**South Melbourne Market Licence Renewal Policy**

**Reviewed and approved : 19 September 2019 – by C’tee**

**Review date: September 2021**

**Summary**

This document provides details about the licence renewal policy. This policy is under continual review to improve transparency, fairness and ensure the Market is attracting and retaining businesses which meet best practice and are in line with the Market Mix policy and Market’s Strategic Master Plan.

The licence renewal process is a transparent and guided process that aligns directly to the SMM strategic direction. The process is a combination of compliance, visual aesthetics, retail mix / product offer and customer demand. The assessment categories used to gauge the appropriateness of a business at the Market fall into five main topics: product, presentation and promotion, place and positioning and trading history. Within each of these assessment areas, there are specific criteria. These criteria can change depending on the priorities of the Strategic Plan. Considerations include:

* how long the trader has been at SMM – history at the Market is important
* whether the business is family owned and run – how often is the owner working in the business in the shop
* whether the business has a point of difference – is it an indigenous business; a social enterprise; does it focus on locally made; is it a specialty stall; doe sit have a sustainability or ethical focus.

Trader engagement during the renewal process is essential. The trader should have a very clear direction about what is required of them by SMM management and at what stage the process is at.

Essentially the renewal process gives stallholders an opportunity to justify why their Licence should be renewed – to sell themselves by reflecting on what they have done and where they are heading. For management and the Committee it is an opportunity to assess whether the stallholder’s business is aligned with the Market’s direction.

**Introduction**

The South Melbourne Market is a loved and cherished community village market, full of vitality and life.

The Market community and its people are at the core and heart of Market life. Traders, visitors and customers alike all add a range of diversity, knowledge, vibrancy, energy and life to the marketplace and support the Market’s localised traditions and customs.

To create the best customer experience, any retail environment (Shopping Centre or market) must have standards and criteria to assess existing businesses to ensure customer demand and wants are being met. They need to make sure the offer of any business within the centre/market can evolve, grow and diversify with the changing needs of the local market demographic.

The current SMM licence renewal process requires the stallholder up for renewal to complete a self-assessment (in the form of a business plan) and to provide turnover figures for the previous three years. These are reviewed and the stallholder is invited to discuss their submission. A visual merchandising assessment is also undertaken. The purpose of the meeting is to discuss and determine the viability and strategic alignment of the business to SMM Strategic Plan and Market Mix strategy.

**Licence renewal process**

5-step renewal process:

1. Trader self-assessment and Business Plan development
2. Visual merchandising and fit out review
3. SMM trader compliance assessment – if required
4. Interview / Meeting (Formalise new licence or implement licence exit strategy)
5. NOI / Renewal / Exit

In support of the licence renewal process the stallholders have access to the following:

* SMM customer surveys and research
* Customer visitation profiles and traffic counts
* VM handbook (being developed)
* Mix policy
* Strategic Plan
* Small business support contacts and resources

**STEP 1 -** Trader Self-assessment and Business plan

Based on trader feedback, new renewal documentation was developed in December 2018 (and was revised in July 2019). The changes refine, but align with:

* the original SMM business plan template (of August 2018)
* the SMM mix strategy
* the Small Business Victoria (SBV) industry standard business template.

Samples of the business plan templates are attached (Attachment 1), supported by a guidebook.

The documentation is issued in August (10 months before the Licence is due to expire) and the trader is given a timeframe (6 weeks) to complete the business planning and documentation process.

A check of all trader details is completed at this stage to ensure SMM records are up-to-date.

Running a small business requires the ability to look outside the business for solutions, ideas, and best practices. The trader needs to demonstrate that, like the Market, they are evolving in line with customer expectations and the Market’s Strategic Plan.

**STEP 2** – Visual Merchandising (VM) and fit out review

A new VM audit template has been developed and tested. This audit covers the following assessment points:

1. Business Overview & Images (Current state)
2. First Impressions (Customer perspective - visual)
3. Fit Out Standards & Currency (Best practice, age/state of fit out and market relevance)
4. Display Presentation & Housekeeping (Best practice, relevant, hygiene)
5. Sustainability (What practices are integrated into business operations? Opportunities)
6. Recommended Action Plan for Improvements/ Requirements
7. Suggested Visual Concept ideas (Visuals to support change discussion)
8. Health Inspection Requirements (Is there a need for an inspection?)

