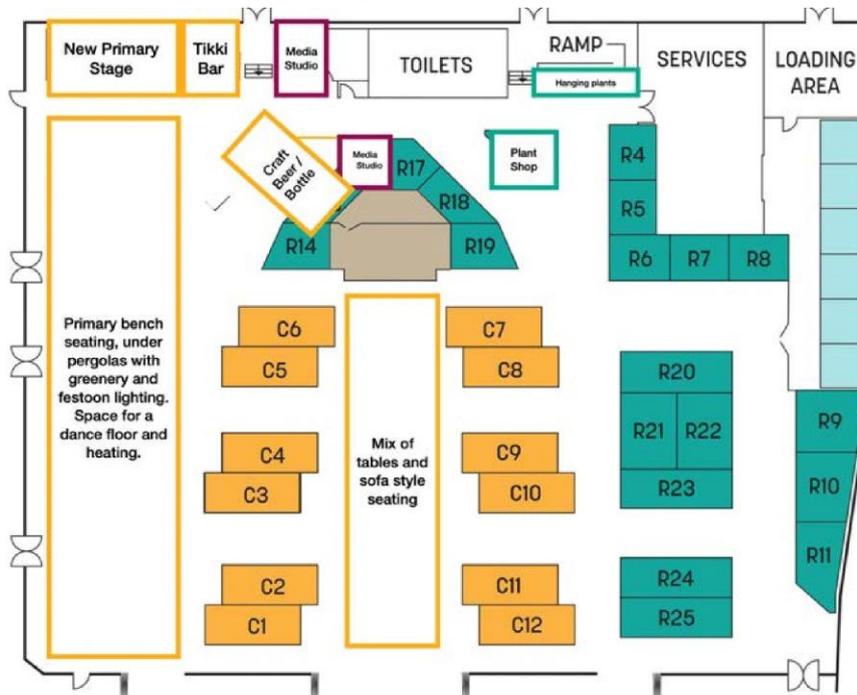
In addition to Creator Pods that give us the facility to create content for the markets, we can then use them in conjunction with our Content Creation & Social Media Strategy Consultations, a service we want to offer to local independent businesses as well as

councils and the wider business world. Adding the knowledge to the facilities makes them extremely valuable.

Units 27 and 16 could be converted into rentable podcast/digital media studios, a first in the area and a strong offer for local creatives. This space could also be used to launch a Doncaster based podcast celebrating all things local.

Layout of the Wool Market:

A plan of the Wool Market, showing unit numbers, the new additional seating area, second stage, additional bars and media studios.



Retail within the Wool Market:

Retail has had varying levels of success in the Wool Market, partly due to the un-curated nature of the retail offer. At times, this has led the offer to mixed, with no direction, which has reduced shopper interest and produced a high turnover of businesses, further impacting the shopper interest.

Some existing Wool Market retailers have raised concerns as to the long-term viability of their business in the Wool Market and the future of retail within the Wool Market in general.

Because of these concerns raised, we have identified three potential plans for the future of the retail space within the Wool Market, they are presented as the following three options.

The Wool Market:

Boutique Retail Focus Option

A boutique, curated and focused retail offer should still be an option for the Wool Market. Focused in on an offer and style that is attractive to people after a different kind of shopping experience.

A strong brand needs to be built for the retail element of the Wool Market, along the lines of a 'boutique street' theme, promoting indie and creative retail. All of this would open sight-lines, increase revenue and could be done collaboratively with most of the existing retail tenants. Hanging overhead festoon lighting, bunting, feature ropes and lanterns over the walkways will enhance the atmosphere, with comfortable seating areas to provide time and space to relax.

By condensing the retail area to one side of the Wool Market alongside reducing the size of available units to make smaller niche independent boutique units, targeted marketing and specialist shopping events, footfall will improve for the retailers in there.

The number of retail units will be reduced on the side facing the event area. A recent increase in interest means that the remaining retail units will be fully let, although some existing tenants have expressed they may not be looking not to renew their leases. These tenants would be replaced by targeted replacement businesses and start-up businesses that fit within the curated theme of the Wool Market boutique retail experience. The aim would be to create an exciting and enjoying base for retail businesses as their public face, supported by their online promotion and sales.



