



# Markets 21

A Policy & Research  
Review of UK Retail  
and Wholesale Markets  
in the 21<sup>st</sup> Century

**The Retail Markets Alliance**

November 2009

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# Markets 21

## A Policy & Research Review of UK Retail and Wholesale Markets in the 21<sup>st</sup> Century

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**On behalf of the Retail Markets Alliance**

November 2009

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# Introduction – Ann Coffey MP



The All Party Parliamentary Markets Group has worked hard for a number of years to bring increased recognition to the markets industry and we are all delighted by the positive response that has come from Government following the publication of the House of Commons Communities and Local Government Report “Market Failure? - Can the traditional markets survive?” Markets now have a voice across government.

It is now widely recognised that markets not only play a vital economic role but also contribute in a number of positive ways to a wide range of other policy areas including healthy eating, tourism, culture, new start opportunities and regeneration. Almost two years ago the All Party Parliamentary Markets Group welcomed the publication of a “Policy Framework for Markets” which highlighted the policy areas relevant to markets. That publication was the predecessor of a more detailed piece of research that is now being published to consider the relevant issues affecting the markets industry and looking at practical solutions and good practice for the future.

I am delighted to welcome this new research and also pay tribute to the work of the Retail Markets Alliance who have supported the project and also come together to promote the interests of the markets industry. The Government has recognised the benefit of the markets industry speaking with one voice on major issues and I am sure that, in the months to come, as everyone seeks to move forward and develop the agenda for the markets industry the Retail Markets Alliance will play an important role.

This research provides further detailed information on the overall position of the markets industry and gives a detailed assessment of the fundamental issues to be addressed. It could not have come at a better time given the formation of the new body that is to look at the issues affecting the markets industry.

The All Party Parliamentary Markets Group will continue to support the work of the market industry and provide an opportunity of members of all political parties to discuss and lobby on issues that will help develop and strengthen what is an important part of the country’s heritage.

Ann Coffey MP

**All Party Parliamentary Markets Group**

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## Organisations

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The Association of Town Centre Management (ATCM)

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The Countryside and Community Research Institute (CCRI)

The National Farmers' Retail and Market Association (FARMA)

The National Association of British Market Authorities (NABMA)

The National Market Traders' Federation (NMTF)

The National Retail Planning Forum (NRPF)

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# Section 1 – Executive summary

## Introduction

**1.1** Markets have existed for millennia and, historically, ensured the residents of towns and cities had access to affordable fresh food and other commodities. They have also acted as a key source of retail innovation, creating many of today's multi-national retailers e.g. TESCO (Hackney, East London), Marks & Spencer (Leeds), and Morrison's (Bradford). This innovation is still being displayed today through, for example, Farmers' and Christmas markets. But what makes a successful market? Why are some markets doing well and others failing? What is the role of wholesale and retail markets in the 21st century? This report seeks to answer those questions.

**1.2** The rise of the supermarkets has coincided with a decline in markets and the independent High Street. But to what extent have markets declined, and compared with what? One of the problems facing the markets industry (and one of its weaknesses) is an historic lack of information and research into the sector. Many market operators across the country undertake local surveys but little has been carried out nationally to measure the cumulative value of markets. This has led some analysts to refer to markets as 'the hidden sector'. It has also led central and local government, both of which rely on 'evidence-based decision making' to ignore markets, on the basis that there is no evidence to support their contribution to policy and strategy!

**1.3** The Retail Markets Alliance (RMA) set up a Working Group in September 2008. With support funding from the British Council of Shopping Centres Educational Trust it set out to answer a number of key questions:

- How many markets are there?
- What types of market are they?
- What is their geographic spread?
- Who manages them?
- How often do they operate?
- How many market traders are there?
- What is the business turnover of markets?
- How many people does the market industry directly employ?
- How are markets performing in the current economic recession?

**1.4** Separately, The National Association of British Market Authorities (NABMA) is the collaborating partner in an Economic and Social Research Council PhD project based at the Countryside and Community Research Institute, University of Gloucestershire. The research being carried out by Julie Smith is entitled: 'Traditional food retail markets: the hidden sector? A geographical analysis.' Permission has very kindly been given for some of that work to be included in this report. This research material may not be reproduced without the author's express permission.

## Key facts

**1.5** The 2009 study revealed the following headline figures:

- 1124 traditional retail markets
- 605 farmers' markets
- 26 wholesale markets
- Over 45,700 retail traders
- An estimated 95,000 people directly employed on retail markets
- 1,000 wholesale businesses
- An estimated 10,000 people directly employed on wholesale markets
- Total retail market turnover of over £3.5 billion a year
- Wholesale market turnover of £4.1 billion a year.



**1.6** The information on the number and type of markets has been extracted from a working paper<sup>1</sup>, written by Julie Smith as part of her PhD research project into traditional food retail markets in England. A more detailed extract of that work is attached at Appendix 1 of this report. Table 1 is reproduced with the permission of its author, Julie Smith, and shows their type and geographical split.

**Table 1** *All types of market in the UK: breakdown by Government Office Region (GOR).*  
(Source: Smith 2009)

<b>GOR</b>	<b>All markets</b>	<b>Traditional retail markets</b>	<b>Wholesale markets</b>	<b>Farmers' markets</b>	<b>Country markets</b>
<b>E</b>	237	107	0	78	52
<b>EM</b>	172	94	3	48	27
<b>L</b>	198	144	5	47	2
<b>NE</b>	72	48	2	14	8
<b>NI</b>	25	15	1	6	3
<b>NW</b>	226	158	4	48	16
<b>S</b>	79	37	2	40	
<b>SE</b>	305	124	2	102	77
<b>SW</b>	284	101	1	100	82
<b>W</b>	171	86	1	42	42
<b>WM</b>	173	101	1	42	29
<b>Y&amp;H</b>	163	109	4	38	12
<b>Totals</b>	<b>2105</b>	<b>1124</b>	<b>26</b>	<b>605</b>	<b>350</b>

E – Eastern region; EM- East Midlands; L – London; NE- North East; NI- Northern Ireland; NW – North West; S – Scotland; SE- South East; SW – South West; W – Wales; WM – West Midlands; Y&H – Yorkshire and Humberside.

**1.7** Julie Smith's analysis notes:

"The numbers emphasise the dominance of *outdoor* traditional retail markets, with 697 operating and accounting for 33% of all markets (London's street markets account for 101 markets in this category). There were 487 farmers' markets (outdoor) accounting for 23% of the total. The Rhodes Survey (2005) found a 250% increase in farmers' markets

between 1998-2004 and figures in 2009 indicate that this upward trend has continued. Research conducted by the National Farmers' Union identified 450 farmers' markets in 2002 showing a 34% increase in 2009 with 605 farmers' markets operating."

**1.8** Julie Smith's analysis also notes:

"Traditional retail markets are principally run by the public sector (60%), although 321 (29%) are now run by the private sector. 103 traditional retail markets are managed as some form of partnership (9%)."

**1.9 Table 2** compares the performance of traditional retail markets, farmers' markets and wholesale markets.

**Table 2** – comparison of retail and wholesale market performance

	% of total markets	% of total business-	% of total turnover
Farmers' markets	28.7	16.1	2.9
Traditional retail markets	53.4	81.8	43.1
Wholesale markets	1.2	2.1	53.9

**1.10** In terms of the current recession, the research also looked at how markets were performing in comparison with the 'High Street' in general. The results suggest that for the nine large urban markets taking part in the customer footfall study (3 in Bradford, 2 in Birmingham, 1 in Manchester, 2 in Sheffield and 1 in Stoke) they have largely out-performed the High Street during the recession.

**1.11** However, consideration of 'snap-shot' results from other markets across the country shows a much more mixed response, with a number of markets performing significantly worse than the national average.

**1.12** This mixed picture was also reflected in the findings of a survey questionnaire conducted by Julie Smith as part of her PhD research. A sample of market managers/operators was asked for their impressions about current trends on their markets since the start of the economic downturn in September 2008. The figures reveal:

#### **Trader numbers**

- 23% showed an increase in trader numbers
- 39% of markets in the sample showed no change in trader numbers, and
- 38% showed a decline in trader numbers

#### **Traders selling food**

- 30% reported an increase in traders selling food
- 58% of markets reported no change in the number of traders selling food, and
- 12% showed a decrease in traders selling food

#### **Number of shoppers**

- 20% showed an increase in shopper numbers
- 38% reported no change in shopper numbers, and
- 42% reported a decline in shopper numbers.

#### **Average spend**

- 9% showed an increase in average spend
- 38% reported no change in average spend
- 53% markets reported a decline in average spend.

### **Policy objectives**

**1.13** The potential for markets to perform a 'public good' lay behind the development of the Markets Policy Framework 2007, produced by the RMA, and launched by the All Party Parliamentary Markets Group (APPMG), which identified that successful markets contribute to the social, environmental and economic well-being of the nation, by:

- Providing a sense of place
- Being part of the nation's cultural heritage
- 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
- Reducing environmental impacts e.g. by eliminating excessive packaging/waste.



**1.14** The Policy Framework also identified five key policy areas that markets can contribute to:

- Regeneration/economy
- Food & health
- Culture & tourism
- Community cohesion
- Environment

**1.15** On 27th November 2008, the Communities & Local Government (CLG) Committee announced the terms of reference of an inquiry into traditional retail markets. The purpose of the inquiry was to determine whether traditional markets are in decline and, if so, whether the implications are sufficiently important to warrant greater consideration by local authorities and Government.

**1.16** The CLG Committee published the report of its inquiry into traditional retail markets on 23rd July 2009, and concluded:

*'The situation as regards traditional retail markets in England today is complex. There is evidence of prolonged decline coinciding with the growth of supermarkets. But there is also evidence of continuing success for some in all types of markets. There is scope for optimism for the future provided that local authorities and other key stakeholders are willing and able to rise to the challenges that markets will continue to face.'*

In relation to local government, the report states: *'We do not underestimate the challenge facing local authorities seeking to sustain their markets in the current austere climate. From the evidence we have received, it seems to us that there are two big challenges: finance and management.'*

**1.17** The report makes a number of recommendations in relation to local and Central Government.

**1.18** The Government has accepted all the relevant recommendations and will champion the interests of all markets with a new body that will bring together key government departments, representatives from the retail markets industry and the Local Government Association. Communities and Local Government will lead the group and assume the strategic lead for markets across Government.

**1.19** The Government believes that markets are an important part of the strong retail mix that town centres need to attract shoppers and provide consumer choice. The new body will report to Local Government Minister Rosie Winterton and Minister for Food Jim Fitzpatrick.

#### **The group will:**

- Champion traditional retail markets and how they can contribute to the local economy, the character of the town centre and the wider community. Work with the markets industry to raise the profile of markets with local authorities and highlight benefits through best practise examples and case studies
- Work with councils to encourage them to use licensing powers positively to permit more markets in their town and city centres
- Give markets a forum to discuss and influence future Government policy affecting markets for the first time. This includes planning and licensing rules.
- Work with the industry to see how street markets can also be used to encourage healthy eating, flexible working for young parents or a tourist attraction. The groups will also look at how best to communicate the varied benefits of markets.

**1.20** The RMA has reviewed its policy objectives. These are restated below:

### **The Retail Markets Alliance's Policy Objective 1 – regeneration and economy**

*We will ensure, as far as possible, that we actively engage with regeneration schemes involving markets or the potential for markets; utilise modern retail research and management techniques and models to ensure the offer suits the demographic profile of the regeneration area, and that we market and promote the opportunities for local business start-ups and employment.*

*Equally, we will seek to ensure that wholesale markets – being a key element of the food supply chain – are modernised as part of wider strategic regeneration schemes.*

### **The Retail Markets Alliance's Policy Objective 2 – food and health**

*We recognise the significant role that retail and wholesale market can play in delivering the government's food and health agendas, and will seek to ensure that we work in partnership with government departments such as the Department for the Environment, Food and Rural Affairs (DEFRA) and the Department of Health, the Food Standards Agency, and with Regional Government Offices and the Regional Development Agencies to identify projects and funding to implement these strategies. This includes promoting and supporting business opportunities (including local food hubs), public procurement and the fruit and vegetables into schools scheme, and creating food business start-up facilities (business incubators) particularly in relation to innovation and Black and Minority Ethnic (BME) communities.*

## **case study 1**

### **Belfast St George's Retail Market**

Faced with poor trader attendance (down to 7 stalls on the Saturday market) and dwindling customer numbers, Belfast Council reviewed its Saturday Market. Their strategy was to regenerate the market by attracting small independent local businesses to trade there. They mixed food, with a small but top quality craft offer, and reintroduced some 'theatre' by use of musicians and entertainers and themed demonstration days. It took time and hard work, but the change paid off. The market is now full with 110 traders and there's a large waiting list of businesses wanting to attend.



