



CAMBRIDGE MARKET SQUARE PROJECT

OPERATIONAL MANAGEMENT AND OUTLINE BUSINESS CASE ASSESSMENT

Presented By: Quarterbridge

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SECTION 1: MARKET OPERATIONAL MANAGEMENT ASSESSMENT

1. INTRODUCTION

Cambridge Market Square forms the heart of the civic area in Cambridge, acting as a key public space in the city and is one of the few large city centre spaces which could be utilised for public events and activity.

The Market Square is home to a seven-day a week market, trading from fixed stalls, which includes street food, retail and food retail stalls. The Market generates a surplus of around £350k per annum, however there are a number of key concerns surrounding a range of design and operational issues.

In 2019 a feasibility study concluded there were opportunities to invest in the market to address these concerns in order to improve the flexibility of the Market Square, reduce anti-social behaviour, enhance the night-time economy, improve the customer experience and improve the appearance and operational management of the market itself.

Quarterbridge, alongside architects LDA Design, have been retained by MACE Consulting to provide market consultancy services to contribute to the market assessment.

The purpose of this report is to provide market consultancy to review and appraise the Stage 1 feasibility study and to contribute to and review emerging Stage 2 concept design outputs.

The current market operation will be assessed to identify issues and opportunities for improvement, including operational management, infrastructure design and layout, financial sustainability and marketing and events output.

Utilising stakeholder engagement undertaken by Cambridge City Council with market traders and additional organisational stakeholders, this report defines key issues and suggests options for improvements and future-proofing Cambridge Market, while retaining it's strong heritage aspect.

Section 2 will explore financial feasibility of redeveloping the market, including Do-Nothing projections and a high-level five-year business case for a redeveloped market, alongside investment options.

OBJECTIVES

Based on the Scope of Works and initial parameters of success at inception, the following objectives have been distilled.

- To retain a seven-day market, attract new customers, increase trader numbers and ensure the market is sustainable as the Market Square's primary use.
- To create flexibility which will allow the square to be utilised for alternative uses including a programme of community and commercial events which will contribute to the local economy and civic pride.
- To contribute to the evening and night-time economy.
- To reduce anti-social behaviour which occurs particularly during the night-time.
- To increase dwell-time by providing public seating and gathering areas.
- To improve accessibility and functionality for users and traders.
- To enhance the quality of the public realm, including celebrating the heritage structures and architecture surrounding the Market Square.
- To improve waste-management processes and remove unsightly waste and compactor facilities on the market square.



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2. KEY ISSUES AND OPPORTUNITIES

Section 1 of this report explores in more depth the current operational and management elements of the market, identifies opportunities to improve the market in the future, and provides some commentary on future design to sit alongside a report by LDA Designs.

The following is a summary of key issues and opportunities this project can address.

KEY ISSUES

- Current market team staffing levels do not allow sufficient capacity to invest in market service development, including curating events, planning new neighbourhood based markets and maintaining an active management presence on site.
- Waste solutions are unsightly, smelly and take valuable space which could better be used for other infrastructure.
- A significant number of permanent Traders are renting stalls which they do not always attend, which can give the

Market an empty feel despite stall rents being taken.

- Applications are not being taken for street-food traders and casual traders are not allowed to stand unless they are already licensed on a permanent basis, severely limiting the trader-base and the attraction of a wider customer base.
- Market stalls are very robust but do not create flexibility to reconfigure the space to provide diversity of use. There are strong concerns about demountable solutions due to lack of staff time and trader's concerns about self-erect markets.
- Historic agreements mean display equipment, benches and trestles are left in Market stalls overnight. During the daytime empty stalls are used for storage. This is aesthetically unappealing, presents a public health and safety liability risk and goes against Market regulations.
- There is limited storage on-site which is compounding the above issue.
- All stalls have back sheeting, which closes sight lines across the market and does not allow light to infiltrate across the market.
- Issues have been raised with the cleanliness of the market.

- The road acts as a soft pedestrian barrier.
- Heritage features such as the fountain, views of the Guildhall and Great St. Mary's Church are not incorporated into the market experience.
- Marketing needs to be undertaken more frequently and more consistently.
- Events are currently something of an after-thought, partly due to the lack of clear responsibility on who is leading them and available staff capacity within the market team.
- This important civic space does not currently contribute to the evening-economy and attracts anti-social behaviour at nighttime.

KEY OPPORTUNITIES

- Staffing capacity is required to take a more active management approach, curate the space, process applications for new traders, plan allocations at different times of the day including evenings, deliver event markets and undertake more active social media marketing. Review the available capacity within market team and other departments to support development and delivery of curated

programmes of events/activities to support day-time markets and create an evening/night-time offer.

- Implementing technology solutions such as using a tablet to enter data onto a cloud-based attendance system would make existing staff duties more efficient, freeing up time within the team. The MACCS market management system currently in use allows this but the market team are unable to use the remote data entry facility.
- An underground waste solution would open sight-lines across the Market Square, reduce smells and improve the Public Realm. Careful consideration must be given to waste volume limitation and operational access for waste handling vehicles.
- Market Rules and Regulations are clear regarding trader attendance and need to be enforced.
- A register of casual traders should be kept along with accepting new applications for any stall-type. When there are vacancies traders can be allocated on a daily or weekly basis to increase occupancy. This would also act as a waiting list as permanent stalls become available.

Payments can be processed with a card-reader to increase flexibility.

- Applications for street-food stalls should be accepted and determine if there is a critical mass who wish to trade on evening-markets which can diversify the use of the space and increase income. The exact split between food, food retail, and retail stalls was requested but this data was not able to be provided.
- A new solution should be found for market stalls which is semi-permanent, robust enough to trade in a variety of weathers but possible to reconfigure as and when required by the Markets Team without being too labour intensive. The solution proposed however is bespoke, and would need a time and motion study to understand set up times, although we expect these to be similar or less than demountable gazebos. As a guide, demountable gazebo stalls take two operatives three to five minutes to erect/dismantle.
- Tables and display equipment need to be removed from stalls overnight. During the day vacant stalls need to be opened up and waste and equipment should not be stored in them.

- Opportunity to search for additional storage capacity in the vicinity of the market. This could be rented out to traders to cover costs incurred but would allow trader and management storage of equipment.
- Sheeting can be removed from stalls, or transparent sheeting used to open a vista across the market.
- Electricity, waste, water and oil disposal are all currently provided, but all could be upgraded to be fit-for-purpose and provide a better experience for traders.
- Toilet facilities could be upgraded to improve the trader experience including accessible facilities.
- The road could be levelled to encourage permeability of foot-flow and remove accessibility barrier, especially for mobility / sight impaired.
- More should be made of heritage aspects, including the fountain which could form the focal point of a communal seating area and views to the Guildhall and Church should be opened up.
- Training on social media should be given to all members of the Market team, and

traders, to ensure there is a constant stream of marketing.

- KPI's should be developed for delivery of events, including frequency, variety and budgets.
- Evening events and activities should be planned, such as street food traders on Friday and Saturday evenings throughout summer months.
- Anti-social behaviour can be combated through enlivening the evening economy, improving lighting and opening sight-lines across the market to encourage more civic use of the square.



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3. MARKET ASSESSMENT

Cambridge outdoor market operates within the City's Market Square and comprises of 99 fixed location stalls set out in uniform rows which fill the Market Square.

The Market operates seven days a week throughout the year except for Christmas Day, Boxing Day and New Year's Day. Daily advertised opening hours are 10:00am until 4:00pm.

A smaller Arts and Crafts Market also operates at the All Saints Gardens, although this is currently only operational on Saturday due to Covid restrictions.

A site visit was undertaken by a Quarterbridge operations specialist in October 2020, along with a full review of all policies, procedures, regulations and data which was provided by the Markets Team and Cambridge City Council.

Unfortunately, an in-person meeting with the Market Manager was not possible, however a video call was undertaken in August 2020. A meeting and site review was

undertaken with a member of the market team.

Overall the Market is performing well, delivering annual profit and maintaining high occupancy levels. This is rare for a seven-day a week outdoor market, and Cambridge City Council and the Markets Team should be pleased with the asset they have created though it should be noted that income versus attendance is an issue as traders are paying for permanent stalls without attending the market to trade.

There are a number of operational and development opportunities which will improve the current offer, whilst diversifying the use of the Market Square, improving long-term sustainability and and delivering an uplift in social and economic value for Cambridge.

The following assessment explores a number of operational, management and social elements, identifying strengths and opportunities for further development.



FINANCIAL SUSTAINABILITY

Cambridge is a very profitable outdoor market, generating a surplus of over £350k per annum according to information provided.

In 2018/19, the Market generated a gross income of £931k, although this saw a 4% drop in 2019/20 to £892k. Due to the Coronavirus lockdown and rental discounts in 2020, the market is not expected to meet targets this year but may bounce-back in 21/22.

Budgeted expenditure for 20/21 (prior to the impacts of Covid-19) was £587,540, including recharges from other Council departments, business rates payable, staffing, operational maintenance and marketing.

In the five years prior to 2018/19, the income target increased by almost 18%, demonstrating continued growth until this point.

However, over the last three years, profit has fallen by 12.75%. This is a result of a decrease in income in 2019/20, combined with an increase in interdepartmental

recharges and rise on operating expenses due to inflation, despite efficiency savings being made. *(Information provided by CCC - markets.xlsx and included in Appendix 1).*

Cambridge Market has been bucking the national trend in which markets are making consistent losses.

