

MARKET VISION

5 – 15 Years Strategy

Report

1.0 The Value of a Market

Successful markets matter in all their forms. Whether they are specialist, farmers, street or covered markets, they contribute to the social, environmental and economic well-being of the nation. They do this by:

- Providing a sense of place
- Being part of the nation's cultural tradition.
- Remaining an important element of the economy, particularly in relation to independent retailing, local employment and business start up opportunities.
- Offering local access to fresh produce and other commodities.

The Markets Industry across the UK covers five key policy areas.

Regeneration / Economy

The Governments Planning Policy Statement (PPS6) states at section 2.27:

‘Street and covered markets (including farmers markets) can make a valuable contribution to local choice and diversity in shopping as well as the vitality of town centres and to the rural economy. As an integral part of the vision for their town centres, local authorities should seek to retain and enhance existing markets and, where appropriate, re-introduce or create new ones. Local authorities should ensure that their markets remain attractive and competitive by investing in their improvement.’

The regeneration of the market service should enable the centre to actively engage with the other regeneration schemes around the city centre, maximises management techniques and other models to ensure the offer suits the demographic profile of Leicester and that the opportunities for local business start ups and employment within the market is promoted.

Food and Health

Government has developed a number of policy drivers for the food and health agenda including:

- The Strategy for Sustainable Farming and Food (Defra)
- Sustainable Consumption and Production (Defra)
- Food Industry Sustainable Strategy (Defra)
- Public Sector Food Procurement Initiative (Defra)
- Food and Health Action Plan (DoH)
- Obesity Action Plan (DoH)
- School Foods (DfES)

Retail Markets can play a vital role in delivering this agenda. Improving the supply chain, accessing new markets for regional and local foods, creating food business start up facilities (particularly with hard to reach communities), and promoting the methodology of eating healthily by shopping at the market.

Markets offer the ideal location to extend peoples awareness of healthy eating by teaching people how you can, eat healthily, buy and cook food and imbed these concepts by extending the whole market food offer to educate our children.

Culture and Tourism

Cultural identity, adding a unique vitality to towns and cities and practically demonstrating and ability to 'place make', is central to the Cultural and Tourism agenda.

The Local Government White Paper 'Strong and Prosperous Communities' (2006) requires Councils to act as strategic leaders in this field. The market town description is often used and one which allows markets to add thematic value to a tourist experience and offers individual traders the chance to act as ambassadors for the industry.

There is also the opportunity to incorporate arts within the market arena such as music, theatre and dance.

Community Cohesion

The future of markets rests in the ability to create and nurture small business opportunities and generate welcoming environments to meet the needs of the United Kingdom's ever changing cultural communities.

The market offers this opportunity and certainly within Leicester it is the most populated area where all communities come together by choice. The markets have the opportunity to expand this diversity and create a community hub for all.

Environment

The Government's sustainable development strategy – Securing the future – identifies for priorities:

1. Sustainable production and consumption
2. Climate change
3. Natural resource protection
4. Sustainable communities

Leicester's market development allows the opportunity to incorporate all these initiatives. A successful scheme could incorporate recycling, effective use of energy, transport, waste and water management, buildings and local enterprise.

2.0 Facilities

Leicester City Council currently operates the largest covered outdoor market in this country. It provides employment for over 1,000 people. Most traders live within a 10 mile radius of Leicester and, as a consequence, spend on the stalls is retained within local communities. The Market is a vital part of the city centre retail mix.

2 ½ million people visit our markets per year. Shoppers remain very loyal to the market. Shoppers surveys demonstrate over 85% are satisfied with the service and over 90% of all visitors purchase food while shopping at the market. The market receives local, regional and national media coverage.

Despite peoples affiliation with the market, it has struggled in recent years because shoppers increasingly have greater choice and greater mobility. The market has suffered with competition from supermarkets, the development of out of town centres and the increasing volume of sales made online.

Our market facilities generally look tired in comparison to our competitors and need significant re-investment. The indoor market, in particular, has leaking floors and poor drainage. The building is no longer suitable for modern retailing. Action is needed quickly to relocate those trades currently operating in the building. The food hall traders in particular are our 'golden nugget' and if they are going to form a vital ingredient of our vision, need to be protected through the period of transition.