## **case study 2**

### **New Covent Garden Wholesale Market**

Recognising the need to build links between markets and schools, the New Covent Garden Market Schools project set out to increase young people's understanding of the food supply chain and give children direct experience of growing food. Working in partnership with Wandsworth Council, it combined farm visits, visits to the wholesale market and a sustainable gardening competition in the schools. In its second year 7 primary, 1 special needs and 1 secondary school took part – 250 students in all.



## **The Retail Markets Alliance's Policy Objective 3 – culture and tourism**

*Cultural identity and place making are central to our policy on culture and tourism.*

*We will use markets to promote the cultural identity of their location, and promote the partnership benefits of linking markets activity to local culture and tourism strategies.*

*We will seek to work in partnership with the Department for Culture, Media and Sport (DCMS) and the Arts Council and the co-ordinators of the 2012 Olympics to share priorities and cascade them throughout the industry. In practice, this may take the form of offering space to the creative sector at indoor market venues or by contributing to large scale outdoor music, theatre, cultural and dance events.*

### **case study 3**

#### **Stockport Market**

Stockport Council reviewed its markets and decided to incorporate them into the city's culture and tourism offer. The opportunities presented by the Victorian Market Hall and the Market Place has led to increased publicity, promotion as one of '8 Fantastic Ways to Discover Stockport', and an eclectic range of events such as the annual Culturefeast celebration designed to bring the community together. Footfall in the markets has increased as a consequence.



## **The Retail Markets Alliance's Policy Objective 4 – community cohesion**

*Our policy on this subject is unequivocal.*

*The future of the markets industry rests on its 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.*

*We will make use of the markets' role as community hubs to promote strong, safe and prosperous communities.*

*We will lobby local government to produce policy and direct funds such as the Working Neighbourhoods Fund (WNF) into projects that give the more deprived sections of the community (which includes many migrant clusters) the opportunity to become economically active participants in the nation's economy.*

### **case study 4**

#### **Nuneaton Market**

To halt the decline in its market, Nuneaton Council decided to integrate it market with the town centre management and put the market at the heart of the community. Investment in new stalls and equipment, improved quality and promotion has paid off. The Saturday market is now full with 160 stalls, the 2009 town survey showed that 97% of respondents thought the market was important to the town, and 82% of them regularly shopped on the market. New businesses have also been attracted to the town because of the market.





## The Retail Markets Alliance's Policy

### Objective 5 - the environment

*We will seek to reduce any adverse impact that our industry has on the environment. We will set out clear and effective guidance in relation to energy, transport, waste management, water management, buildings and local enterprise.*

## case study 5

### Darlington Market

Faced with increasing waste and decreasing land-fill sites, Darlington Council introduced a new waste management system into the retail market. Working closely with the traders, it started by separating out cardboard and plastics for recycling. Building on the early success, it has expanded the range of waste recycling reducing waste to land-fill by 75%, and as an added benefit, it has made revenue savings of 75%.



## Strategic Priorities

**1.21** In its written submission to the CLG Committee Inquiry into Traditional Retail Markets, the RMA noted:

*'Retail markets have also experienced a lack of investment over the years with local authorities (the principal market operator) choosing to invest in services of higher priority, e.g. housing, social services and education. Hence, some market facilities now look tired compared to new modern retail facilities.*

*The lack of investment in markets consists of*

*more than just capital. The failure of many local authorities to recognise the strategic value of markets, coupled with local government reorganisation, has had some negative consequences... The calibre of manager can also vary considerably, and the common 'regulatory' approach taken by many authorities means that they lack the retail and commercial skills necessary to understand, attract, promote and support the businesses that operate within their markets. There is also a general lack of effective marketing and promotion of markets.'*

**1.22** It also raised the key issue of 'new blood':

*'Crucially, there is also a lack of new young traders entering the sector. Markets are an untapped source of employment. Whilst the RMA is supporting an initiative with Make Your Mark to attract new entrepreneurs into markets, much more has to be done, and this remains one of the industry's key priorities.'*

**1.23** There are currently no sector qualifications for managers, staff or traders on wholesale or retail markets. The need for training and skills development for new market managers, new traders, and existing managers and traders who need to 'up their game', is now widely recognised, and the RMA will continue to work with government and providers to help identify, fund and implement skills development.

**1.24** In responding to the needs of the markets sector, the RMA has identified the following strategic priorities:

- Promoting the policy objectives
- Making the case for financial investment
- Attracting new businesses – promoting entrepreneurship
- Developing learning & skills for the markets sector
- Building relationships with key partners
- Marketing & PR.
- Improving management support
- Plugging the knowledge gaps – identifying research priorities

## Measuring success

**1.25** The RMA has reviewed a number of versions of critical success factors for retail markets, and produced a 'hybrid' version taking the common and best elements of each.

These are listed below. The more areas the market conforms to, the greater chance it has to succeed.

- **Sense of place**
- **Critical mass**
- **Good management**
- **Accessibility & permeability**
- **Marketing & PR**
- **Safety & security**
- **Integration with surrounding retail offer and community**
- **Partnership working**

## Conclusions & recommendations

### Conclusions

**1.26** The findings of the 2009 research show that the retail and wholesale market sectors in the UK remain significant, with a total annual turnover of £7.6 billion. This is generated by almost 47,000 micro and small to medium enterprise (SME) businesses.

**1.27** These figures do not include the indirect benefits of markets. No research has been carried out into the indirect employment impact of markets (transport, stall manufacture, utilities, legal and accountancy, cleaning and waste disposal etc.). Equally the economic 'multiplier effect' of local markets within local communities has not been studied nationally.

**1.28** Although the number of traditional markets has remained relatively constant over the last 5 years, this potentially masks significant decline in terms of the size of those markets. Excluding the growth of farmers' markets, there has been a 14% reduction in the number of traders operating from traditional retail markets.

**1.29** Despite the decline in trader numbers, traditional retail markets account for 83.6 % of all retail market traders and 93.5% of the retail business turnover. They can, therefore, continue to play a major role in supporting employment, wealth generation and the provision of local services to communities.

**1.30** Although wholesale markets account for only 2.1% of businesses operating in the

sector, those businesses generate 53.9% of the sector's turnover. Their role in contributing to the food supply chain and the economy should be recognised and supported.

**1.31** Overall, retail markets do not appear to have capitalised as much as they could have on the opportunities created by the economic downturn. While some markets have clearly outperformed the high street, others have performed much worse. Local factors such as lack of investment, quality of management and traders' offer, and poor location are likely to contribute to this mixed picture. Equally, on a national level this could be due to a number of factors including:

- Failure to recognise and respond to increased competition from discount retailers.
- Insufficient marketing and PR.
- The length of time it takes to make changes happen within markets.

**1.32** Farmers' Markets have shown mixed results, and it remains to be seen whether the expansion of this sector will pick up again as the recession eases.

**1.33** Based on the preliminary survey results carried out by Julie Smith as part of her PhD research, food sales on retail markets appear to have held up better than non-food, with 58% of managers reporting no change in the number of traders selling food and 30% reporting an increase.

**1.34** Wholesale markets appear to have performed better than the retail markets, and have remained stable during the economic downturn, but the need for capital investment remains a priority.

**1.35** The research findings offer no grounds for complacency. If significant change does not materialise quickly, it is not unreasonable to suggest that somewhere between 20-25% of current markets will close within the next decade.

**1.36** The historic development of markets in the UK, in particular their place in local government, means that, although driven by a clear commercial imperative, retail and

wholesale markets can help contribute to a range of public policy priorities.

**1.37** Recognition of the unique nature of market trading, and of the public good they can generate does not mean markets can or should simply carry on as they are. Nor does it mean that there is no room for the private or third sector. Nor does it mean that the need to generate business profit is in anyway diminished. On the contrary it provides a focus and framework on which to develop innovation, change, growth and sustainability, which in turn deliver the policy benefits identified.

**1.38** Parliament, through its CLG Committee Inquiry, and Central Government, through its Ministerial response to that Inquiry Report, have accepted the importance of markets and the contribution they can make to public policy. Mechanisms are being put in place to help support and integrate joint working on markets issues. However, if the UK is to improve its retail and wholesale markets and ensure they are thriving and sustainable, the national co-ordinating role currently being provided by the RMA must continue, with sufficient resources to ensure success.

**1.39** Many of the recommendations made by the CLG Committee relate to local rather than national government. Local authorities are key to the future success or failure of markets in the UK and to date through their principal associations have made no formal response to the Inquiry findings and recommendations.

**1.40** The management of markets is changing and will continue to do so and some exciting new models are starting to emerge. In particular the option of smaller markets being managed by Town and Parish Councils, with these small local authorities pooling management resources, potentially offers sustainable solutions. Equally, larger local authorities are starting to consider the creation of public-public joint venture companies (PPJVCo) at sub-regional or city-region level. These offer economy of scale and better scope for strategic planning. Partnerships with the private sector and markets run as social enterprises will also continue to develop.

**1.41** The challenges facing the markets industry in the UK are significant. In particular the need to attract investment in markets, improve the quality of management and the retail offer, and attract new businesses. The RMA's strategic priorities seek to address these issues and it is essential that resources are focused on their delivery.

**1.42** There is a clear need to continue research projects to better understand the sector and to measure its performance at a national as well as local level.

**1.43** Successful markets have a number of features (critical success factors) in common. These should be developed as a tool for use by all markets to help identify where change is required to improve the market.

**1.44** There is a need to improve the way that markets measure their performance. Creating a more standardised approach to the way that markets do this will enable markets to compare their performance with others, and mean that more accurate data can be gathered and analysed at a national level.

## **Recommendations**

**1.45** That local authorities accept and implement the recommendations of the CLG Committee Inquiry into Traditional Retail Markets.

**1.46** That local authorities specifically explore the range of different management models available to determine the most appropriate one for their markets.

**1.47** That the RMA ensures there are sufficient resources available to deliver their strategic priorities.

**1.48** That the RMA/Inter-departmental Working Group adopt the strategic priorities as the starting point for a shared agenda and joint working.

**1.49** That more research is commissioned at a local, national and international level to better understand the performance of wholesale and retail markets and their contribution to delivering sustainable communities.



# Section 2 – Markets in the 21st Century

## current performance

### Context

**2.1** Markets have existed for millennia and, historically, ensured the residents of towns and cities had access to affordable fresh food and other commodities. They have also acted as a key source of retail innovation, creating many of today's multi-national retailers e.g. TESCO (Hackney, East London), Marks & Spencer (Leeds), and Morrison's (Bradford). This innovation is still being displayed today through, for example, farmers' and Christmas markets. But what makes a successful market? Why are some markets doing well and others failing? What is the role of wholesale and retail markets in the 21st century? This report seeks to answer those questions.

**2.2** The rise of the supermarkets has coincided with a decline in markets and the independent High Street. But to what extent have markets declined, and compared with what? One of the problems facing the markets industry (and one of its weaknesses) is an historic lack of information and research into the sector. Many market operators across the country undertake local surveys but little has been carried out nationally to measure the cumulative value of a market. This has led some analysts to refer to markets as 'the hidden sector'. It has also led central and local government, both of which rely on 'evidence-based decision making' to ignore markets, on the basis that there is no evidence to support their contribution to policy and strategy!