Cambridge Market is delivering robust profit, but requires re-investment in the operational team and infrastructure to maintain these profits. Without greater spend on operations and marketing, the decrease in income will likely accelerate, as trader numbers reduce due to lack of services.

STAFFING LEVELS

The Market is managed and operated by a small team, who are also assisted by members of the City's street cleansing service.

Within the Markets Team there is 1 FTE Market and Street Trading Manager; 2.6 FTE Market Officers. Currently, 1 FTE post is vacant; 1 FTE post is filled by secondment; and 0.6 FTE post doing additional hours on fixed term basis to fulfil 1 FTE role.

The Market Team are located in the Guildhall, directly adjacent to the Market Square and so are available on-hand to deal with any issues that might arise.

In the morning the team deal with flash-points and registering trader attendance, then return to close up the market on a split-shift basis.

The Team use the MACCS system to assist with daily market operations, logging attendance, managing stall allocations and transfers; and also to feed into the Council's financial systems to produce monthly billing invoices for traders.

Attendance and stall transfers, as well as casual lettings are recorded on the MACCS system daily, however the system is not currently being used to its full potential.

The MACCS system is cloud based and has the ability to link using 4G enabled mobile devices (tablets), which can be provided by the system provider for a relatively small cost.

By utilising mobile technology, this would enable the Market Officer to go around the Market each day to record attendance, log

any trade transfers and allocate additional stalls on a casual basis to traders whilst adding these charges to their rent accounts remotely.

This would significantly speed up the process and remove the need for the Market Officers to spend 2 – 3 hours each day undertaking these tasks manually and returning back to their office to input onto a desktop computer.

The Market Officers also produce a weekly trader bulletin. It appears that this document is produced whether there is a need to communicate messages or not, and sometimes content can be scarce.

Regular communication, including the replacement of the trader bulletin, should be undertaken via digital messaging platforms such as Slack, WhatsApp, or Messenger to ensure speedy and ongoing communications.

Whilst the Market Team itself is quite small and has limited time and resources; they are undertaking tasks at present that can be streamlined to free up valuable time. One standout example of this is the use of the MACCS management software via tablets on the market rather than completing paper

records and moving to the office to undertake data entry.

The Markets Team is currently under-resourced to carry out all of the functions required of an effective 7 day operational market.

Covering such a long working week, due to the early starts each day and through to the point that Traders leave site every day of the week places a huge demand upon the Market Officers but also leaves the market without direct management for long periods.

The Market Officers would be better utilised on site overseeing the health and safety and cleansing elements of the market, rather than inputting information in the office and off-site.

If the Market is to develop and grow, then a dedicated focus on marketing via advertising (paid posts and boosts) and promotion (pro-active engagement through social media pages and interactions) through various social media platforms needs to be explored, alongside active trader recruitment, the programming of speciality and evening events and the

continual cleansing of the Market Area along with enforcement of existing rules.

With such a large amount of street food available, there is a strong need for more desirable and welcoming communal seating areas to encourage visitors to purchase food and spend more time within the Market area.

This area would need to be monitored and cleansed on a regular basis; which could be done if the Market had a dedicated Markets Operative similar to the Street Cleansing operatives that currently service the Market as a small part of their role.

The introduction of such a full-time post would ensure that the Market had a dedicated cleanse function throughout each day to undertake scheduled and reactive duties around the Market which could include ensuring the safe operation of the waste compactor.

In order to fulfil the ambition of using the Square to stimulate the evening economy, allocations would be required for street food traders in the evenings. This could begin with Fridays and Saturday nights through summer, and be populated by existing or new traders. This would have the

added benefit of deterring anti-social behaviour.

For comparison, Chesterfield Market, a comparable setup, with a seven-day operational outdoor market with lower attendance than Cambridge, has 10 staff across managerial, operational, cleaning and admin positions. There is a Market Hall in Chesterfield, but the majority of traders on the Square.

WASTE MANAGEMENT

The Market is currently serviced by a compactor and a cardboard baler on the Market Square, along with bins to process trade waste from traders and market operations.

These obstruct sight lines across the Market Square, are unsightly and produce smells. Complaints about the waste area form a key element of engagement feedback from market traders and stakeholders.

A below-ground waste solution should be explored which opens up the vista across the market, reduces smells and improves the overall visitor experience.

Without the use of a compactor however, there may be issues over the volume of the rubbish that can be stored in these facilities. There could be an increase in the number of collections, increasing the cost to the market.

In order to mitigate unknown factors, an investigation could be undertaken to dispose of trade waste for a set period of time to determine the volume of waste produced without a compactor to plan accordingly.

VARIETY OF STALLS AND ALLOCATIONS

Any market would be proud to have the street food and drink offer that Cambridge Market has to offer.

The variety of food available to eat, provides visitors with a huge choice from traditional hot sandwiches to flavours from around the world, and as customers increasingly spend disposable income on dining and leisure options, the street food stalls act as an important footfall driver to support the market including other retail stalls.

The general retail and produce stalls who were trading during the site visit also appeared to be of good quality and reasonably priced.

Modern Markets must embrace a mixed offer, with street food and fresh food retail acting as anchor attractions, supported by niche retailers who provide a point of differentiation from High Street chains. Cambridge is home to a strong variety of stalls, and this mix should be maintained.

Cambridge Market currently allocates stalls all across the market, with street food traders interspersed with retail and food retail traders.

The rationale for this is strong in principle, to encourage the circulation of customers around the market as a whole, rather than grouping anchor footfall drivers in one location which may not benefit other traders.

However, as the food element of the market has grown, there have been issues raised and reported through Market Trader engagement regarding smells from street food stalls impacting retailers' businesses. There have also been requests to explore

the potential for mechanical extraction (which is not feasible in an outdoor setting).

As the inclusion of tables is a key objective of future development, going forward street food traders could occupy units surrounding communal tables, sharing the seating area and creating a critical mass.

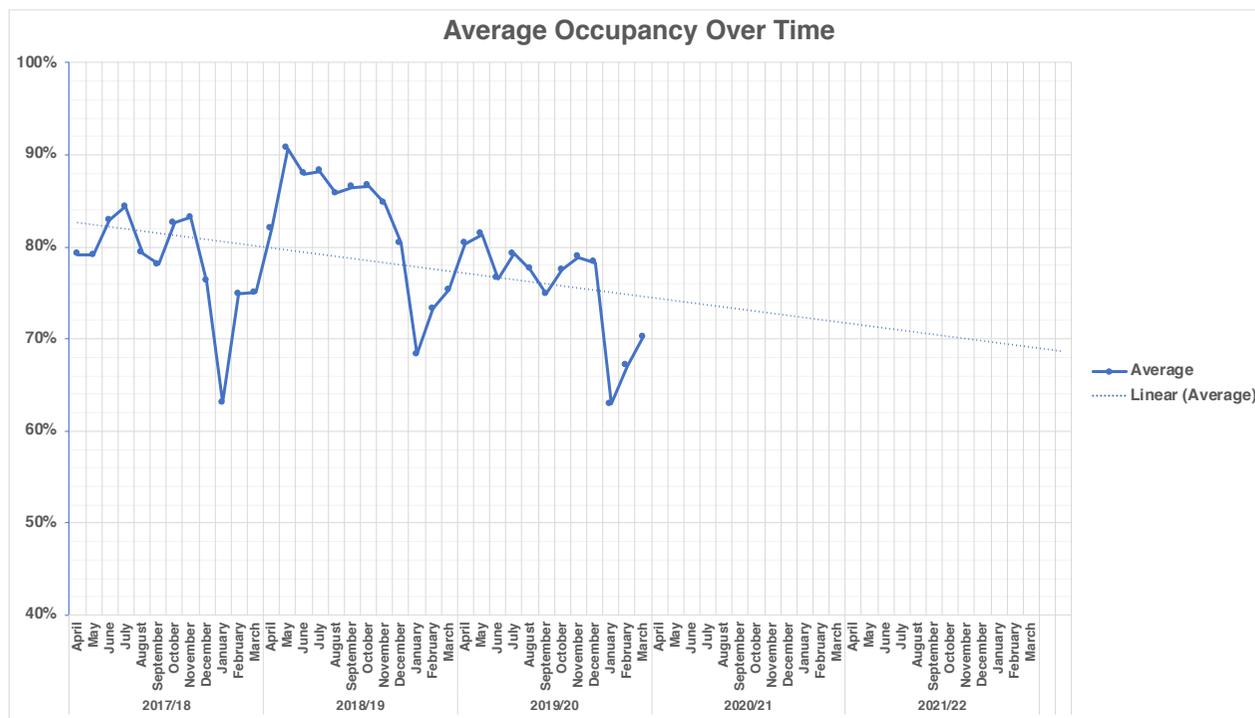
This would benefit traders and improve the customer experience. By combining traders in one location, the impact on food smells can be mitigated, with traders selling product lines such as clothes located upwind and away from the street food units.

Applications for Street Food stalls are not currently being accepted, but there is potential for additional capacity of street food stalls around the seating area, or a differentiation between 'day-time' stalls and 'evening' stalls which could be explored.

TRADER ATTENDANCE

Cambridge Market currently operates seven-days each week, with empty stalls every day.

