



**Gloucester
City Council**

Cabinet

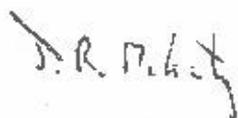
Meeting: Wednesday, 9th May 2018 at 6.00 pm in Civic Suite, North Warehouse, The Docks, Gloucester, GL1 2EP

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| Membership: | Cllrs. James (Leader of the Council and Cabinet Member for Regeneration and Economy) (Chair), Watkins (Deputy Leader and Cabinet Member for Communities and Neighbourhoods), Noakes (Cabinet Member for Culture and Leisure), D. Norman (Cabinet Member for Performance and Resources), Organ (Cabinet Member for Housing and Planning) and Cook (Cabinet Member for Environment) |
| Contact: | Democratic and Electoral Services 01452 396126 democratic.services@gloucester.gov.uk |

AGENDA

| | |
|-----------|--|
| 1. | APOLOGIES To receive any apologies for absence. |
| 2. | DECLARATIONS OF INTEREST To receive from Members, declarations of the existence of any disclosable pecuniary, or non-pecuniary, interests and the nature of those interests in relation to any agenda item. Please see Agenda Notes. |
| 3. | MINUTES (Pages 5 - 10) To approve as a correct record the minutes of the meeting held on 11 th April 2018. |
| 4. | PUBLIC QUESTION TIME (15 MINUTES) The opportunity is given to members of the public to put questions to Cabinet Members or Committee Chairs provided that a question does not relate to: <ul style="list-style-type: none"> • Matters which are the subject of current or pending legal proceedings, or • Matters relating to employees or former employees of the Council or comments in respect of individual Council Officers |
| 5. | PETITIONS AND DEPUTATIONS (15 MINUTES) To receive any petitions or deputations provided that no such petition or deputation is in relation to: <ul style="list-style-type: none"> • Matters relating to individual Council Officers, or • Matters relating to current or pending legal proceedings |

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|------------------|---|
| <p>6.</p> | <p>LEADER AND CABINET MEMBERS' QUESTION TIME (15 MINUTES)</p> <p>Any Member of the Council may ask the Leader of the Council or any Cabinet Member any question without prior notice, upon:</p> <ul style="list-style-type: none"> • Any matter relating to the Council's administration • Any matter relating to any report of the Cabinet appearing on the summons • A matter coming within their portfolio of responsibilities <p>Only one supplementary question is allowed per question.</p> |
| <p>7.</p> | <p>INTRODUCTION OF CIVIL PENALTIES TO TACKLE UNSATISFACTORY HOUSING CONDITIONS WITHIN THE PRIVATE RENTED HOUSING SECTOR (Pages 11 - 16)</p> <p>To consider the report of the Cabinet Member for Housing and Planning outlining how the council intends to implement new enforcement powers provided in the Housing & Planning Act 2016, including the use of civil penalties for private sector housing offences and other regulatory functions.</p> |
| <p>8.</p> | <p>PLANNED IMPROVEMENTS TO MANAGE DEMAND FOR TEMPORARY ACCOMMODATION (Pages 17 - 24)</p> <p>To consider the report of the Cabinet Member for Housing and Planning outlining plans to manage the demand for temporary accommodation that include operational service improvements, the development of incentives to access the private rented sector, more flexible use of Discretionary Housing Payment (DHP) and the acquisition of property for temporary housing.</p> |
| <p>9.</p> | <p>CITY MARKETS SERVICE (Pages 25 - 32)</p> <p>To consider the report of the Cabinet Member for Regeneration and Economy presenting options for the future operation of the City's Markets Service and seeking to authorise the Corporate Director to commence a procurement exercise to secure an external operator to manage and operate appropriate elements of the existing service.</p> |



Jon McGinty
Managing Director

Date of Publication: Tuesday, 1 May 2018

NOTES

Disclosable Pecuniary Interests

The duties to register, disclose and not to participate in respect of any matter in which a member has a Disclosable Pecuniary Interest are set out in Chapter 7 of the Localism Act 2011.

Disclosable pecuniary interests are defined in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 as follows –

| <u>Interest</u> | <u>Prescribed description</u> |
|---|---|
| Employment, office, trade, profession or vocation | Any employment, office, trade, profession or vocation carried on for profit or gain. |
| Sponsorship | Any payment or provision of any other financial benefit (other than from the Council) made or provided within the previous 12 months (up to and including the date of notification of the interest) in respect of any expenses incurred by you carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992. |
| Contracts | Any contract which is made between you, your spouse or civil partner or person with whom you are living as a spouse or civil partner (or a body in which you or they have a beneficial interest) and the Council (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged |
| Land | Any beneficial interest in land which is within the Council's area. For this purpose "land" includes an easement, servitude, interest or right in or over land which does not carry with it a right for you, your spouse, civil partner or person with whom you are living as a spouse or civil partner (alone or jointly with another) to occupy the land or to receive income. |
| Licences | Any licence (alone or jointly with others) to occupy land in the Council's area for a month or longer. |
| Corporate tenancies | Any tenancy where (to your knowledge) – (a) the landlord is the Council; and (b) the tenant is a body in which you, your spouse or civil partner or a person you are living with as a spouse or civil partner has a beneficial interest |
| Securities | Any beneficial interest in securities of a body where – (a) that body (to your knowledge) has a place of business or land in the Council's area and (b) either – i. The total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or ii. If the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, your spouse or civil partner or person with |

whom you are living as a spouse or civil partner has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

For this purpose, "securities" means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

NOTE: the requirements in respect of the registration and disclosure of Disclosable Pecuniary Interests and withdrawing from participating in respect of any matter where you have a Disclosable Pecuniary Interest apply to your interests and those of your spouse or civil partner or person with whom you are living as a spouse or civil partner where you are aware of their interest.

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Any recording must take place in such a way as to ensure that the view of Councillors, Officers, the Public and Press is not obstructed. The use of flash photography and/or additional lighting will not be allowed unless this has been discussed and agreed in advance of the meeting.

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- You should proceed calmly; do not run and do not use the lifts;
- Do not stop to collect personal belongings;
- Once you are outside, please do not wait immediately next to the building; gather at the assembly point in the car park and await further instructions;
- Do not re-enter the building until told by a member of staff or the fire brigade that it is safe to do so.



CABINET

MEETING : Wednesday, 11th April 2018

PRESENT : Cllrs. James (Chair), Noakes, D. Norman and Organ

Others in Attendance

Cllrs Hilton, Pullen, Haigh and Coole
Managing Director
Corporate Director (Service Transformation)
Corporate Director (Partnership Working)
Head of Place
Solicitor
Communications Business Advisor
Property Commissioning Manager
Townscape Heritage Officer
Democratic Services and Elections Officer

APOLOGIES : Cllrs. Watkins and Cook

111. DECLARATIONS OF INTEREST

There were no declarations of interest.

