

Corporate and Resources Committee

19 March 2024

Revitalising Kingston's Ancient Market Place

Report by Relevant Director(s) Matthew Essex, Executive Director, Place

Relevant Portfolio Holder: Councillor Alison Holt, Deputy Leader & Portfolio for Economic Development and Leisure, Councillor Hadjimichael, Portfolio Holder, Assets

Purpose of Report

The purpose of this report is to request Committee approval of the *Kingston Ancient Market Place strategy* and the advertisement and negotiation of a minimum 10 year lease opportunity to a managing operator of the street market, Ancient Market Square and Market House.

Recommendation(s)

The Committee is asked to RESOLVE that:

1. The Kingston Ancient Market Place strategy and headline principles be approved;
2. Authority be delegated to the Executive Director for Place, in consultation with the Portfolio Holders for Economic Development and Leisure and Assets to advertise and negotiate a lease and any other relevant documents to secure an operator for the management and operation of the street market, Ancient Market Square and Market House on terms in accordance with s123 of the Local Government Act 1972;
3. A further report be presented to the Committee with the outcome of any negotiation, seeking approval of the terms agreed prior to entry into any lease and any other relevant agreement.

Benefits to the Community:

- A revitalised Ancient Market will create an enhanced and distinctive visitor destination, elevating Ancient Market's unique heritage character;
- A curated programming approach to deliver a wide range of cultural, creative, community activities, taking place throughout the calendar year, increasing footfall/trade;

- A strengthened Market trading offer throughout the day, with some twilight and evening trading, will boost market and town centre trade and safety;
- Improved market visibility, through distinctive, engaging and regular promotion and branding, will retain and attract existing and new, diverse audiences;
- Improved brand, trade and activity contributes to improved economic sustainability for the town centre;
- Delivering optimum value for money through efficient place management;
- New opportunities created for local start up enterprises, supporting new, local business development;
- New opportunities for skills & training opportunities will be created for Kingston's residents, including local, diverse apprenticeships;
- Better addressing the challenges of climate change via energy use, waste reduction, improved re-use and recycling.

Key Points

- A. Kingston's Ancient Market Place (AMP) is an iconic and unique space forming a cornerstone of the town's offer to residents and visitors alike. The square contains the Grade II* Listed Ancient House and hosts the street market which is one of London's oldest markets, with the first market recorded in 1242. The Market Place is a centrepiece for a range of activities and events throughout the year, with the fountains attracting families throughout the summer and an incredibly popular Christmas Market offering a major attraction through the festive period.
- B. The Council owns the public realm that forms the Market Place, Market House and the physical stalls that support the street market. The operation of the street market has been contracted out and is operated by Kingston First under a rolling 12 month agreement. A map of the extent of the Ancient Market Place is attached at **Annex 1**.
- C. Whilst the Market Place is much loved and hugely popular, there is a growing case for modernisation and change in the operation and management of the space. There is a clear appetite being expressed through stakeholder consultation and engagement for the space to support an increased level and wider range of activity to add to the Kingston Town Centre offer. Alongside this, the Council is keen to find a longer term and active role for the Market House which, apart from a variety of short term/pop up uses, has been vacant for the past few years. Finally, the physical wooden market stalls structures - installed in 2012 - are reaching the end of their operational life and the Council has the opportunity to consider whether to replace the stalls or seek to introduce new stall arrangements.