Attendance data provided showed that the Market was achieving strong occupancy,



particularly on Saturdays which average over 93% over the last three years.

During the site visit, over half (54) of the stalls were vacant, with vacant stalls used to store furniture and display equipment, detracting from the visitor experience.

It appears these stalls are retained and paid for by permanent traders, however attendance is not mandatory and many do not stand every day.

Actual attendance for the the last three years averages 79%, rather than the recorded 93%, demonstrating a high level of daily absences in contradiction to regulations. This appearance of empty stalls is uninviting, and a linear trend analysis shows this is resulting in a 3% annual decline in attendance.

The Market Regulations state that after failure to attend the market for a period of 8 consecutive days without written consent

from the Market Management, traders will be subject to disciplinary procedures and may forfeit their stall, however this does not seem to be enforced.

A careful balance must be struck between maintaining permanent traders to provide financial sustainability, and curating the visitor experience to ensure the market does not appear vacant.

Traders who are regularly failing to attend their pitches should be identified, and initial conversations held to understand why. If necessary, the disciplinary procedure should then be followed, and trader recruitment undertaken.

NEW AND CASUAL TRADERS

It is apparent from the Cambridge Market webpages that applications for Market Licenses are not being taken at present.

Any market should always allow applications from new businesses, even if they have 100% occupation. By allowing businesses to apply to stand, this gives the opportunity to reduce the current voids, and, once at capacity, creates the ability to build a

waiting list of businesses that are interested in coming to trade at Cambridge Market.

Casual allocations mean businesses can call at short notice, or arrive on the day, and pay a day fee for any available pitch. The current stall allocation rules dictate that a stall can only be let on a casual basis to a trader if that trader already trades on the market on a permanent basis on at least one day of the week.

Whilst this rule may have been put in place to encourage traders to sign up on a permanent basis, it is counter-effective as it does not allow new traders come and see how their business could operate at Cambridge Market before making commitments.

Another potential reason for this policy is the current recording and payment method using MACCS, in which monthly bills are raised to be paid by direct debit only (based on information provided to us), with no alternative payment options available.

Casual allocations require either cash handling, or best practice is having a card-reader available to take on-the-day payment. Traders usually call in the preceding days or turn up on the day, with

management reserving the right to refuse any trader whose user clause is already represented on the market.

On the first day's trade, casual traders should be provided with a copy of the management regulations to agree and should supply proof of right to work in the UK, proof of address and personal information which should be recorded. After this traders can return to the Market on an ad-hoc basis, or commit to a permanent stall.

By changing the allocation ruling to allow any trader to arrive and trade on a casual basis (with conditions), Cambridge Market could benefit from the addition of a variety of businesses coming to trade, as well as the potential to increase income by the letting of the many vacant stalls.

This is always the ideal position for any market to be in, as this significantly reduces the turnaround time when a permanent pitch becomes available and needs to be filled.

INFRASTRUCTURE

Cambridge Market trades from fixed-stalls which are very robust, allowing trading in inclement weather conditions including Amber-warning weather. This is seen as a strong advantage to traders and maximises income from stall rents.

However these stalls do not provide any flexibility, and create a static space that cannot be reconfigured for events or alternative uses.

The fixed stalls look as though they have been there some years and do look run down in appearance when not in use. Stalls which are not in use are utilised by traders holding stock within them, along with rubbish, spare equipment and other items.



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Allowing traders to do this give the impression that the market is untidy and does not add to the visitor experience when browsing the stalls that are open and presents a public health and safety risk and associated liability. As per Market Regulations, tables, storage and stock should all be fully removed from the Market Square at the end of each trading day.

Historical leeway has meant that a number of traders have been given written agreements to leave stock and tables overnight, and during the day vacant stalls have been used to store tables and benches. This is unappealing from a customer perspective, and makes the market feel empty and disused.

All street food traders are required to hang fire-retardant sheets as barriers to their units, although almost all traders were observed with both sides and backs on their stalls.

This creates a visual obstruction, making the market feel closed in and not encouraging visitors to see the variety of stalls available in different areas of the market or appreciate the heritage and architectural significance of surrounding buildings. 'Dead zones' are created in the market when stalls



are not open, and open stalls are facing other directions.

Options to remedy this include transparent sheeting, sheeting at half-height, or no barriers across the retail stalls. More likely a combination of these solutions, as businesses will want to lay out their stalls in different ways.

There is a need for uniform tables (the industry standard being collapsible trestle tables, although more attractive solutions would be preferable). These would either need to be specified to traders for purchase, or provided for traders by the Market Management. Solutions could include table covers, which are readily available online, or flexible furniture which could act as display units during the day and

seating areas or visual installations in the evening.

The Market currently has provision for electric, waste, water, drainage and an oil sump, however none provide a convenient, modern experience for traders. All of these utilities should be upgraded as part of a programme of redevelopment. Existing electricity has a 16amp fuse, whilst cooking equipment may require a 32 amp connection.

The stalls have lighting, but this is highly functional and does not add appeal. New lighting in both the stalls and the public areas of the Square would greatly improve the Public Realm, visitor experience and



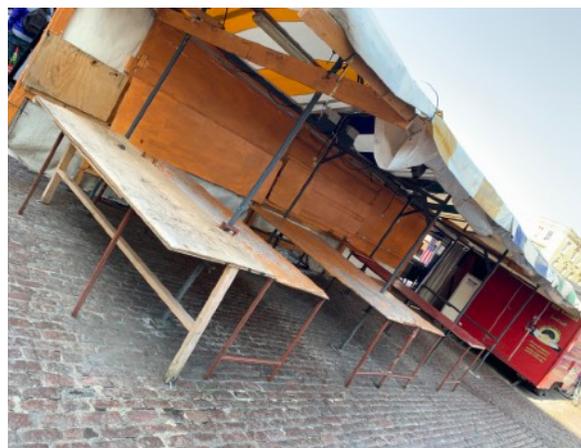
Private and Confidential

trader experience and deter anti-social behaviour.

CLEANSING REGIMES

A key element of stakeholder and trader feedback was that the market was 'dirty', with night-time ASB meaning the Market Square was dirtied after it was cleaned in the evenings for traders to arrive to in the mornings.

This feedback may be outdated as cleaning regimes are reported to be undertaken in the morning with twice-weekly wash down and rapid response service at all other times.



As explored earlier, the current staffing provision does not extend to active curation of the market during the day, including deep-cleaning. Additional staffing capacity, whether it is through the markets team or the Street Cleansing Team should be incorporated to deal with ongoing cleansing issues.

TOILET FACILITIES

There is currently an underground trader toilet provision on the Market Square. This is dark and unappealing, and the gates were observed left open and unsecured during site visits.

The amount of space dedicated to toilets provides more toilet stalls than are required for the number of traders, and space could be better allocated to storage or underground waste solutions. It should be noted that there are no on site facilities for accessible toilet facilities.

There is currently no public toilet provision on the Market Square, although there are public toilets in the surrounding area.

STORAGE

There are currently seven storerooms available on site in the underground trader toilet facility.

This is insufficient to support the number of traders on the market, and there is no facility for management storage on the market.

In order to maximise the potential for the market, storage solutions should be explored on-site or in close proximity to the Market to allow traders to rent storage units and Market Management to store infrastructure including additional seating, tables, display equipment, stall parts and covers, events equipment and decorative items.

Renting these storage units to traders could cover costs and generate a small surplus, whilst improving operational potential.

ACCESS AND HIGHWAYS

Market Traders arrive on site from 6:30 am, mostly bringing their stock in vehicles and parking around the perimeter of the Market

Square. Some traders use bicycles as transport.

The square is accessed by a road with an automatic bollard on Trinity Street that is controlled by the Highways Department of the County Council. The bollard lifts into position at 10:00am each day, after which time any late arrivals or deliveries would need to barrow their items from further afield.

The fresh produce traders usually arrive at 6:30 am due to the large amount of stock carried and the number of lines that need to be presented. Access is then allowed at the end of the day when the bollard drops at 4:00 pm.

This road is shared with delivery vehicles for neighbouring shops, namely Marks and Spencers, which has caused conflict in the past between market traders and delivery drivers.

The road acts as a soft pedestrian barrier and reduces the potential footprint of the market at present. Level surfaces would improve the customer experience and increase permeability across the Square.

HEALTH AND SAFETY

Risk Assessments are currently being updated by the Markets Team and Corporate Health and Safety Team, and existing assessments were beyond our scope.

One major observation from site visits was that the trade waste compactor machine was switched on, unsupervised, with the doors left open. Best practice would be to close access doors to prevent anyone accessing the waste or attempting to add waste to the machine whilst it is in use.

Market Traders appear to operate the compactor rather than a member of the Markets Team, which may be the cause of this oversight, however, without an active management presence this creates potential health and safety issues.

The Market Trader Regulations do appear to be complete and do provide a comprehensive set of rules and guidance for traders; although at present it would appear that the rules are not being fully enforced.

HERITAGE

The Market Square is surrounded by heritage buildings which offer attractive architectural benefits and which form a key element of the civic area.

Sight-lines to these buildings (namely the Guildhall Great St Mary's Church) are currently obscured by the configuration of the Market, and more could be done to incorporate views of these buildings into the experience of the Market.

The fountain in the Market Square is a key heritage feature, although it is currently under-utilised. Customers often sit on the parapet to eat food purchased at the market, and the fountain bed is used as a garden area, which does provide an attractive feature.