112. MINUTES

That the minutes of the meeting held on 7th March 2018 be confirmed as a correct record and signed by the Chair.

113. PUBLIC QUESTION TIME (15 MINUTES)

A member of the public referred to the question he asked at the meeting held on 7th March 2018 concerning the treatment of homeless people and enquired when the detailed reply will be received. The Cabinet Member for Regeneration and Economy responded that he will pursue the matter and ensure that the full reply is sent. The questioner raised matter of the implementation of Public Space Protection Orders (PSPOs) in Gloucester and asked if there was a system to ensure public monitoring and no conflicts of interest. The Cabinet Member for Regeneration and Economy and Cabinet Member for Communities and Neighbourhoods jointly replied that any proposal to introduce PSPOs in the city had not yet been considered by Council but that all points will be examined should it be.

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A member of the public reminded Members of the published reduction in homelessness people registered in Gloucester during 2017 and asked that they inform the public how many had taken advantage of the Night Shelter that opened for the period January to March 2018. The Corporate Director (Partnership Working) stated that as the Council did not manage the Night Shelter this information was not available to it; however the number of referrals made by the Council would be provided.

114. PETITIONS AND DEPUTATIONS (15 MINUTES)

There were no petitions or deputations.

115. LEADER AND CABINET MEMBERS' QUESTION TIME (15 MINUTES)

In relation to agenda item 8 (City Centre Action Plan Review) Cllr Hilton drew Members' attention to Aim 3 Objective 1 (Promote Bus Links between the Quays and City Centre) which remarked on a future land train trial having been discussed and asked if Council money would be used in such a trial. The Cabinet Member for Regeneration and Economy responded that there were no plans for a land train trial and that if any were proposed then it would be a matter for partners and not involve Council money.

Concerning agenda item 11 (Gloucester City Homes Governance Structure and Rule Amendment) Cllr Hilton noted that a reduction in the Council's shareholding voting rights and representation on the Board was proposed and asked if Council's nominees to the Board would be required to be serving Councillors. The Cabinet Member for Regeneration and Economy answered that this would not be the case and that nominees would still be selected according to the skills they can contribute. The Cabinet Member for Housing and Planning confirmed that the reduction in Council influence was a national requirement for every Registered Provider of Social Housing (RP). Cllr Hilton enquired if de-registration had been considered. The Cabinet Member for Housing and Planning stated that this was a matter for Gloucester City Homes. He further observed that remaining an RP bestowed a range of advantages.

Regarding agenda item 10 (Provision of Communications Services) Cllr Hilton sought assurance that the proposed agreement to delegate communications functions to the County Council was reversible if necessary. The Cabinet Member for Performance and Resources emphasised the importance of monitoring progress and gave assurance that he was comfortable with the review process contained in Schedule 2 of the agreement. The Managing Director confirmed that the agreement had the facility to be terminated.

In relation to agenda item 10 Cllr Coole asked if only Cabinet Members would be supported as a matter of course under the proposed communications agreement and what support would be available to other Elected Members with Council responsibilities. The Cabinet Member for Performance and Resources thanked Cllr Coole for raising the issue and gave assurance that it would be pursued and he would be kept informed.

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Cllr Haigh, having observed that the Council's website and information booklet had not been revised to reflect the implementation of the Homelessness Reduction Act 2017, enquired if the training of front-line staff dealing with homelessness was up to date. The Cabinet Member for Housing and Planning confirmed that training was on-going if not completed and stated that the website and booklet issues would be addressed.

116. ROBINSWOOD HILL VISITOR CENTRE

Cabinet considered the report of the Cabinet Member for Housing and Planning that updated them on the progress of the Visitor Centre project at Robinswood Hill and sought approval for part funding.

The Cabinet Member for Housing and Planning reminded Members of the importance and uniqueness of Robinswood Hill as an asset to the city and the years of partnership between the Council and Gloucestershire Wildlife Trust to improve facilities at the site.

RESOLVED that:

- (1) £200,000 be allocated to help fund a visitor centre at Robinswood Hill;
- (2) Gloucester City Council enters into appropriate funding and legal agreements with Gloucestershire Wildlife Trust to deliver the scheme on terms agreed by the Head of Place.

117. CITY CENTRE ACTION PLAN REVIEW

Cabinet considered the report of the Cabinet Member for Regeneration and Economy that presented the annual update of progress on the delivery of the City Centre Action Plan 2016 - 2019.

The Cabinet Member for Regeneration and Economy highlighted the ongoing redevelopment and investment undertaken in the city and informed Members that a refreshed action plan would be presented in due course. The Cabinet Member for Housing and Planning welcomed the progress made and steps to measure its impact but warned against complacency. The Cabinet Member for Culture and Leisure clarified paragraph 5.4 by indicating that the renewed Public Art Strategy was expected in June 2018.

RESOLVED that:

- (1) progress with delivery of the City Centre Action Plan as set out in the report be noted
- (2) the proposal for a refresh to the City Centre Action Plan be approved

118. LOCAL GOVERNMENT ASSOCIATION CORPORATE PEER CHALLENGE

Cabinet considered the report of the Leader of the Council that presented the feedback report and Council response to the Corporate Peer Challenge undertaken

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by a team of Local Government Association officers and member peers in November 2017.

The Cabinet Member for Regeneration and Economy welcomed the improvement noted and constructive recommendations offered in the report. The Cabinet Member for Performance and Resources drew Members' attention to the Action Plan and the challenge of maintaining and building on the success.

RESOLVED that:

- (1) The feedback report of the Corporate Peer Challenge be welcomed
- (2) The feedback report be shared with members, officers and partners who were involved in the peer challenge and be made available to the public via the council's website
- (3) The Council's response to the recommendations in the feedback report be approved

119. PROVISION OF COMMUNICATIONS SERVICES

Cabinet considered the report of the Cabinet Member for Performance and Resources that sought approval to delegate the Council's communications function to Gloucestershire County Council in accordance with s101 of the Local Government Act 1972.

The Cabinet Member for Performance and Resources summarised the key elements of the report and highlighted the need to provide support to Elected Members. The Cabinet Member for Regeneration and Economy commented that the Council's limited resources must be used wisely. He reiterated the need to support all members and stated that this matter would be raised with officers and clarified.

RESOLVED that the City Council delegates its communications function to Gloucestershire County Council in accordance with s101 of the Local Government Act 1972 and authorises the Corporate Director to enter into an appropriate agreement on terms approved by the Council Solicitor.

120. GLOUCESTER CITY HOMES GOVERNANCE STRUCTURE AND RULE AMENDMENT

Cabinet considered the report of the Cabinet Member for Housing and Planning that sought approval to amend the Rules of Gloucester City Homes (GCH).