### Research project 2004

**2.3** Prior to this report there had only been one previous national survey. The report of the First National Retail Markets Survey ('The Rhodes Survey')<sup>2</sup> was carried out in 2004 and launched in 2005. The research and report were jointly funded by the National Association of British

Market Authorities (NABMA) and the National Market Traders' Federation (NMTF). The main aim of the survey was to establish and identify:

- The number of markets operating across the country
- The locality of the market
- The type of market
- Stall occupancy rates
- The number of market traders
- Market trader ethnicity
- The number of people employed across the market industry
- The number of shopping visits per year
- All turnover by both the operator and at the stall
- Trends using data from 1998 to 2004

**2.4** The survey revealed the following headline figures:

- Over 1,150 retail markets are operated within the UK
- Over 150,000 stalls are available each week
- The market industry offers employment to more than 96,000 people
- Over 46,000 market traders work across the UK
- Over £1.1 billion spent at market stalls each year in the UK
- The average stall occupancy rates are 75% and falling.
- Over 435 million shopping visits per year
- Over £125 million turnover by market operators each year.

## Research project 2009

**2.5** The Retail Markets Alliance (RMA)<sup>3</sup> set up a Markets Knowledge Base Working Group in September 2008. With support funding from the British Council of Shopping Centres Educational Trust it set out to answer a number of key questions:

- How many markets are there?
- What types of market are they?
- What is their geographic spread?
- Who manages them?
- How often do they operate?
- How many market traders are there?
- What is the business turnover of markets?
- How many people does the market industry directly employ?
- How are markets performing in the current economic recession?

**2.6** Separately, NABMA is the collaborating partner in an Economic and Social Research Council PhD project based at the Countryside and Community Research Institute, University of Gloucestershire. The research being carried out by Julie Smith is entitled: 'Traditional food retail markets: the hidden sector? A geographical analysis.' Permission has very kindly been given for some of that work to be included in this report. This research material may not be reproduced without the author's express permission.

**2.7** A number of pieces of primary research were carried out by the group, and compared with the findings of the principle secondary research – the 2004 Rhodes Survey. Specific projects included:

- A questionnaire sent to a representative sample of market traders in relation to business turnover.
- Developing a revised methodology for measuring the number of market traders.
- The gathering and analysis of retail market footfall information.

- The creation of a wholesale market benchmarking programme.

In addition, two pieces of research being carried out by Julie Smith as part of the PhD Research Project have contributed to this report:

- The creation and analysis of a new national database of markets.
- The preliminary analysis of a detailed survey questionnaire sent to a representative sample of traditional food markets.

**2.8** The research focuses on 'traditional' indoor and street retail markets, farmers and country markets and wholesale food markets. It is worth noting that no specific research was carried out into car-boot sales or fairs, both of which fall within the legal definition of a market.

## Number of markets

**2.9** The information on the number and type of markets has been extracted from a working paper<sup>1</sup>, written by Julie Smith as part of her PhD research project into traditional food retail markets in England. A more detailed extract of that work is attached at Appendix 1 of this report. Table1 is reproduced with the permission of its author, Julie Smith.

**Table 1** All types of market in the UK: breakdown by Government Office Region (GOR).  
(Source: Smith 2009)

GOR	All markets	Traditional retail markets	Wholesale markets	Farmers' markets	Country markets
<b>E</b>	237	107	0	78	52
<b>EM</b>	172	94	3	48	27
<b>L</b>	198	144	5	47	2
<b>NE</b>	72	48	2	14	8
<b>NI</b>	25	15	1	6	3
<b>NW</b>	226	158	4	48	16
<b>S</b>	79	37	2	40	
<b>SE</b>	305	124	2	102	77
<b>SW</b>	284	101	1	100	82
<b>W</b>	171	86	1	42	42
<b>WM</b>	173	101	1	42	29
<b>Y&amp;H</b>	163	109	4	38	12
<b>Totals</b>	<b>2105</b>	<b>1124</b>	<b>26</b>	<b>605</b>	<b>350</b>

E – Eastern region; EM- East Midlands; L – London; NE- North East; NI- Northern Ireland; NW – North West; S – Scotland; SE- South East; SW – South West; W – Wales; WM – West Midlands; Y&H – Yorkshire and Humberside.

## The number of market traders

**2.10** Because of the peripatetic nature of many retail market businesses, whereby one trader may stand on several different markets each week, accurately measuring the total number of market traders based on returns from market operators is problematic. Membership of the NMTF was, therefore, used as the starting point for this measure. The NMTF has also carried out research into how many traders on traditional retail markets are not members of their organisation. In addition, The National Farmers' Retail and Markets Association (FARMA) has provided an estimate of the number of farmers' market businesses. There is also some overlap, in that a proportion of traders on farmers' markets are members of the NMTF. This has been factored into the results. The number of wholesale businesses was calculated from the NABMA benchmarking returns from 13 wholesale markets.

**2.11 Table 2** summarises the number of business supported across the markets sector.

**Table 2** Number of market traders

Business category	No of market traders
NMTF traditional market membership (total - farmers)	30,950
Non-NMTF traditional retail market traders (19%)	7,260
<b>Total traditional retail market traders</b>	<b>38,210</b>
Farmers' market traders	7,500
<b>Total retail market businesses</b>	<b>45,710</b>
Wholesale market businesses	1,000
<b>Total number of market businesses</b>	<b>46,710</b>

## The business turnover of markets

**2.12** A business turnover survey of traditional retail markets was carried out by the NMTF in January 2009, through its membership network. Additional information was provided by FARMA, for farmers' markets; and Country Markets, via their website. The value of wholesale market business turnover was calculated from the NABMA benchmarking returns from 13 wholesale markets in January 2009.

**2.13** Table 3 summarises the annual business turnover across the markets sector.

**Table 3** *business turnover*

Category	Turnover (£ Billion)
Traditional retail markets	3.282
Farmers' markets	0.220
Country markets	0.010
<b>Total retail market turnover</b>	<b>3.512</b>
Wholesale markets	4.1
<b>Total market turnover</b>	<b>7.612</b>

**2.14** Despite the growth in farmers' markets in the UK, traditional retail markets remain the principal economic and business generators for retail markets. Table 4 illustrates this.

**Table 4** *comparison of traditional and farmers' market performance*

	% of total retail markets	% of total businesses	% of total turnover
Farmer's markets	29.1	16.4	6.3
Traditional retail markets	54.1	83.6	93.5

**2.15** This is principally related to the scale of traditional retail markets and the fact that they are held much more frequently than farmers' markets.

**2.16** Table 5 compares the performance of traditional retail markets, farmers' markets and wholesale markets and shows that the much larger wholesale business generate 53.9% of all market turnover

**Table 5** – *comparison of retail and wholesale market performance*

	% of total markets	% of total businesses	% of total turnover
Farmer's markets	28.7	16.1	2.9
Traditional retail markets	53.4	81.8	43.1
Wholesale markets	1.2	2.1	53.9

## The number of people employed on markets

**2.17** Most market operators do not measure the number of people directly employed as one of their suite of key performance indicators (KPIs). A number of markets have, however, provided information as part of this research review. The number of people employed relates to the size, commodity grouping and turnover of the stall. Some traders employ full-time staff, others make use part-time staff. The feedback also shows that indoor markets support more additional employees than outdoor/street markets, where some traders do not employ any additional staff. More research is needed in this area, but for this review a multiplier of one trader to one full-time equivalent (FTE) has been used for retail markets. The markets also support direct management jobs – managers, maintenance and security staff, cleaning and waste management staff etc. The number of people directly employed on wholesale markets was calculated from NABMA benchmarking returns.

**2.18** Table 6 shows the estimated number of people directly employed for retail and wholesale markets.

**Table 6** *numbers employed*

	Number employed (including traders)
Retail markets	95,000
Wholesale markets	10,000

### Comparison of 2004 Rhodes Survey results with 2009 RMA review.

**2.19** In terms of these four key indicators (number of markets, number of market traders, business turnover and number of people directly employed), it is interesting to compare the results from the Rhodes Survey with the updated figures for 2009 (excluding wholesale). These are shown in Table 7, below.

**2.20** The Rhodes Survey identified 46,000 retail market traders. Comparing the 2009 figure contained in Table 10 with the Rhodes figure, there appears to have been a decline of 17% in the number of traders standing on traditional retail markets in the past 5 years.

**2.21** Whilst no data was provided by FARMA into that survey, a number of local authorities were running farmers' markets at that time and included the number of traders on farmers' markets in their returns. The figure of 46,000 should therefore be reduced to more accurately compare like-with-like. An estimate of the number of farmers' market traders contained in the 2004 return has been made. This takes the number of traders standing on traditional retail markets in 2004 to 44,500. Comparing this with the 2009 figure shows a 14% fall.

**2.22** This decline is not spread evenly across traditional markets. Many, such as Belfast, Cottingham and Sheffield's Crystal Peaks are full and some have waiting lists of traders wanting to attend. For other markets the decline has been more extreme. In the case of

Southwark's street markets, for example, the number of traders has reduced from nearly 700 in 1998 to under 300 in 2008. Burslem near Stoke has a 70 stall outdoor market. It currently has 2 traders.

**Table 7** *Comparison of retail markets 2004/2009*

	2004	2009
Number of markets	1,150	1,124 traditional 2,079 all retail
Number of traditional market traders	44,550	38,210
Business turnover	£1.1 Billion	£3.5 Billion
Number of people employed	96,000	95,000

**2.23** The increase in the number of retail markets relates to the growth in farmers' markets and the fact that country markets were not included in the previous survey.

**2.24** Retail market turnover has increased significantly, but this is likely to be due to the 2004 being an under-estimate, provided by market managers, not traders.

**2.25** Again, excluding the growth effect of farmers' markets, there has also been a decline in the number of people directly employed on traditional retail markets.

## Conclusions

**2.26** The findings of the 2009 research show that the retail and wholesale market sectors in the UK remain significant, with a total annual turnover of £7.6 billion. This is generated by almost 47,000 micro and small to medium enterprise (SME) businesses.

**2.27** These figures do not include the indirect benefits of markets. No research has been carried out into the indirect employment impact of markets (transport, stall manufacture, utilities,

legal and accountancy, cleaning and waste disposal etc.). Equally the economic 'multiplier effect' of local markets within local communities has not been studied nationally.

**2.28** Although the number of traditional markets has remained relatively constant over the last 5 years, this potentially masks significant decline in terms of the size of those markets. Excluding the growth of farmers' markets, there has been a 14% reduction in the number of traders operating from traditional retail markets.

**2.29** Despite the decline in trader numbers, traditional retail markets account for 83.6 % of all retail market traders and 93.5% of the retail business turnover. They can, therefore, continue to play a major role in supporting employment, wealth generation and the provision of local services to communities.

**2.30** Although wholesale markets account for only 2.1% of businesses operating in the sector, those businesses generate 53.9% of the sector's turnover. Their role in contributing to the food supply chain and the economy should be recognised and supported.

## Market performance in the current economic climate.

**2.31** As discussed previously, the markets sector does not currently measure performance nationally on a regular basis. In looking at the performance of the 'High Street' during the recession, a number of key indicators are regularly measured by a number of organisations. These include:

- Shop unit occupancy/vacancies
- High Street footfall
- Spend (profiled against commodity groups)
- Shop unit rental levels

**2.32** In looking at how retail markets are performing in the recession, two principal measures were employed. The first was customer footfall, the second, carried out as

part of the PhD research project into traditional retail food markets, asked a representative sample of retail market managers to assess their performance in relation to trader numbers, number of traders selling food, number of shoppers, and average spend.

**2.33** The majority of retail market managers do not currently measure customer footfall. A small number of retail markets (typically large, urban, indoor markets), have sophisticated footfall measuring equipment in place and have been gathering data for a number of years. Others measure a performance 'snapshot', typically annually. As part of this research review, data of both types was provided by NABMA members and analysed in comparison to monthly national 'High Street' data, kindly provided by the Association of Town Centre Management (ATCM)/Springboard<sup>4</sup>. The performance of markets is also set in context by considering that of retailing generally, again, using information provided by the ATCM.

## The High Street

**2.34** Although footfall in the UK's High Streets increased annually by 0.7% in April 2009 (for the first time since August 2007), the trend has not continued. An annual decrease of 4.3% in May, was followed by continued decline in June, with a year-on-year decrease of 7.7% compared with June 2008.