The fountain should be restored as the focal point of the Square, if possible it would be advantageous to restore functionality to the fountain, but otherwise it should become the focal point of a seating area and turned into a curated garden feature.

MARKETING AND PROMOTIONS

Cambridge Market has a Facebook page with 2,600 followers. This page was consistently posting high quality photos and posts one to two times per week.



The Cambridge Market Instagram page has 2,274 followers, and high engagement levels with most posts achieving over 100 likes.

The content used on social media is highly visual including photos and videos with engaging commentary, and this is reflected in the high levels of engagement across both platforms.

Almost all of the content on the page is original, with only the occasional 'share' from other Council Pages, and rarely, traders.

Some of the traders are producing high-quality Facebook content such as 'The Cambridge Fishmonger, Crystal Waters Ltd' and 'G and M's Fruit and Veg Cambridge Market' (*although there are likely to be more; these are the only pages which were returned from a search on Facebook.*)

The Facebook page could be boosted by encouraging Traders to tag the main page in their posts, which can then be re-shared. Empowering traders to undertake their own marketing, undertaking promotions for the whole market and then using one another's platforms to cross-promote and amplify a

strong message would boost the marketing reach.

Both social media pages however have been inactive since September (potentially corresponding to a staff member's absence), at a critical time when a second national lockdown was announced and communication was vital.

There are also other gaps, of a month or more, in posting content. Other members of the team need to be empowered to undertake social media advertising to avoid these breaks in content.

Overall the Market has a strong social media presence, opportunities for improvement include marketing support for individual businesses (particularly training), ensuring all staff members are responsible for keeping the page up to date, scheduling consistent posts and increasing cross-promotions between the market and trader platforms.

EVENTS AND ANIMATION

The Markets Team do not directly deliver regular events at Cambridge Market, but do facilitate where required the events that are organised by the Cambridge BID.

Where events are held in the Market Square, the Market Team ensure that stall allocations for that day do not inhibit the organisation and delivery of the event.

Where events take place within the Market Square, including into the evening, the normal operation of the Market continues to take place. Market Traders are permitted to continue trading through the event at no extra charge.

The introduction of a 'Night Market' and 'International Food Day' came about under the previous Market Manager, however the current market manager has reported that they did not benefit traders as people were not shopping, and because of this there has been little focus applied by the existing market team to bringing back events.

We would stress that events are not there to directly drive footfall to the market on the day but should be used for place activation and also to bring a wider user group into the market area. Though they may not have shopped at the market on that day, they may return or recommend the market in the future.

It is a shame that past successes, especially those that have been award winning, have not been built on.

A programme of different events (explored in Section 5), adds value to market services and attracts different demographics to the city centre, and should be a focus going forward.

In particular, offering street food traders evening slots on Fridays and Saturdays throughout Spring and Summer months (around 30 weeks per year) after the day market has finished trading would increase income, develop the civic space, boost the evening economy, and realise several key objectives of this project.

The wider the user base of the Market Square is, the bigger the benefit to the market traders.

EVENING ECONOMY

As identified in the feasibility report, there is a strong need for a wider evening-economy offer in Cambridge.

More flexibility is needed to create early evening events, which can range from the always-popular street food events to craft markets, Christmas fairs, fresh produce markets to family-fun-days (explored in Section 5).

This kind of event in the Market Square would diversify its use, drawing a wider audience of locals, students and tourists whilst generating income and benefiting surrounding businesses.

This could be organised by bringing in a selection of street food vans once the market has closed, increasing the seating capacity and adding small-scale live music such as acoustic musicians to create a relaxed atmosphere which increases dwell time. Family-friendly, populated events also deter anti-social behaviour.

The planning and delivery of these events would need to be carefully managed, which could be achieved through a freelance

agent, additional part-time staffing capacity in the markets team or through collaboration with the BID.

Traders could be sourced from the existing trader group and waiting lists (once developed), and the events could also act as stimulus to attract new and different traders to Cambridge.

ANTI-SOCIAL BEHAVIOUR

The Market currently experiences issues with anti-social behaviour (ASB) at night, which was a recurring theme during trader engagement and through consultation with market management. Addressing ASB is also a key objective of this project.

Positive methods of tackling ASB include improved lighting, open spaces with clear sight-lines and having more people in the area.

By utilising the market in the evening for alternative uses, clearing cluttered areas in which people can hide and opening up sight-lines, opportunities for ASB can be reduced without imposing punitive measures.





4. DESIGN ASSESSMENT AND RECOMMENDATIONS

In order to fulfil the objectives of this project, the operational changes outlined in the Market Assessment need to be addressed along with a series of design and infrastructure improvements.

Through this project, managed by MACE, Quarterbridge and LDA Design have consulted to develop design principles, and this section of the Report should be read in conjunction with LDA Designs' proposals.

These recommendations have been made to shortlist options and develop a preferred option, providing a rationale for the proposed design of the Market Square.

DESIGN PRINCIPLES

The design of the market must first and foremost be flexible, allowing for relatively easy reconfiguration in order to host events and activities on the square.

Given the limited staff available and trader feedback however, the daily setup should not be labour intensive, with stalls remaining in position until the square is required for events and other activities.

A solution which delivers flexibility, whilst also providing semi-permanent stalls robust enough to trade during inclement weather must be sought.

The surrounding architecture of the Guildhall, Great St Mary's Church and fountain offer an attractive backdrop to the final Market Square design. Stall design should be sympathetic to this and enhance sight lines across the square to these key features, creating connectivity with the various elements.

The Market would strongly benefit from an increase in communal seating capacity, allowing people to fully enjoy the range of street food on offer and increasing dwell time, to the benefit of surrounding retailers and Cambridge City Centre as a whole.

Including space for pop-up street food stalls or vans in the vicinity of the central seating area would create a critical mass of food options without the need for permanent structures or facilities.

These eateries would support events and increase the reputation of the area for evening food and social activities, as well as acting as an anchor to draw footfall into the heart of the market to boost daytime trade.

STALL LAYOUT

The current stall layout can feel cramped from a visitor perspective, with long rows that are not conducive to circulation or dwell time. The layout of the market needs to encourage foot flow and circulation, whilst also preserving spaces to increase dwell time.

This poses a significant challenge, as Cambridge Market enjoys very high occupancy levels. Solutions must look to accommodate high numbers of traders in a smaller footprint to allow for more extensive walkways and seating areas.

The industry standard for trading pitches is 3m x 3m, usually operating from demountable gazebos. This is larger than the existing offer of 2.4m x 3.4m stalls, increasing value for traders who may currently occupy multiple stalls and increasing traders' retail frontage, providing better trading conditions.

The street food element of the market has acted as a strong footfall driver and we are confident will follow the rest of the industry in sustaining growth in this area if supported by the correct marketing, infrastructure and the addition of far more seating than is currently available. This will encourage eateries' sales and increase dwell time, creating a continental Market Square experience in which people meet to eat, drink and socialise.

Current access points are concentrated along the North/South elevations from the Guildhall through the Market Square, whilst the concentration of foot flow is along the longer East and West elevations of the Square.

Rotating the stall orientation provides the opportunity to increase access points across key foot flow routes and increased visual connectivity of the heritage aspects. An East - West cleared zone provides good visual and physical connectivity between listed buildings and acts as a sound and sensible area for diners to sit and enjoy their meals.

The fountain should be a key feature, with seating within this central area acting as a focal point around which people can gather. The street food stalls could be dispersed

around the market, but we recommend that they face onto this seating area from various sides to maximise sales and create a critical mass.

The southern half of the square leads onto the Guildhall, which is the area that would most benefit from flexible or demountable units to make it usable for large-scale public events.

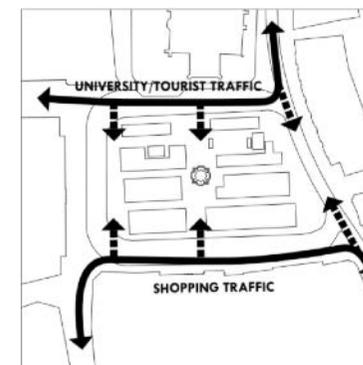
Mixing street food, food retail and retail units, as is done currently, is seen by many as the best way to draw footfall around the market, uplifting the retailers as the street food and food retail often enjoys a larger customer base.

This trader placement method, however, often creates complaints from smells and rubbish created from food businesses from the retail businesses.

A consolidated approach should be taken to trader placement, based on their user clause. A food retail zone should be created, bringing them together to create a mass product attraction area, magnifying the awareness of the high quality food retail available at the market, especially as supermarkets are currently cutting back on

their fresh food produce and trained staff to support their fresh food products.

Food retail and Street Food act as anchors to markets. By consolidating each key use into a distinct area and drawing their customers past retail stalls, retailers benefit from an uplift in ambient footfall and impulse purchases.



Current row orientation



Proposed row orientation

Graphic from LDA Design

STALL DESIGN

Plans going forward must focus on the aspiration for the market, while being sympathetic to existing infrastructure and current trading styles.

The current metal frames with canvas covers are found in markets across the country, and are preferred by many traditional market traders because they are solid, require minimum set up and provide shelter from a wide variety of weather compared to demountable gazebos, which have upper wind limits for their safe use.

It should also be noted that many traders prefer these style stalls as they have never traded under alternative style set-ups as this was at one time a common stall set-up for market squares.