Beauty Lifestyle Focus Option

The Wool Market:

With Service and Lifestyle businesses continuing to grow (notwithstanding the present crisis), the Wool Market could become **a destination for luxury, almost spa like experience, where you can get quality international street food and pampering**, in the form of beauty services, hair-cutting, tanning and spa services, along side rentable treatment rooms and more alternative offerings such as tattoo artists.

A critical mass of these services could be created, aimed predominantly at women, whether by themselves or in groups, the **Wool Market could be developed as a noted leisure destination**. This could open into the evening and support the street food units, as family groups use the space for different purposes.

Aphrodite Day Spa and a new barbers (which is joining the market shortly) already exist in the Wool Market. This could be added to with additional and distinct beauty offers such as masseuses, reflexologists and hairdressing.

The combination of the dining experience and lifestyle businesses, allows for a family to visit and enjoy the street food and entertainment, while a treatment is offered nearby. Operating on turnover rents, this provides an opportunity to enhance the income from the Wool Market Units and provide a focus.

We have identified units R9-11, and R20-25 (all units within the RHS of the Wool Market) as being in a prime position to create an atmospheric area, that provides luxurious touches, with sofa seating and relaxation areas as well as privacy.

Water and drainage would need to be sourced within the area via high level, and units repurposed to provide privacy and comfort.

The area is currently a mix of vacant units and existing retail, the some of the existing retail would be relocated within smaller vacant units within the Wool Market, or offered space within the wider estate.

Experiential Focus Option

Millennials and Gen-Z's are particularly keen on spending their money on experiences rather than physical goods, a trend which is increasing as these generations increasingly



have the most spending power.

The Wool Market:

We can incorporate experiential leisure options into the building offer which enhance the multi-use element of the Wool Market. This would provide an additional attraction, driving footfall and supporting the catering units and retail/service core.

By creating fun spaces to relax, which are also attractive, the Wool Market would gain an 'Instagrammable' feel, which would enhance its overall brand.

This could include escape rooms, dart games, mini-golf, selfie pods and rage rooms, alongside many more, all based on lucrative turnover rent systems.





The outdoor market

Key Issues:

Outdated metal stalls block sight-lines across the square, attract anti-social behaviour and do not promote customer circulation across the square. Although they are convenient for trading, stall tops must be removed and replaced on a daily basis, taking up staff time and resources.

Proposal:

Remove all metal stalls from the Market Square and Market Top. Leave in place ground electricity points which can be used for events and pop-up markets and winter trading. The outdoor **market can operate on a self-erect basis with traders operating from gazebos**, in a configuration designed to optimise the sightlines across the square to the Wool Market and Corn Exchange. This also allows more **opportunities for streetscaping the square to become an attractive place to spend time**, further helping the businesses surrounding the square as well as the market. In the wake of coronavirus, open, public spaces provide significant opportunities for community cohesion which would be enhanced by the opening up of the Square and establishment of social distancing 'pods' through floor markings.

Inevitably some traders will not continue trading or be unwilling to use gazebos, so it is anticipated outdoor trader numbers may fall initially. This will result in an initial loss of income, but allow us to build the market back up with more modern, vibrant offers.

Timescale:

This work could be undertaken **as soon as possible**, in order to maximise the opportunities presented for a socially distant market square where people can dwell. Some outdoor traders will not come back in the wake of coronavirus, so it limits income loss to one hit rather than coming later down the line.



The Corn Exchange

Key Issues

Despite being one of Doncaster's most iconic buildings, and home to a number of quirky independent retail stalls, **the Corn Exchange does not enjoy very high footfall, with a perception that the building is closed** or open as a through route to the International Food Hall. The Corn Exchange suffers from a lack of brand identity, which has not helped to attract footfall.

A number of traders in the building moved there when decanting from the Wool Market for the redevelopment, and rent structures have remained largely varied, with some traders paying disproportionately higher rents than others.

The addition of the Artists in Residence programme has enlivened the Corn Exchange and brought a good atmosphere to one side of the building, but this could go much further.

The mezzanine level is home to several craft units, which sit alone and do not attract footfall up the stairs.

Proposal

The Corn Exchange needs to build a strong brand identity as being a home for artists and creative makers. Vacant units should be let as studio space on basic rents, and a couple of traders relocated to Goose Hill, where they will benefit from the Traditional Market atmosphere, however most in the Corn Exchange lend themselves to the 'creative' image.

The Mezzanine level should be cleared, with craft units relocated to units downstairs.