**2.35** It also appears that regional cities are being hit even harder than towns and cities generally. While in June there was a year-on-year decrease of 7.7% in High Streets nationally, in regional cities footfall declined by 12.1% in June; an acceleration of the 10.5% decline in May in regional cities (compared to 4.3% nationally). Springboard's Retail Park Index, which tracks customer flows at out-of-town retail locations, has reported accelerating annual increases in every month during 2009, resulting in an average increase in activity for the year to the end of July of +5% (compared with an annual decline in town centre footfall for





the year to date of 4.9%.

**2.36** UK retail sales values fell 0.1% in August on a like-for-like basis, and the British Retail Consortium (BRC)-Nielson Shop Index<sup>5</sup> also reported annual sales price deflation of 0.1% in August, the first time the index has shown deflation since February 2007. This was driven by a sharp fall in food inflation during the past six months.

**2.37** Although the rapid rise in retail vacancy in town centre is making headlines, many town centres were already seeing a decline in retail before the credit crunch. Between 1996 and 2006, the total amount of retail space in town centres fell by 2.8% according to Verdict. This hid more significant change in that high street space fell 11.8% while shopping centre space actually rose 34.2%. The Local Data Company report 21,428 shops have closed between September 2008 and April 2009. It has been estimated that up to 135,000 shops may close as a result of the recession.

**2.38** Although town centres saw significant retail sales growth in the ten years to 2006 (up 35.6%), out-of-town sales grew considerably faster (up 80.6%). Internet sales are also growing significantly (up 120% in the decade to 2006). Town centres remain the dominant retail locations in terms of percentage of overall spend, but having had more than 50% market share in 1996, forecasts before the current recession saw this falling to 42.2% by 2011.

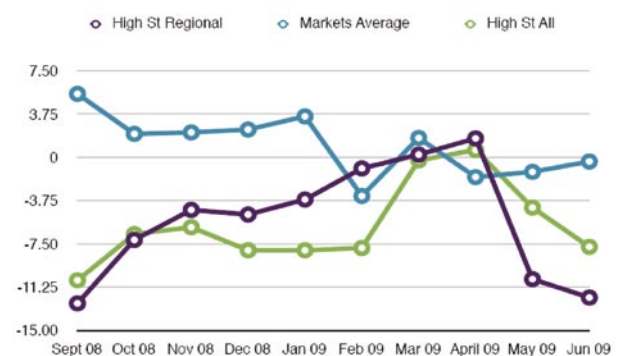
**2.39** In terms of the markets industry, it is also worth considering the value end of retailing - an area that traditional retail markets have seen as one of their strengths. A report by CB Richard Ellis in August 2009<sup>6</sup> showed

that of the Woolworth's portfolio of over 800 shop units, over 60% were either let or under offer. Of those let, 134 (37%) were discount retailers such as B&M bargains, 99p Stores, Poundstretcher and Poundland. Research by the Local Data Company, published in August 2009<sup>7</sup>, also shows that for the UK's top ten cities, the number of discount retailers has increased by 60% during the last two years.

## Retail Market Footfall

**2.40** Graph 1 suggests that for the nine large urban markets taking part in the study (3 in Bradford, 2 in Birmingham, 1 in Manchester, 2 in Sheffield and 1 in Stoke) they have largely out-performed the High Street during the recession.

**Graph1** % change in footfall September 2008 to June 2009



**2.41** However, consideration of the 'snapshot' results, shows a much more mixed response, with a number of markets performing significantly worse than the national average. These results are shown in Table 8.

**Table 8** retail market footfall snapshot

Market	Annual % change in footfall
Newcastle	+10
Coventry	+10
Burnley	-0.4
Wakefield	-10.2
Nottingham	-11.3
Derby	-14.6
Maidstone	-19.1

**2.42** This mixed picture was also reflected in the findings of a survey questionnaire conducted by Julie Smith as part of her PhD research. A sample of market managers/operators was asked for their impressions about current trends on their markets since the start of the economic downturn in September 2008. The figures reveal:

#### **Trader numbers**

- 23% showed an increase in trader numbers
- 39% of markets in the sample showed no change in trader numbers, and
- 38% showed a decline in trader numbers

#### **Traders selling food**

- 30% reported an increase in traders selling food
- 58% of markets reported no change in the number of traders selling food, and
- 12% showed a decrease in traders selling food

#### **Number of shoppers**

- 20% showed an increase in shopper numbers
- 38% reported no change in shopper numbers, and
- 42% reported a decline in shopper numbers.

#### **Average spend**

- 9% showed an increase in average spend
- 38% reported no change in average spend
- 53% markets reported a decline in average spend.

**2.43** Anecdotal evidence from FARMA also suggests that farmers' markets have had a mixed performance. As they represent the higher value end of retail market shopping, they are more likely to be affected by consumer decisions on discretionary spend. In some cases this has resulted in decreased footfall, in other cases it has resulted in decreased customer spend.

**2.44** Conversely, feedback from market managers suggests that wholesale markets have fared best in the recession, with occupancy rates remaining relatively stable. Again, there are some signs that wholesale customers are varying their purchasing

patterns, looking for better value, but they are still spending. The need to modernise and upgrade facilities by way of capital investment remains their priority for longer-term sustainability.

## **Conclusions**

**2.45** Overall, retail markets do not appear to have capitalised as much as they could have on the opportunities created by the economic downturn. While some markets have clearly outperformed the high street, others have performed much worse. Local factors such as lack of investment, quality of management and traders' offer, and poor location are likely to contribute to this mixed picture. Equally, on a national level this could be due to a number of factors including:

- Failure to recognise and respond to increased competition from discount retailers.
- Insufficient marketing and PR.
- The length of time it takes to make changes happen within markets.

**2.46** Farmers' markets have shown mixed results, and it remains to be seen whether the expansion of this sector will pick up again as the recession eases.

**2.47** Based on the preliminary survey results carried out by Julie Smith as part of her PhD research, food sales on retail markets appear to have held up better than non-food, with 58% of managers reporting no change in the number of traders selling food and 30% reporting an increase.

**2.48** Wholesale markets appear to have performed better than the retail markets, and have remained stable during the economic downturn, but the need for capital investment remains a priority.

**2.49** The research findings offer no grounds for complacency. If significant change does not materialise quickly, it is not unreasonable to suggest that somewhere between 20-25% of current markets will close within the next decade.

# Section 3 – Markets in the 21st Century the policy agenda

## The Public Good

**3.1** Markets are unique in retail and wholesale trading terms in that they are still predominantly managed by the public sector. Whilst recent economic events have seen a number of banks returning to the public sector (at least in the short term) the trend remains for commercial activity to be seen to sit more comfortably with the private sector.

**3.2** The causes of this anomaly go back to the industrialisation and urbanisation of the UK. Victorian local government recognised that the rapid growth in urban populations presented significant challenges, particularly in relation to public health. The need for the provision of potable drinking water, efficient and effective sewerage systems and access to fresh food were priorities.

**3.3** At that time the right to operate a market was still largely governed by the historic granting of royal charters, with the owners of that right enjoying a legal monopoly. These rights rested largely with the ‘Lords of the Manor’ who took a fee from the traders in return for allowing them to stand on the market.

**3.4** Increasingly local councils sought to acquire the market rights and markets from the local owners on a commercial basis. In 1898 the Lord Mayor of Sheffield, Alderman George Franklin wrote to the Duke of Norfolk (the owner of the markets and market rights) stating<sup>8</sup>:

*‘for many years I have been impressed with the view that the Markets and market rights should belong to the Local Authority, and believe that this view is shared by a large number of my colleagues in the City Council...there is no sufficient reason why Sheffield...should be dependent upon private means to supply such an obvious public necessity...’*

**3.5** The following year agreement was reached and the Corporation paid the Duke £526,000 for the markets and market rights.

**3.6** In a presentation to NABMA’s annual conference in 2007, Nicholas Saphir, the author of the DEFRA’s 2002 Review of London Wholesale Markets, spoke of ‘the public good’ associated with wholesale markets – price transparency, a concentration of regulatory and enforcement activity, and environmental benefits.

**3.7** This sense of ‘public good’ lay behind the development of the Markets Policy Framework 2007<sup>9</sup>, produced by the Retail Markets Alliance, and launched by the All Party Parliamentary Markets Group (APPMG), which identified that successful markets contribute to the social, environmental and economic well-being of the nation, by:

- Providing a sense of place
- Being part of the nation’s cultural heritage
- 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
- Reducing environmental impacts e.g. by eliminating excessive packaging/waste.

**3.8** The Policy Framework also identified five key policy areas that markets can contribute to:

- Regeneration/economy
- Food & health
- Culture & tourism
- Community cohesion
- Environment

These are now considered in more detail.

## Regeneration/economy

**3.9** The Government's Planning Policy Statement 6: Planning for Town Centres (PPS6)<sup>10</sup> made express reference to the contribution that markets can make to local choice and diversity in shopping as well as the vitality of town centres and to the rural economy. PPS6 has been absorbed into a revised Planning Policy Statement 4: Planning for Prosperous Economies (PPS4)<sup>11</sup>, which went out to consultation in the summer of 2009.

**3.10** The draft contains a shorter, but still significant reference to markets:

*'Policy EC6: Local planning approach to planning for consumer choice and promoting competition for town centre development*

*EC6.1 Local planning authorities should proactively plan for consumer choice and promote competitive town centre environments by: retaining and enhancing existing markets and, where appropriate, re-introducing or creating new ones, ensuring that markets remain attractive and competitive by investing in their improvement'*

### Key facts

**3.11** The following table summarises key economic information about the markets sector.

	Retail	Wholesale
Number of markets	2,079	26
Number of businesses supported	45,700	1,000
Number of people employed	96,000	10,000
Business turnover p.a.	£3.5 Billion	£4.1 Billion

**3.12** Retail markets remain an important part of the retail offer in towns and cities. Research commissioned by the London Development Agency (LDA) in November 2005 to inform the Mayor's Food Strategy<sup>12</sup> found that customers shopping for food at street markets spend between £3,000 and £15,000 a day on nearby shops, and local retailers were almost universally supportive of markets.

**3.13** Markets also provide an opportunity to deliver business-led solutions to regeneration problems. Maida Hill and Borough market in London provide examples of where the development of markets has acted as a catalyst for change (in particular, using food as a mechanism for change).

### The Retail Markets Alliance's Policy Objective 1 – regeneration and economy

We will ensure, as far as possible, that we actively engage with regeneration schemes involving markets or the potential for markets; utilise modern retail research and management techniques and models to ensure the offer suits the demographic profile of the regeneration area, and that we market and promote the opportunities for local business start-ups and employment.

Equally, we will seek to ensure that wholesale markets – being a key element of the food supply chain – are modernised as part of wider strategic regeneration schemes



# case study 1

## Belfast St George's Retail Market – regenerating markets by integrating local businesses

### Issue

**3.14** Transforming a failing market by focusing on high quality local food and craft businesses.

### Actions taken

**3.15** Due to poor trader attendance (down to 7 stalls at the Saturday market) and dwindling customer numbers, Belfast Council reviewed their Saturday market set up.

**3.16** The contract with the operator was not renewed, and the Saturday market was closed completely for one year so when launched people would see it as a completely new market, not just the old one restarting.

**3.17** Selection criteria were developed that allowed a wider selection of food/garden produce traders/producers to come, including small independent local bakers and butchers.

**3.18** They also introduced local crafts, ensuring they represented no more than 20% of food/garden produce traders and strictly monitor this to ensure it stays a top quality craft offer.

**3.19** They introduced live music, (all local up

and coming bands) to give a bit of atmosphere. Regular cookery demonstrations, using their own traders/chefs and local chefs and all the produce used is from St George's.

**3.20** They have regular themed events such as cookery demos with fish and organic meat/vegetable product and Irish Farmhouse cheese, using traders and produce from their market or restaurant.

### Outcomes

**3.21** The change process has proved successful, but has taken time and hard work. It started slowly with just 30 traders trading on the first Saturday. The Saturday market is now full with 110 traders, and a waiting list of nearly 100.

**3.22** They meet regularly with the traders' representatives, introduced a customer questionnaire/suggestion box, and carry out surveys.