The Cabinet Member for Housing and Planning placed the report into a national context and highlighted the requirement to reduce Council influence on the GCH Board.

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RESOLVED:

- (1) That the GCH Rule amendments as set out in Appendix 2 be approved; and
- (2) It is noted that the GCH Rule amendments will then be approved by the council shareholder representative through a written special resolution prior to the changes in legislation in May 2018.

121. EXCLUSION OF PRESS AND PUBLIC

RESOLVED that the press and public be excluded from the meeting during the following item of business (Agenda items 13, 14, 15) on the grounds that it is likely, in the view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public are present during consideration of these items there will be disclosure to them of exempt information as defined in Schedule 12A of the Local Government Act 1972 as amended.

122. SHARED ARRANGEMENTS IN DEVELOPMENT MANAGEMENT

Cabinet considered the report of the Cabinet Member for Housing and Planning that concerned shared arrangements in the planning service.

RESOLVED as per the recommendations in the confidential report.

123. DISPOSAL OF THE REMAINDER OF THE BARBICAN SITE

Cabinet considered the report of the Cabinet Member for Regeneration and Economy that concerned the disposal of the remainder of the Barbican site.

RESOLVED as per the recommendations in the confidential report.

124. REPAIRS NOTICE

Cabinet considered the report of the Cabinet Member for Regeneration and Economy that concerned the serving of a Repairs Notice.

RESOLVED as per the recommendations in the confidential report.

Time of commencement: 6.00 pm

Time of conclusion: 6.50 pm

Chair

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| Meeting: | Cabinet | Date: | 9th May 2018 |
| Subject: | Introduction of Civil Penalties to tackle Unsatisfactory Housing Conditions within the Private Rented Housing Sector | | |
| Report Of: | Cabinet Member for Housing & Planning | | |
| Wards Affected: | All | | |
| Key Decision: | No | Budget/Policy Framework: | No |
| Contact Officer: | Lloyd Griffiths – Head of Communities | | |
| | Email: | lloyd.griffiths@gloucester.gov.uk | Tel: |
| | | | 39(6355) |
| Appendices: | None | | |

FOR GENERAL RELEASE

1.0 Purpose of Report

1.1 This report outlines how the council intends to implement new enforcement powers provided in the Housing & Planning Act 2016, including the use of civil penalties for private sector housing offences and other regulatory functions.

2.0 Recommendations

2.1 CABINET is asked to **RESOLVE** that:

- (1) The new enforcement powers contained within the Housing Act 2004, as amended by the Housing & Planning Act 2016, be adopted;
- (2) Note that the new enforcement powers will enable the council to serve notices imposing civil penalties of up to a maximum of £30,000 in respect of a range of housing offences, and
- (3) Delegated authority be provided to the Head of Communities, in consultation with the Cabinet Member for Housing & Planning and the Council Solicitor to develop and implement a detailed Policy & Procedure in respect of the imposition of Civil Penalties

3.0 Background and Key Issues

3.1 The Housing & Planning Act 2016, which amended parts of the Housing Act 2004, came into force in England & Wales during 2017 and introduced a range of new measures to tackle rogue landlords including –

- Civil penalties (Fixed Penalty Notices) of up to £30,000 as an alternative to prosecution for certain specified offences,
- Database of rogue landlords and property agents, and

- Banning Orders for the most serious and prolific offenders
 - Additional grounds to apply for rent repayment orders (RRO) under the Housing Act 2004
- 3.2 The purpose of this new legislation is to provide Local Housing Authorities with alternative & practical enforcement options for non compliance as opposed to the traditional route of taking prosecutions through the court system. Processing prosecutions are both time consuming and expensive and although these new provisions do not replace the option for prosecution, it is expected that prosecution would only be taken in the most serious of cases, for repeat offenders or for those who fail to engage with the council.
- 3.3 New civil penalty provisions can be used for the following housing offences –
- Failing to comply with an improvement notice;
 - Failure to comply with Houses in Multiple Occupation (HMO) management regulations;
 - Offences in relation to licensing an HMO;
 - Non-compliance with an overcrowding notice, and
 - Breaching a banning order
- 3.4 New measures also allow a Local Authority to apply for a Banning Order which can be sought in a First Tier Property Tribunal (FTPT), if a person has been convicted of a banning order offence. A banning order offence is still to be defined by the Secretary of State. A banning order once imposed will prevent any person subject to a ban from letting housing, engaging in letting agency or management work and from holding a HMO property license in England for a minimum 12 month period. The penalty for breaching a Banning Order, upon summary conviction, is either a fine, or possible imprisonment not exceeding 51 weeks, or both. However the council may as an alternative to prosecution impose a civil penalty of up to £30,000 if it decides beyond all reasonable doubt that a banning order has been breached
- 3.5 The Housing Act 2004 introduced Rent Repayment Orders (RRO) to recover Housing Benefit/Universal Credit that was paid to landlords convicted of running unlicensed properties. The new legislation introduces an obligation upon councils to consider following conviction for certain offences whether to apply for an RRO, for offences which include –
- Using violence for securing entry
 - Eviction or harassment of occupiers
 - Failure to comply with an improvement notice
 - Failure to comply with a prohibition notice
 - Failure to license or be licensed in respect of an HMO
 - Failure to license or be licensed in respect of Selective Licensing Scheme
 - Breach of a Banning Order
- 3.6 The Secretary of State has introduced a Rogue Landlord and property agents database, which enables council's to record certain information about, and target enforcement action against any landlord or property agent who has received a

banning order, been convicted of a banning order offence, or has received 2 or more civil penalties over a 12 month period. The new legislation requires council's to update the database with such information.

3.7 Those persons who receive notice of a civil penalty can appeal it to the First-Tier Property Tribunal both in respect of the decision to issue any civil penalty and in respect of the amount imposed. It is therefore important that the council in setting its policy and procedures does so in accordance with relevant guidance and legislative provisions. Civil penalties must meet the criminal standard of proof 'beyond reasonable doubt', the same as that used for prosecution cases.

3.8 Subject to approval of the report, implementing these new enforcement powers will reinforce the council's stance on those landlords who do not comply with statutory obligations and place their tenants at risk. The intention is that these new powers will have a positive impact on landlords.

4.0 Asset Based Community Development (ABCD) Considerations

4.1 Not applicable to this report

5.0 Alternative Options Considered

5.1 The alternative option of not adopting the new powers set out within this report would result in officers continuing to try and manage poor housing conditions in a manner that is time consuming and expensive and would not enable the council to be as effective as it could be in trying to protect the interests of residents.

6.0 Reasons for Recommendations

6.1 Subject to approval of the report, implementing these new enforcement powers will reinforce the council's stance on those landlords who do not comply with statutory obligations and place their tenants at risk.

6.2 The intention is that these new powers will have a positive impact by bringing about further changes in landlord behaviour where current enforcement powers are not as effective in some cases.

