

Cornhill Market

Briefing Note - October 2014

1. Background

1.1 At its meeting on 26th June the Strategy and Resources Committee resolved to delegate authority to the Head of Asset Management to renew the licence to Made in Stroud Ltd to operate a weekly farmers market (and monthly flea market) at Cornhill Market Square and adjacent streets for a further 3 years subject to:

(a) The proposed operator providing its full management accounts for the last three years and its annual trading accounts, both income and expenditure, for Stroud Farmers market for the last three years.

(b) A new licence fee based on a fixed fee plus a percentage of the annual turnover of the market being agreed.

(c) The implementation of a complaints and appeals procedure for settling disputes at Stroud Farmers market, to include Stroud District Council and stallholder representatives.

(d) The development of a business continuity plan.

(e) That members of the Strategy and Resources Committee will be consulted on any terms that cannot be agreed.

2.0 Current Position

2.1 As requested, Mr Gerbrands provided management accounts and annual trading accounts, however during negotiations it was agreed, because of the inherent fluctuations in business outgoings, that it would be simplest from both parties' point of view to determine a fixed fee.

2.2 The principles of a complaints and appeals procedure for settling disputes have been agreed and a business continuity plan has been developed and approved by The Head of Asset Management. Regular review meetings will be held with the operator.

2.3 Following several weeks of negotiations, final terms were agreed with Made in Stroud and solicitors have been instructed to draft a new agreement which will be completed by the 1st November. We hope to have a more constructive working relationship with the operator going forward.

3.0 Market Tavern Pub – Redevelopment

3.1 Members may also be aware of the proposal to redevelop the Market Tavern Pub at the bottom of Union Street. This property adjoins Cornhill and has been purchased by the council's landlord Setminds. Whilst no discussions have taken place with the council as lessee, if this scheme proceeds it will have significant consequences. The landlord has a right to terminate the lease for the purposes

of redevelopment in July 2016 by giving at least 12 months notice in writing. Notice could therefore be served on the council anytime before July 2015. Within 6 months the council can require the landlord to either provide a satisfactory alternative market place within the area of the former Urban District Council of Stroud or pay compensation equal to the open market value of the leasehold interest of the demised premises for the residue of the term.

- 3.2 If a formal notice is served upon the council, there will, undoubtedly, be a period of uncertainty and disruption that will significantly affect the farmers' market and potentially the income the council receives, even if the Council requests that the landlord provides an alternative market place.
- 3.3 It does, however, provide an opportunity to negotiate the termination of the £40k per annum fee payable to the landlord and for the Council to consider the options for the future location of the market.