However this framework is outdated, often unattractive and does not represent the high-level of design ambition for Cambridge Market, with many market squares looking to move away from this style of set-up.

This is a unique opportunity to look at designing outdoor market stalls which are attractive, flexible and fit for purpose, that

enhance the historic nature of the space whilst embracing its forward looking approach.

The existing Markets team is very small, and would need additional staffing support in order to support additional labour requirements associated with flexible stalls and seating needs.

A common market stall type is a gazebo style 'pop-up' market stall. This style of market stall is used by thousands of traders and hundreds of markets across the UK. The downside to this kind of stall is that they are not designed to be left erected for long periods of time, meaning that they need erecting and dismantling on a regular basis. This requires a large team of operatives, or to allow self set-up by traders, which tends to deter traders from using the market. These stalls take two people three-five minutes to erect or dismantle.

As a result of the limitations on staffing and feedback from trader engagement sessions we believe that Cambridge Market requires a semi-permanent solution that allows for the stalls to be left set-up for long periods, for the entire square to be cleared when required and a variety of configurations in between.



There is currently no standard solution within the market or place making industry. A feasibility report undertaken by BDP identified that although a large canopy would be beneficial for the appearance and practical use of the square, it would prove difficult to secure consensus from stakeholders and Historic England.

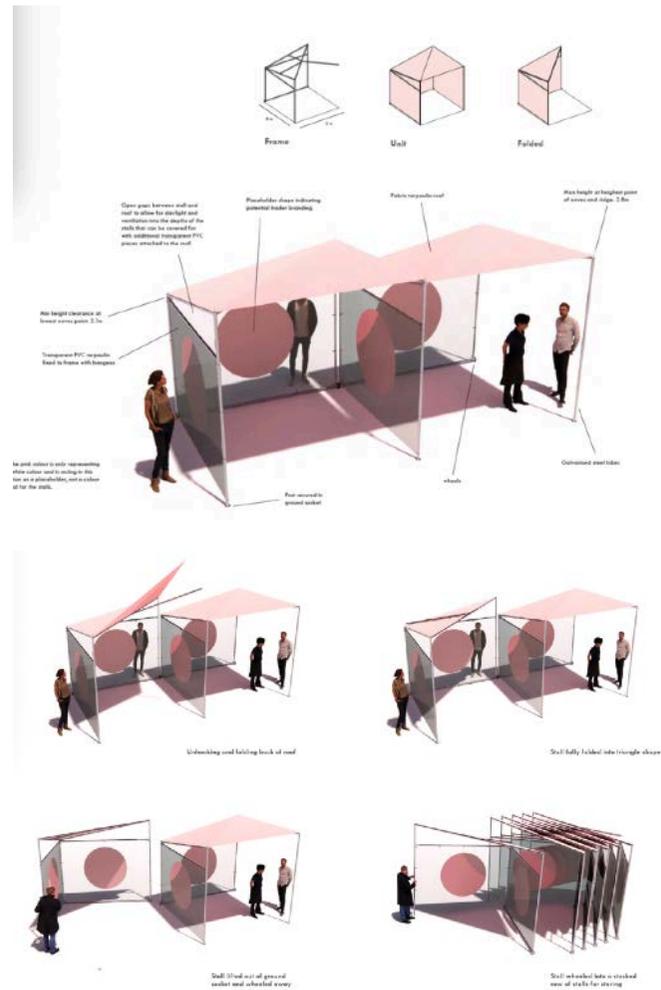
A large canopy over the square would provide shelter from precipitation, but would do little against prevailing winds.

An alternative is to have multiple smaller canopies, either in modular arrangements or covering blocs of the square. Many public spaces, restaurant areas, beer gardens now have retractable canopies integrated into patio style terraces, with vines and greenery hanging from them.

This is a concept that could be explored in Cambridge, creating large pergola style coverings which include lighting. Electricity sockets could be combined into the support poles to provide trader electricity.

The stall design developed by LDA is bespoke and has no time or motion studies surrounding it. For clarity, there is no intention to fully dismantle and erect the

market on a daily basis which would likely require a team of 4-6 additional FTE operatives. The bespoke stalls that have been recommended are designed to remain in-situ until it is required to be reconfigured for an event or speciality use.



PREFERRED LAYOUT:

Taking into account the various operational and design principles, LDA design have developed the following layout to address the opportunities.

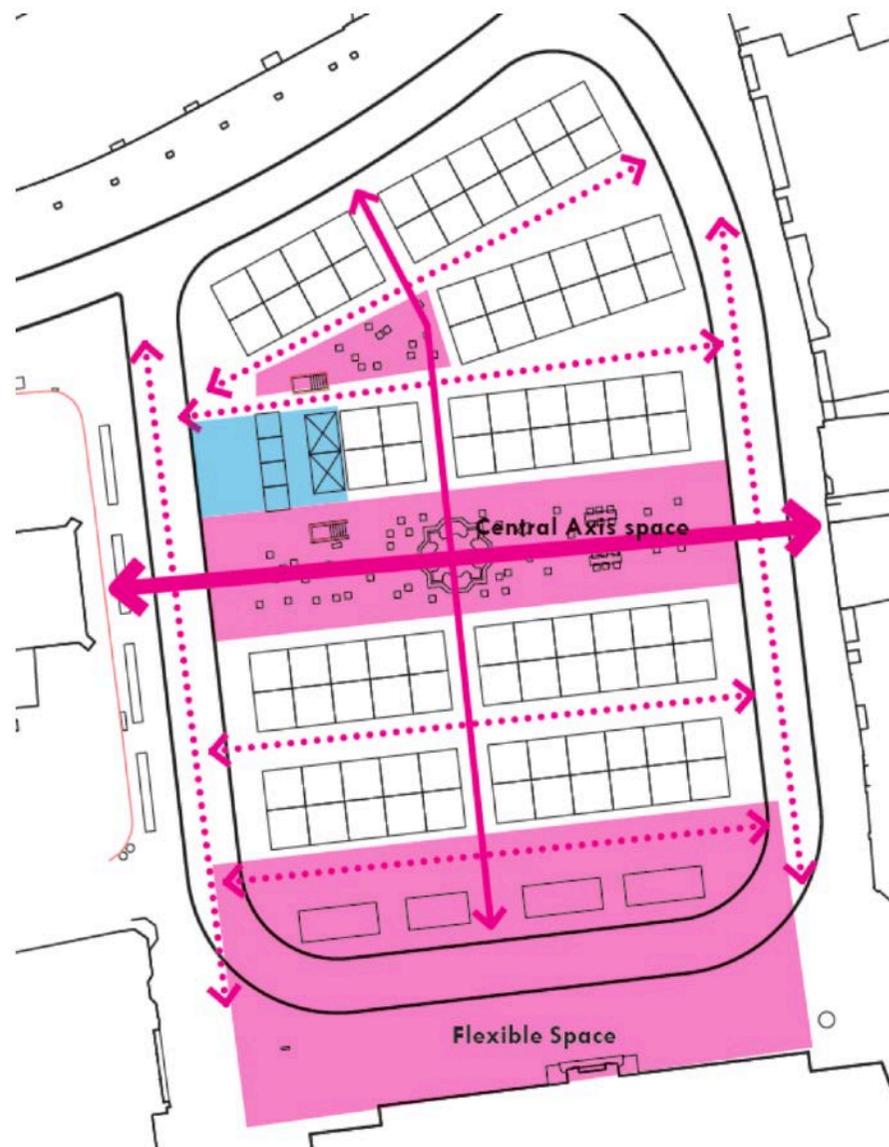
This layout provides a slightly smaller number of stalls (94 compared to the current 99), but a larger trading footprint, with each stall measuring 3m x 3m to meet the industry standard.

A central seating area has been created on the East-West elevation, with stalls reconfigured to open sight-lines across the Square and through to the heritage buildings.

The layout has been rotated from its current orientation to align pedestrian access points with main pedestrian flows, create a sense of connectivity within the square and the surrounding buildings and create a central seating area. In their current orientation, this could not be achieved without dramatically reducing the trading area.

There are currently 49 Premium Stalls (49.5%). This proposed layout has 47 Premium Stall locations (50%).

This layout creates more space in the event of future pandemics, and the flexibility means stalls/rows can be removed if necessary



INITIAL EXAMPLES OF ALLOCATIONS AND ZONING USING PROPOSED LAYOUT:



RATIONALE FOR PROPOSED LAYOUT

The two key anchors for markets are fresh food retail and street food, who attract visitors specifically to visit those stalls.

Retail stalls benefit more from ambient footfall, as such this allocation plan has been formulated to pull street food and fresh food retail into the centre of the market. This will draw footfall through retail areas to maximise the chance for impulse purchases.

Concentrating the street food looking onto the seating area maximises their sales opportunities, and could operate under longer opening hours if desired to continue a civic and dining function into the evening without disrupting the rest of the market.

Concentrating fresh food retail around the water and drainage utility stations improves their operations, whilst providing a mini-food-court feel and allowing space for queues.

A current issue raised during stakeholder engagement is the smells from food stalls

which contaminate retail stock such as clothing and soft furnishings.

By having a retail core which sites behind the street food stalls, this layout takes advantage of natural wind factors, with prevailing winds carrying food smells away from the critical mass of retailers.