This would clear ample space for **an Arts Cafe, a coffee shop run on the mezzanine with a variety of tables and desk style seating, where creatives can be encouraged to spend time in the historic environment and work on their projects.** This will require initial investment in seating and heating to make the space desirable. The cafe could be run as a Joint Venture with existing coffee shop tenants, and the upper mezzanine levels could be converted to gallery space.

Regular (monthly) open studios / meet the artist events could be held, encouraging networking amongst the arts community and with champagne receptions to encourage visitors to enjoy an **evening of arts and culture.** Acoustic musicians could be invited, and the Corn Exchange kept open into the evening.

Filling the vacant units downstairs would enable a full rent review to take place to **equalise the rents traders are paying, based on the type of stall and floor space available.**

Service businesses (such as the hairdresser, beautician and cobbler) already in the Corn Exchange would be encouraged to stay in situ.

Timescales

This would need to occur in stages. At present the vacant units are being used to store stock and allow for social distancing, but as these units become available, traders on the mezzanine can be relocated downstairs and the remaining units filled as studios.

Traditional retail traders can at this point be relocated to Goose Hill on favourable rent deals. A rent review will be undertaken to determine appropriate rents for the units on the ground floor.

The mezzanine can then be converted into a cafe gallery space, and opened to the public to stimulate the creative element, and a strong publicity campaign to relaunch the Corn Exchange as a home for the arts.