6.3 The new powers would allow the council to deliver swifter action against landlords and enable financial penalties to be received directly by the council and retained in order to re-invest in the Housing Service for the benefit of our private tenants.

7.0 Future Work and Conclusions

7.1 Subject to approval, the council's policy that is proposed will be further developed in consultation with the Cabinet Member for Housing & Planning and the Council's Solicitor. This will include a matrix to be used as a guide by enforcement officers to set the civil penalty at an appropriate level based upon individual case circumstances. Such a matrix will be used to ensure transparency and aid consistency of decision making.

8.0 Financial Implications

- 8.1 It is difficult to forecast the council's ability to levy civil penalties as this is dependant on the level of compliance by landlords. In 2016/2017 the Council undertook several successful prosecutions and if 80% of those had been pursued by way of civil penalties then gross income would be in the region of £10,000.
- 8.2 There will be additional costs in processing the civil penalty paperwork, responding to any representations and then defending appeals. It is anticipated however that these additional costs will be met through the additional income generated through levying civil penalties.
- 8.3 The Government has indicated that the income from civil penalties can be retained by council's and must be used to further its statutory work in relation to the private rented housing sector. With this additional income and with the increase in the number licensable HMOs as a result of it may become financially viable to increase the number of Housing Officers and other supporting services to provide a greater deterrent to non-compliant landlords, thus improving the safety and wellbeing of our residents.

(Financial Services have been consulted in respect of this Report)

9.0 Legal Implications

- 9.1 The provisions contained in the Housing and Planning Act 2016 are designed to prevent Landlords renting out unsafe and substandard accommodation. Enforcement is to be carried out by local authorities.
- 9.2 The provisions relating to the civil financial penalty and rent repayment orders have been in force since 6 April 2017 and allow the Council to commence enforcement action immediately. The Department for Communities and Local Government has published useful guidance in relation to these powers which should be referred to when utilising these powers and formulating policy.
- 9.3 Banning Orders are subject to the provisions of the Housing and Planning Act 2016 (Banning Order Offences) regulations 2018, and again the Department for Communities and Local Government has published guidance which should be referred to. The provisions requiring local authorities to contribute to a Government database of rogue Landlords came into force on 6 April 2018 and the Act states what information should be kept and maintained on the database which will assist local authorities should enforcement become necessary.
- 9.4 It will be necessary for the Council to create a policy and procedure for dealing with offences under the Act, ensuring each case is considered on its own merits bearing in mind current guidance and in accordance with the Council's enforcement policy.

(One Legal have been consulted in respect of this Report)

10.0 Risk & Opportunity Management Implications

10.1 There are very few if any risks associated with what is being proposed as part of this report. The opportunities from procuring a new fleet of business vehicles however are many and include –

11.0 People Impact Assessment (PIA):

The PIA screening stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

12.0 Other Corporate Implications

12.1 Sustainability

There are no sustainability implications associated with this report

12.2 Staffing & Trade Union

There are no staffing and trade union implications associated with this report

12.3 Safeguarding

There are no safeguarding issues associated with this report

Background Documents: None

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|-------------------------|--|---------------------------------|--------------------------------|
| Meeting: | Cabinet | Date: | 9th May 2018 |
| Subject: | Planned Improvements to Manage Demand for Temporary Accommodation | | |
| Report Of: | Cabinet Member for Housing & Planning | | |
| Wards Affected: | All | | |
| Key Decision: | No | Budget/Policy Framework: | No |
| Contact Officer: | Helen Chard – Housing Services Manager | | |
| | Email: Helen.Chard@gloucester.gov.uk | Tel: | 39(6534) |
| Appendices: | None | | |

FOR GENERAL RELEASE

1.0 Purpose of Report

1.1 To outline to Cabinet plans to manage the demand for temporary accommodation that include operational service improvements, the development of incentives to access the private rented sector, more flexible use of Discretionary Housing Payment (DHP) and the acquisition of property for temporary housing.

2.0 Recommendations

2.1 Cabinet is asked to **RESOLVE** that:

- (1) the high level of demand for temporary housing and the challenge posed in securing a necessary level of supply be noted
- (2) a more flexible use of DHP having regard to relevant legislation be welcomed
- (3) authority be delegated to the Head of Communities, in conjunction with the Head of Policy and Resources (S151 Officer), Cabinet Member for Housing and Planning and One Legal to approve: –
 - i. Any feasible options to acquire, either independently or with partners, more suitable temporary accommodation, and
 - ii. The development and implementation of an incentive scheme that will provide better access to the private rented sector
- (4) current service improvement measures to assist in reducing our use of temporary accommodation be noted.

3.0 Background and Key Issues

- 3.1 Depending on the level of household income considered to be appropriate for housing costs (i.e. 25-40%), Gloucester's Strategic Housing Market Assessment (SHMA) indicates that we have an **annual need** of between 528 and 119 respectively for units of all 'tenure types' within the definition of affordable housing. In addition, our housing register currently shows that we have a total of 3,914 households actively seeking housing. Of these 3,914 households, 57 are in emergency band, 298 in gold band, 1,659 in silver band and 1,900 in bronze band. Only households placed in bronze band have no recognised housing need but express a desire to move.
- 3.2 Housing supply to meet this demand is very limited. Last year there were 307 social lets that occurred. 96 new units of accommodation were made available, although, just 54 of these were for rent to those on the housing register.
- 3.3 Due to increased demand by those who present as homeless, our numbers in temporary accommodation increased to 149 individuals in quarter 4 2017/18 from 102 individuals in the same quarter the year before. (These people will be included in the housing register figures above).
- 3.4 We know that as a result of increases in private sector housing costs, there has been a significant increase on number of people placed into temporary accommodation nationally, and Gloucester is no different. According to Ministry of Housing Communities and Local Government (MHCLG) (Stat Homeless Table 774), there has been an increase in the use of temporary accommodation in England (excluding London) by thirteen point 9 per cent (13.9%) at the end of December 17.
- 3.5 One of the main issues affecting our use of temporary accommodation relates to difficulties in sourcing other accommodation options to move households on to, including relets from existing stock, new supply and properties to discharge our homelessness duties into within the private sector. In addition there are improvements that can be delivered within the housing service, for example to improve the speed with which we assess homeless applications.
- 3.6 Housing legislation states that in order for a household to be eligible for temporary accommodation they must be (I) homeless, (II) eligible for assistance and (III) have a priority need. An example of this would be a household with dependent children or some other type of vulnerability.
- 3.7 Government guidance suggests a number of criteria to be considered for the suitability of temporary accommodation, such as location and proximity to services accessed by the household, standards of accommodation etc. Currently, the Council uses bed and breakfast establishments as part of its emergency response to homelessness, and competes with other organisations for the use of such placements.
- 3.8 The Council makes use of a mixture of its own stock at Caridas House and Priory Place (19 units) which are managed by Gloucester City Homes (GCH); further dispersed provision owned by Gloucester City Homes (31 units, with a recent commitment to increase by 10) and a further 22 properties managed by Riverside.

