



**Trader operation
– your market,
run your way**





Trader operation

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Underfunded

Undervalued

No support

Poor management

These are terms too often heard in reference to traditional retail markets.

At the NMTF we are aware that though there are some excellent and successful council run markets we are also conscious that it isn't always the case.

More and more traditional retail markets are being affected by local authority cuts.

Many councils are trying to make a profit whilst coping with shrinking budgets and shrinking trader numbers.

If the market is not making a profit, as a discretionary service it is likely to be the subject of close scrutiny.

Even if it is a charter market it may not be safe from closure!

“Is it worthwhile for the council to continue running a market?”

“Are we making any profit by keeping it going?”

“How does the future of the market look - if it is not making a profit now, will it in a few years?”

“What value is the council getting from running this market?”

“Should we invest in this market?”

These are some of the questions that local authorities are thinking about and the answers may very well determine the future of your market.

This guide has been developed to give traders the opportunity to consider running the market themselves.

Traders, if you have a chance to take a leading role in the running of your market it is an opportunity not to be missed!

Why should traders run the market?

Market traders know when a market is run well.

Who better to run the market than those whose business futures are invested in the future of the market itself?

Benefits include:

- **Self-management** – market traders know what makes a good market and a co-operative committee can set and implement policy for the benefit of the market's traders and customers
- **Preserving tradition** – markets are part of our national heritage. Trader co-operative run markets can pave the way for reminding local authorities and commercial operators that there's more value to markets than just how much profit it makes. Markets advocate healthy eating, social interaction and entrepreneurship which are important issues for communities today
- **Adaptability** – as the operator, traders will be able to take on board the comments of their fellow traders and customers and within reason act upon them without going through all of the bother of having to await permission from a higher authority
- **Control over rent levels** – trader co-operatives are non-profit making, therefore rents can be set to reflect what is best for the market and not for the budgetary demands of the council or the profit margins of commercially minded private operators.



What are the benefits to the markets right holder?

- **Profit or loss** - Councils will receive a fixed fee for the licensing of the market to a trader co-operative, so come rain or shine they will make a profit
- **Staff consideration** - Council staff who may have no experience or interest in running the market will not have to. It will be handled by the people who care most about the future of the market
- **Costs** - Councils will have no outgoing costs to the management of the market unless they choose to aid the co-operative in some way e.g. aiding with promotion and advertising
- **Responsibility** - Traders can use their experience to run the market the way they think it should be run. The co-operative is responsible for the success of the market and the council can enjoy the benefits with little to no financial commitment
- **Money worries** - Surpluses generated by the market can be reinvested into the market. Councils will no longer have to find funding for the market unless they wish to
- **Benefits all round** - A successful market will boost the vitality of the town centre. Co-operatives should forge links with other groups that are focused on improving the town centre





Case Study – Cottingham Market, East Yorkshire

When a decision was made by a local business consortium to close Cottingham market due to lack of funding, the traders took it

upon themselves to save the market and apply to East Riding of Yorkshire Council for a market licence and take over market operation.

Cottingham market has been trader operated since 1996 with the assistance from Eric Tweed and one of its Past Presidents.

Eric supported Cottingham market by negotiating a licence fee for the traders as well as the agreement with the council to have Cottingham as a trader operated market.

Cottingham market is currently managed by NMTF President John Dyson alongside the NMTF Cottingham Group. There's a wide variety of stalls including home-made cakes, delicious cheese, locally-sourced honey, high quality meat, bags and jewellery.

John said regarding the success of the market: "Cottingham market is run

by the traders for the traders and the community. I am very pleased with how well the market is doing despite the current economic climate, and there is plenty of unique lines introduced on the market including a wide variety of artisan food stalls.

"We now have a lengthy waiting list of traders waiting to come on to the market, but unfortunately we don't have any space at the moment to fit them all on!"

Situated on the village car park this is a thriving market with plenty of customers, running weekly every Thursday.



NMTF President, John Dyson





How to become trader operated

Begin with an NMTF Group

If you don't have one already then one will have to be formed. This will form the basis of a strong trader co-operative!



Information to be disseminated to all regular traders on the market about trader operation

This will take place prior to any meetings so that all the regular traders are aware of the idea.



An NMTF representative will attend on a market day and collect votes for or against trader operation

If the majority are in favour a meeting will be held to elect the founder members of a co-operative, any further information can be given at the meeting.

Trader operation

Approach the Council with traders interest

A business plan will need to be presented to the council (which the NMTF can help with). The NMTF can also assist in any meetings to negotiate terms.

Upon acceptance by the council the market will become trader operated

The NMTF can offer advice and guidance following this to ensure compliance with the model rules should we be called upon.