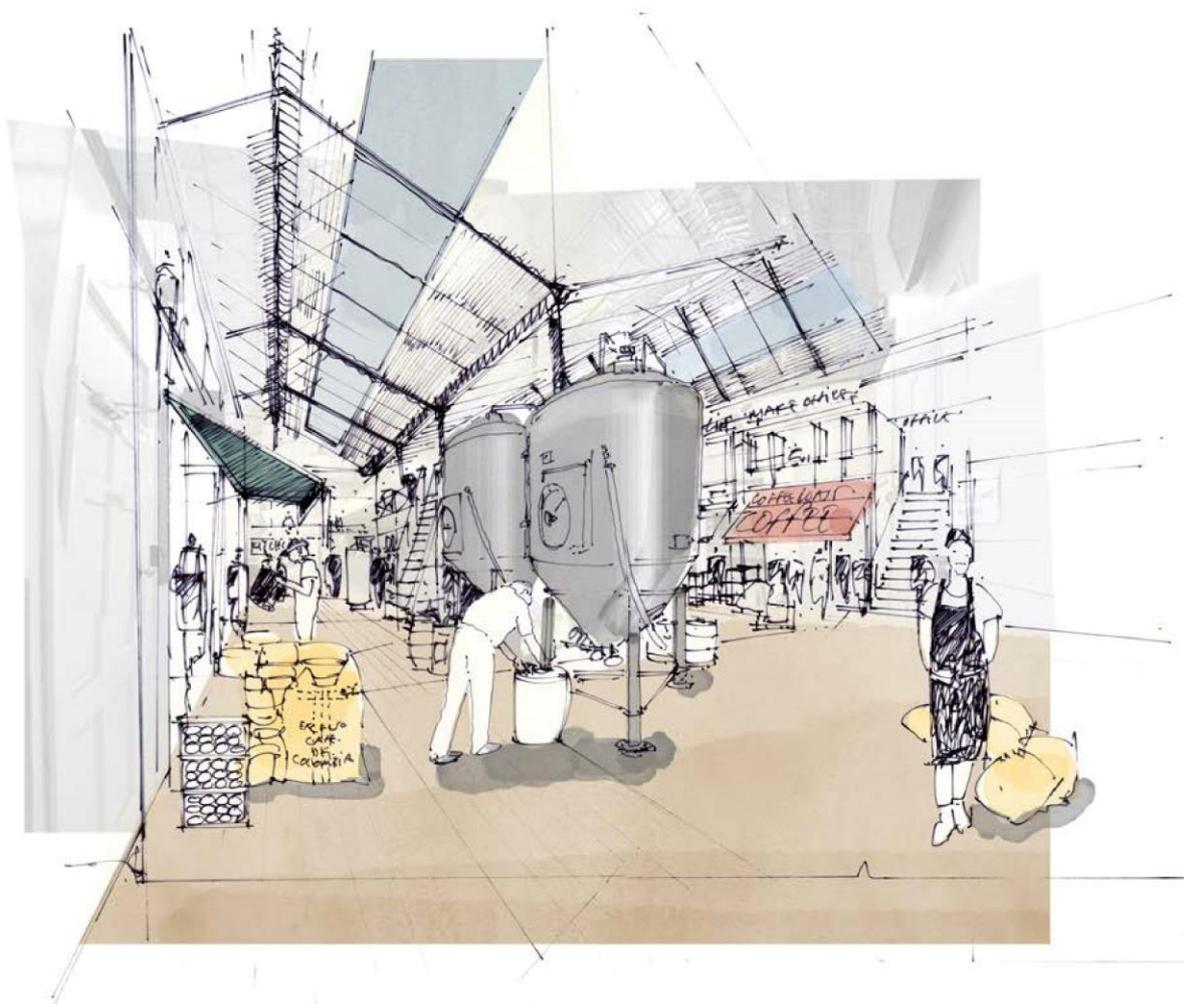
Sunny bar

The back of house area at the Sunny Bar end of the estate, is currently vacant and hoarded off. This is partially used for storage, but it mostly wasted space. The food hall offers an already excellent mix of food producers selling meats, cheeses, grocery and deli items, however Doncaster lacks a strong core of artisan food makers, to supply local people, and a wider community of businesses.

The area will be redeveloped in a phased approach:

Phase 1: The site will be converted and let as storage units and dark kitchens - 2021

Phase 2: The full development of Sunny Bar Productions, a home for independent food producers and makers to prepare fresh food in the heart of Doncaster. This could include a brewery tap room, chocolatier, artisan baker and coffee roaster (to name a few) who operate primarily through online and B2B sales, can use their units in the International Food Hall to sell their products to the public, and develop some theatre to encourage people to visit the market to watch artisan food being prepared - 2025



MARKET Entrance: Fruit & Veg Corner

The fruit and veg corner of the market is the highest footfall area of the market, yet beyond the stunning

'flashes' of fruit and veg displays, the lock-up units block the view of the Fish Market and the International Food Hall, forcing the fruit and veg traders to move forward further, restricting footfall and blocking two vital entrances to the Fish Market and International Food Hall, reducing footfall to the businesses within.

We plan to demolish the 1950's and 60's lock-ups, opening up the market, replacing them with a feature entrance to the estate and creating a key, modern trading area for a fish restaurant, taking inspiration from the Fish! concept in Borough Market. All run on a turnover rent basis, to provide support to the business and maximise income.



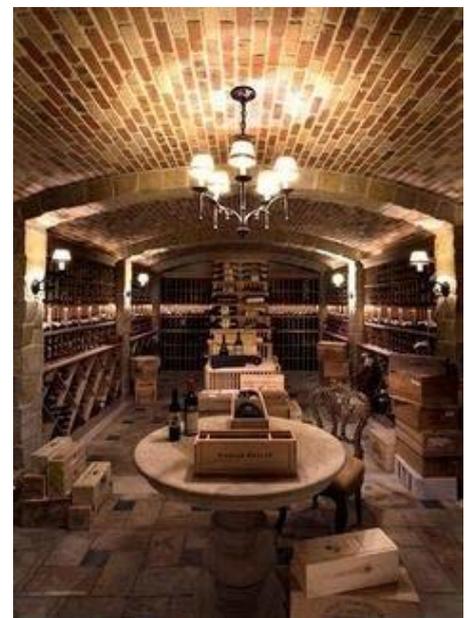
MARKET VAULTS

The vaulted cellars below the Sunny Bar end of the food hall offer a significant opportunity for redevelopment, lending themselves to a high-end Jazz Bar, serving quality drinks with food delivered from the Wool Market. This would be reminiscent of ruin bars and vaulted bars elsewhere in the country which prove extremely popular.

In the same way that has been achieved by the Clam and Cork, Market Vaults would add a notable bar to the centre of the town, which would differentiate Doncaster and develop its' regional and national appeal. This bar also offers significant income opportunities, which could make the market estate financially viable.

Although there is currently concern around enclosed and underground spaces, as recovery get underway the market is convinced that people will return to pubs and bars, with a key difference in behaviour being that people seek out higher quality experiences.

This development is however proposed for 2022, by which time a more 'normal' way of life will have resumed.



Building community

Local Collaborations with people, groups and businesses:

Collaboration is a running theme throughout our vision, using our facilities to boost local people and businesses, and our platform to offer more of the same.