- D. The importance of the Market Place was recently highlighted by Kingston's communities as part of extensive engagement undertaken to support the development of the Kingston Town Centre Vision, which was adopted in 2023. Two of the three headline objectives of the Vision speak directly to the importance of building on the strength of the existing street market and using the Market Place to support more cultural and community events. Since completing the Town Centre Vision, the Council has continued to engage with stakeholders, including Market traders, to develop proposals to meet these objectives. These discussions have been supplemented with a comprehensive market appraisal including spatial, technical and operational analysis.
- E. The outcome of this work is contained within this report and is summarised within eight headline principles which collectively form the *Kingston Market Place strategy*, with the aim to deliver a revived market destination for London and the South East; celebrating and accentuating its unique heritage character. The strategy promotes a year-round, programmed approach to the management and use of the Market Place with an expanded and diversified street market operating alongside arts, cultural and community activity, to drive greater use of the Market Place throughout the year including consideration of evening trading and events. At the centre of this new strategy is a role for the Market House as a contemporary space supporting the operation of the street market, providing a meeting space for visitors and groups and hosting a range of pop-up shops, events and exhibitions.
- F. To deliver this strategy it is proposed that the Council identify and secure an operator or group of operators to take on the management and operation of the Market Place and Market House, together with the operation of the street market under a longer term lease (and associated agreements). This will move away from the current rolling arrangement and allow the development of a longer term partnership approach together with the ability to take a longer term view on capital investment and development.
- G. The revised operating arrangements will sit alongside a revised Council clienting approach backed up by clear performance indicators and contractual terms to ensure that, should it be required, the Council is able to provide greater direct influence over any improvements needed. The responsibility for maintenance/upkeep of fixed infrastructure, cleansing and waste will be under new market lease arrangements, with the aim to reduce the current cost burden on the Council.
- H. This approach has been informally tested with a range of market operators which has confirmed that it is likely to be attractive to the sector. Subject to Committee approval, the next steps include further public and stakeholder engagement, leading to a two stage marketing exercise of the new operator opportunity which is planned to take place between Spring-Summer 2024. Following the marketing exercise, subject to the successful identification of a suitable operator on acceptable terms, it is proposed that a report will be

brought back to committee for further consideration later in the year ahead of an anticipated launch of the new model in April 2025. In the meantime, the street market will continue to be managed by Kingston First.

- I. The Committee is asked to approve the Ancient Market Place strategy and guiding principles and delegate authority to the Executive Director of Place, in consultation with the Portfolio Holders for Economic Development and Leisure and Assets, to advertise and negotiate a lease and any other relevant documents to secure a preferred operator for the management and operation of the street market, Ancient Market Square and Market House on terms in accordance with s123 of the Local Government Act 1972.

Strategic Context and Background

1. Kingston's Ancient Market is one of London's oldest markets and has been in use since approximately 1170, with the first market recorded in 1242. Throughout the centuries, Royal Charters were granted to Kingston, providing the town with rights to operate a market. Kingston's Ancient Market operates as a Charter Market.
2. The Grade II* Ancient Market House and Market Place, both owned by the Council, are integral to Kingston's historic development as a town centre and are central to Kingston's heritage identity. The Ancient Market House additionally provides an architectural focal point for the town centre, providing a unique backdrop to the trading market and potential for new activities.
3. As a holistic site however, the potential of Kingston's Ancient Market has not been fully realised with the Market House remaining largely vacant for almost a decade apart from some 'meanwhile' temporary uses.
4. Both the Market House and Market Place were the subject of investment in 2012-14. External funding, from the Greater London Authority *Outer London Fund*, enabled the installation of the current market stall infrastructure, which is now nearing the end of its economic life. Capital funding of £0.56m supported essential repairs to the Market House in 2014. Since 2010 onwards, the Council has commissioned surveys, reports and studies, but did not test the site's integrated spatial, social and commercial potential, only examining the assets as isolated investigations.
5. The revitalisation of the Ancient Market Place has been informed by strategic plans, including the emerging Local Plan, the Council Plan and the recently adopted Kingston Town Centre Vision. The Council Plan priorities, to regenerate and invest in the borough's high streets and the emerging draft *Kingston Local Plan (2023)* which supports designated town centre public realm improvements and improving existing street markets, to ensure town centre attractiveness and vitality, both recognise the importance of high streets and markets in a sustainable local economy.

