

Northstowe Town Council
<i>Report by: Market Development Working Group (Events & Markets Committee)</i> <i>Date: 15 March 2022</i>
Report for: Finance and Governance Committee Meeting date: 17th January 2023 (deferred from 13 th Dec. '22 committee meeting)
Report for agenda item: 62/22-23 Revised CPCA grant allocation based on pilot market business plan (financial plan) <ol style="list-style-type: none"> 1) To receive a report regarding the updated business plan including a revised outline on how the Cambridgeshire and Peterborough Combined Authority (CPCA) funding made available to the Town Council for the set-up of a regular market in Northstowe is to be used. 2) To approve the financial plan for the delivery of pilot market and revised allocation of the CPCA funding.
Background information <p>1) On 15th March the Finance & Governance Committee approved a list of indicative costs in order to secure funds from an application into the Cambridgeshire and Peterborough Combined Authority (CPCA) Enterprise Zones Funding Programme placed by South Cambridgeshire District Council (SCDC) Business Development team.</p> <p>2) The Market Development working group, has since then done further research, taken advice from both National Association for British Market Authorities, SCDC Business Development team, market managers and staff from neighbouring markets and local authorities and liaised with local stakeholders. Based on that the group has drafted a comprehensive business plan, which includes the following sections:</p> <p>Operational plan - Start and end date and location ii. Operational plan - Frequency, days and times iii. Operational plan - Traders, pitch fees and conditions iv. Operational plan - Staffing v. Operational plan - Facilities (gazebos, electricity, toilets), parking and traffic vi. Marketing plan vii. Financial plan and revised CPCA grant allocation</p> <p>The business plan is made available as a separate document.</p> <p>2) On 29th November, the Events and Markets Committee approved to:</p> <ol style="list-style-type: none"> a) To recommend to Full Council to approve the Business Plan and task the Events and Markets Committee, through its Market Development Working Group, to take necessary steps for its implementation working with the Town Clerk. b) Recommend to the Finance & Governance Committee to approve the revised CPCA grant.
Issue for consideration Approve the financial plan and accompanying revised CPCA grant allocation for the implementation of a pilot market. Budget proposals for 2023-2024 years

Proposal

The Committee to receive and approve a revised list of indicative costs to be covered by CPCA funding, based on proposed financial plan for the pilot market.

Feed into budget discussions.

Note: Revisions in the list of costs compared to the version approved by the Committee on 23rd February are indicated in ***in bold and italics.***

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FINANCIAL PLAN

1 Start-up costs and funds for pilot market

Costs

- Marketing/advertising costs foreseen to cover the printing of promotional material such as banners, posters, leaflets, road signs and shopping tote bags.
- National Association of British Market Authorities (NABMA): Annual membership runs March to March for both 2022-2023 and 2023-2024 years.

Table 1 – Start-up costs

Marketing/Advertising (1)	£400
NABMA membership (2)	£734
Insurance premium	£100
	£1,234

Funds

Besides internal funds from the town council, a grant from the Cambridge and Peterborough Combined Authority was secured thanks to South Cambridgeshire District Council.

The grant covers part of the costs of the pilot (including venue hire, NABMA membership, insurance, and promotion materials), but part of the grant funds were earmarked for items which will not be planned for the pilot phase. The initially proposed allocation of funds for the grant has been revised also in line with finding from research and feedback received. The split of the funds between pilot and post-pilot phase is shown in Table 3, and changes in the distribution of the grant are outlined in Appendix 3.

Table 2 – Funds available for market

Cambridge and Peterborough Combined Authority grant for Employment Zone	£8,000
- Of which, earmarked for pilot market	£1,870
- Of which, remaining for post-pilot market phase	£6,310

The amount of internal funds required for the pilot phase of market will depend on the success in securing stall traders at the market (see next section).

Start-up costs and funding received have been considered in the profit and loss model (section 2 below) to estimate the total cost for the council for the whole pilot phase of the market.