This layout retains the same proportion of Premium stalls, concentrated on the Street Food units, so should not disadvantage retail traders.

Information has not been provided around the existing ratio of street food : fresh food : retail stalls, so comparison cannot be made with this recommended mix.

RELOCATION DURING DEVELOPMENT WORKS

An issue to understand early in the process is the potential for trader relocations during physical works to the Market Square.

Plans for this must be refined alongside the development of a construction programme, but there are a few initial options which will ensure continuity of trade whilst works take place.

1. Phased construction in which traders are consolidated into different areas of the Market Square whilst other areas are worked on. This would however pose significant challenges in Cambridge due to high occupancy, and could make development programmes take significantly longer.
2. Relocation along streets in Cambridge. This would spread the market around town which could have benefits in circulating footfall, though may cause friction with shop owners and licensed street traders. Demountable gazebos would need to be used.

3. All Saints Garden Market could be expanded to include more permanent traders. Space is limited however and this would be dependent on the Church being amicable to renting the area on additional days.
4. Relocating the market traders entirely to a park or open green space whilst ground works are going on.

All options have advantages and disadvantages, but at this stage we expect that the best option will be to utilise the streets surrounding the market square for trade under the Miscellaneous Provisions Act for Street Trading.

Phasing of the project should focus on ground works first, allowing traders back onto the Market Square (possibly in demountable gazebos) whilst other construction work is undertaken in specific areas at a time.

This option will minimise disruption to traders as much as possible, but will require a flexible attitude from traders and contractors to ensure the physical works can be completed as quickly as possible.

INFRASTRUCTURE

The facilities currently used for waste management take up significant space on the Market Square, which would better be utilised as stall or seating space. They are also unsightly and create issues with smells. An underground waste solution would be ideal to offer a hygienic, discreet solution and open sight-lines on the market square.

Careful consideration must be given to the volume of the rubbish that can be stored in these facilities without the use of a compactor. It is possible that there could be an increase in the number of collections, increasing the cost to the market.

Accessible toilets should be considered for traders who require them, a facility that is currently not available.

Within the stalls, traders should be able to display goods using lightweight display solutions such as foldable trestle tables with covers. These trestle solutions are available off-the-shelf, and could be purchased by traders or purchased and provided by Market Management.

PUBLIC REALM DESIGN

Careful consideration must be given to the road surrounding the Market Square, as this provides a soft barrier for pedestrians and causes use conflicts between traders and neighbouring shops. Levelling this road to encourage pedestrian movement would benefit market traders whilst making the space more user friendly.

The granite setts (cobblestones), in the Market Square were listed following appeals led by Friends of Cambridge Market. These setts are operationally difficult, as trailers, barrows and wheeled equipment is difficult to move across the market, and uneven surfaces provide operational challenges. The granite setts also cause accessibility issues and pose challenges to user groups with disabilities.

Another issue is the cleanliness of the granite setts, which are reported in trader engagement sessions as being loose, unclean and not fit for purpose.

The fountain is a key feature of the Market which is currently under-utilised. Opening sight-lines on the East-West elevation and making the fountain the focal point of a

community seating area would provide an attractive space to increase dwell time and stimulate civic pride, connecting key heritage features around the square.

UTILITIES

Modern retailers need access to electricity in order to run electronic point of sale (EPOS) and card systems and work on their social media marketing. The current electricity supply is insufficient to meet demand, and options must be incorporated which have sufficient capacity for a range of electrical items to be used on all stalls, including catering units. This may involve upgrading the distribution board.

Trader wi-fi is desirable but not completely necessary as 4G wireless devices are now affordable and common. Wi-fi can be used though as part of a footfall tracking system that could provide useful metrics for the Council and local businesses.

Water, drainage and oil waste are all present on the market but may need to be upgraded to ensure they are fit for the volume of use.

Lighting should be carefully considered to not only provide practical solutions for traders but improve the public realm and deter ASB.

STORAGE

Lack of storage is a limiting factor for the Market. In order to fully clear the Market of furniture left in-situ overnight, traders must either be able to transport it at the end and beginning of each day or have access to some form of storage.

Off-site solutions could be explored in the city centre that would allow traders to rent small-storage units from the Market. This would increase profitability to cover costs and would allow traders alternatives to bringing vans to the market on a daily basis.



5. EVENTS AND ANIMATION

Town Centre events are strong footfall drivers, attracting local and regional visitors, benefitting surrounding businesses and enhancing a town's reputation.

With additional flexibility in the Market Square, there is the opportunity to explore a programme of events, ranging from monthly themed markets to annual large-scale events.

Clear responsibility should be created for organising and delivering these events, whether additional staffing in the Markets Team (in the form of a part-time events organiser), the BID, or a third-party.

A clear programme should be developed to clarify the aspirations for the market square. Key performance indicators (KPI's) should be developed to include minimum numbers of different types of events, and an initial budget may need to be set aside, although ultimately stall rents and growing popularity should mean the events cover their own costs or deliver profit.

FOOD FESTIVAL

For many towns, food festivals are the highlight of the annual calendar. Bringing together a strong mix of street food stalls, fresh food retailers and speciality food stalls alongside music, street entertainment and cooking demonstrations, attracts thousands of people into the town centre and showcases the best of what a town has to offer.

Food festivals can be very expensive to create and operate but once they have a strong reputation higher pitch fees would allow them to break even or deliver a profit.

A range of hot food vendors could sit around a central seating area, based on the preferred design layout, with rows of food produce and speciality retail stalls on the rest of the market in normally vacant market stalls and along neighbouring streets to encourage circulation.

Expenses incurred would include the hire of generators, barrier fencing, a demonstration kitchen and marquee, musicians and PA equipment, stewards, security, overnight security, street furniture and extensive promotion and branding. Celebrity chefs

can dramatically increase the cost of food festivals.

Indicative Cost: £10k - £30k per event
Income Potential: £5k - £10k per event
 Figures taken from actual events that happen around the country.



NIGHT MARKETS

In order to kick-start Cambridge's evening economy, attract students into the town from the campus and engage younger residents and families, street food night markets can prove extremely successful. This would go beyond the evening trading recommendations made earlier in this report.

Street Food night markets can be small scale, with ten to fifteen street food and drink vendors and outside seating during the early evening. Local pubs, restaurants and bars can be approached to be part of the event, bringing pop-up food and drink stalls in front of their premises to promote themselves to a new audience.

Having night markets in the early evening (5pm-9pm) on a monthly basis attracts people who would not normally visit the town centre in the evening, then going onto other town centre establishments if they want to continue their night.

A monthly night market on the first Friday of the month throughout the Summer months (May-September) would kick-start the programme of events.

Close coordination with other town centre businesses would be required, and therefore this could be delivered as a collaborative event between market management and the BID.

Music can be more low-cost, with a series of local buskers, student bands and local radio etc., enhancing the community element. Family appeal must be considered, having face painters, children's entertainers etc adds family appeal who can enjoy the event in the early evening after school. Events should be dog-friendly, even promoting 'dogs of the market' with fun social media posts. Typical restrictions mean dogs cannot always be taken to events, so this means more people can come out as a family, increasing footfall.

Night markets are comparatively easy to establish; street food vendors are already regular traders (although having a new variety would add a broader appeal) and pubs, bars and restaurants can get involved.

Extensive advertising would be required to ensure the event is promoted, and word of mouth will be vital in building up future events.

Key expenditure would include music / PA systems, entertainment, security and staffing and advertising. Charging minimal pitch fees however would still cover the costs of the event.

Indicative Cost: £500 per event
Income Potential: £500 - £1,000 per event
Figures taken from actual events that happen around the country.



FARMERS AND LOCAL PRODUCE MARKETS

In order for farmers markets to succeed, a group of traders must be found who will commit to returning for monthly or quarterly events for a set period of time. One farmers market a month throughout the summer months (May-September) or one day every quarter would be a good initial starting point, utilising vacant stall space.

This would need extensive promotion, utilising more print-based advertising to attract an older demographic.

Farmers markets are relatively low-cost to operate, expenditure coming primarily from staff time setting up and overseeing the event. Laid-back, acoustic music can complement a farmers market, so a PA system might also need to be factored in. Advertising and promotion would be the most expensive element to the market, but is crucial to ensuring the event succeeds.

Stall rents would have to be low, meaning that for the first year or so, the market would likely operate at break-even. This will primarily be due to a proportionally high advertising spend, although with close

collaboration with the Council and BID, their networks can be utilised.

Indicative Cost: £200 per event

Income Potential: £200 per event

Figures taken from actual events that happen around the country.



CRAFT AND SPECIALITY MARKETS

Finding craft and speciality market traders can be difficult, and need to be a special treat rather than a frequent event. For this reason quarterly craft and makers markets would be the way to start, increasing frequency if there proves to be demand and available traders.

These could take place on usually vacant stalls, welcoming traders from All Saints Garden Market as well as new traders to

increase awareness as footfall to support the traders in the Market Square. If popular this may also remove the requirement to pay for the space currently rented for Craft Markets.

Timing these in the run-up to key events when people are looking for unique gifts will give them the best chance of success (November, February, May, August) as this will hit the Christmas period and the run up to Mothering Sunday.

Stall rents would need to be very low to attract traders, in the region of £10 a table, although expenses would be minimal. When recruiting traders, local craft communities should be actively approached to see if they would like to be involved. Heavy promotion would be required to make sure the event is attended.