6. The Kingston Town Centre Vision directly addresses and highlights the Ancient Market's strategic town centre role. Extensive citizen led engagement took place over a year long period between 2022- 2023 which has directly shaped the priorities, including Ambition 1 that seeks to celebrate Kingston's historic and cultural character to elevate the town centre's destination appeal, strengthening and improving the town's heritage assets, in addition to increasing cultural animation across town's public spaces. The Kingston Town Centre Vision specifically references the importance of the Ancient Market Place in realising these aims and the revitalization directly responds to these priorities, shaped directly by community and business engagement.

Kingston's Ancient Market Place Strategy

7. Since completing the Kingston Town Centre Vision in Summer 2023, the Council has continued to engage with stakeholders, including Market traders, to develop proposals to meet these objectives. These discussions have been supplemented with a comprehensive market appraisal including spatial, technical and operational analysis.
8. The first phase of focused Ancient Market Place related engagement took place between Summer to Autumn 2023 and sought to understand the perception of Kingston's Ancient Market from licensed market business traders and key stakeholders including Kingston First and the wide range of council services and subcontractors responsible for operations across the space. Specialist markets consultants supported the engagement.
9. Through this engagement, key themes, issues and opportunities have been identified, with findings including a clear desire for increased activity and events taking place all year round, improved branding and promotion and the reopening of the Market House.
10. A second phase of engagement with Market traders was conducted in February 2024, undertaken by specialist markets consultancy, with continued positive engagement from Traders. Some key messages from this engagement were as follows:
 - More place activation: desire to see more events to support trade;
 - Be proud and celebrate Kingston town's unique street market history;
 - Market House use: open up to new uses, with shelter to attract customers on a regular and repeat basis;
 - Improved waste management: additional storage required, increased collection frequency

- Support enhanced market management to help with day to day trade and business
 - Invest in stalls infrastructure to support day to day trading, ie digital, lighting .
 - Improved outdoor seating and covered seating desired to encourage customers to dwell time
11. The sustained engagement has directly shaped the eight headline principles which collectively form the *Kingston Market Place strategy*, with the core aim of delivering a revived market destination for London and the South East; celebrating and accentuating its unique heritage character. The strategy promotes a year-round, programmed approach to the management and use of the Market Place with an expanded and diversified street market operating alongside arts, cultural and community activity, to drive greater use of the Market Place throughout the year including consideration of evening trading and events. At the centre of this new strategy is a role for the Market House as a contemporary space supporting the operation of the street market, providing a meeting space for visitors and groups and hosting a range of pop-up shops, events and exhibitions. The headlines of the Kingston Market Place strategy are as follows:

Table 1: Headline Principles: A Revitalised Market

- a. Strengthen the towns significant retail, cultural and heritage offer as a celebrated amenity offer for local residents and benefit overall trade
- b. Deliver a prime visitor destination for London and South East by 2028, attracting increased and repeat visitors;
- c. A new, year-round, curated approach to programming activity on the Market, increases the number of events and activity, driving footfall and boosting trade;
- d. Introducing evening trading hours on specific days (for eg, Thurs - Sat) to complement existing trading day-time offer, diverging and supporting town centre evening economy;
- e. A refurbished Market House, complements the outdoor market offer with new uses, providing new indoor space by increasing dwell time/ boosting trade;
- f. Diversifying the street market offer: retain hot and cold F&B & introduce 'pop up' stalls, eg. fashion/ vintage/ design at regular slots across the year.
- g. A highly visible champion for environmental sustainability, public health, and social value promoting best practice to local community, resident and business
- h. Market to encourage new business - start-ups, skills and employment

Proposal and Options

13. Delivery of the principles outlined above will require a change in the arrangements for the management and operation of the Market Place, Market House and street market which currently fall to a number of different

parties to coordinate. The council has explored a number of options to deliver the objectives of this project. **Table 2** below sets out an overview of the options considered:

Table 2: Kingston Ancient Market Place: Management Options

Option Type	Description	Potential Outcome (+ / -)
<p>OPTION 1: (PREFERRED OPTION)</p> <p>Integrated Place Package:</p> <p><i>Market House, Street Market and Market Place public realm area.</i></p>	<p>Package the Market House, Street Market and Place under <u>one opportunity/arrangement</u></p>	<ul style="list-style-type: none"> + Delivers comprehensive social, financial, civic, environmental outcomes. + Returning the underused iconic Grade II* heritage asset at Market House into leased use. + Potential to offset RBK revenue costs, as a minimum financial benefit. + Improved Market Management arrangements + Improved Market brand and promotion.
<p>OPTION 2: Individual packages:</p> <p>Market House as stand alone site; Street Market and Market Place as stand alone sites.</p>	<p>Package the Market House and Market Place as <u>individual sites</u></p>	<ul style="list-style-type: none"> + Delivers social, financial, civic, environmental outcomes, but potentially reduced. - Piecemeal approach risks fragmented management/curation and risks suboptimal coordination/ effectiveness.
<p>OPTION 3: Do Nothing</p>	<p>No change to market management operations on continued rolling lease agreement, with the current managing operator.</p> <p>Market House let on a temporary basis.</p> <p>Assets considered as isolated, stand alone assets rather than integrated place package.</p>	<ul style="list-style-type: none"> - Missed opportunity to capture optimal environmental, cultural, social, economic benefits. - Missed opportunity for improved Market to catalyse positive town centre change. - Failing infrastructure risks operator, trader and public dissatisfaction leading to reputational damage to RBK. - No potential for Council to offset servicing costs nor capture the benefit of future trading income. In 2022/23 gross market trading income was £0.36m.

14. The recommended option is considered to provide the Council with the best chance of meeting its objectives. Bringing the management of the various assets within the Market Place under one contractual framework will greatly

simplify the management and operation of the space and allow the Council to set a single framework for the ‘performance’ of the space whether that is defined in terms of cleanliness, number/nature of events or breadth and quality of the market offer.

15. Moving to a longer term arrangement with a single provider will provide an opportunity to develop a partnership led approach with an operator who is able to take a longer term view across areas including audience development, capital investment and financial returns. It is hoped that this will allow an operator to make some of their own investments and bring in their own ideas and experiences to build on the Market Place’s existing strengths and appeal to an even broader range of Kingston’s residents and visitors.

Timescale

16. Should committee support the recommendations made in this report, the anticipated timescales for the project programme are set out in **Table 3** below

Table 3: Target Milestone & Activity Programme

Target Milestone & Activity	Target Completion Date
Further Stakeholder and public engagement	Feb - April 2024
Soft Market testing & Operator Expression of interest (EOI) issued	May 2024
Engagement with EOI applicants	May - June 2024
Detailed Operator Opportunity (Market Operator) opens	July 2024
Detailed Operator Opportunity (Market Operator) closes	August 2024
Operator Opportunity (Market Operator) bids reviewed	September 2024
Target Appointment of Market Operator	By December 2024
Current Market Operator Lease term ends	By 31 March 2025
Target Market Operator Lease term commences	1 April 2025

Resource Implications

17. The Council has leased Kingston Ancient Market to Kingston First, Kingston's Business Improvement District (BID), on a peppercorn only basis, for the past decade, receiving nil revenue/profit share.
18. Since May 2022, the Ancient Market House has been let on a temporary basis to a tenant who is responsible for the operational revenue costs of the House. This tenancy currently has a net nil impact on Council finances.
19. The Council currently has responsibility and liability for fixed assets (for example, market stalls and associated infrastructure), public realm/highways management and maintenance of the Market Place. The Council currently is jointly responsible for cleansing and waste service costs, with the current operator, via its contractors.
20. Servicing the Market costs the Council an estimated £0.35m per annum, through maintenance of the asset. These costs are not recovered from the Market operations through rent.
21. The Medium Term Financial Strategy has a savings commitment of £0.062m included for 2025/26. The savings will be achieved through establishing an improved commercial lease and management arrangement. It is anticipated, through improved commercial lease arrangements, that the Council will significantly reduce the revenue costs of servicing the Market, delivering year-on-year efficiency savings. The minimum aim is for the Market to become cost neutral for the Council in the future, in addition to delivering a new revenue stream, through capturing the commercial benefit via profit share and /or market rent.
22. Alongside this work, there is also an allocated budget in the capital programme related to the Ancient Market House. Should further capital funding be required, this will be applied via the appropriate processes.
23. The consultancy work estimated to cost £0.030m is fully funded for the financial year 2023/24.