Not all businesses will require a full VM audit. The licence renewals that do require this process will need to meet the recommendations of the audit, within the specified timeframe and to the required standards, as part of the licence renewal process. In addition, the trader must meet any requirements within the Fit-Out Guidelines as specified.

SMM may offer a qualified Visual merchandiser and / or retail designer on an in-kind basis as part of the renewal process to support the trader in meeting all the Market’s requirements.

**STEP 3 -** SMM trader compliance assessment

This step in the process is very clear. This is where trader compliance across a range of measures are assessed and discussed. Internal compliance assessment includes:

* Breaches, formal complaints and/ or infringements (current and historic)
* Customer feedback – positive or negative (historic)
* DDA compliance – shop fit
* OH&S tenancy review (completed at time of renewal by SMM)
* Food and Health compliance – independent review may be required to support decision making process. (completed at time of renewal)
* Financial review including last 3 years certified turnover (completed at time of renewal) and rental payments (historic)
* Certification compliance (product, prime safe, liquor licence, etc.)
* External reviews and recommendations from industry standard consultants.
* Other – criminal / police checks, business history checks, weights and measures audit, labelling compliance, etc. (as required)

Considerations and priorities during this process would include:

* Using qualified industry approved consultants or on-staff specialists to complete each area of the assessment. This supports the authenticity and standard of the audit.
* Transparency with the trader on any issues and results of the checks.
* Fair and reasonable timeframes to meet any non-compliance issues, if applicable.
* Consistency across all licence renewals in the checking and auditing processes.

**STEP 4 –** Interview/ Meeting (Formalise new licence or Implement licence exit strategy)

The interview with the trader should be an opportunity to discuss the overall big picture, business viability, get an understanding of the business mechanics and operations, and reinforce the SMM vision and how the trader does, or does not, fit into this strategy. The meeting should always have a positive tone and be guided by the supporting documentation that has been developed to support the decision-making process.

At the interview the Licensing Team will discuss a minimum 3-4 goals set out by the trader in the business plan to maintain business growth and development; how they aim to achieve these and what support they may require.

There is an opportunity for the trader to also discuss any issues or challenges they may be having. This can be noted and revisited as needed (e.g. if it is a separate or larger issue).

Minutes from the meeting are kept. A summary is sent to the trader and is saved to the trader file in Content Manager (see attached “Renewal Meeting” template – Attachment 2). Notes are also transferred to a renewal master sheet for that year.

The Licensing team meet to determine whether a trader’s Licence should be renewed and under what conditions:

* Length of term (non renewal, 3 years or less)
* Whether stall improvements are required and by when
* Any other conditions

The list of recommendations (to renew or **not** to renew a Licence) is made to the SMM Committee at a Committee meeting between February and May. This list is summarised in a renewal summary table which notes: term to be offered, previous term, length of time at Market, breaches received during current Licence.

Additional information is provided if:

* There have been any breaches
* The recommendation is to offer a Licence for a period of **less than** 3 years
* The recommendation is **not** to renew a Licence.

The Committee determine whether to issue a:

* Notice That Licensor Is **Willing** To Offer A New Licence; or
* Notice of Licensor’s Intention **Not** To Offer A Renewal Of Licence

**STEP 5 -** NOI / Renewal / Exit - requirements and support

Notice of Intention:

To Renew

* Offered to trader with conditions formulated from review process and term.
* Licence issued on conditions and terms.
* Subsequent meetings held as required.

Support and contribution from SMM is considered and negotiated on an individual basis and could include but is not limited to:

* VM or designer consultancy
* Fit out funding or contribution
* Rent free periods (fit out period of closure)
* SBV mentoring support
* Signage: new branding ID, signage manufacture and installation
* Building / shop shell upgrades and make goods
* New facilities access – electrical, water etc.
* Marketing and in-kind promotion

Not to Renew

* Notice of Licensor’s Intention Not to Offer a Renewal of Licence is issued to trader, giving 6 months notice to exit the Market.
* Subsequent meetings held as required.

Discussions at subsequent meetings will include:

* Exit support program (SBV)
* Fair and reasonable exit timeframe