Indicative Cost: £100 per event

Income Potential: £150 per event



OTHER THEMED MARKET CONCEPTS

The suggestions explored above are key event markets which will attract a wide spectrum of local residents and kick-start the market if implemented correctly.

There are also options for a wider variety of themed markets which can sit alongside the regular market using otherwise vacant space and provide an additional draw. Some concepts include:

- Beer Festival
- Antiques Market
- Cambridge Heritage Market
- Vintage Market
- Record and Vinyl
- Made in Cambridge - featuring local makers, crafts and fresh produce.
- Young Traders Markets
- Art Market
- Affordable Art Market - An art market with a twist; an upper limit (£100) is set on all artwork, with something to suit every budget.
- Eco-Friendly Fair- Variety of environmentally friendly soaps, cleaning products, hemp products, sustainable clothing, reusable bags, cups etc
- Vegan Festival- Combining street food, food produce and animal-free products into one event
- Gin Festival

- Beer Festival
- Antiques Market
- Cambridge Heritage Market



6. THE IMPACT OF CORONAVIRUS

As the longer-term impacts of Covid-19 begin to emerge, a key trend is a return to localism and the increasing use of town centres as commuters spend less time in city centres.

Before Covid, the casual dining sector (non-restaurant based, multi-tenanted food outlets with communal seating) was bucking national trends with sustained growth, and industry consensus is that as social distancing measures are eventually reduced, the demand for street food, casual dining and experiential shopping will be greater than ever.

Consumers have had a sustained period to reflect on what is important to them, with localism, community and sustainability considered key elements to recovery.

There has been a move towards local, independent merchants, with agile retailers and hospitality businesses diversifying to include delivery and online shopping in their business models. Open-air markets have provided shopping environments in which people feel safer than supermarkets, with food supply chains holding up due to the close relationships between supplier and vendor, compared to the

widespread shortages seen in supermarkets during the early stages of the pandemic.

Having lived through travel restrictions, people are turning to their local outlets, and will look to continue to support local merchants if the convenience factor allows them.

Economic instability and the potential of recession will make the retail market difficult in the coming months and years, with vacant retail space growing as big brand retailers reduce their high-street presence and customers have less disposable income.

This will inevitably result in an increase in town centre vacancies, putting renewed importance on the development of chains of incubation in which small and aspiring businesses are able to test their ideas, develop their businesses and ultimately take on premises. Business support and low-barriers to entry for new businesses are vitally important, and markets need to supply this.

A sadly growing number of redundancies across the country and an unstable job market creates the conditions in which increasing amount of people will be looking to work for themselves, sometimes with redundancy payouts to fund a new start-up.

This was responsible for the boom in Northern markets in the 1980's following mining

redundancies, and provides strong opportunities for low-barrier-to-entry propositions such as markets to act as catalysts for local regeneration and recovery.

It is more important than ever to create a desirable offer which places the customer experience at its heart in order to capture consumer spend, with investment decisions made now needing to look at the mid and long term future. Resilience and flexibility alongside an in-depth understanding of your customer base will be the key to successful developments.

2020 has caused many to rethink their lives, with a greater premium placed on social experiences and the importance of local connections. Markets need to capitalise on these, becoming community hubs to provide retail, social, leisure and community value.



SECTION 2: OUTLINE BUSINESS CASE

1. INTRODUCTION AND METHODOLOGY

The following section provides an outline assessment of the case for financial investment in the proposed concept design.

It is based on data provided by Cambridge City Council, including historical data and projected budgets.

Where information has not been able to be provided, in particular the breakdown of traders by Street Food / Retail stalls, Premium / Standard stalls and Permanent / Casual traders, best guess assumptions have been made on the data available.

The assessment starts with benchmarking current trading forecasts in a 'Do-Nothing' no-intervention scenario by undertaking linear trend analysis on historical occupancy data to forecast future occupancy levels and revenue.

For the purposes of this analysis, the 2020/21 trading year has been included as a continuation of historic trends, rather than

using actuals due to the impact of Coronavirus and lack of available data.

Expenditure levels have been assumed to remain static with no intervention or fundamental change in operations. They are forecast to increase year-on-year as a function of CPI increases.

This resulted in a 'Do-Nothing' trading position which shows a strong rationale for financial investment.

An outline Business Case was then produced for investment in the proposed concept design development ('Preferred Option' intervention scenario), which is based on new operational management initiatives, forecast occupancy levels on an improved market and a diversified income model through a wider range of use in the space.

Comparisons were undertaken between the 'Do-Nothing' and the Preferred Option scenario to demonstrate the return on investment and Land Value Uplift.

Quantity surveyor estimates regarding the capital costs of the project were then incorporated to develop recommendations for investment strategies.

2. HISTORICAL OCCUPANCY AND TREND ANALYSIS

Occupancy trends from April 2017 to March 2020 were analysed. Saturday was the busiest day, with Mondays and Tuesdays reflecting the lowest occupancy levels.

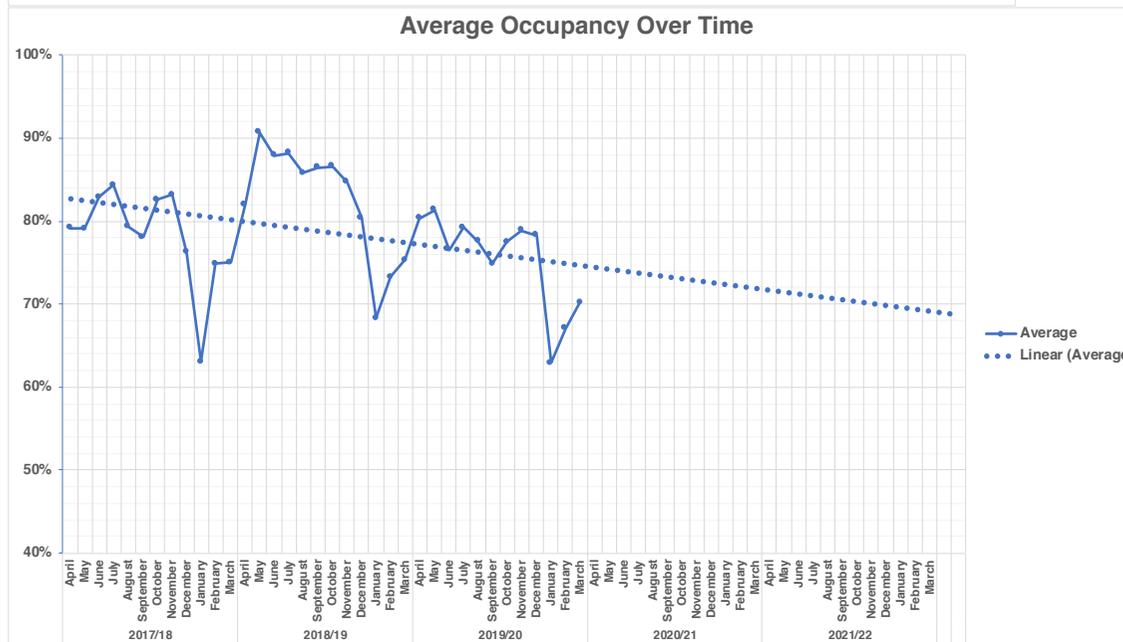
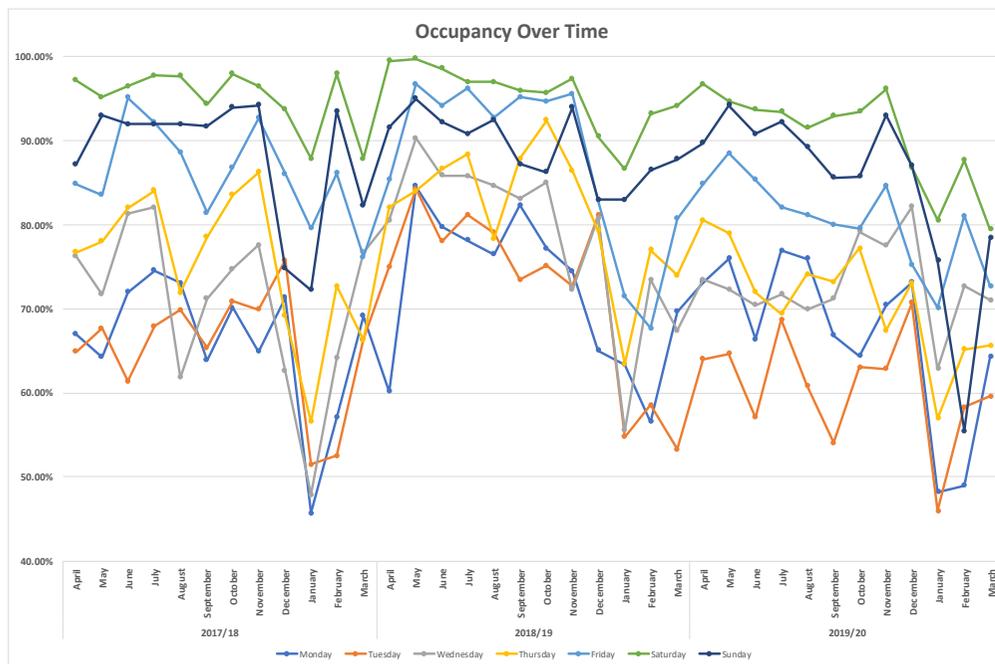
The summer months see increases in occupancy, which is reduced over winter but peaks again in December for Christmas trade. There is a significant dip in January every year, which is reflective of the industry norm.