Operationally the Market and the Market Place has its problems. The surrounding road appears to act as a distinct barrier between the market and its surrounding properties, despite a rigorous cleaning operation the market is perceived as a dirty and unclean environment, the neighbouring shops generally are not of a high retail quality and indeed some close the doors that face the market.

Reinvestment and regeneration is needed, so that the Market and Market Place can continue to support the city centre and provide a focus for retail provision and offer an added dimension to complement the Highcross development.

In redeveloping the market however the one overriding factor that ensures markets retain their individuality is the atmosphere and ambience. Leicester has an excellent atmospheric feel to it and in any development it is essential we to retain this particular attribute.

3.0 Past Performance and Current Trends

Over the last 12 years the markets service has generated a surplus of over £8,000,000 for the Council, an approximate average of £675,000 per annum.

This surplus has been achieved despite falling occupancy rates although in 2007/08 the surplus fell by nearly 20% to £532,000.

Only 8% of the surpluses generated over the last 12 years have been reinvested back into the market service. The markets service has regrettably been used somewhat as a cash cow and it can be no coincidence that the market facilities are in need of modernisation.

Strong consideration also needs to be given to a continual reinvestment programme.

Nationally despite the number of market venues appearing to be expanding, offering more days and more stalls, there is an alarming fall in stall occupancy rates. These rates are: 1998/99 (79.01%), 2000/01 (77.25%) and 2003/04 (75.4%)

Leicester's stall occupancy rates are as follows:

	OUTDOOR	INDOOR
1994/95	90.37	99.62
1995/96	83.39	99.45
1996/97	81.63	97.33
1997/98	85.40	94.66
1998/99	86.62	93.67
1999/00	84.36	94.31
2000/01	82.03	93.13
2001/02	78.86	93.67
2002/03	85.77	88.44
2003/04	82.36	95.72
2004/05	80.16	94.93
2005/06	81.20	95.04
2006/07	79.82	95.44
2007/08	78.01	87.34

These statistics clearly demonstrate that Leicester are performing above the national figures although a decline in occupancy rates is evident. Our current voids represent a potential loss of income of approximately £150,000 per annum

What is more noticeable is that the number of food/horticultural traders on the outside market has not significantly altered. In 1996 we had 83 traders while in 2008 we still have 75 traders selling foods, plants and flowers. These traders between them currently occupy on average approximately 100 stalls per day or 40% of the overall maximum stall allocation.

The current stall take up is approximately 50/50 between produce/products. The decline in our occupancy rates can therefore be strongly attributed to a fall in demand for stalls from traders selling products.

A stall occupancy forecast for 2008/09 is as follows:

	OUTDOOR	INDOOR
2008/09	77.00	80.00

The most significant downturn is in the Indoor market where footfall numbers have tailed off dramatically and the short term future of the market is in doubt.

These footfall numbers will have a dramatic commercial impact upon our food hall traders, those that we need to desperately retain. If our vision is to enhance the food offer and use the food hall traders as part of our core business we need to try and support them through a difficult interim period. Butchers and fishmongers are difficult to find. Leicester is fortunate to have such a supply of these speciality trades and we need to ensure we don't lose any while we develop and build our vision.

We should look to retain these numbers with immediate effect. This will mean bold decisions need to be taken that will impact upon the revenue budget.

Practically the market is located in its best position. Given the proposed retail developments within the city centre the market could perhaps operate more successfully if located nearer to Highcross and benefit from closer access to public transport and car parks. However the costs of obtaining the required property would be considerable and would outweigh the benefits of moving.

The retail market offers a huge variety of produce and products for sale at varying levels of quality and price.

In recent years we have seen the decline in trading levels particularly in the clothing and non-specialist products lines. This is due to increasing competition within the high Street. Stores such as Primark, Matalan and even supermarkets are now offering an equal quality product at lower prices. Other product lines are equally struggling as many people turn to online sales as a preferred method of purchasing. This trend is evident in the stall occupancy data.