Therefore, we have 72 units (increasing to 82), and the remaining placements are made through the use of bed and breakfast type provision.

3.9 The use of our own temporary accommodation or via RPs is important in financial terms, as we are able to charge higher rents to cover the increased cost of managing emergency provision with high turnover. These higher rents are covered by Housing Benefit unlike emergency hotel/B&B provision, where regardless of the cost; the Council is typically only able to recover the local housing allowance (LHA) 1 room rate of £92.05 a week.

3.10 Based on the above, our bed and breakfast requirement fluctuates between 30 and 77 at any point in time over the last year. Although we have good relationships with our RPs, we also need to be mindful that RPs can also move away from wishing to offer or manage this type of provision. It is therefore suggested that the Council mitigates some of this risk by incorporating a further element of Council owned/controlled provision, involve other RPs, to ensure we have a ready supply of such provision; facilitate a better experience for homeless households; secure improved control and access to such provision; avoid exposure to cost; and drive up standards in the use of interim provision.

4.0 **Service Related Improvements**

4.1 We are currently working on a number of service improvements some of which will include elements that are intended to alleviate the use of temporary accommodation in other ways.

4.2 **New Burdens Funding and staff changes.** The service has had the benefit of new burdens funding to support additional requirements of the Homelessness Reduction Act (HRA), which will be available over the next three years; this year's allocation was £49,434. The new funding has so far supported the creation of a new Homeless and Temporary Accommodation Benefit Officer whose role it is to ensure that all benefit forms for those using B & B are completed to maximise recovery of Housing Benefit and to off-set the Council's cost in providing temporary accommodation.

4.3 This officer will also focus on increasing the take up of '**Discretionary Housing Payments**' (DHP) to sustain existing tenancies or support moves from temporary accommodation.

4.4 After a period of transition following restructuring and preparation for the new HRA, officers are now preparing for further service improvement, with initial external support, thereafter being embedded and rippled out through the service to secure a number of improvements.

4.5 Officers are now focusing on the spirit of the new HRA legislation i.e. the greater emphasis on early intervention and tenancy sustainment and to support that, this requires other changes to the service offer, some of which are outlined below. Applicants will now be required to cooperate with tasks to prevent their homelessness, as will the local authority by means of 'Personalised Housing Plans'.

4.6 **Incentives to Access the Private Rented Sector** It is our intention to re-invigorate the local authority offer to landlords to either assist in the prevention or relief of

homelessness. Proposals are being finalised with a view to being approved and rolled out in early Summer 2018. This will expand on options such as ‘finders fees’ for landlords willing to enter into agreements with the Council, consider the use of ‘bond’s to minimise risks to landlords; assistance with rent deposits or rent in advance, including some flexibility to assist beyond the Local Housing Allowance (LHA) threshold, given the limited availability of accommodation at this level.

- 4.7 **Tenancy Rescue** In addition to the offers to landlords to secure accommodation, a further project is planned to re-evaluate our options to landlords for tenancy rescue. In our preventative work with tenants or owner occupiers, we will review practice elsewhere to ensure we are making sensible financial offers to landlords to minimise evictions.
- 4.8 **Bed and Breakfast Taskforce.** Given the focus on the matter of temporary accommodation, we have now set in place fortnightly meetings where senior housing officers will focus on the throughput of hostel/B & B accommodation. The purpose of the meetings is to thoroughly understand total levels of occupation, cost, duration of stays of households; barriers to exit, and identify routes or other measures to minimise stays (particularly for families) that avoids the use of nightly paid accommodation.
- 4.9 **Online Improvements** – a comprehensive review is proposed to review all our web content, in particular to reflect changes related to the introduction of the HRA. In terms of channel shift, we wish to create web content that allows a greater degree of early self-help that may prevent homelessness occurring, along with the ability to take up appointments or possibly make available ‘chat’ options to assist customers.
- 5.0 **Assess the feasibility and cost benefits of acquiring more temporary accommodation either independently or with partners.**
- 5.1 Further to the points made between Paras 3.9 to 3.11, there are a variety of approaches whereby the Council could facilitate further temporary accommodation; it is the intention for officers to bring about more detailed proposals for approval. Options could include some of the following: -

* A= Advantage D= Disadvantage

| Proposal Type | Basis of Proposal | | Advantages/Disadvantages |
|------------------------------|---|---|--|
| Leasing and licensing | Council leases directly from property owner. A Private Rented Sector (PRS) agent or RP leases the property from a landlord and the council sub-leases the property from the agent in order to be the landlord. The Council collects rent and nominates to properties. Management and maintenance responsibilities are divided between the council, the | A | Supply is normally safeguarded for the duration of the lease & usually at an agreed price LA may set standards Attractive long-term interest to property owners Price often negotiable as consequence of management responsibility and voids being absolved. Temp Accommodation (TA) not subject to property size caps, just £500pw. LA control over access |

| | | | |
|---|---|---|--|
| | agent or the property owner). | | |
| | | D | If LA landlord, hard to classify as anything other than (TA) Clarity of repairing obligations |
| Housing Association Leasing Schemes | HA leases from property owner instead of the council leasing from a private owner, a HA leases properties from the owner and is the tenant's landlord, issuing an assured shorthold tenancy. HA collects rent & manages the property. The council makes nominations & agreement to fill voids, but does not have a housing management responsibility. The council has an agreement with the housing association specifying the fee to be charged per property (if any). | A | An HA as well as LA can attract temporary accommodation subsidy. HB rules permit RPs to have TA for leased accommodation for homelessness prevention; a duty does not need to have been accepted. Unlike LAs RPs can issue PRS tenancies in leased accommodation at 100% LHA rate for PRS offers to discharge LA duties (typically more in many areas). |
| | | | |
| Local Authority purchases properties directly | This .is the simplest option | A | It is possible to take advantage of historically very low Public Works Loan Board (PWLB) rates to do so |
| | | D | As a LA with transferred stock, arrangements would need to be made for the assets to be managed, people management and rent collection |
| Set up a LA owned company to purchase properties | | A | Distances the council from the property ownership and allows the properties to be let as PRS properties at LHA rents (another positive addition to prevent homelessness, rather than just provide hostel accommodation). Also the ability to let at market rents which may assist in cross subsidising LHA rented properties. |
| | | D | There may be state aid implications looking to purchase for market rent at subsidised rates, but wouldn't apply at LHA or sub market rent levels. Some council's legal advice |

| | | | |
|--|---|---|---|
| | | | supports the SSEI exemption to state aid rules. |
| Joint Venture | Purchase properties in conjunction with another organisation. | A | Shares risk. The partner may be willing to undertake much of the set up for the JV and manage the properties operationally. |
| Enter a nominations agreement with partner organisation | Partner purchases and manages properties | A | Doesn't need Council investment |
| | | D | Council may be required to guarantee long term rental income and may not benefit from capital growth |

5.2 Each of these options contains pros and cons to the Council. It will be a matter for future reports and consultation with the Cabinet Member to evaluate those considerations in making recommendations for investment.