**3.23** Footfall and trader occupancy helps them measure its success, and they average 3000 /4000, every Saturday, and these 3000/4000 are there to spend not just browse.



## Food and health

**3.24** In July 2008, the Cabinet Office published Food Matters – Towards a strategy for the 21st Century<sup>13</sup>. It states: *“Street markets can be an important source of affordable, good-quality food including fresh fruit and vegetables. They can be significantly cheaper than supermarkets and so provide access to good-quality fresh food to those on low incomes.”* It also states: *“The success of farmers’ and specialist markets and large revitalised city markets provide models for greater local engagement with fresh, affordable food and highlight an opportunity to modernise or develop new food markets. Cities and towns can, through their planning and food strategies, support farmers’ markets and traditional street markets by:*

- *Identifying sites for markets, especially sites with good links to local transport infrastructure;*
- *Promoting markets and access, and challenging restrictions that limit signage for shoppers about opening times, and*
- *Looking at easing parking restrictions near markets to increase access.”*

### Key facts

**3.25** The 2008 review of street markets by the London Assembly<sup>14</sup> identified that ‘Street markets are important to people as sources of affordable high quality food. A shopping survey undertaken by the New Economics Foundation in 2005 found that in Lewisham a shopping basket of food cost £4.74 from the market compared to a cost of £7.18 to buy the same food from a supermarket.’ The NMTF’s Shopping Basket Survey 2008<sup>15</sup> showed that, across a range of 13 items, markets were on average 6% cheaper than supermarkets, and in relation to fresh produce, markets were 32% cheaper than supermarkets.

**3.26** A number of studies have identified potential urban ‘food deserts’ and resolving them in the context of sustainable communities

presents significant challenges. At a retail level, markets play a crucial role in ensuring that local communities have access to fresh produce. They also offer ideal locations for providing information and learning/skills opportunities on a wide range of health issues including healthy eating, and food buying/cooking skills. They can also be used to market and promote healthy eating campaigns such as the 5-a-day and Change 4 Life initiatives (Although in decline, there are still over 1,600 fruit and vegetable traders operating on traditional retail markets.). Manchester’s Northenden Community Food Market, and Bolton’s Retail Market Demonstration Kitchen show how markets can make a difference.

### The Retail Markets Alliance’s Policy Objective 2 – food and health

We recognise the significant role that retail and wholesale market can play in delivering the government’s food and health agendas, and will seek to ensure that we work in partnership with government departments such as DEFRA and the Department of Health, the Food Standards Agency, and with Regional Government Offices and the Regional Development Agencies to identify projects and funding to implement these strategies. This includes promoting and supporting business opportunities (including local food hubs), public procurement and the fruit and vegetables into schools scheme, and creating food business start-up facilities (business incubators) particularly in relation to innovation and BME communities.



# case study 2

## New Covent Garden Wholesale Market (NCGM) – building links to schools

### Issue

**3.27** Recognising the need to build links between markets and schools, the NCGM Schools Project objectives are:

1. To increase understanding of the food supply chain
2. To give children direct experience of growing food

### Actions taken

**3.28** In partnership with the Wandsworth Borough Council Children's Services Department a programme was drawn up linking the project to key national educational objectives:

- Healthy Schools
- Sustainable Schools Strategy
- Learning outside the Classroom
- Every Child Matters and collaborative learning
- Learning across the Curriculum
- Creativity

**3.29** There are three interconnecting strands to the project:

- 1 Visit a farm to see food being grown
- 2 Visit to NCGM: to see where produce comes from; discover different varieties; understand how it gets to their plate and engage in a range of healthy eating activities
- 3 Sustainable gardening competition to give children direct experience of growing food

### Outcomes

**3.30** In the first year 8 local primary schools took part – 240 children aged between 9 and 11. In the second year seven primary, one special needs and one secondary school – 250 students between 9 and 16 years old – took part. Working with the secondary school the project has extended to include an Enterprise element. The success of the project has been demonstrated by:

- Increase in healthy options in lunch boxes following programme
- Children eating fruit who had previously never done so
- More demand from both participating and new schools than able to accommodate
- Positive impact on Government Healthy Schools and Sustainable Schools targets for participants.
- One participating school chosen for visit by Education Minister
- One participating school chosen to receive Bramley apple trees by Worshipful Company of Fruiterers



## Culture and tourism

**3.31** In September 2007, The Department for Culture Media and Sport (DCMS) launched “Winning: A Tourism Strategy for 2012 and Beyond”<sup>16</sup>. In relation to the 2012 Olympics, it concluded that:

*‘A high proportion of the economic benefits of the Games will come from tourism. Our latest research forecasts that additional tourist turnover over 2007-17 is likely to be in a range up to £2.9 billion – with £2.1 billion the central estimate. £1.85 billion of this central estimate will be in London, and we are projecting the tourism gains for the rest of the UK at between £0.3 and £0.7 billion. This Strategy is a statement of intent on the parts of the Government and the industry.’*

**3.32** DCMS also supports the creative industries, which it defines as:

The creative industries are those industries that are based on individual creativity, skill and talent. They are also those that have the potential to create wealth and jobs through developing intellectual property.

The creative industries include:

<b>Advertising</b>	<b>Film and video</b>
<b>Architecture</b>	<b>Music</b>
<b>Art and antiques markets</b>	<b>Performing arts</b>
<b>Computer and video games</b>	<b>Publishing</b>
<b>Crafts</b>	<b>Software</b>
<b>Design</b>	<b>Television and radio</b>
<b>Designer fashion</b>	

### Key facts

**3.33** There has been a clear growth in speciality markets in recent years, which provides evidence that good and relevant markets remain popular with customers. They also bring clear benefits to the wider community. Economic impact studies have been commissioned in relation to Christmas markets in Belfast and Manchester. These showed net additional expenditure of £5.3

Million and £22.4 Million respectively into the local economy.

**3.34** As part of the fringe festival of the Bradford Indian International Film Awards in June 2007, Bradford Markets held a three day ‘Bollywood Bazaar’ market linked to street theatre, music and dance, with the awards ceremony being broadcast live in the City Centre on the final day. The event attracted over 30,000 visitors and generated over £320,000 of economic activity.

**3.35** Markets are increasingly used to promote regional and local food in both urban and rural locations. Examples include Manchester’s Food and Drink Festival, Bristol’s Slow Food Festival, and Ludlow’s Food Festival.

**3.36** Several councils, including Stockport and Wakefield have reviewed their markets provision to realign them to their wider culture and tourism strategies.

## The Retail Markets Alliance’s Policy Objective 3 – culture and tourism

The Retail Markets Alliance’s Policy Objective 3 – culture and tourism

Cultural identity and place making are central to our policy on Culture and Tourism.

We will use markets to promote the cultural identity of their location, and promote the partnership benefits of linking markets activity to local culture and tourism strategies.

We will seek to work in partnership with DCMS and the Arts Council and the co-ordinators of the 2012 Olympics to share priorities and cascade them throughout the industry. In practice, this may take the form of offering space to the creative sector at indoor market venues or by contributing to large scale outdoor music, theatre, cultural and dance events.

# case study 3

## Stockport Retail Market – integrating markets to a city’s culture & tourism offer

### Issue

**3.37** Stockport’s historic market still occupies the site where the Charter was granted almost 750 years ago. In recent years, this unique conservation area has been transformed to become the historic heart of the town and has won a number of regeneration awards. The Market Hall itself is Grade 2 listed and a visitor attraction in its own right. Stockport boasts a unique portfolio of visitor attractions, including the UK’s only Museum of Hatting, a preserved network of Air Raid Shelters and the magnificent Bramall Hall. The Market Place itself hosts the recently restored Staircase House and new Stockport Story Museum.

### Actions taken

**3.38** In 2007, management of the market was moved into the same service as the other visitor attractions. This provided an opportunity for re-establishing the market as a key part of the town’s visitor and cultural offer. Pooling of publicity budgets has significantly raised the profile of the market, both with visitors and local residents. The market now features prominently in all tourism and visitor material; suggested visitor itineraries now always include visiting the market. The amount of publicity for the market significantly increased in this period and the market is now actively promoted as one of ‘8 Fantastic Ways to Discover Stockport’.

### Outcomes

**3.39** The opportunities presented by both the Victorian Market Hall and the Market Place itself, have been capitalised upon by the Council and other local organisations who have seen the potential offered by a beautiful location right at the heart of the community. This has led to an eclectic range of events and

activities designed to bring the communities of Stockport together. These events have managed to successfully blend themes that are relevant to the regeneration of markets but which also contribute to the town’s cultural offer and quality of life of residents. Examples include the town’s annual Culturefeast celebration, which combines cultural activities with a food offer in the Market Place, merging the smells of exotic foods with dance, drama and music. Traders benefit from improved footfall and residents and visitors are able to take direct benefit from the investment in the area.

**3.40** The combination of the Market Team’s expertise together with the publicity and events skills of the rest of the service has resulted in the market area being animated and promoted more often and more effectively than ever before. Traders are now actively encouraged to share their event ideas and to act as ambassadors for the Town Centre’s wider visitor offer. As 2010 sees the 750th Anniversary of the granting of the Market Charter, the groundwork is now in place for a major programme of activity, co-designed and led by both the Council and the traders themselves, delivering a quality programme to encourage Stockport Market to be seen in a new light, as both a destination and a service essential to the community.



## Community cohesion

**3.41** As part of the Government's agenda on creating strong, safe and prosperous communities, section 138 of the Local Government Public Involvement in Health Act 2007 introduced a new 'duty to involve' requirement on best value authorities. The supporting statutory guidance states at section 2.10: There is growing evidence, from both the UK and abroad, that involving citizens in local decision-making and service provision has a number of benefits. These include:

- Strengthening the democratic legitimacy of government and the civic life of the community
- More efficient and effective services that better reflect the needs of users and have higher levels of customer satisfaction
- Safer communities and a more attractive built environment that meets people's needs
- Strengthening community cohesion.'

**3.42** In her book 'Hungry City' Carolyn Steel states at page 111<sup>17</sup>:

*'Wherever food markets survive, they bring a quality to urban life that is all too rare in the West: a sense of belonging, engagement, character. They connect us to an ancient sense of public place. People have always come to markets in order to socialise as well as to buy food, and the need for such places in which to mingle is as great now as it has ever been – arguably greater, since so few such opportunities exist in modern life.'*

**3.43** In 2006, the Joseph Rowntree Foundation published research on Markets as social spaces<sup>18</sup>. It concluded that:

- Markets were important sites of social interaction for all groups in the community, but most significantly for older people, especially women. Markets also represent important social spaces for mothers with young children, young people, and families with children, particularly at weekends.

- Markets had a significant social inclusion role, as places to linger, particularly for older people and young mothers. Some markets also appeared to be inclusive of disabled people, although in other places this was less evident.
- The social life of traders played a significant role in creating a vibrant atmosphere in markets, and in forging social bonds and links in the trading community as well as with shoppers.
- For markets to function well as social spaces, various factors are significant. Essential attributes include, a diverse range of products fitting well with local needs and tastes; cafes or food vans on site or nearby; good access to the site, especially by local transport; an active and engaged community of traders; and a sense of the unexpected.
- Where markets are managed by local authorities, good local management and a strategic vision by the council could help with their development. It was evident from the research, however, that some markets do not have a high profile or significant resourcing from the councils.
- There is limited national and local policy to encourage and support markets' role as a key social and economic space for the local community. Markets could play a more significant role in national policy agendas such as social inclusion, town centre regeneration and healthy eating.

### Key facts

**3.44** The redevelopment of Gorton retail market in Manchester created a central 'square' with seating to create a social/community space inside the market hall.

**3.45** During 2009, the NMTF has been supporting the Department for Work and Pensions (DWP) by getting its members to promote the DWP's pension credit awareness campaign on local markets.



## The Retail Markets Alliance's Policy Objective 4 – community cohesion

Our policy on this subject is unequivocal. The future of the Markets Industry rests on its 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.

We will make use of the markets' role as community hubs to promote strong, safe and prosperous communities.