2 Profit and loss model and total net cost of pilot market

The following assumptions have been considered for the projections of profit and loss:

- A deputy clerk will be contracted from March 2023 (month -1) and dedicated 0.1 FTE to market admin tasks. The annual salary will be £34,554.5 (i.e. £288/month for 0.1 FTE) ¹.
- A market manager to be contracted from April (month 1) on 0.25 FTE, with annual salary of £26,000 (i.e. £541.7/month for 0.25 FTE). ²
- Pension of 6% and national contributions as appropriate³ will be paid.
- Projections account for venue hire in case of inclement weather for 6 (1h set up, 4h trading and 1h close down), at £35/h rate⁴ - £210. Considered once every 2 months. Venue hire costs will be covered by the CPCA grant.
- Food trucks are managed separately by Northstowe Foodies, thus there is no income comes from pitch fees. Monthly refill stalls managed by the community group and thus there is no income from pitch fees.
- Electricity charges assume 2 stalls (fishmonger and butcher) in main market need electricity, at a £5/trading day flat rate. The payment goes int full to a separate account to pay management company.
- Pitch fees will be £15. Three scenarios regarding occupancy that can be achieved have been looked at:
 - o A) full occupancy at 12 stalls
 - o B) 9 stalls the first 3 months and 12 stalls the last 3 months
 - o C) 9 stalls for the whole 6 months period.

Summary table

	Income	Expenses	Net cost
A	£6,154	-£7,819	-£1,665
B	£5,749	-£7,819	-£2,070
C	£5,344	-£7,819	-£2,475

In summary, **it is estimated that the pilot market could require a minimum of £1,665 and a maximum of £2,475 from the Town Council internal funds.**

¹ £32,909 pro rata/per annum + 5% inflationary increase (to compensate for a 2023-24 national pay agreement - TBC). This equals to £3,455.45 for 0.1 FTE, and £288/month.

² Figure has been proposed base don Fenland District Council, which uses Band 4/5 for this role, between £23,953 and £30,095.

³ Based on results of automatic calculator: [Employers NI Calculator 2022 for Multiple Employees](#)

⁴ Based on rates at the Northstowe Secondary College. Pathfinder School would however be a more suitable location and at a cheaper rate.

Table 3 – Profit and loss balance – Scenario A - Full occupancy at 12 stalls

PROFIT AND LOSS BALANCE - SCENARIO A										
Northstowe pilot market										
				M1	M2	M3	M4	M5	M6	PILOT
REVENUE	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	
Estimated pitch fees - 9 stalls (L&Q side)	£0	£0	£0	£540	£540	£540	£540	£540	£540	£3,240
Estimated pitch fees - 3 stalls (SCDC side)	£0	£0	£0	£135	£135	£135	£135	£135	£135	£810
Estimated electricity charges	£0	£0	£0	£40	£40	£40	£40	£40	£40	£240
CPCA Grant	£470	£0	£770	£210	£0	£210	£0	£210	£0	£1,870
Income	£470	£0	£770	£925	£715	£925	£715	£925	£715	£6,160
EXPENSES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	
Salary - Deputy Clerk (0.1 FTE)	£0	£0	£288	£288	£288	£288	£288	£288	£288	£2,016
Pension	£0	£0	£17	£17	£17	£17	£17	£17	£17	£121
National insurance Contribution (pro-rata)	£0	£0	£19	£19	£19	£19	£19	£19	£19	£133
Salary - Market manager (0.25 FTE)	£0	£0	£0	£542	£542	£542	£542	£542	£542	£3,250
Pension	£0	£0	£0	£33	£33	£33	£33	£33	£33	£195
National insurance Contribution	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Marketing/Advertising	£0	£0	£400	£0	£0	£0	£0	£0	£0	£400
Venue hire	£0	£0	£0	£210	£0	£210	£0	£210	£0	£630
Electricity payment	£0	£0	£0	£40	£40	£40	£40	£40	£40	£240
NABMA membership	£370	£0	£370	£0	£0	£0	£0	£0	£0	£740
Insurance premium	£100	£0	£0	£0	£0	£0	£0	£0	£0	£100
Total Expenses	£470	£0	£1,094	£1,148	£938	£1,148	£938	£1,148	£938	£7,825
NET INCOME/COST PILOT MARKET	£0	£0	-£324	-£223	-£223	-£223	-£223	-£223	-£223	-£1,665