5.3 Council Officers are currently in detailed discussions with a number of providers, including the YMCA and Gloucester City Homes concerning possible joint ventures, although it is suggested we consider acquiring independently also, or through a privately owned company or joint vehicle. One proposal would see a property acquisition with a joint interest and its associated refurbishment (subject to grant approvals). Whilst detailed designs are yet to be agreed, it could provide twenty one units for the authority to have direct nominations to over a period of 30 years and the premises could be ready for occupation by January 19. Discussions are continuing to find suitable accommodation for family provision to avoid families with children staying in non-self-contained temporary accommodation.

6.0 Asset Based Community Development (ABCD) Considerations

6.1 More recently some new smaller housing providers are bringing options forward, with community and volunteer based support. In relation to the provision of emergency accommodation, a procurement exercise may be likely which could see smaller community based providers participate. One key element to ascertain will be the ability to draw down enhanced levels of Housing Benefit to ensure the higher cost of sustaining such accommodation and appropriate management can be achieved.

7.0 Alternative Options Considered

7.1 This report outlines the various options that are being considered

8.0 Reasons for Recommendations

8.1 These are: -

- To improve the quality and location of accommodation made available to homeless families.

- To secure cost savings related to the use of temporary accommodation as required by housing legislation.
- To ensure we provide the most efficient service possible to improve the experience for customers
- To enable better control and access over placements into temporary accommodation.

9.0 Future Work and Conclusions

- 9.1 It is the intention to build on current work and pursue the proposals outlined in sections 4 and 5 with immediate effect; this would include bringing back to Cabinet or consulting with the Cabinet Member regarding specific proposals relating to initiatives outlined in Section 5.
- 9.2 It is important that the Council is able to demonstrate that it has sound arrangements in place to manage demand for temporary accommodation and that measureable improvement in our performance is secured, alongside national trends relating to homelessness.
- 9.3 The desired impact would be to accommodate households in temporary accommodation that is self-contained, which provides better provision for homeless households, and meeting the requirements of the Suitability of Accommodation Order. In addition, expenditure occurs in a more planned way, with rents being fully recoverable and minimises cost exposure to the Council.

10.0 Financial Implications

- 10.1 Upon determining any future option the costs of implementing a scheme will be measured against the ongoing revenue savings which can be expected to be generated from reduction in expenditure on emergency temporary accommodation. This will form the basis for the business cases appraising the suggested options.
- 10.2 The Council Receives Flexible Homelessness Grant which can be used to support the implementation of new arrangements. This grant is currently fully used on the provision of temporary accommodation.
- 10.3 Any investment opportunities will be subject to a full business appraisal to include the identification of revenue savings and the payback period.

(Financial Services have been consulted in the preparation this report.)

11.0 Legal Implications

- 11.1 Until specific sites and projects are identified, only outline legal implications can be given. There will be numerous legal implications arising from the options set out in this report and detailed advice will be given to officers and will be set out in future cabinet reports. The legal implications to be considered will include the most appropriate powers to acquire and dispose of land and any restrictions imposed by legislation; the state aid position on the giving of any grants, loans or the disposal of land at an undervalue; the application of the Public Contracts Regulations 2015 to the selection of a joint venture partner; there are also numerous other issues to be addressed when considering the option of establishing a housing company or joint

venture such as tax (VAT and corporation tax), state aid, staffing (TUPE and pensions), compliance with Companies Act legislation and regulations relating to 'local authority controlled companies', procurement of the JV partner, financing the company and risk share so it is important to consider whether the City Council's aims and objectives can be achieved through any other means.

(One Legal have been consulted in the preparation this report.)

12.0 Risk & Opportunity Management Implications

12.1 **Risks:** these include closer scrutiny by Government Departments; unsustainable increases in expenditure by the Council.

12.2 **Opportunities:** to improve the quality of service and accommodation to those households who are homeless; for the council to invest in new premises and have greater control and access.

13.0 People Impact Assessment (PIA) and Safeguarding:

13.1 Safeguarding: The proposals contained within the report, in particular for the Council to secure further hostel provision of its own controlling access to such provision should enable improved oversight of homeless clients many of whom are vulnerable due to the loss of their home and enable improved arrangements to minimise safeguarding risks.

13.2 As more detailed proposals come before Cabinet, PIAs will be addressed at that time.

14.0 Other Corporate Implications

Community Safety

14.1 Securing alternative temporary accommodation that is in the control of the Council will assist in ensuring that households can be placed as safely and securely as possible.

14.2 Without adequate management and supervision, such establishments can be the source of anti-social behaviour or where vulnerable people can be identified or exploited in criminal behaviours.

Sustainability

14.3 N/A

Background Documents: None



| | | | |
|-------------------------|--|--|---------------------------|
| Meeting: | Cabinet | Date: | 9 May 2018 |
| Subject: | City Markets Service | | |
| Report Of: | Cabinet Member for Regeneration and Economy | | |
| Wards Affected: | Westgate Ward | | |
| Key Decision: | No | Budget/Policy Framework: | No |
| Contact Officer: | Jonathan Lund, Corporate Director | | |
| | Email: | jonathan.lund@gloucester.gov.uk | Tel: 396276 |
| Appendices: | None | | |

FOR GENERAL RELEASE.

1.0 Purpose of Report

1.1 To consider options for the future operation of the City’s Markets Service and to authorise the Corporate Director to commence a procurement exercise to secure an external operator to manage and operate appropriate elements of the existing service.

2.0 Recommendations

2.1 Cabinet is asked to **RESOLVE** that:

- (1) The Indoor Market will continue to operate from the Eastgate Shopping Centre, Gloucester
- (2) Proposals for investment in the refurbishment of the Indoor Market are developed for inclusion in the Council’s Capital Programme
- (3) The Corporate Director is given delegated authority to undertake a procurement exercise to secure a suitable contractor(s) to operate and manage appropriate elements of the City’s Markets Service and to enter into contractual arrangements as necessary in consultation with the Cabinet Member for Regeneration and Economy
- (4) Cherry and White Market Traders are offered alternative pitches/stalls in the City prior to the commencement of the public realm works in Kings Square and that consideration is given to the future Markets offer on the redeveloped Kings Square site.