We will lobby local government to produce policy and direct funds such as the Working Neighbourhoods Fund (WNF) into projects that give the more deprived sections of the community (which includes many migrant clusters) the opportunity to become economically active participants in the nation's economy.

## case study 4

### Nuneaton Retail Market – integrating markets into town centre management

#### Issue

**3.46** Using a market regeneration and partnership approach to revitalise Nuneaton town centre.

#### Actions taken

**3.47** By 2005, Nuneaton's market was showing signs of decline. A new shopping centre opened in September that year, but the market looked poor. Public opinion also indicated how poor the market looked.

**3.48** Investment was secured from the Borough Council. Following this, a series of consultations were carried out with traders, retailers and the public to ascertain views and a direction for improvement. Action plans and strategy were developed with a vision/aim for the markets' future and importance to town. Regular consultation with traders, retailers and public is done and forms part of the annual town centres survey.

**3.49** Numerous new ideas and equipment were introduced as the regeneration of the market took place. These include new tables, new welcome packs for traders, the production

of a DVD (on 'You Tube' amongst other websites) and other promotional initiatives, which has included support from the local media, both press and radio.

#### Outcomes

**3.50** The Wednesday market currently has over 110 stalls (having risen from under 90) and the Saturday market has between 150 and 160 stalls on a regular basis. Although there were 200 stalls some 10 years ago this had dropped to about 140 before the renovation.

**3.51** The results from the 2009 town centre survey show that 97% of respondents thought the market was important to the town. The survey also showed that 82% of respondents regularly shopped on the market. Perception of its appearance rose sharply when the new stalls were introduced. Visitors from outside Nuneaton has risen from 23% (2005) to 33% (2009), mainly due to the market. The market has contributed to improving the retail offer in the town, with footfall figures substantially up on market days.

**continued...**

### ...continued

**3.52** The town is now attracting visitors from outside its catchment including regular coach trips from Lincolnshire to visit the market.

**3.53** The markets have a place on the Town Centres Management Board working closely with the businesses in the town centre. The market is also involved with the town's Retail Crime Initiative which attained the Safer Business Award for the town.

**3.54** Administration has been streamlined and a 'shoppers charter' introduced and published for the benefit of customers and traders.

**3.55** New traders receive a welcome pack with all necessary details and regular meetings between management and the traders occur. Seminars have been introduced to assist traders on business development, merchandising etc. and are accepted by the Regional Development Agency as business assists for outputs for funding.

**3.56** The success of the renovation of the market (which is far from complete) has been

measured in several ways. These include footfall figures, market occupancy, public opinion and business opinion.

**3.57** New businesses have been attracted to the town as a result of the appearance of the market and new initiatives are being done such as a link with the local catering college and schools to develop issues around the healthy eating agenda. A special Christmas Market has been arranged around the Christmas tree using local traders with seasonal goods on the run up to Christmas as part of the shop local campaign in the town.



## Environment

**3.58** The Government's sustainable development strategy identifies four priorities:

- Sustainable Consumption and Production
- Climate Change and Energy
- Natural Resource Protection and Environmental Enhancement
- Sustainable Communities

**3.59** In October 2008, a new Government department – The Department of Energy and Climate Change (DECC) - was established, with responsibility for all aspects of UK energy policy, and tackling global climate change on behalf of the UK. DEFRA Departmental Report 2009 identifies 3 priorities:

- To promote a sustainable, low-carbon and resource-efficient economy
- To secure a healthy natural environment for us all and deal with environmental risks
- To ensure a thriving farming sector and a sustainable, healthy and secure food supply.

### Key Facts

**3.60** Many wholesale markets have already put in place systems and procedures to improve waste management. Billingsgate Wholesale fish market has invested in a polystyrene recycling facility, Manchester and Glasgow Wholesale markets both have waste composting units on site diverting significant amounts of waste from landfill and creating certificated compost which



is sold locally, and Bradford wholesale market has achieved ISO 14001 accreditation.

**3.61** Retail markets such as Darlington and Bristol have also introduced effective waste management systems, resulting in Bristol St Nicholas market being awarded the National Market Traders' Federation's 'Greenest Market in the UK' award.

**3.62** In May 2008, the Local Government Association (LGA) published a food packaging study – war on waste<sup>19</sup> – that showed that retail markets produced the lowest weight of waste and the highest proportion of recyclable waste, compared with supermarket and independent high street retailers.

## The Retail Markets Alliance's Policy Objective 5 - the environment

We will seek to reduce any adverse impact that our industry has on the environment. We will set out clear and effective guidance in relation to energy, transport, waste management, water management, buildings and local enterprise.

## case study 5

### Darlington Retail Market – environmental management

#### Issue

**3.63** Introducing a waste management system into retail markets to reduce waste to landfill and save costs.

#### Actions taken

**3.64** The previous waste management system was costly and unsustainable. Darlington Market working in partnership with the traders and waste/recycling experts introduced a waste minimisation/recycling system into the markets. Communication was vital as there was considerable doubt that traders could easily separate out the various materials, i.e. plastics, food, cardboard etc. Initially they only dealt with cardboard and food as these equated to circa 70% of the waste by both weight and volume. Establishing an easy introduction into the principle eased their concerns and results were immediate, which encouraged them to do more.

#### Outcomes

**3.65** Actual revenue savings at Darlington Market are 75% on previous. Diversion from

landfill is also 75% by both weight and volume. By refining the system they are reducing the baling/compacting machinery need, with further significant cost saving anticipated.

Traders now separate out all waste as a matter of course, it is a habit they simply follow and it is noted that they are much 'greener' at home – a reversal of what studies have recently confirmed. Darlington's efforts have been recognised nationally in the NMTF's How Green is Your Market? Competition (UK runner-up & regional winner).

**3.66** The collaborative nature of the initiative also means that the market is now acting as a hub for waste recycling/reuse for the surrounding retail businesses.



## Conclusions

**3.67** The historic development of markets in the UK, in particular their place in local government, means that, although driven by a clear commercial imperative, retail and wholesale markets can help contribute to a range of public policy priorities.

**3.68** Recognition of the unique nature of market trading, and of the public good they can generate does not mean markets can or should simply carry on as they are. Nor does it mean that there is no room for the private or third sector. Nor does it mean that the need to generate business profit is in anyway diminished. On the contrary it provides a focus and framework on which to develop innovation, change, growth and sustainability, which in turn deliver the policy benefits identified above.

### Communities & Local Government Committee Inquiry into Traditional Retail Markets

**3.69** On 27th November 2008, the Communities & Local Government (CLG) Committee announced the terms of reference of an inquiry into traditional retail markets<sup>20</sup>. The purpose of the inquiry was to determine whether traditional markets are in decline and, if so, whether the implications are sufficiently important to warrant greater consideration by local authorities and Government. It is important to note that the terms of reference excluded the consideration of car-boot sales, wholesale markets, pedlary, and regulation in relation to stolen and counterfeit goods.

**3.70** Forty two pieces of written evidence were submitted, including a detailed report by the RMA, and a number of organisations and individuals were called to give oral evidence.

**3.71** The CLG Committee published the report of its inquiry into traditional retail markets on 23rd July 2009<sup>21</sup>, and concluded:

*'The situation as regards traditional retail markets in England today is complex. There is evidence of prolonged decline coinciding with*

*the growth of supermarkets. But there is also evidence of continuing success for some in all types of markets. There is scope for optimism for the future provided that local authorities and other key stakeholders are willing and able to rise to the challenges that markets will continue to face.'*

**3.72** In relation to local government, the report states: *'We do not underestimate the challenge facing local authorities seeking to sustain their markets in the current austere climate. From the evidence we have received, it seems to us that there are two big challenges: finance and management.'*

**3.73** The report also reordered and endorsed the role of markets in relation to the five policy areas, which had been submitted as part of the RMA's written evidence. These are:

- The economic benefits of markets
- The social benefits of markets
- Markets and regeneration
- Markets and health
- Markets and the environment

**3.74** In relation to local authorities with responsibilities for large metropolitan markets, the report also identified the following 'qualities' that make a successful market:

- Integration with the town centre and local communities
- Good management
- Investment
- Promotion
- Unique selling point
- Location
- Partnership working
- Size

**3.75** The report makes 32 conclusions and recommendations in relation to the benefits of traditional retail markets, realising the potential of traditional retail markets in metropolitan centres, realising the potential of retail markets in medium and small towns, the industry, and the way ahead for central government. These include the following recommendations:

- *'We recommend that local authorities develop a strategic plan for the development of their markets...'*
- *'By considering markets as part of the wider town centre management agenda and in terms of their ability to deliver a number of strategic benefits, councils may find it easier both to release their own resources for markets, and to obtain financial support from other agencies (regeneration agenda), primary care trusts (the health agenda) and third sector partners (the social cohesion agenda). We recommend that local authorities think laterally and innovatively along these lines.'*
- *'A third area that local authorities should, in our view, explore further is joint financial sharing with local market trader organisations, with the proviso that the latter in return gain a more strategic role in the managing of their markets.'*
- *'We recommend that local authorities with profitable but 'tired' markets consider prudential borrowing as a means of revitalising their markets.'*
- *'We commend those councils who have already identified market champions and urge other councils with markets to adopt a similar model.'*
- *'We recommend that councils review their market management structure and give careful consideration to the most appropriate organisation for them that recognises the need to realise the wider economic and non-economic benefits of markets and gives weight to public and private sector alternatives.'*
- *'We recommend that London local authorities and CLG, whose support will be necessary to ensure that legislative change comes into effect, work together to change the relevant provisions of the London Local Authorities Act 1990 and other relevant legislation specific to individual London boroughs...' (so as to be given greater powers in respect of their street markets)*
- *'We recommend that the industry look in particular at how they can provide further best practice guidance and support to lower tier councils operating smaller, local markets and who are more likely to lack specialist market knowledge.'*
- *'We urge the Government to emphasise the wider non-economic benefits that markets can bring and to encourage local authorities also to take them into account when making planning decisions, both in the PPS document, and in the future iterations of the accompanying good practice guidance.'*
- *'We recommend, therefore, that CLG takes on responsibility for providing a clear strategic central government focus for markets, and that this is reflected in the portfolio of a named Minister, in the terms of reference of a senior civil servant in the Department and in active engagement with the market industry.'*
- *'We further recommend that CLG lead an inter-departmental working group to ensure that best use is made of markets as a vehicle to further wider Government objectives as set out in this report.'*

**3.76** The publication of the report of the CLG Committee Inquiry into Traditional Markets does not mark the completion of the process. Two important issues remain to be resolved. The first is the Government's response to the report, and the second is how the markets industry itself responds.

## Government response to the Communities & Local Government CLG Committee Inquiry into Traditional Retail Markets

**3.77** It is customary for Government responses to be made within two months of the publication of a select committee report. The Department for Communities & Local Government (DCLG) published its response in October 2009<sup>22</sup>, accepting all the recommendations made by the Select Committee in relation to Central Government.

**3.78** This means that for the first time the Government is taking on the role of protecting traditional markets in the face of increasing pressures threatening their long-term survival.

**3.79** To ensure that the traditional market survives, the Government is taking action to support street, covered and farmers' markets; in recognition of their significant economic and social benefits.

**3.80** The Government will champion the interests of all markets with a new body that will bring together key government departments, representatives from the retail markets industry and the Local Government Association. Communities and Local Government will lead the group and assume the strategic lead for markets across Government.

**3.81** The Government believes that markets are an important part of the strong retail mix that town centres need to attract shoppers and provide consumer choice. The new body will report to Local Government Minister Rosie Winterton and Minister for Food Jim Fitzpatrick.

**3.82** The group will:

- Champion traditional retail markets and how they can contribute to the local economy, the character of the town centre and the wider community. Work with the markets industry to raise the profile of markets with local authorities and highlight benefits through best practise examples and case studies
- Work with councils to encourage them to use licensing powers positively to permit more markets in their town and city centres
- Give markets a forum to discuss and influence future government policy affecting markets for the first time. This includes

planning and licensing rules.

- Work with the industry to see how street markets can also be used to encourage healthy eating, flexible working for young parents or a tourist attraction. The groups will also look at how best to communicate the varied benefits of markets.