Given that these trends will continue it is felt that such lines may not remain a viable business on the market in 3-5 years. There will be however still a demand for specialist products. The market currently houses such stalls such as crafts, memorabilia, foam, wool, African and a number of other individual but quality stalls. Where possible we need to retain these.

The market's popularity is still its food. In one of our latest surveys 91% of all shoppers visit our market to buy food. The food/horticultural area, café's and the indoor market's food hall remain our core element of our business. This area I believe can continue to thrive and complement (not compete) with other regeneration schemes within the city centre.

The food offer has the potential to be so much more attractive, and a real asset to Leicester. Consequently it is proposed that the market place focuses on the food with a small number of complementary quality product stalls.

4.0 The Way Forward

The city centre is being completely modernised with Highcross, Curve, the public realm and other positive changes all enhancing our city centre.

A major regeneration of the Market and the Market Place could provide people with an exciting alternative that does not compete but complements Highcross and adds greater richness to the retail circuit. The area has the potential to become a vibrant and a different visitor attraction that could provide a destination place not only for the City but also the East Midlands.

The market is integral to the economy of the City and a key component in the regeneration of the City and especially the Retail Circuit. In addition, there is the potential to maximise the visibility and use of one of Leicester's major landmarks the Corn Exchange, improve the whole environment, support and encourage investment from the private sector to develop neighbouring shops and upper floor usage and maximise the open space in the market square where it can facilitate not only speciality markets but also many other events.

There are a good many examples across Europe where the cities square becomes the hub, the city's community, the place for something new and different, the place where you have fun – quite simply the place to be.

In all the squares you have a market that is a representation of your city and is a facility whereby you allow traders to be flexible, flamboyant and creative. The market should not be forced and rigid but expressive and bursting. By concentrating on food the square can come alive throughout the day and night.

The interest in food is a strong growing national trend. People are beginning to shy away from the supermarket culture when buying fresh foods and markets have a way of 'showing off' food in an entertaining way.

Local foods, farmers markets, healthy eating, educating people on how to cook, what to cook, providing a variety of cultural foods and ensuring these foods are all accessible to people at affordable prices are all very deliverable aspirations.

The strong food offer could maximise its potential by:

- Creating the right landscaped environment
- Offering existing traders better facilities
- Offering better trading facilities that would attract new professional food traders
- Offering better trading facilities that would attract local food producers
- Using our food market as an educational tool for cooking, healthily eating/living and encouraging school interactive visits.
- Introducing more diverse, cultural food offers that reflect the wider Leicester community.
- Introducing an event area for speciality markets (farmers, continental, xmas) and other non-market events.

- Focussing on small businesses and creating an excellent offer not matched anywhere in the Midlands.
- Support the government's healthy eating agenda working in partnership with the NHS and other agencies.
- Making the market a popular entertaining place to visit and shop.
- Introduce a selection of market café/restaurants within the market place and hopefully revitalise the potential for the surrounding shops. This would encourage a longer stay in the market and extend opening hours into the evening.

5.0 Transitional Requirements

To change/develop the market service from its current offer to our visionary appearance and function is going to take a number of stepped transitions.

In order to successfully achieve our vision focussed decisions need to be taken now to achieve the longer-term aim.

Short Term

1. The Council needs to agree and then support the long term vision for the Market and Market Place

2. The Market Budget will need to be reviewed

By agreeing and working to our vision it will be fundamental that the market operation works towards that vision with immediate effect. In doing so this will hopefully safeguard business which are integral to those long term plans.

As a result some operational decisions will severely impact upon the revenue budget. The budget forecast for 2008/09 is a surplus of £585,500. To achieve our aims this would not be deliverable.

3. Need to relocate a number of traders selling products into Humberstone Gate West.

This will provide them with a better opportunity to succeed and will free up space within the outdoor market.

4. Need to relocate all indoor food traders temporarily to the outside market.

The food hall as we know it is not sustainable beyond another calendar year. These specialist businesses will be difficult to replace in 3-5 years time when a development is ready for them to be relocated into. They need interim support.

The food hall traders should be temporarily relocated into the outdoor market (stalls vacated by the outdoor product traders)

Without the food hall traders the non food indoor market traders will struggle and this will inevitably escalate the closure of the building. The Indoor market building generates a surplus of approximately £115,000 per annum.

