

## Appendix 1: Market Trader and Street Trader Updated Interim Support Arrangements

### Background

1. We currently have 150+ registered market traders, who pay a fee for an annual licence to trade on the market. Majority of traders are small, local, self-employed businesses, which vary in operation from full-time, 5-7 days per week market trading to 1-2 week part-time trading (with/ without an additional source of employment). The monthly gross income from market pitch fees is c£68K per month (c£17K per week). Traders are billed in arrears on a monthly basis. The next bill was due to come out on 1<sup>st</sup> April but was deferred pending this decision.
2. We have 31 street traders, who pay a fee for an annual 'consent' to trade on a designated street pitch. Legally, we are unable to make a surplus from our consented street trading activity, but can set a fee rate, which enables us to recover all reasonable costs (which we do). The monthly income, which we currently receive from street trading, is c£5K per month.
3. We will need to work with individual market and street trader businesses to identify more clearly what support they are eligible for. The Government announcement on the Coronavirus Self-Employment Income Support Scheme was made last week, and there is also the Coronavirus Job Retention Scheme. These measures, combined with previous announcements, suggest that traders may be able to receive a combination of self-employment support, and possibly interest free loans and/or other mortgage support, but any actual Self-Employment Income Support Scheme payments will not be available until June. Loans are more widely available but subject to repayment. We will work with Cambridge BID and Federation of Small Businesses (FSB) to help traders understand and access support they are eligible for.
4. Cambridge Street Traders Association has requested similar support as we previously agreed for market traders on 23<sup>rd</sup> March. In considering this request, we have reviewed the current support package in the light of the latest Government announcement on retail restrictions and self-employed support, which will not be paid until June 2020; and the National Association of British Market Authorities advice to market authorities. This revised proposal therefore brings the market traders and street traders support package into line with the above.
5. Given the issues arising, we currently propose the following (NB. For ease of reference, changes to the original interim support approved via urgent decision are outlined in red):

### Proposal

### a) Self-isolation fee waiver

6. **Recommend:** maintaining a 100% fee waiver for the period of self-isolation for Cambridge market traders, who **have to self-isolate**, and **introducing an identical waiver for street traders**, in accordance with national guidance, as follows:
  - Having mild or full Covid-19 symptoms for 7 or 14 days
  - Being at high risk/ in a vulnerable group, due to underlying health conditions (supported by a medical note, which can be provided at a convenient later date)
  - Being at high risk due to age (currently 70+)
  - Are pregnant
7. This means we will adjust the bills going out in April for a seven or 14 day isolation period. The majority of market authorities in UK now offering fee waiver to self-isolating traders.

### b) Notice period waiver

8. **Recommend:** with immediate effect, waiving the current 4 week written notice period term, for registered traders to withdraw from their market **or street** pitch agreements, so they can terminate these with immediate effect.

### c) Rent free period

9. Cambridge city centre has seen a dramatic decline in footfall, **following the outbreak of Covid-19 and associated international and national movement restrictions, and the UK Government's instruction to close non-essential retail, (including outdoor markets except where including essential services). These measures are significantly** affecting viability of all 'high street' retailers, including market traders and street traders. In response, we are only allowing eligible essential retail traders to continue to trade on the market. With very low customer levels, we currently have had between 1 and 6 essential retail traders trading on the market. **While the market remains open for essential traders, we continue to incur operational costs, including market administration/ management and street cleansing and waste management. Although street traders are still able to trade in accordance with Government guidance, ie. under the 'take away' exemption, in the main, there is insufficient footfall to make it a viable proposition.** We expect this trading situation to continue, whilst Government restrictions to try and reduce the spread of the virus, remain in place.
10. We will need to work with both our market and street traders to help them understand any available Government support and how it might impact on them in supporting their cash flow requirements and personal income.
11. On the 23rd March, we agreed an up to 3 month rent free period for all market traders to help them manage the dramatic loss in income on their business, arising from the dramatic impact of Covid-19, so they can sustain their business until the virus impact ends and customers return. This offer was made prior to

the Government's instruction, made Monday (23<sup>rd</sup>) evening, to close all non-essential retail, including on outdoor markets; and for the public to avoid non-essential travel to/ from home. Given the impact of the Government's instruction on market and street trade businesses; and the most likely available support measure for traders to not be available until June, **we recommend the following updated interim measures:**