Table 4 – Profit and loss balance – Scenario B – Medium occupancy: 9 stalls the first 3 months and 12 stalls the last 3 months

PROFIT AND LOSS BALANCE - SCENARIO B										
Northstowe pilot market										
				M1	M2	M3	M4	M5	M6	PILOT
REVENUE	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	
Estimated pitch fees - 9 stalls (L&Q side)	£0	£0	£0	£540	£540	£540	£540	£540	£540	£3,240
Estimated pitch fees - 3 stalls (SCDC side)	£0	£0	£0	£0	£0	£0	£135	£135	£135	£405
Estimated electricity charges	£0	£0	£0	£40	£40	£40	£40	£40	£40	£240
CPCA Grant	£470	£0	£770	£210	£0	£210	£0	£210	£0	£1,870
Income	£470	£0	£770	£790	£580	£790	£715	£925	£715	£5,755
EXPENSES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	
Salary - Deputy Clerk (0.1 FTE)	£0	£0	£288	£288	£288	£288	£288	£288	£288	£2,016
Pension	£0	£0	£17	£17	£17	£17	£17	£17	£17	£121
National insurance Contribution (pro-rata)	£0	£0	£19	£19	£19	£19	£19	£19	£19	£133
Salary - Market manager (0.25 FTE)	£0	£0	£0	£542	£542	£542	£542	£542	£542	£3,250
Pension	£0	£0	£0	£33	£33	£33	£33	£33	£33	£195
National insurance Contribution	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Marketing/Advertising	£0	£0	£400	£0	£0	£0	£0	£0	£0	£400
Venue hire	£0	£0	£0	£210	£0	£210	£0	£210	£0	£630
Electricity payment	£0	£0	£0	£40	£40	£40	£40	£40	£40	£240
NABMA membership	£370	£0	£370	£0	£0	£0	£0	£0	£0	£740
Insurance premium	£100	£0	£0	£0	£0	£0	£0	£0	£0	£100
Total Expenses	£470	£0	£1,094	£1,148	£938	£1,148	£938	£1,148	£938	£7,825
NET INCOME/COST PILOT MARKET	£0	£0	-£324	-£358	-£358	-£358	-£223	-£223	-£223	-£2,070

Table 5 – Profit and loss balance – Scenario C – Low occupancy: 9 stalls for the whole 6 months period.

PROFIT AND LOSS BALANCE - SCENARIO C										
Northstowe pilot market										
				M1	M2	M3	M4	M5	M6	PILOT
REVENUE	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	
Estimated pitch fees - 9 stalls (L&Q side)	£0	£0	£0	£540	£540	£540	£540	£540	£540	£3,240
Estimated pitch fees - 3 stalls (SCDC side)	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Estimated electricity charges	£0	£0	£0	£40	£40	£40	£40	£40	£40	£240
CPCA Grant	£470	£0	£770	£210	£0	£210	£0	£210	£0	£1,870
Income	£470	£0	£770	£790	£580	£790	£580	£790	£580	£5,350
EXPENSES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	
Salary - Deputy Clerk (0.1 FTE)	£0	£0	£288	£288	£288	£288	£288	£288	£288	£2,016
Pension	£0	£0	£17	£17	£17	£17	£17	£17	£17	£121
National insurance Contribution (pro-rata)	£0	£0	£19	£19	£19	£19	£19	£19	£19	£133
Salary - Market manager (0.25 FTE)	£0	£0	£0	£542	£542	£542	£542	£542	£542	£3,250
Pension	£0	£0	£0	£33	£33	£33	£33	£33	£33	£195
National insurance Contribution	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Marketing/Advertising	£0	£0	£400	£0	£0	£0	£0	£0	£0	£400
Venue hire	£0	£0	£0	£210	£0	£210	£0	£210	£0	£630
Electricity payment	£0	£0	£0	£40	£40	£40	£40	£40	£40	£240
NABMA membership	£370	£0	£370	£0	£0	£0	£0	£0	£0	£740
Insurance premium	£100	£0	£0	£0	£0	£0	£0	£0	£0	£100
Total Expenses	£470	£0	£1,094	£1,148	£938	£1,148	£938	£1,148	£938	£7,825
NET INCOME/COST PILOT MARKET	£0	£0	-£324	-£358	-£358	-£358	-£358	-£358	-£358	-£2,475

Revised list of costs covered by CPCA grant to set-up of regular market by Northstowe Town Council

An updated indicative list of items for which associated costs could be potentially fully or partially covered with the funding available have been identified is included in the table below, split by phase of market (pilot, vs post-pilot).