We already collaborate with several local groups including Mother Hookers, Doncaster Emerging and Professional Art Fair, Doncaster Rovers, Visit Doncaster and Doncaster Mumbler, but we are looking to do more.

If we expand our facilities to the wider community, it gives everyone a chance of growing their business and getting more people into the town centre. More meet-up groups to enjoy the plethora of international foods and drinks we already have available. More educational events to help people start their first business, grow their current business or introduce new exciting ways to run your business.

We believe that collaboration is the way forward, so teaming up with other Doncaster based businesses to use our facilities to show case what they have to offer is a genuine focus. Whether it be education, entertainment or just for fun, we want to be the venue it's at.

Youth focus groups:

Putting together a panel of young people to have as a focus group and a voice for young people in our area would offer a great insight into what the next generation both want and need.

It's vital that young people in today's world have options, so we want to get them involved to help us create options for them. Is there a specific event we should look to create or bring in to Doncaster, are there facilities they need that we don't yet have?

Let's get them involved and ask them.

Using social media (Facebook & Instagram) to build and engaged audience:

We're already growing our audience across Facebook & Instagram on a daily basis.

People want and need to stay up to date on the latest news and events around the market. Putting initiatives, events and projects together as discussed throughout this document, would give us further content to create and share across our social platforms.

Through creative content designed to engage with our followers, customers and audience, we can build our brand and gain trust. We want to be seen as a brand not just a business. Through building our brand and trust via social media, it gives us a fantastic starting point to launch further initiatives and projects, giving us the best chance for them to succeed.

Make it easier for the community to get and feel involved:

Selfie booths, a trending hashtag and physically promoting our social media tags through posters and banners, are all methods to get people involved and in turn promote our brand.

Add this to the Youth Focus Group discussed earlier and the fact we have facilities that are designed for everyone to use, all of sudden you have a community feel to everything we do. People feel they are a part of it, it's there's to use, shout about and be proud of.

Giving opportunities to young people and local people:

Further to an earlier point of working with schools and colleges, we want to offer opportunities on a day-to-day basis to young and/or local people. If we need a guest speaker, a host or presenter, photographer or videographer, we want to look at giving these opportunities to our own first.

We will look to shout-out on social media for talents we're searching for and offer the job/experience to the intended people.

Young performers:

At The Wool Market we already host a Young Performers session on a Thursday evening. We're looking to better promote and utilise this initiative in conjunction with our ever growing social media platform, to elevate the young performers in our town.

We've designed a specific process for booking young performers and guiding them through social media promotion to get the most out of the experience.

Celebrating local

Doncaster Market online:

All of our plans, initiatives and creative content would need a place to live. We want to redesign and relaunch our website to make it a fun informative and interactive platform. Social media is the powerhouse that puts us on the map, but ultimately isn't designed to achieve everything we want to make available online for our customers and community. A redesigned website would allow us to launch a booking system for event spaces, private parties, Creator Pod sessions, Click & Collect and much more. Engaging trader content focusing on fresh food, recipes and personal stories will be the anchor of the site, regularly updated and across various platforms. This could then broadcast the market on a national stage, and tap into the fresh food audience which is extremely popular on social media.

Doncaster based podcast:

Podcasting isn't the next big thing, it's the NOW big thing. We want to create a Doncaster based podcast in form of a weekly show that discusses the market, business and Doncaster as a whole.

We would primarily use the platform to boost the online footprint of the market and all of our traders within it. We would look to record segments such as 'Trader Stories' and 'What's On This Week'.

There would be room for guests to come on the show from both within and outside of the market. Leading up to big local events we would invite organisers, performers and interesting personalities to take part in our episode.

Guest hosts and hopefully a few celebs could get involved. With the plans to build Creator Pods, we would have the facilities too.

We would plan to monetise the podcast at a future point by way of sponsored segments.

Content Creation and Social Media Consultations

We want to use our expertise in content creation, social media and building businesses, to create consultation and training packages for councils, organisations and local independent businesses. We want to help you grow your brand and your business online using digital media platforms.

This service offers so many benefits, helping our market traders grow their online presence and ultimately bring in more customers, consulting with councils and organisations to put you on the front foot in terms of forward thinking digital media and bring in new clients to use our Creator Pods facilities.

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Doncaster Council

EXECUTIVE FUNCTIONS DECISION RECORD

The following decisions were taken on Tuesday, 1st September, 2020 by Cabinet.

