

To: Cabinet
Date: 16 November 2022
Report of: Executive Director (Development)
Title of Report: Gloucester Green Market Re-Tender

Summary and recommendations	
Purpose of report:	To seek approval to re-tender a contract for operational management of the outdoor market at Gloucester Green
Key decision:	No
Cabinet Member:	Councillor Ed Turner, Deputy Leader (Statutory) - Finance and Asset Management
Corporate Priority:	Inclusive Economy
Policy Framework:	Council Strategy 2020-24

Recommendations: That Cabinet resolves to:	
1.	Approve the re-tender of a contract for the operational management of Gloucester Green Outdoor Market;
2.	Authorise the Executive Director (Development) to finalise the tender documents; and
3.	Delegate authority to the Executive Director (Development) in consultation with the Deputy Leader (Statutory) – Finance and Asset Management, the Head of Financial Services / S151 Officer and the Head of Law and Governance to finalise terms and enter into a new contract for the operational management of Gloucester Green Outdoor Market.

Appendices	
Appendix 1 (Confidential)	Financial Implications
Appendix 2	Gloucester Green Layout Plan
Appendix 3	Risk Register

Introduction and background

1. Oxford City Council out-sources the operational management of the market to LSD Promotions. The agreement was for a five year term from the 1st October 2013, with the ability to extend by a further two years (5 plus 2) which was exercised.
2. Plans to re-tender were put on hold in early 2020 due to the pandemic. The market was closed from March 2020 to June 2020.
3. An extension to the previous agreement was awarded for 18 months from 1st October 2020 through to 31st March 2022. With a further extension granted through to 31st March 2023.
4. Three lockdowns since 2020 have had a huge impact on the profitability of the market. Due to a reduction in traders and social distancing requirements the number of stalls declined from a peak of around 80/85 stalls per day to 30/35 stalls per day.
5. The Council intends to initiate the tender for a new market operator from 1st April 2023. As part of this tender process a point of interest notice (PIN) was issued earlier this year, as a means of soft market testing.
6. As markets around the country are adapting to future demand, the Council is currently engaged in a public consultation on proposals for a regeneration of the Covered Market to secure a stronger future. Improvements aim to make the market more accessible to more people and improve connections with surrounding streets.

Key Stakeholders

7. Oxford City Council owns the freehold interests edged in blue and green on the plan shown in Appendix 2.
8. New River Retail (NRR) is the long leaseholder of the residential flats including the ground floor retail in 'The Chilterns' and 'The Hayes' edged brown on the plan shown in Appendix 2.
9. NRR has also entered into a Management Agreement with Oxford City Council regarding the Gloucester Green public realm, hatched orange on the plan shown in Appendix 2. The Management Agreement covers NRR's obligations, which include repairs and maintenance, cleaning, to permit public use. These obligations are fulfilled as a service charge.
10. NRR has engaged Workman to deal with routine property and estate management matters on the retail premises below both resident blocks and they have appointed Peerless to act as managing agents for both resident blocks.
11. Whilst there is an active group of residents who have appointed directors for The Chilterns, it is not a formal residents' association, Peerless are responsible for the management agreement.

12. The area also hosts a range of retail and hospitality uses and is surrounded by the 3 main cultural anchors of the Playhouse, New Theatre and the Old Fire Station – all of which can help Gloucester Green develop the as a vibrant creative cultural quarter.

Oxford's Outdoor Market

13. Gloucester Green's public realm houses a market four days a week - Wednesday, Thursday, Friday and Saturday. Income from the Friday and Saturday markets is shared with NRR who receive 50%. Further detail on this is set out in Exempt Appendix 1 – not for publication.
14. The Council is fully committed to improving and developing the outdoor market at Gloucester Green, which has held a market charter since the early 1600's. The charter market is an important part of both the history and the future of Oxford.
15. The market currently offers a wide variety of products including fresh produce, clothing, accessories, collectables and street food. It is an integral part of the city centre food offering, especially among the student community looking for good value and a wide choice of world food at affordable prices.
16. The area is operated under the terms of the management agreement between OCC and NRR which includes residential accommodation and a retail offering around the perimeter, with the market at the heart, in a highly visible, central location. Any future operator must be able to work closely with the key stakeholders and support OCC.
17. Current market days are Wednesday, Thursday, Friday and Saturday. Although there is little scope to extend these days, there is a real opportunity to have a clearer definition of each market day, improve the market's overall offering, enhance the layout, and improve the visual identity/impact.
18. The Council is fully committed to improving and developing the outdoor market at Gloucester Green, which has held a market charter since the early 1600's. The charter market is an important part of both the history and the future of Oxford. The tender process will require any new operator to clarify how they plan to support future growth and how they will align with the following Council objectives:
 - Support the local community and integrate into the surrounding area
 - Support clean & green Oxford and zero carbon
 - Aim to improve the return to the Council whilst providing an enhanced and innovative offer for both traders and customers
 - Offer support for new start-ups and existing businesses
19. In addition to the council's objectives, the tender will also require proposals on how the future market operator plans to address the following (which will form part of the assessment criteria of any new bids):
 - Marketing & promotion methods to attract new traders and shoppers, including online & social media

- Initiate improvements to the overall look and feel of the market to create a stronger identity, including new layout that supports surrounding businesses
- Work with the Council's events team and key stakeholders to support delivery of a more vibrant creative and cultural quarter with the market at its heart
- Develop a new signage strategy that generates a new market brand identity and aligns with the city centre requirements - formal planning consents are likely to be required
- Work with the local community and create new apprenticeships or opportunities for Oxford young people
- Propose KPIs for management reporting and regular review/assessment. Here are some suggestions to start the list off:
 - Demonstrate increased footfall and trader participation
 - Attract new customer demographics
 - Demonstrate increase in online media following
 - Improvement in public perception to be measured through Oxford residents panel

20. Procurement route PIN and programme:

- a. PIN (soft market testing) completed June 2022
- b. Publish tender documents by end October 2022
- c. Tenders submitted by end November 2022
- d. Evaluation by Christmas 2022
- e. Award contract early January 2023

Options Considered

21. The following has been considered:

- a) Not operating a market at Gloucester Green – this option isn't viable and would risk reputational damage. There has been a market on GG since the early 1600's when a market charter was awarded. The market is very popular locally.
- b) Not re-tendering and running the market ourselves – not a viable option due to lack of market operational experience and resource. This was the practice before the current market operator and we are of the understanding that this was not economically viable for ODS.
- c) Re-tender the market in line with procurement guidelines.

22. It is recommended that we proceed with the last option and procure a new market operator, effective from 1st April 2023.

Financial implications

23. Please see exempt Appendix 1.

Legal issues

24. There are no legal issues in re-tendering another market operator. Legal assistance is required for the final contract agreement.

Level of risk

25. Please refer to the risk register - Appendix 3

Equalities impact

26. An equalities assessment will be carried out to assess any impact and identify mitigation. The tender process will be an open market tender and all market operators will need to set out their own equalities assessment as part of their proposals.

Report author	Elaine Philip
Job title	Markets Manager
Service area or department	Property and Asset Management
Telephone	01865 252358
e-mail	ephilip@oxford.gov.uk

Background Papers: None

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