**3.83** The Government agrees with the Committee that successful markets played a valuable social and economic role. This includes:

- Offering consumers good value fruit and vegetables;
- Promoting town centres by bringing a stronger retail mix and encouraging consumers and added footfall for the whole centre;
- Offering new businesses a more affordable way of starting off in the current climate;
- Providing local jobs with flexible hours for people working part-time.

**3.84** The Government also repeated its commitment to promoting the vitality and viability of the high street through its town centre first policies.

**3.85** The next section sets out the RMA's response to the report. Its actions to date are summarised and attached at Appendix 1

## Conclusions

**3.86** Parliament, through its CLG Committee Inquiry, and Central Government, through its Ministerial response to that Inquiry Report, have accepted the importance of markets and the contribution they can make to public policy. Mechanisms are being put in place to help support and integrate joint working on markets issues. However, if the UK is to improve its retail and wholesale markets and ensure they are thriving and sustainable, the national co-ordinating role currently being provided by the RMA must continue, with sufficient resources to ensure success.

**3.87** Many of the recommendations made by the CLG Committee relate to local rather than national government. Local authorities are key to the future success or failure of markets in the UK and to date through their principal associations have made no formal response to the Inquiry findings and recommendations.



# Section 4 – Policy into practice – what the markets industry needs to do

## The Retail Markets Alliance Strategic Priorities

**4.1** In its written submission to the CLG Committee Inquiry into Traditional Retail Markets<sup>23</sup>, the RMA noted:

*‘Retail markets have also experienced a lack of investment over the years with local authorities (the principal market operator) choosing to invest in services of higher priority, e.g. housing, social services and education. Hence, some market facilities now look tired compared to new modern retail facilities. Equally, many traditional retail markets that were ‘modernised’ in the 1960s and 70s now appear as concrete bunker-like buildings that do not appeal to modern shoppers.*

*The lack of investment in markets consists of more than just capital. The failure of many local authorities to recognise the strategic value of markets, coupled with local government reorganisation, has had some negative consequences. Many local authorities see markets as a problem that needs to be controlled and managed, rather than a vibrant part of community life. The management responsibility for markets within local authorities varies significantly, ranging from Regeneration, Economic Development to Parks and Leisure, and even Printing. The calibre of manager can also vary considerably, and the common ‘regulatory’ approach taken by many authorities means that they lack the retail and commercial skills necessary to understand, attract, promote and support the businesses that operate within their markets. There is also a general lack of effective marketing and promotion of markets.*

*The lack of information and data about markets also contributes in that it is difficult to mount a cogent case for investment or strategic development if the ‘value’ of the markets is unknown.’*

**4.2** It also raised the key issue of ‘new blood’:

*‘Crucially, there is also a lack of new young traders entering the sector. Markets are an untapped source of employment. Whilst the RMA is supporting an initiative with Make Your Mark to attract new entrepreneurs into markets, much more has to be done, and this remains one of the industry’s key priorities.’*

**4.3** The above extracts identify a number of strategic priorities for the Retail Markets Alliance, without which the changes and focus referred to in the previous section cannot be delivered. In summary, these are:

- Promoting the policy objectives
- Making the case for financial investment
- Attracting new businesses – promoting entrepreneurship
- Developing learning & skills for the markets sector
- Building relationships with key partners
- Marketing & PR.
- Improving management support
- Plugging the knowledge gaps – identifying research priorities

Each of these is now considered in more detail.

## Promoting the policy objectives

**4.4** The RMA will continue to promote the benefits of markets and in particular the five policy areas that markets contribute to. It will engage with local and Central Government, the private sector and the media, and through its constituent associations provide support for individual markets.



## Making the case for financial investment

**4.5** The Government's Planning Policy Statement 6 (now incorporated into Planning Policy Statement 4) states:

*"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."*

**4.6** The CLG Committee Report states:

*"The challenge now is for more councils with markets in their locality to find the additional investment required to modernise and then sustain their markets in the context of a prolonged period of retrenchment."*

**4.7** In the LGA's e-newsletter – making the most of local markets<sup>24</sup>, Councillor Dave Goddard, Leader of Stockport Metropolitan Borough Council, and the LGA's designated Markets Champion, states:

*"Given the importance of markets both economically and socially, I would urge all councillors who have a market in their area to look again in these difficult times and give as much support to this vital industry as possible."*

**4.8** How can markets benefit from this support and obtain the necessary investment? There are two issues to consider - the first is to identify the sources of finance available, and the second is to 'make the case' for that investment in markets.

**4.9** Funding for market developments can come from a number of sources, either individually or in combination. The principal sources are:

### LA capital programmes

**4.10** Local authorities usually have a 3-year fixed or rolling programme of capital investment. Resources are limited and competition is intense, but several markets have successfully applied for this source of funding.

## Prudential borrowing

**4.11** The CLG Committee report recommends that: *"local authorities with profitable but 'tired' markets consider prudential borrowing as a means of revitalising their markets."* It is important to note that this form of funding is a loan, and relies on the profits generated by the market's future operation to repay that loan.

## Regeneration funding

**4.12** Markets can benefit from large-scale regeneration projects by seeking and obtaining agreement from the developer to fund the re-provision of the market as part of the wider regeneration scheme. There are some disadvantages to this approach – the first being that in the current economic climate many large-scale regeneration projects have stalled due to funding problems. The markets cannot be redeveloped in isolation and so they, too, are delayed. The second is that the asset ownership transfers from the local authority, who occupy as a tenant with a lease (though often at a pepper-corn rent).

## Ring-fencing revenue

**4.13** The profits generated by successful markets are generally taken by the local authority and used to support other service provision within the authority. This 'cash cow' approach has resulted in a significant lack of reinvestment in markets. Bradford City Council was the first local authority to agree to ring-fence the profits of the market for reinvestment.

## Private sector partnerships

**4.14** A number of local authorities have sought and put in place, strategic partnerships with private market operators. These can involve the private sector partner investing capital into the markets as part of the agreement, so enabling investment without calling on the authorities limited capital resources.

## Trader partnerships

**4.15** The CLG Committee report states that:

*“local authorities should, in our view, explore further joint financial sharing with local market trader organisations, with the proviso, that the latter in return gain a more strategic role in the managing of their markets.”*

**4.16** This option may have limited appeal for retail markets, given that the traders’ businesses may not generate the level of capital borrowing required and that the time commitment of the traders may also be limited. However, trader investment in wholesale markets is more viable and has already been tested on some markets.

## Grants

**4.17** A range of grants are available, at local, regional, national and European Union level, that may support the redevelopment of markets. These include:

- Working Neighbourhood Fund (WNF). Some local authorities are looking to use this funding to support and develop local markets.
- Local Enterprise Growth Initiative (LEGI). This funding is no longer available for new projects, but has been used successfully in Bradford to support market entrepreneurship.
- European Regional Development Fund (ERDF). Not directly available to support retail, but can be used for infrastructure, and business incubation, and of particular use for wholesale market redevelopments. This also requires matched – funding.
- NHS Public Health Support funding. Some markets have benefited from local NHS support in relation to the obesity/healthy eating agenda. This may also require matched funding.

**4.18** Successfully applying for investment funding remains a challenge for markets.

A robust business case must be prepared, and

supported by clear evidence.

**4.19** The business case will include:

- The policy reasons for investment
- Evidence of demand
- Costings
- The financial model/options
- The operational model/options
- Evidence of long-term sustainability
- Risk



# case study 6

## Burnley retail market – capital investment as part of a long-term improvement strategy

### Issue

**4.20** Burnley market consists of a 119 stall indoor market and a covered open market with 142 stalls. Between 2000 and 2006 there was a significant increase in retailing affecting the market – the arrival and subsequent expansion of a TESCO supermarket, the expansion of an existing ASDA supermarket, the arrival of a NETTO supermarket, a new retail development with discounters – TJ Hughes, Wilkinsons and Home Bargains, reduced market car-parking and a declining population.

### Actions taken

**4.21** A long-term improvement strategy was produced, which included an investment strategy for the markets. The strategy identified shorter-term issues required to maintain the market and longer-term actions to grow the market. This was approved by the Council in 2004, on the basis that it would improve accessibility and the profile of the market, prior to adjoining redevelopment due to open in 2008.

**4.22** Through a combination of City Council Capital and prudential borrowing £525K was invested between 2004 and 2009.

### Outcomes

**4.23** The investment delivered the following improvements:

- Air cooling
- CCTV
- New boilers and heating fans
- Rewiring
- Fire control upgrades
- An Internet Resource Centre
- Escalator replacement.

**4.24** The new retail development is now 5 years behind schedule and not now due to open till January 2013.

**4.25** The market hall currently has 95% occupancy but without that capital investment it is likely that the market would have declined significantly.

# case study 7

Crystal Peaks Retail Market, Sheffield – attracting a sub-post office into a market

## Issue

**4.26** Improving market footfall and ensuring customers have access to post office facilities by relocating one scheduled for closure into a retail market hall.

## Actions taken

**4.27** Following the announcement of a massive national closure programme of sub post offices Sheffield City Council was keen to do something to halt this loss of a valued community facility. Quite separately from the City Council's intent, one of the traders in Crystal Peaks Market Place approached the Post Office nationally and offered himself up as a potential new postmaster if they would assist in finding a new home for the post office and he suggested within the Market Place, where he currently traded.

**4.28** Through his local councillor the trader secured a meeting with the Executive Director of the Directorate in which markets fell, his local MP, and market management. The outcome of the meeting was that the City Council would look to facilitate a move of the sub post office into The Market Place and an offer of £25K

was given to aid the process from the housing community's budget as long as this was match funded by the shopping centre and the post office at a national level. This matched funding was quickly secured following meetings with The Post Office and Hermes, the shopping centre owners.

**4.29** The conversion to a sub post office of the two stalls and the mess room was carried out by a combination of market's maintenance staff and the Post Office's own sub-contractors and took around 3 months to complete with the post office finally opening on the 20th September 2007.

## Outcomes

**4.30** The main outcome has been a significant increase in footfall in the order of 10% or more equating to 4,000 extra visitors per week. This has helped both current traders and assisted in letting stalls. It has also aided payment of rent and service charge invoices as these are sent out to traders on a monthly basis and can be paid over the post office counter, which is the payment route most traders chose to take.





# case study 8

## Northenden Retail Market, Manchester – creating a community food market

### Issue

**4.31** Responding to community demand for improved access to food in certain wards in the city, Manchester Markets carried out an options appraisal and Northenden was selected for a six-month trial. The area was not a “food desert”, but had a very limited food retail offer, with few independent shops.

### Actions taken

**4.32** Pilot support funding was obtained from Food Futures (Manchester Food Strategy) funds and from local regeneration sources within the City Council. The market was launched in October 2007, operating on the first Saturday of each month. The size of the market varied from 30-35 stalls over the pilot period, and offered a wide range of products – cheese and dairy, fresh fruit and vegetables, bread and bakery products, meat, olives and confectionary.

### Outcomes

**4.33** Face to face interviews were carried out with customers, market traders and retailers over the course of the pilot. Key findings included:

- 100% of market traders expressed a desire to continue.
- 100% of local businesses surveyed supported the market
- 94% of shoppers said they would return to the market
- 92% of shoppers interviewed had purchased an item
- 50% of shoppers came from Northenden, the rest from surrounding wards.

**4.34** The six-month pilot of Northenden Food Market ended in March 2008. Following an evaluation of the pilot and with evidence of the financial sustainability of the market in the future, the market has now been established on a permanent basis.

## Management models

**4.35** There are currently three common forms of market management in the UK - local authority run markets, privately operated markets, and markets run in some form of partnership such as a joint venture, or contracted out operational management. There are also a number of models, which are not currently common, but offer scope for the future. These are trader-operated markets, social enterprise operated markets, markets run by an arms-length company, and sharing management between a number of local authorities. The Retail Markets Alliance recognises that there are potential benefits

to each of these models, but it is down to individual markets to determine the most appropriate vehicle for delivering successful and sustainable markets. A detailed analysis of these models falls outside the scope of this report, but each of the options is now considered briefly.

### Local Authority

**4.36** The majority of markets are still directly provided and managed by local authorities. This model offers the advantage of accountability, linking markets to wider policy strategic goals, and by understanding the ‘public good’ that markets provide.