Legal Implications

24. The Council is seeking to grant delegated authority for Place Executive Director to advertise the Market lease and management opportunity and to negotiate the terms of the new lease in consultation with the Leader and relevant Portfolio Holders.

25. The Council's right to hold, operate, licence and control markets at Kingston's Ancient Market is legislated by Royal Prerogative, established under Royal Charter. Kingston's Ancient Market is a Charter Market.
26. The aspirations set out in this paper highlight the betterments to the Borough intended by completion of this project.
27. Legal support will be retained through the life of the project through the South London Legal Partnership.
28. S123(1) of the Local Government Act 1972 imposes a fiduciary duty on local authorities to lease land at the best price reasonably obtainable. Where the disposal or leasing does not comply with the above, the express consent of the Secretary of State is required. The General Disposal Consent 2003 (the General Consent) allows for the disposal of assets at less than the best price that can be reasonably obtained subject to compliance with the General Consent. The Council may dispose of property without the express consent of the Secretary of State, save where the amount of the undervalue exceeds £2 million.
29. Notwithstanding the General Consent, Part 4D Annex 1 paragraph 10.1 of the Council's Constitution requires that any disposal which is less than the unrestricted value shall be approved by or on behalf of the relevant Committee as defined in the General Consent and/or where State Aid issues may arise.

Risk Assessment

No.	Risk	RAG	Mitigating actions
1.	Lease opportunity - advertising exercise fails to attract operators		A Market specialist team is in place, providing specialist advice to ensure advertising exercise is communicated using language, tactics & approaches to attract operators who are the best fit for this opportunity.
2.	Programme delay results in failure to secure an operator by target milestone.		Experienced project management and robust project governance in place to ensure programme delivery meets milestones.
3.	Stakeholder engagement		Engaging closely with Market stakeholders via close communication, to feed into operator opportunity and to ensure a good awareness of the programme.

Public and Stakeholder Engagement

30. In Spring 2022, the council embarked on a year long citizen led engagement with Kingston town residents, businesses, students and visitors which informed the ambitions and principles within the adopted town centre strategy *Kingston Town Centre Vision: A Plan for Kingston (2023)*. This engagement has informed the Ancient Market Place strategy recommendations.
31. The first phase of focused Ancient Market engagement took place between Summer to Autumn 2023 and set out to understand the perception of Kingston's Ancient Market from licensed market business traders and key stakeholders including Kingston First and the wide range of council services and subcontractors responsible for operations across space. Specialist markets consultants have supported the engagement.
32. Through this engagement, key themes, issues and opportunities have been identified, with a key theme emerging - how the AMP could be improved, including the opportunities afforded by Market Place and the street market taking place within it.
33. A second phase of engagement with Market traders was conducted by the council in February 2024, undertaken by specialist markets consultancy, with continued positive engagement from Traders. Some key messages from this engagement were as follows:
 - More place activation: desire to see more events to support trade
 - Be proud and celebrate Kingston town's unique street market history
 - Market House use: open up to new uses, with shelter to attract customers on a regular and repeat basis.
 - Improved waste management: additional storage required, increased collection frequency
 - Support enhanced market management to help with day to day trade and business
 - Invest in stalls infrastructure to support day to day trading, ie digital, lighting .
 - Improved outdoor seating and covered seating desired to encourage customers to dwell time

34. The next phase of stakeholder engagement is planned to complete in Spring 2024 and wider public, neighbouring businesses/ residents and existing market traders, and will further inform the development of the new lease opportunity. Engagement will continue to refine the aspirations for the AMP, to ensure it is tailored to the current and future needs, regarding improvements and will inform any future capital investment decisions by the council. This aligns with **Table 3** above setting out the anticipated project programme over the next 12 months.
35. The Council's current market operator, Kingston First has been engaged throughout this review. They support the need for the improvement of market infrastructure and remain committed to partnership across all town spaces and high streets.