Note: Revisions (compared to the version presented to the Committee on 15th March are indicated in column and *in bold and italics*.

Item	Initial application	Pilot market	Post-pilot market	Revised allocation	Comments
Gazebos purchase	£4,875	£0	£4,605	£4,605	<i>Reduced amount spent on gaze</i> Gazebos will not be provided during the pilot phase of the market, they may be purchased for use at later stage (e.g. expansion of regular market, or holding seasonal e.g. Christmas market).
Storage	£0	£0	£0	£0	<i>No change.</i> Indicative costs indicated as 0 it is foreseen that community facilities and storage will be made available by the time gazebos are purchased.
Public Liability Insurance	£100	£100	£100	£200	As market operator, the Town Council would need to take out public liability insurance. The council already holds public liability insurance which as confirmed to the Town Clerk by the insurer, would cover the organisation of a regular market. Nevertheless, it may be that a premium to the insurance is to be paid for to cover market events. The costs include only a possible premium for the insurance and not the full insurance price. <i>Accounted for both pilot phase (6 months) and for another year (18 months in total)</i>

<p>Building contents/structure insurance</p>	<p>£0</p>	<p>£0</p>	<p>£0</p>	<p>£0</p>	<p>No change. If any market events or part of it were to be held indoors, insurance on building structure and contents would be required. The cost budgeted is £0 as the insurer has confirmed to the Town Clerk that building contents insurance would not be required, although in any event, a formal agreement with the building or land owner, laying down conditions of the hire/use of space is required.</p>
<p>Membership to Consultation Institute</p>	<p>£295</p>	<p>£0</p>	<p>£295</p>	<p>£295</p>	<p>No change. Recommended by SCDC for the Town Council to further engage with community on continuous feedback for the market, but also for other consultations the Council may wish to engage (for other matters). Membership fees for following year also budgeted for. Council could go down the route of outsourcing the design of consultation and paying a similar fee.</p>
<p>Membership to market operators/authorities association</p>	<p>£370</p>	<p>£740</p>	<p>£0</p>	<p>£740</p>	<p>The Town Council would be the market authority for the regular market. In order to run specific types of markets it may be necessary to join certain bodies (e.g. farmers markets, market authority association). Full price of membership of market authorities' body (NABMA) has been budgeted for both 2022-2023 and 2023-2024 year, as membership will end within the time of the pilot market phase.</p>
<p>Advertising/promotion costs</p>	<p>£200</p>	<p>£400</p>	<p>£200</p>	<p>£600</p>	<p>Costs associated with the promotion of the market within the town and</p>

					surrounding area (e.g. branding, printing, promotional material such as banners, leaflets). After further preliminary research and discussions on ways to promote the market, it was determined that budget needed to be increased to account for more options (e.g. road signs, banners and tote bags) on both the pilot, less so for the post-pilot phase as it will be already established.
Toilet facilities purchase/hire	£1,760	£0	£0	£0	It is foreseen that community facilities will be available by the time the market starts and there will be no such need, also considering the envisaged footfall of the market.
Waste disposal facilities hire and cleaning arrangements	£300	£0	£300	£300	Based on research and discussions, it seems that waste disposal would not be required the pilot phase, and neither for the Council to Pay for it. The market manager will be in charge of monitoring any issues regarding litter. Budget has been kept for post-pilot phase should different arrangements be needed.
Training on market operation/management	£0	£0	£0	£0	-
Venue hire	£0	£630	£630	£1,260	New code. Should the market need to be cancelled due to poor weather (e.g. strong winds or rain), an alternative indoor venue would be sought. Costs for pilot assume once every 2 months an indoor market, hire of a hall for £35/h for 6 hours. Post pilot phase accounts for 6 months.
Total (*)	£7,900	£1,870	£6,130	£8,000	