

St Katherine's Square Temporary Fee Reduction

Proposed by: Cllr Joe Hamblin | **Seconded by:** Cllr Lesley Wilkinson

Summary of the Proposal:

To temporarily reduce the commercial day hire rate for St Katherine's Square from £260 to £25 for the remainder of the summer season (to 1st October 2026), to attract small traders to the Square, generate income from an underperforming asset, and build positive working relationships with small traders ahead of the implementation of the Council's wider markets strategy.

The Current Situation

St Katherine's Square can be hired commercially at £260 per day under the current schedule of fees and charges. The Clerk has confirmed that no commercial bookings have been made at this rate, and the Council's budget assumes no income from the Square; LTC does not benefit from its licence of the square because the price is simply too high for small traders. **The average British small business operates on a profit margin of 10%, meaning a small trader would need to turn over £2600/day just to break even on the current St Katherine's Square day rate.** Even a £100 rate would require £1,000 of daily turnover before a trader made a penny. These figures are unrealistic for a single pitch in a town the size of Ledbury.

Earlier this year, LTC resolved to pursue a markets strategy, including the use of temporarily reduced rates to attract traders, subject to a supporting report [resolution 1280]. The report required to progress resolution 1280 has been in preparation for over ten weeks. Having spoken to the Clerk, I understand this report may be completed in August. Meanwhile, the summer trading season is passing. Acting now, rather than in August or later, maximises the time available for traders to take advantage of longer daylight hours and warmer weather.

Proposed Price Point

At a 10% margin, £25 requires only £250 of turnover to cover - a more viable figure. If we have even a single booking under this new price point, we convert a nil-income asset into a revenue-generating one. It also does not undermine existing market traders: nothing currently prevents them booking the Square other than cost, so the reduction gives them an additional option they are presently priced out of. The reduction is temporary and will end in October, by which time the previously ordered markets report should be with us.

Loss of Income

I am informed by the Clerk that the budget assumes no income from the Square, and as previously mentioned no bookings have been made at the current rate. Every booking at £25 is therefore a net financial gain to the Council. Should a genuinely large-scale commercial enquiry arise during the period, with multiple traders, this could be raised by the Clerk with Full Council to see if a bespoke arrangement is preferable.

Anticipated Marketing Costs

I am informed by the Clerk that LTC maintains a contact list of local small businesses, and these businesses can be contacted to inform them of the new temporary pricing arrangement. Updating the Council website, social media, and noticeboards should be either free or extremely cheap. Incidental print costs, for physical letters or posters for sandwich boards, should also be very low. If necessary, the costs could be taken from reserves, with the understanding that any revenue from bookings would be paid back into reserves.

Success Measurement

Success will be assessed by: obtaining traders or income in comparison to the nil baseline, and feedback from traders and residents.

Specifics

This motion assumes:

- Traders requesting to borrow LTC furniture and have LTC staff prepare the square for them would pay for this separately, based on individual negotiations with LTC depending on demand and availability
- To reduce the load on LTC staff, councillors will assist with producing promotional material such as the letters to local businesses
- Hire would be per trader, rather than per day
- Multiple traders can hire St Katherine's Square per day depending on space
- Traders with heavy equipment (for example, food trucks) which could damage the square would need formal approval by LTC before a booking is granted
- Hire could be restricted to certain days depending on LTC staff availability
- LTC retains the right to refuse commercial bookings for any and all reasons. LTC retains the right to limit the number of days a small business can hire St Katherine's Square. LTC retains the right to adjust the hire fee, the days available, and time periods available with any notice the Council believes to be appropriate.