Equalities Implications

36. An Equalities Relevance Test has been undertaken and indicated there was no impact and therefore no Equalities Impact Assessment (EQIA) has been undertaken for this stage of the project. We anticipate developing an EQIA for the Committee Report stage later in the year as outlined above.
37. Operators will be required to comply with their obligations under the Equality Act 2010 and commit to promoting best employment practice and equal opportunities.
38. The Equality Act 2010 places a 'General Duty' on all public bodies to have 'due regard' to the need to:
 - Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.
 - Advance equality of opportunity between those with 'protected characteristics' and those without them.
 - Foster good relations between those with 'protected characteristics' and those without them.

Public Health Implications

39. Operators will be required to demonstrate how they will support and promote inclusive, healthy lifestyles. Markets can promote the Government's agenda¹ on obesity and healthy eating, promoting attainable, healthy consumption by offering fresh foods and helping to encourage consumers to increase their consumption of healthy fresh produce.
40. Markets can be especially important for lower waged communities, vulnerable and disadvantaged members of society, especially those with limited income by providing access to a range of affordable, fresh food.

¹ <https://www.gov.uk/government/publications/healthy-eating-applying-all-our-health/healthy-eating-applying-all-our-health>

41. Markets act as 'community hubs,' created by a combination of the traders, public and the effect of the social space itself, and provide a place for all to socialise. In this way, markets promote opportunities to thrive and contribute to high quality of life, wellbeing and mental health of the local population.

Sustainable Transport Implications

42. The new Market Lease, incorporating appropriate market management arrangements, will set out clear KPI's aligning to the Council's Corporate plan commitment to shape a cleaner, greener Kingston, where businesses, residents and visitors can breathe clean air, through using more sustainable transport options, including Market waste collection deliveries, general Market deliveries and encouraging active travel options for Market visitors.

Sustainability Implications

43. Sustainability is a key theme of the requirements for the new Market lease which will set out clear KPI's, aligning to the Council's Corporate plan commitments to address the climate crisis, deliver social value and make Kingston a fairer place to live and work.
44. Operators will be required to demonstrate in their applications how they will proactively support the Council's social value commitments and address the climate crisis, including reaching carbon neutrality by 2030, delivering effective and innovative approaches to:
- Support a circular economy and sustainable Market ecosystem.
 - Minimise energy consumption and support passive strategies for heating, cooling and energy use.
 - Facilitate low- and zero emission movement to and from the Market.
 - Support local start up enterprises, local, diverse apprenticeships.
 - Support routes into good, well-paid work for Kingston's residents.
45. Markets are ideal places to focus sustainability efforts and trial new ways to support small businesses. Market based businesses are "shop local" brought to life with self- contained supply chains and environmentally friendly shared services. Given the dual purpose of market's to act as a centre of local retail and community, this presents an opportunity for the Ancient Market to play a public facing role as a space for education in local sustainability concerns, and for the Ancient Market to lead in testing more climate friendly approaches in the town centre.

Background papers (considered exempt from publication) held by the report author:

Ancient Market Place Spatial Review - RBK (July 2023)

Ancient Market Options Appraisal - Assembly Line/ RBK (Oct 2023)

Soft Market Testing - Assembly Line (Oct 2023)

Market Traders engagement report (February 2024)

Author of report: Duncan Brown, AD Regeneration and Economy; Anna Doyle, Head of Service High Street Regeneration

Note: Any hyperlinks contained within the report were live at the time of publication of the agenda. The information contained within them does not form part of the agenda documentation and the Council cannot guarantee the maintenance of links to external web sites.