Average weekly occupancy was calculated, and linear trend analysis undertaken to project trend lines through until March 2022.

This forecasts an annual drop of 3% in occupancy, which is the end result of areas highlighted within Section 1 of this report, but is also a decline that is seen on other markets around the UK that are based around a traditional, outdated marketing and management system.

N.B. This is expected to be more substantial in the 2020/21 trading year due to Coronavirus, but no data has been provided and the Do-Nothing Scenario has been formulated on the basis of trends.

Private and Confidential



3. NO-INTERVENTION SCENARIO

A No-Intervention Scenario has been forecast using the Trend Analysis from historical occupancy.

Maximum income potential has been calculated using 2019/20 levels as a baseline and increased in line with an annual CPI of 2.5%. Projected occupancy percentage has then been applied to determine year-on-year income potential based on the trend analysis figure.

Expenditure savings were made between 2017/18 and 2019/20. There is limited scope to further reduce operational expenditure, so 2019/20 levels have been used as a baseline increasing year-on-year in line with an annual CPI of 2.5%.

‘Recharge Income’ from other departments to the Market department has been excluded as it is under review and will likely not provide an income for the Market as Local Authority budgets become more limited as a result of the pandemic.

This results in a compounding annual decrease in profit, exceeding a 10% year-on-year loss as a result of declining income and expenditure increasing in line with inflation.

Although the market remains profitable over the next five years, there is a strong rationale for intervention to preserve the financial viability of the market, whilst also increasing social and economic value.

Year	Income	Expenditure	Do-Nothing Balance	Annual Change
2017/18 Actual	£912,090	£491,233	£420,857	
2018/19 Actual	£930,733	£532,272	£398,461	-5.32%
2019/20 Actual	£910,862	£537,591	£373,272	-6.32%
2020/21 Projected	£877,764	£551,030	£326,734	-12.47%
2021/22 Projected	£862,424	£564,806	£297,618	-8.91%
2022/23 Projected	£845,769	£578,926	£266,843	-10.34%
2023/24 Projected	£827,742	£593,399	£234,343	-12.18%
2024/25 Projected	£808,285	£608,234	£200,051	-14.63%
2025/25 Projected	£787,338	£623,440	£163,898	-18.07%

4. PREFERRED OPTION SCENARIO BUSINESS CASE

Investing in the proposed Market Square Project will achieve several key goals, notably creating a financially sustainable market suitable for 21st century trading, creating increased social value through the diversification of use, offering a flexible community outdoors space in the heart of the city centre and discourages anti-social behaviour.

Footfall increases as a result of these objectives will deliver economic uplift to current market traders, future market traders, and surrounding businesses through a halo effect.

The following table provides an outline business case for investment. The case is based on the assumption that additional staffing capacity is in place to deliver operational improvements outlined in Section 1 of this report, (Markets Officer £26k p.a.) including allowance for provision towards events organisation (£15k p.a.) to deliver weekly and speciality event-markets

such as street food evenings throughout summer.

Occupancy has been forecast based on realistic uplift from existing occupancy as a result of more desirable trading premises and wider provision of services.

This occupancy uplift has been maintained below 10% of the three-year average, although this could realistically be greater (in the 15-25% range). Income has increased year on year by a CPI of 2.5%, although there are could be additional income uplift opportunities from a maturing events programme.

Expenditure has been forecast in line with existing budgets to retain recharge levels to other Council departments, with uplift in the cost of utility and waste disposal, staffing and marketing and events as per the recommendations in Section 1 in order to achieve the project objectives.

The outline business case shows the balance / operating surplus (Income - Expenditure = Balance) increases year on year with income and expenditure increasing in line with 2.5% inflation, although there is potential for a maturing events programme to deliver a

higher level of annual increase than has been included in this business case.

The business case will deliver improved services, whilst generating a greater annual surplus, leading to an uplift of over £326k over five years. Profits generated by the Market will also support other public services supplied by the Council through income generation.

Optimism bias and risk have been incorporated through a 2% contingency for expenditure over and beyond projected budgets and an income forecast based on 50 weeks trading, rather than 52 weeks, along with conservative occupancy estimates within a 10% increase.

Year	Income	Expenditure	Balance	Do Nothing Balance	Difference	% Difference
Year 1	£941,278	£657,951	£283,327	£297,618	-£14,292	-4.80%
Year 2	£964,809	£674,400	£290,410	£266,843	£23,567	8.83%
Year 3	£988,930	£691,260	£297,670	£234,343	£63,327	27.02%
Year 4	£1,013,653	£708,541	£305,112	£200,051	£105,061	52.52%
Year 5	£1,038,994	£726,255	£312,739	£163,898	£148,841	90.81%
TOTAL	£4,947,664	£3,458,407	£1,489,257	£1,162,753	£326,504	28.08%

Business Case for Preferred Option Scenario forecast against Do-Nothing Scenario.

5. INVESTMENT CASE

MACE Consultants have produced an order of cost estimate for the proposed concept designs produced by LDA, incorporating different material and construction options for the bespoke stalls. These estimate range from a capital cost of £4.47 million to £4.96 million.

Each scheme has the same layout footprint, and is considered to have the same business case outlined in Section 4: Preferred Option Scenario Business Case. These pricing options reflect the final options laid out in the LAP report.

The Annual Return On Investment (ROI) for these schemes ranges from 5.71% to 6.34%, which would not be considered a commercial case for borrowing the initial capital, as repayments would reduce profits from the market operation against a 'Do-Nothing' scenario.

Annual borrowing repayments would range from £256k to £284k, meaning trading

surplus after capital loan repayments would sit below £30k per annum.

If investment is secured through borrowing, value engineering exercises would need to be carried out to reduce the cost of the development and reduce initial borrowing.

A capital cost of between £2.5m and £2.75m would deliver 10% annual ROI, while delivering trading surpluses in excess of £125k per annum after capital repayments. In a scenario in which investment is secured through borrowing, this is the capital value the scheme should look to meet. Borrowing of £3m would deliver £100k surplus per annum.

Although feasible, capital borrowing would reduce income at a time when budgets will be under pressure from medium and long term impacts of Coronavirus.

The proposed scheme will deliver strong Social Value Uplift, Land-Value Uplift and economic opportunities, with an expected preferential benefit cost ratio. This makes it a

strong candidate for Grant Funding based on Green Book Assessment criteria¹, and capital funding should be sought through regional and national funding schemes.

Potential benefits include job creation, reduced ASB, a more animated city centre, and higher footfall. By enlivening the evening and night-time, wider economic benefits are delivered through attracting a new audience into the city centre which will benefit surrounding pubs, bars and restaurants.

More work would need to be undertaken to assess the scheme in line with the Green Book Five Case model to make a funding application.

If grant funding cannot be secured to cover the full value of the project, this could be topped up with Capital Borrowing. Funding options would need to be explored as a further piece of work, but initial options include LEP funding, Heritage Funding, Lottery Funding and Arts Council funding.

¹ The Green Book: CENTRAL GOVERNMENT GUIDANCE ON APPRAISAL AND EVALUATION - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/938046/The_Green_Book_2020.pdf

6. SUMMARY

Although Cambridge Market is currently delivering strong profit, it has experienced an annual occupancy decline of 3% per year based on linear trend analysis. Expenditure has continued to rise due to inflation and adjusted inter-departmental recharges. This excludes the 2020/21 financial year which will see a significant loss of income associated with the impact of the Coronavirus pandemic.

This income decline will likely accelerate over time in a positive feedback cycle, and intervention is required to deliver the aims of this project and secure financial viability. When traders begin to leave the market without being quickly replaced, this tends to accelerate other traders leaving the market as footfall drops.

The short-term impacts of Coronavirus will exacerbate this problem, but have been excluded from these calculations. Some traders may see this as the ideal time to retire or move into discounted shop units.

By investing in the market, improving operational management and staffing levels, delivering events and activities and

diversifying operations to monetise the space in the evenings as well as the day times, the market could achieve 190% uplift in income in Year 5 compared to a no-intervention scenario as a result improved occupancy and increased trading activities.

There is a strong economic rationale for undertaking improvements to the Market Square, whilst also supporting the delivery of enhanced social value through the provision of a flexible outdoor space which would become the heart of civic life in Cambridge and host a variety of events and animation.

The current quotes for the project all sit in excess of £4.47 million however, meaning borrowing the Capital cost is not in the interest of the Local Authority. Capital repayments would eradicate annual surpluses, at what is anticipated to be a critical time for Local Authority budgets.

Grant funding should be sought, as the proposed scheme is in a position to deliver a strong case to demonstrate high social and economic value uplift across a Five Case Model in line with Green Book Evaluation guidelines.

Detailed work would need to be undertaken to develop a Five-Case model and make applications for Grant funding through regional and national schemes.

Value-engineering should be undertaken to reduce the capital cost of the scheme to ensure the benefit cost ratio is sufficient to meet selection criteria to secure grant funding.

If borrowing is to be pursued, as a sole funding stream the total repayable cost should be up to £2.75 million. This is the threshold which will deliver over 10% annual ROI whilst also delivering an annual surplus in excess of £125k, taking into account both Interest and Principal repayments.

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