Date notified to all Members: Thursday, 3rd September, 2020

End of the call-in period is 5.00 p.m. on Monday 14th September, 2020. These decisions will not be implemented until after this date and time.

Present:

Chair - Mayor Ros Jones (Mayor of Doncaster with responsibility for Budget and Policy Framework)

Vice-Chair - Councillor Glyn Jones (Deputy Mayor, Portfolio Holder for Housing and Equalities.)

Cabinet Member for:

Councillor Nigel Ball	Portfolio Holder for Public Health, Leisure and Culture
Councillor Joe Blackham	Portfolio Holder for Highways, Street Scene and Trading Services
Councillor Rachael Blake	Portfolio Holder for Adult Social Care
Councillor Nuala Fennelly	Portfolio Holder for Children, Young People and Schools.
Councillor Chris McGuinness	Portfolio Holder for Communities, Voluntary Sector and the Environment.
Councillor Bill Mordue	Portfolio Holder for Business, Skills and Economic Development
Councillor Jane Nightingale	Portfolio Holder for Customer and Corporate Services.

PUBLIC MEETING – SCHEDULE OF DECISIONS

Public Questions and Statements

No public questions or statements were made at the meeting.

Decision Records dated 11th August 2020, be noted.

DECISION 5.

1. AGENDA ITEM NUMBER AND TITLE

10. Market Operator - Temporary Financial Assistance Report

2. DECISION TAKEN

Cabinet:-

(1) agreed to temporarily subsidise the operation of the markets at a cost of £0.91m by entering into a temporary variation of the contract until 31st March 2022. The variation will suspend amounts due from MAM to the Council under the existing contract and provide a capped amount of financial support to aid the delivery of the market management service until 1st April 2022, at which point the provisions of the existing contract will resume; and

(2) agreed to delegate authority to the Director of Corporate Resources (or in their absence the Assistant Director of Finance) in consultation with the Assistant Director of Legal and Democratic Services and the portfolio holder for Highways, Street Scene and Trading Services to agree the terms of the contract variation; and

(3) agreed that Cabinet receive quarterly reports on the current position, and monthly updates be provided to Executive Board.

3. REASON FOR DECISION

Cabinet received a report in relation to the Market Operator and a Temporary Financial Assistance proposal. It was reported that the markets in Doncaster and Mexborough were improving and the Wool Market had proven to be a popular place for visitors far and wide.

The Council ran the markets with an annual loss of £580,000 prior to the contract award to MAM (Markets Assets Management Doncaster Ltd).

MAM are retail experts specialising in Markets who have managed the traders and shared a vision with them to drive performance and encourage a busy market environment.

It was noted that as we have all seen, trading conditions for retail across the country have been challenging during the last year, and Covid-19 has significantly added to this pressure. Retail and leisure industries are struggling to survive and need support. In March 2020, the complete closure of all non-essential retail business compounded MAMs ability to operate their business successfully, and has created a trading environment that no one could have envisaged at the beginning of this year.

Any other third party operator and indeed the Council would have faced the same struggles which MAM are currently facing.

Cabinet were advised that discussions have taken place with MAM, and they have outlined that the current operation is unsustainable and have asked for support from the Council by contributing to their costs, support to make operational efficiencies and to contribute to the investment for the market estate. MAM have shared their vision document with us on where they want to take our market, and this is welcomed.

Cabinet were asked to support Option 1 within the report to continue a contract with associated lease with the MAM over the course of the 25-year term, financially assisting MAM temporarily for the next two years, before going back to the original contract and any surplus above £150K being shared with the Council.

It was reported that several questions had been received after the deadline. In the interest of public scrutiny, the Mayor responded to them as follows:-

Question 1

'My question relates to the proposed contract variation with MAM. Why is Doncaster Council even, given these difficult times, contemplating this sort of bail out? It seems an unsteady approach to our local finances. Where is the money coming from? Why was the risk of this issue not previously identified as part of the council's due diligence process?'

In response, the Markets are an important part of the infrastructure of both Doncaster and Mexborough, if they are allowed to fail, then there will be high consequences in terms of jobs, visitors and other allied retail anchors. The money paid to MAM will allow the markets to continue to operate, or the contract could terminate resulting in the asset returning to the Council. The Council ran the markets at a loss in excess of £500,000 per annum.

The money will have to come from the contingency budget.