Register with Co-operatives UK using the NMTF's model rules

*Co-operatives UK will aid with registration of the co-operative using the correct legal format.

* This step is flexible in the process for becoming a trader operated market. it is dependant on the process of the council.

A legal entity

The model rules that have been developed by Co-operatives UK for market traders have been produced in accordance with the Industrial and Provident Societies Act (IPS Act).

The IPS Act is used to register organisations that are either co-operatives or a society for the benefit of the community.

For these purposes, trader operated markets set up with the aid of the NMTF would be registered as a market traders co-operative.

Co-operatives UK have developed a guide to help prospective co-operatives understand the legal format.

To download the Simply Legal Guide please visit the NMTF Members Area.

Opportunities

- **Adaptability** - co-operatives can take the chance to look at the market offer and consider the needs of the traders and public and make their market fit to meet those needs if it is beneficial
- **Feasibility** - a co-operative can advertise and promote the market in conjunction with other town centre bodies without needing to rely on a third party
- **Trust** - a co-operative can ensure a good manager is put in place to look after the day-to-day running of the market, providing the committee with time to manage the co-operative and their own businesses as well
- **Investment** - all profits made by the co-operative will go back into the market, ensuring the market is the top priority

Things to Consider:

- **Indoor Markets** – traders wishing to take on the running of an indoor market need to be aware that there will need to be detailed discussions over who will maintain the building. Taking on an indoor market may mean traders are responsible for the ownership and maintenance of the building which can be costly. In most cases the NMTF would advise against trader operation of indoor markets.
- **Administration** - traders need to bear in mind that there will be extra work unrelated to your business but vital to the co-operative. Time and effort will be needed in order to make the co-operative a success
- **Balance of trade** - those involved in the committee may have to make difficult decisions for the good of the majority that may impact on a minority of traders
- **Continuity** - if a senior member of the committee leaves the market, continuity must be ensured otherwise viability of the co-operative could be jeopardised
- **Sustainability** - any bid for trader operation must be sustainable. Budget figures need to be carefully checked to ensure nothing is omitted

The success of a co-operative is dependent on the commitment, passion and skills of its committee.

Make sure a decision to become trader operated is informed, that the tender document has been read and understood and those involved are aware of the responsibilities they will need to undertake.





Case Study – Whitstable Market, Kent

At Whitstable Outdoor market, the traders formed a co-operative in order to run the market themselves and offer local people a friendly, good value shopping experience on a Thursday morning.

Whitstable market is a bright and attractive market offering a choice of

food and other general goods to the shoppers and sightseers, who make their way through the small, picturesque fishing town.

When the council proposed its closure back in 2008, Whitstable traders received support from the NMTF who helped to negotiate with



Andy Cullen and his wife Karen



the council. Eventually it emerged that the only way to save the market would be to form a cooperative and make it trader operated.

Andy Cullen, who runs A & K Foods with wife Karen, is chairman of the Whitstable Market Traders Co-operative. Andy said, "We are grateful for the support of the NMTF and the

market is now doing well. It varies in size depending on the weather and the season, but we are all doing our best to ensure the market is a success."

The traders are united in their determination to see the market survive and thrive and they believe their efforts have enhanced the town of Whitstable.



Make a start on your business plan

An essential part of any business start-up is a clear business plan.

What is a business plan?

A business plan is a comprehensive document that sets out business goals and provides achievable ways of reaching those goals.

It will aid the co-operative in identifying any issues or challenges they may encounter along the way but will also provide the council with an idea of what the co-operative can accomplish.

A good business plan helps ensure that the market has the right attributes to make it a success and can help identify problems early on.

What to include:

- Mission statement
- Why we want a trader operated market
- How the co-operative works
- Short term objectives
- Long term objectives
- Financial/budget information
- Rent analysis
- Identifying key tasks and responsibilities
- Identifying Market Manager requirements
- Identifying market rules and regulations

- Identifying health and safety policy
- Identifying equal opportunities policy
- Vision and development statement

How the NMTF can help traders run their market

- Attend meetings with the council and traders
- Advise and assist the traders to formulate a business plan and prepare a bid
- Assist in negotiations between the traders and the local authority
- Facilitate the registration of the co-operative in accordance with the correct legal framework
- Assist in ensuring that the co-operative has the appropriate operator's liability cover
- Provide support after the formation of the co-operative





Notes



Contact the NMTF

If you are interested in running a market and you are a member of the NMTF do not hesitate to contact us.

Talk to your fellow traders to discern a general consensus and if they're in favour of trader operation let us know!

Contact the Projects Department at support@nmtf.co.uk or call 01226 749021

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