- a) **A rent free period of up to 12 weeks from March 23<sup>rd</sup>, for all market and street traders; and**
- b) **Subject to any change in Government measures, to allow all eligible traders to continue to operate on the market, and for this measure to be kept under review, should we wish to close the market ourselves, independent of any Government changes<sup>1</sup>**

### **Financial impact**

- 12. The impact of not charging 3 month's rent for market traders, based on last year's trading figures, is a gross income loss c£204K (or c£68K per month). It is not currently clear, however, whether this figure will be covered by the Government payments to Local Authorities for Covid-19 incurred costs. The Council may apply to Government to cover this, and other possible mitigations on costs are outlined in the risk section below.
- 13. The impact of not charging 3 months' rent for street traders is a gross income loss of c£15K (or c£5K per month). In this case, however, we have accrued a street trading account balance of c£110K, which legally needs to be invested back in supporting the street trading service. Under-writing any resulting 'rent free period' income loss is considered be a legitimate use of this balance.
- 14. Cambridge City Councillors have continued to support the 7 day market in the city centre. In a normal year, the Market currently generates c£350K surplus to the Council. The Market is seen as an important cultural, social and economic asset for the city, is a visitor attraction and helps to 'animate' the city centre. It provides a unique and affordable opportunity for small, independent businesses. Under the current circumstances these traders are unlikely to receive government support, assuming eligibility, until June.

### **Risks and mitigation**

- 15. The Council is committed to retaining a sustainable market and street trading offer. The risks for the Council in the light of this proposed support are the following:

<b>Risks</b>	<b>Mitigation</b>
1. Assuming the three month period is permanent market trader income loss, the <u>£204K</u> is at risk for the Council, if it is not covered by Government in their Local	Apply to Government to cover costs  Seek to recover <u>£204K</u> income loss over 2-3 year period, from pursuit of additional

<sup>1</sup> In accordance with Cambridge Market Regulations, clause 6.9 and 12.1, we are able to close the market on public safety grounds and offer an associated pitch fee waiver

<p>Authority support package</p>	<p>commercial market related activity, including licensing additional markets and organising 'pop up' markets, at various locations around the city.</p> <p>Subject to legal opinion, use some of the accrued street trading account balance</p>
<p>2. The financial support offered to street traders is not covered by Government in their Local Authority support package</p>	<p>The potential three month loss of income (c£15K) can be covered from the street trading accrued income in any case, and this could still be covered if the rental holiday was extended to 6 months</p>
<p>3. Financial support requests extend beyond the 3 month rent free period because traders not eligible</p>	<p>Work with BID and FSB to support individual traders to access any Government measures available to them.</p> <p>Future support could be offered on the basis of a rental holiday rather than rent-free period with a longer term repayment plan in tranches, but it is acknowledged that this may be complex to impose and administer</p>
<p>4. Traders go out of business as a result of Covid-19 financial impacts and lack of necessary available support.</p>	<p>Work with NABMA, FSB and BID to lobby Government for support measures which target traders</p> <p>Work with BID and FSB to support individual traders to access any Government measures available to them.</p> <p>Support marketing of traders online/ home delivery offer</p>
<p>5. As a result of market traders deciding to; or no longer able to trade, significantly less traders return to trade once the market re-opens, resulting in depressed income levels</p>	<p>Market marketing campaign, including revised pitch fee rates to incentivise uptake, customer footfall and stimulate new market trader business development.</p>