The tender submission was seen as being achievable, whilst optimistic, and was submitted as the country was on a rise in terms of investments and growth. The wool market was oversubscribed for food and beverage stalls, and there was lots of interest in investment of the wider estate.

Question 2

'When did Doncaster Council become aware of the need for a potential contract variation? What impact will this have on Doncaster Council's ability to comply with its commitment to spending local money on local firms only?'

In response, MAM came to the Council at the end of the financial year 2019/20 and discussions have been ongoing since then.

The money that operates the market is spent locally on jobs and services; there has not been a surplus to return to the company head office.

Question 3

When DMBC carried out due diligence into MAM Doncaster, did they look into the

wider MAM group, or seek out discussions with officials in other authorities as to their experiences working with this provider? How was MAM investigated?

In response, the due diligence carried out on MAM before the contract was awarded has been considered at the call in decision by the overview and scrutiny committee. There were Legal and Financial checks performed on the company, Directors and the parent company guarantor. In addition, there have been discussions undertaken with other Local Authorities that have MAM services.

Question 4

I have a question about the proposed contract variation with MAM. I've read with interest item 14 of the report. Why is it unlikely that this investment will happen? MAM promised to improve the markets by running them more efficiently and generating revenue. Why hasn't this happened? What oversight does the council have over this matter and why aren't we ensuring we hold MAM to account?

In response, capital investment from the parent company is unlikely to happen in the current climate as the retail, food and beverage markets in the United Kingdom have contracted. The country is in the worst recession since the Second World War, which has significantly impacted on the private sectors appetite to make investment decisions.

Most of the market has been closed, and income from the concessions and agreed percentage of turnover in the most lucrative areas of the market have not been forthcoming. In addition, vacant markets stalls have not been taken up in the past eight months and MAM are only just starting to see interest from new traders across both market estates. Without this financial support, the company may become insolvent and the service and assets returned to the Council.

Were the service and assets to return to the Council, outstanding costs will still need to be met by the Council, and there is a lack of expertise in running markets inside the Council.

With this new oversight and a closer working relationship with MAM, the monthly trading and financial position of MAMs will be monitored. Business cases for investments to improve the Market will be approved by the Council.

Councillor Joe Blackham emphasised that the reason for the proposal was due to the Covid 19 Pandemic. He stated that the Markets have been unable to trade fully resulting in loss of revenue for managing the markets, and MAM have been unable to fulfil its obligations. These difficult trading conditions have been seen across the UK High Street with many household name retailers struggling. This proposal represents money well spent, and once the Pandemic is behind the Borough, it is expected, that a different yet vibrant and thriving Doncaster and Mexborough market will emerge.

Debbie Hogg, Director of Corporate Resources reported that the contract would be set around an open book accounting arrangement and the operator will provide the Council with management accounts. She stated that the Council already receive lettings and other information, which will be provided on a monthly basis. The

future vision for the markets is predicated on investment and each application for capital investment will require a business case to ensure a return on investment. Officers are confident that these steps will shore up the long term arrangements and the markets financial position.

Councillor Joe Blackham recommended that quarterly reports be brought to Cabinet on the markets financial position, as well as monthly updates to Executive Board, and Cabinet agreed that this be included as a further recommendation within the report.

4. ALTERNATIVES CONSIDERED AND REJECTED

Option 2 – To not subsidise operations and ultimately risk contract failure, which will see the Markets return to be managed and operated in-house by the Council. This has been discounted due to the specialised retail expertise and knowledge that is required to manage a successful markets estate. This option carries the most cost risk as the operation previously made a significant loss under Council control, and the costs would be uncapped and ongoing, whereas costs in Option 1 are capped and for a temporary period.

Option 3 - There is an option of cessation of the Markets in Doncaster and Mexborough that has been discounted due to the nature of Doncaster and Mexborough being market towns, bringing visitors to the town centres and the detrimental impact reduced footfall and vacant assets would have on the vibrancy of the town centre. Cabinet are requested to note this.

5. DECLARATIONS OF INTEREST AND DISPENSATIONS

There were no declarations.

6. IF EXEMPT, REASON FOR EXEMPTION

Appendix 1 to the report is not for publication because it contains exempt information by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.

7. DIRECTOR RESPONSIBLE FOR IMPLEMENTATION

Debbie Hogg, Director of Corporate Resources.

Signed.....Chair/Decision Maker

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