3.0 Background and Key Issues

3.1. Gloucester has a long history as a market town and City. In 1155 King Henry II granted Gloucester the same customs and liberties as those enjoyed by the burgesses of London and Winchester. These rights were subsequently confirmed and reconfirmed through Royal Charters from the 12th to the 18th centuries and Acts of Parliament from 1821 to 1928. As a minimum, the City is entitled to hold a

market on Wednesdays and Saturdays and to restrain rival markets established within 6 2/3 miles of the City.

- 3.2. **Eastgate Indoor Market** opened in its current location in 1968. The market has 39 stalls and currently 34 of the stalls (87%) are occupied. Goods sold range from meats and fish, hardware, confectionary, haberdashery, clothing, records, olives and spices. The building that houses the market is now 50 years old (the anniversary is October 2018) and showing its age. Significant investment in basic maintenance (c.£100,000) and long-term refurbishment and modernisation (c £1m) are required if the Market is to remain in this location. Eastgate Indoor Market is managed and operated by Gloucester City Council.
- 3.3. **Cherry and White Market** operates in Kings Square each Friday and Saturday. There is an average of 4 to 6 stalls on each of the two days. Following adoption of the Gloucester City Markets Strategy in 2015 efforts have been made to improve the visual appearance of the market by adopting a standardised layout and uniform gazebos. There is some ongoing resistance from traders to this approach and a belief that the restrictions have reduced the appeal of the market to traders. The Cherry and White Market is managed and operated by Gloucester City Council.
- 3.4. **Farmers Market** operates every Friday and is located on the Gate Streets. The market can operate up to 30 stalls. The Farmers Market is managed and operated on behalf of the City Council by Made in Stroud Ltd. The contract was last retendered in 2014. A 12 month extension to the contract was agreed this year and the contract is due to be retendered in 2019.
- 3.5. **Flea Market and Car Boot Sales – Netheridge** This market operates at Hempsted Meadow on Wednesdays and Sundays with a maximum of 199 pitches. The market is managed and operated on behalf of the Council by Mr Bob Newby. The contract was let in 2015. A 12 month extension to the contract was agreed this year and the contract is due to be retendered in 2019.
- 3.6. **Other Markets** – From time to time other markets have operated in the City either managed and operated by the City Council or in partnership with or on behalf of GCC (Specialist Craft Markets, Italian Market, Night Markets)
- 3.7. **Gloucester Quays Markets** – Gloucester Quays manage and operate a range of novelty and themed markets at the Quays. Where these markets are located on the Docks estate which is under the Council's leasehold ownership the City Council receives a payment from the market operator for the use of the land.
- 3.8. **Gloucester City Markets Strategy 2015-2020** In March 2015 the City Council adopted the Gloucester City Markets Strategy 2015-2020. The vision set out in the strategy was to recognise markets as a social hub that enhances the City's appearance and its retail offer. Markets offer good quality and value for money prices and should be well managed, perform to a high standard and should be run by people that are passionate about markets. Gloucester's markets should be flexible and reflect the needs of current day's shoppers so that market days are the

busiest days in the City Centre. Markets should be well located and act as a link between the Quays and the City. Markets should help incubate and nurture new retailers and be well advertised and promoted.

- 3.9. The Strategy was supported by an action plan which focussed on structured marketing to the public and communications with traders; on providing start-up options for new traders, and exploring the potential for community markets in other city wards. At Eastgate the plan was to explore opportunities to relocate the Indoor Market elsewhere in Eastgate or to another redevelopment site and introduce a range of incentives to reduce the number of vacant units. There were also proposals to explore options for external management of both the Indoor Market and the Cherry and White Market. The action plan also sought to identify a potential new location for the Cherry and White Market and press ahead with plans to tackle the shabby appearance of that market with a more uniform layout and standard gazebos. At Hempsted the plan was to outsource the management of the Market and to work with Made in Stroud to grow the scale of the Farmers Market.
- 3.10. Cabinet will be aware that these objectives have been pursued to varying degrees of success since 2015. The potential to relocate the Indoor Market within the Eastgate Shopping Centre was considered and discontinued following consultation. A soft market testing exercise was pursued to explore the commercial appetite for external management. The appearance of the Cherry and White Market was addressed by introducing a requirement for traders to operate from “official” gazebos supplied by the City Council. The operation of the flea market and car boot sales at Hempsted was outsourced.
- 3.11. **Together Gloucester.** In 2017 managerial leadership of the Market’s Service transferred to the new Cultural and Trading Service area and is managed by the City’s Visitor Experience Manager. Day-to-day operations are delivered by staff temporarily seconded from the Property Commissioning and Visitor Experience teams. During this period the number of vacant stalls at Eastgate has reduced from 15 to 5 and with weekly and daily lets this is reduce to 2 currently vacant stalls However, this high occupancy rate has been achieved by offering introductory discounts, where appropriate, to new stallholders. The age of the building has also led to unavoidable emergency maintenance, repair and replacement costs (lifts, toilets and plumbing, cold storage etc).
- 3.12. Financially the market service operates at a broadly break-even level, but the service is failing to achieve the income targets set in recent budgets. To meet current income targets the markets would need to operate at 100% occupancy with all traders paying at least 85% of the standard stall rates.
- 3.13. **2018 Commercial Review** – The Council commissioned Marketing Gloucester Ltd to undertake a commercial review of the Gloucester Markets and in particular to undertake:
 - 3.13.1. A soft market testing exercise of known and established successful market operating companies to assess their appetite to manage a contract from the

City Council to turnaround the Eastgate Market in particular and the City Markets service in general;

3.13.2. Obtain a view about the relative commercial and operational advantages of investment in the existing Eastgate market site as an alternative to investment in a new facility elsewhere; and

3.13.3. A delivery plan and timetable to manage a delivery process in light of the information gathered in 3.13.1 and 3.13.2 above.

3.14. Six market operators were consulted as part of the soft market testing exercise. There was an expressed interest in operating in the City and a belief that economies of scale could come from unifying the operations of some or all of the existing range of markets in the City (Eastgate, Cherry and White, Flea Market/Car boot and Farmers Market) and an interest in operating a market in Eastgate Street.

3.15. There was a consensus view that Eastgate Indoor Market was commercially viable and could operate successfully with appropriate investment in infrastructure and the fabric of the building and commercially focussed management.

3.16. A summary of the report's recommendations are:

3.16.1. That the Council determine whether the Indoor Market is likely to remain at Eastgate. This would help clarify the Council's future plans for Kings Quarter and also provide clarity to market operators interested in operating the Indoor Market in the future;

3.16.2. That the Council is mindful of the likely need to invest £100,000 in short term repairs and around £1,000,000 in long term refurbishment at Eastgate

3.16.3. That the Council commence a process to procure a partner/contractor to operate the Indoor Market and the Cherry and White Market from 2018 and invite the bidders to submit variant bids to include the Flea Market/Car Boot Sales at Hempsted and/or the Farmers Market from 2019. The contract to be for an initial period of 3 years with an option for annual renewal for up to three further years.