In addition we will need to keep open the public and trader toilets.

5. Look to use Cheapside with portable stalls

Placing stalls in Cheapside in 1992 proved very popular both with the traders and shoppers. The right traders in this location would enhance the area and help bring people from Highcross through into the Market area.

It should be acknowledged that these short-term measures are being recommended so that it supports both the trader and our long-term vision for the market and market place. These recommendations however will come at a cost and will severely affect the surpluses of the market.

6. Invest in staffing

The staffing levels and requirements will need to be continually reviewed to ensure we have a team capable of driving the service forward. A different skill set will be needed to change the focus/outlook of the service.

This may greatly impact upon the current staffing budget.

7. Design

Markets management needs to be involved throughout the design process and the following issues have been identified in this area:

- **Provide permanent stalls**

To ensure that the scheme attracts the finest food sellers in Leicestershire we should look to invest in some permanent structures to house and offer these traders. It is anticipated facilities for 75 traders should be made available. These facilities would be for food traders only.

Within the area of the market and market place should include a number of cooking areas, and a number of market café's and restaurants.

- **The use of portable stalls**

To remove our existing stalls and to offer space or portable stalls is feasible. At present the outdoor market is extremely profitable and has had little investment over the years.

To provision of portable stalls in the area will hopefully retain the feel and atmosphere of the market. The space needs to be used by the traders in a flexible way allowing them to spill out and trade in an open continental way.

There will be a need for between 100 and 120 stalls depending upon daily and seasonal demands. These stalls will require electric supply for lighting and scales plus transportation and storage.

It should be noted however that to provide stalls that are erected/dismantled each day however is a costly exercise. Set up costs will include purchase of stalls, anchors to hold the stalls down on windy days, power for scales and lighting.

There is also the daily cost. Newark Council erect/dismantle 70 stalls 4 days per week and their operational cost is £125.000 per annum. This would be an added cost the market service does not have at present.

- **Events**

During conversations it is suggested that alternative events may take place in the market area. These events should be welcomed however there will be periods where the space accommodated by the portable stalled traders maybe required for events. This will become an issue. For example to hold an ice rink in the square will require a large space and one that is usually occupied by the traders. Organisers would want the ice rink to be held in November/December traditionally where trading levels is at its highest. If the traders are going to be asked to make way for these events then ultimately traders will look for alternative markets for the continuity of their business.

- **Toilet Provision**

In providing a attractive site that is going to become a place to visit, linger, eat and drink it is important that a high quality toilet facility.

- **To maximise IT facilities to support the market service**

The market service has to compete in a very competitive retail sector and investment is required to ensure that both the market and its traders have up to date electronic facilities that will enable them to compete on a level playing field.

8. Quality of Traders

The quality of traders allowed to trade within the new square will need to be closely monitored. Traders will need to meet high criteria's to be granted permission to trade and new traders will need to be interviewed and produce sampled before stalls offered.

There are agencies available that will promote and actively target businesses that we hope to be included in our scheme. It is an aggressive approach but it is felt the right one given the size of the investment.

6.0 Recommendations

The recommendations are as follows:

1. To agree the vision for the Market and Market Place
2. To agree that the markets revenue budget should be treated in isolation during the transitional period.
3. To relocate the traders selling products into Humberstone Gate West.
4. To relocate the food hall into the outside market with immediate effect.
5. To agree that that there will be investment in the staff.

6. Relocate some traders into Cheapside to enable a natural flow of people between Highcross and the Market Place.
7. To build a minimum of 75 units plus market café's and market restaurants that enable a strong food offer to be available and hopefully nurtured.
8. To accommodate a sizeable number of portable stalls that will link and complement the fixed stalls.
9. To develop a new look market while retaining the atmosphere.
10. The tension of events and markets space will need to be addressed.
11. The selection of new and existing traders would need to be thorough and strong criteria for entry put in place and monitored.
12. To agree that there will need to be an overhaul of the market revenue budget once the development has been completed and to agree a continuing market reinvestment programme to allow for the continuing upgrade/maintenance of the area.