3.16.4. To work with the successful bidder/operator to develop an appropriate refurbishment plan for the Indoor Market at the Eastgate Shopping Centre.

3.16.5. That consideration is given to the development of the Bowling Green and Aviation Garden to generate the capital receipt to fund the necessary refurbishment of Eastgate Indoor Market.

3.17. Other Considerations

3.18. The Council continues to hold the view, expressed in the 2015 Strategy, that Markets enhance the appearance and appeal of the City and can make a real and significant contribution to the retail and social offer. There are clear examples nationally of well-run, well-supported and popular markets adding to the social and commercial fabric of a place.

3.18.1. In **Leicester** the largest covered market in the UK is described as the “heartbeat of the City” delivering high quality foods and strongly representing the multicultural flavour of the City.



3.18.2. **St Nicholas Market in Bristol** contains the biggest range of independent retailers in the City with themes offered on different days – Wednesday is the farmers market and Fridays and Saturdays specialise in Arts and Crafts.



3.18.3. **The Covered Market, Oxford** is described as a historic indoor bazaar packed with artisan food traders, boutique clothing shops and buzzing cafes where you can grab a coffee and a bite to eat. It's a bit of a 'one-stop-shop' where you can pick up everything and anything you fancy from one of the many independent businesses, some of which go back generations.



- 3.19. The Council has held the view that a potential suitable alternative location for the Indoor Market was as part of a redeveloped Kings Quarter. This remains an option, but the refocused Kings Quarter scheme is not a retail-led scheme and the advice received from the Council's retail consultants is that the non-food retail element of the scheme should be extremely limited. Instead, their advice is that the Council should seek to strengthen the retail offer in the core of the gate streets and around Kings Square. It therefore makes sense to keep the Indoor Market in the heart of that existing retail core. In addition, early pre-design stage stakeholder consultations on the uses for Kings Square and its surrounding environment are indicating that one of the most important elements for the new public realm space is to maintain flexibility. The retail advice, stakeholder request for flexibility, together with the MGL Commercial Review's findings that some certainty about the future location of the Indoor Market is needed to ensure appropriate operator interest in the Market, serves to prompt the Council to come to a firm view about the Kings Quarter option.
- 3.20. Plans are in place to redevelop Kings Square as part of a comprehensive investment programme for the refurbishment and improvement of Kings Walk Shopping Centre and its environs. The ambition is that Kings Square will, in future, serve as an important venue for the City's night time economy and complement the attractiveness and popularity of Gloucester Quays. Kings Square has also been identified as a suitable open air performance space. With this in mind it is appropriate to consider whether the Council should continue to provide a weekend market in Kings Square and of what type. The proposed public realm works will inevitably disrupt the operation of the current Cherry and White Market during the period of construction. In addition, the quality of any market proposed to be situated within the new Kings Square would have to be significant, in order to match the amount of intended investment for Kings Square and enhance the quality of the environment.
- 3.21. Existing Cherry and White Market Traders affected by the closure of the Market during the redevelopment of Kings Square will be offered suitable alternatives to keep them trading in the City including pitches/stalls at Hempsted, the Farmers Market (if appropriate) and Eastgate.
- 3.22. Currently the City Council's Markets service is being led by the Visitor Experience Manager supported by seconded staff. If the Council wishes to consider continuing direct management of the markets it will be necessary to review the sustainability of this arrangement and explore options to establish and recruit to the substantive roles of Markets Manager/Superintendent and Markets Officers/Inspectors.

4.0 Asset Based Community Development (ABCD) Considerations

- 4.1 Exploratory discussions with Eastgate Market Traders about the potential for traders to manage the market as a self-managed collective have taken place but the traders felt that this was not a viable option when they needed to focus full time on their individual businesses.

5.0 Alternative Options Considered

5.1 A number of alternative options are considered and referred to in this report.

6.0 Reasons for Recommendations

6.1 Gloucester has a proud history as a Market City. The viability of the indoor market has been limited in recent years by the estimated costs of refurbishment at the current location, uncertainty about long term location and questions about the future arrangements for operating and managing the market. This report seeks to address these issues and offer a potential way forward. It will, however, require the Council to consider the need to commit to significant capital investment in partnership with a new commercial operator.

7.0 Future Work and Conclusions

7.1 If the recommendations in this report are agreed it will be necessary to:

7.1.1. Communicate effectively with existing market traders, operators and staff to provide clarity and reassurance about the Council's plans

7.1.2. Undertake a formal contract procurement exercise to secure a partner/contractor to manage and operate [agreed elements of] the Council's Markets Service

7.1.3. Consider any variant bids to operate the Flea Market/Hempsted and Farmers Markets from 2019

7.1.4. Mobilise any successful new contractor including meeting any obligations under the TUPE Regulations.

7.1.5. In partnership with any successful new contractor/market operator develop a sustainable and affordable refurbishment plan for the Indoor Market

7.1.6. Consider options for funding any refurbishment costs.

8.0 Financial Implications

8.1 The City Council's Markets Service operates at a broadly break-even position. However the service has failed to deliver the income surpluses set in recent budgets.

8.2 The Indoor Market Hall at Eastgate Shopping Centre is now 50 years old and requires significant investment in short term repairs (c £100,000) and longer term refurbishment (c. £1m). These figures will have to be quantified and tested alongside a business case and investment analysis once the results of the procurement exercise are known. Capital receipts may be able to fund some of the investment, but this would be at the expense of other projects.

8.3 A recent Commercial Review undertaken by Marketing Gloucester has shown private sector interest in operating the markets service and confidence that with the right level of investment and more commercially focussed management the service is viable. The extent to which an outsourced service can either reduce the City Council's liabilities and/or increase our income will only be known following a procurement exercise.

(Financial Services have been consulted in the preparation this report.)

9.0 Legal Implications

9.1 The City Council owns exclusive rights to hold markets and fairs in Gloucester by virtue of the Royal Market Charters granted to the Council as mentioned in paragraph 3.1 above.

9.2 The procurement exercise proposed in this report will be undertaken in accordance with the City Council's Contract Rules as set out in Part 4 of the Constitution and the Public Contracts Regulations 2015.

(One Legal have been consulted in the preparation this report.)

10.0 People Impact Assessment (PIA) and Safeguarding:

10.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

11.0 Other Corporate Implications

Community Safety

11.1 None

Sustainability

11.2 None

Staffing & Trade Union

11.3 The potential transfer of an undertaking (the Markets Service) to a third party will trigger TUPE and consultation with staff and Trades Unions will be part of the process.

Background Documents: Commercial Markets Review undertaken by Marketing Gloucester. The report contains information which is commercially confidential and exempt from publication.