## **Private**

**4.37** Many markets are operated directly by the private sector, either licensed by the local authority under its market rights, with their own charter rights, or in some instances, completely outside the licensing framework. This model offers the advantage of reduced bureaucracy and costs, and an increased focus on the core business, and the opportunity for directly raising investment capital.

## **Trader**

**4.38** There are a number of traditional and farmers' markets that are directly managed by the traders themselves. This offers the advantage of reduced bureaucracy and costs, and an increased sense of 'ownership' by the traders.

## **Partnership**

**4.39** These can range from the local authority retaining the strategic management of its markets but outsourcing the operational management, to a formal medium to long-term joint venture between the public and private sector. These models are useful where the local authority lacks the in-house capacity and capability to effectively manage the markets, and where external capital investment is required.

**4.40** A variation on this model is the emergence of public-public joint venture companies (PPJVCOs) whereby local authorities at a sub-regional or city-region level transfer the management of their markets into a separate company. This not only creates economy of scale and increased purchasing efficiency but allows for much better strategic planning.

## **Arms-length**

**4.41** In 2008, Glasgow City Council became the first UK local authority to establish its markets as an arms-length limited liability partnership (LLP). This model offers the advantage of reduced bureaucracy and costs, and an increased focus on the core business, and the opportunity for directly raising

investment capital.

## **Social Enterprise**

**4.42** The role of social enterprises in operating markets is largely unexplored. A small number of farmers' markets are operated by community interest companies (CICs), but given the social, health, and environmental benefits of markets, this model could be of particular use for small markets that do not generate large profits but help to sustain rural or local communities.

## **Shared management**

**4.43** The CLG Committee Report recognised the potential benefit of small markets/town and parish councils sharing the costs of employing a more senior and experienced market manager to run a portfolio of markets. Although this model of different public sector organisations co-funding posts is not new (it is often used in public health arena with staff costs share between local authorities and the NHS) it has not been developed in markets. It also offers the opportunity for larger market authorities to come together to create economies of scale in the procurement of specialist goods and services e.g. stalls, security, and waste management.

# case study 9

## Cottingham Retail Market – a trader managed market

### Issue

**4.44** Faced with immediate closure of the market, the traders decided to take over the management of the market.

### Actions taken

**4.45** Cottingham market is a rural market trading one day a week in the town centre square, and was previously managed by a private operator. Just over 13 years ago, the management announced that the market was to close with immediate effect. The traders decided to take over the management of the market. With support from the National Market Traders' Federation, they set up a properly constituted and registered co-operative company to run the market.

**4.46** Costs have been controlled - they do not employ a manager, and have a part-time cleaner. Rents have also been kept at a stable level.

**4.47** The traders stand on other markets in the area and if any vacancies occur, use their local knowledge and word-of-mouth to recruit new traders.

### Outcomes

**4.48** The market appears to have weathered the recession. One trader occupying a number of stalls ceased trading last November, but the market of approximately 30 stalls is now full, and has been trading successfully as a co-operative for over 13 years.

**4.49** There is a good mixed offer of food, household goods, plants and clothing.

**4.50** The traders maintain that its success is linked to its rural location – with less competition from the retail 'big-boys'.



# case study 10

## Heywood Magic Market – a community trust managed market

### Issue

**4.51** In late 2001 Heywood Market was under threat of closure by Rochdale Council as it had lost £70,000 in its last trading year.

### Actions taken

**4.52** Rochdale Council took a decision to relinquish management of the market and put the operation out to tender. With support from town councillors, friends of the market, the local MP, and council officers the traders set up a Community Trust, called MAGIC (Market Action Group In the Community). A business plan was developed to illustrate how the Trust could run the market profitably and a redundant canteen and shops were identified as potential for a Community, Development and Training suite. The Trust applied for New Deal and ERDF funding to assist the conversion and provision of the community facility. The business plan was submitted in competition with other market operators.

### Outcomes

**4.53** Although offering a lower financial return to the Council than other bids, the Community

trust bid was successful because it provided the greatest benefits to Heywood and its people.

**4.54** The Trust took over management of the market in December 2002. At the time the market was one third empty. Managed by a Board of volunteers, by March 2003, the market was virtually full and the community/training facility had been established and furnished. A market manager was appointed in April 2003.

**4.55** The market is currently over 90% occupied, offering a mixed range of products to its customers. The Trust offers a weekly home to the local Citizens Advice Bureau (CAB), and supports local groups and charities with donations. The market has expanded with the provision of some outdoor stalls. One of these was occupied, at a reduced rent, by the Job Centre, and this has assisted 57 people back into work.

**4.56** The training facility has been very successful, and used on a regular basis for computer classes. Local Primary Care Trusts, Real Deal, Manchester University and the Trust itself have used the facility.

# case study 11

## Worthing Seafront Market – private market operator working in partnership

### Issue

**4.57** Developing a market to increase town centre footfall and benefit local businesses.

### Actions taken

**4.58** The Worthing Town Centre Initiative is a community interest company that's objective is to enhance Worthing and to provide a vibrant and exciting town centre. Their aims include increasing footfall and help the businesses that chose to trade in Worthing be successful. The Town Centre Partnership's aim was to use a rejuvenated market as a catalyst to bring Wednesdays back to life, increase footfall into the town and allow the market to become a feature of the shopping week. This would also have a spin-off benefit for the shops within the town to increase their custom.

**4.59** Following a tendering process, Town & Country Markets were selected to develop the market. Working in partnership with Worthing Town Centre Initiative, the private market operator introduced a new Wednesday market near the sea front area of the town.

### Outcomes

**4.60** Before the market moved into Montague Street Wednesday was the quietest trading day of the week with an average of 11,000 shoppers; since the market started there has been an increase to an average of 18,000 shoppers each Wednesday making it the 2nd busiest day of the week in terms of footfall.

**4.61** Montague Street has most of the major

multiples represented and they have feedback that Wednesday is now the 2nd busiest trading day as well; they do report that the average transaction value is lower than the rest of the week but there are more transactions through the tills.

**4.62** Worthing is a seaside town and since the market moved into the Town Centre we have marketed this to the coach companies and this has encouraged more coach trips to Worthing – on a Wednesday during the main summer months there can be as many as 20 coaches bringing people into Worthing.

**4.63** The income from the market helps the Worthing Town Centre Initiative to fund Christmas Lights and Town Centre events to drive footfall.



## Attracting new businesses

**4.64** All sections of the industry – operators and traders need to improve the promotion of markets and market trading. The RMA will seek to develop partnership working with agencies such as Job Centre Plus, Sector Skills Councils, and Connexions to see how the sector might better attract young people.

**4.65** We will continue to support and promote the Make Your Mark in the Market competition to help draw new entrepreneurs into the sector.

**4.66** We will also engage with national, regional and local government to try and identify support funding for business development within the markets sector.

## case study 12

Maida Hill Retail Market, Westminster – creating a new food market

### Issue

**4.67** Prince of Wales Junction, Harrow Road suffered from many antisocial behaviour issues such as drug and alcohol abuse, vagrants and prostitution. Westminster City Council asked The Retail Group to assess the potential for a market in the area.

### Actions taken

**4.68** Initial and more detailed studies identified the opportunity for a market that was food based and convenience oriented, trading at hours that would suit consumers – serving products relevant to the customer base, providing food to be consumed at the market or to be taken home.

**4.69** A tender process was undertaken and Geraud Markets (UK) Ltd. was selected to deliver and manage the market.

**4.70** The market opened in June 2009, and was the first traditional street market to open in London for half a century.

### Outcomes

**4.71** The process has produced a successful predominantly food based market, which also acts as a local social meeting place. Local workers and residents who never used the area before are now shopping there. The market has created 25 new jobs, with new traders entering the profession and additional management. Police have also reported a 80% decrease in the number of complaints of anti-social behaviour in the area.





# case study 13

## Leicester Retail Market – cycle delivery scheme

### Issue

**4.72** Improving accessibility by introducing a cycle delivery service for Shopmobility customers on Leicester market.

### Actions taken

**4.73** Funding was identified to trial a two-year feasibility project. Bikes 4 All, a Groundwork-based social enterprise bike project based in Leicester, organise and manage a service based on one full-time equivalent post(s) as part of their Entry to Employment (E2E) programme. Leicester Markets provide two

stalls, which are used as a central drop-off/pick up point in the Market Place. Delivery is within the city boundary, and to qualify for this scheme customers are required to be enrolled with Shopmobility.

### Outcomes

**4.74** The delivery scheme received a great deal of media coverage. The local paper, radio and regional television covered the event.

**4.75** The scheme operating Wednesday – Friday saw user numbers started to increase after two – three weeks.



# case study 14

## Billingsgate Wholesale Market – seafood training school

### Issue

**4.77** Billingsgate Market is the UK's largest inland fish market supplying over 120 seafood products to the capital and throughout the UK. The management recognised that the market had a potential role to play in education, skills development and promoting the sector to people (and particularly young people).

### Actions taken

**4.78** Billingsgate Seafood Training School was established in 2000 as a charity. The main focus at that time was to teach children about the benefits of eating seafood as part of a healthy diet. It also aimed to provide industry training for those wishing to start up their own business and provide employee training to established businesses.

Year	No. courses	Total attendees	Children
2005	176	1855	1029
2006	213	2596	1021
2007	290	5417	2503
2008	342	6463	3678
2009 as of end June 09	156	2927	1201

**4.79** In order to help the school deliver its charitable aims and to encourage new business to the market it also deliver a range of general interest fee-paying courses for members of the public. In 2006 the school extended its facilities, installing kitchen stations to compliment the wet room (for the preparation of fish) and a lecture room to help facilitate this expansion. The school now offers the general public practical seafood preparation and cookery courses as well as guided tours of the fish market.

**4.80** Free training courses are offered to schools as part of the Schools Education Programme. The idea of the schools

programme is to show students what fish look like in their natural state, how they are prepared and then simple, quick methods of cooking them. Students also learn about the qualifications that are available to help them find work in the sector.

**4.81** For those schools/colleges that logistically can't visit the school, it offers an 'outreach programme' whereby a fishmonger and chef go out to the school to work with the group.

**4.82** It also offers a heavily discounted package to anyone working on the market who wishes to attend a course.

### Outcomes

**4.83** Numbers attending the school's courses have risen steadily over the years:

**4.84** The school continues to build on the success of its training. In addition to the wide range of courses it offers, it has produced the Billingsgate Market Cookbook, and works with a range of partners to promote sustainable seafood through events and awards at the school.



## Building relationships with key partners

**4.85** The CLG Committee Report states at paragraph 112:

*'During our inquiry, the industry highlighted to us one key current initiative that should help it to engage with local authorities and Government, namely the formation, in 2008, of the Retail Markets Alliance (RMA), an umbrella organisation created by the four major organisations involved in the markets sector – the National Association of British Market Authorities (NABMA), the National Market Traders' Federation (NMTF), the Association of Town Centre Management (ATCM) and the National Farmers' Retail and Markets Association (FARMA).'*

**4.86** The RMA recognises the benefits of collaborative, partnership working and will continue to work with public and private sector organisations and individuals to help deliver our key strategic priorities.

**4.87** In particular, we hope that the Government will respond positively to the CLG Committee report recommendation to establish an inter-departmental working group to ensure that departments make best use of markets as a vehicle to further wider Government objectives.





# case study 15

## Bolton Retail Market – demonstration kitchen partnership with PCT

### Issue

**4.88** Integrating local and national government policy/priorities into retail markets, which bring marketing and customer benefits to the market.

### Actions taken

**4.89** A Market Kitchen was installed into 2 vacant food stalls in Ashburner Street Market (Bolton) in April 2009. At a cost of approximately £12,000 the modular, mobile kitchen features 2 demonstration hobs with two further training hobs, oven, sink and associated utilities.

**4.90** Since April the venue has been used regularly by:

- Bolton National Health Service (NHS) / Primary Care Trust (PCT) as an intervention tool to narrow the health gap in Bolton.
- To promote the national 'Love Food Hate Waste' Campaign.
- To showcase new meal ideas for Bolton School Meals Service.
- To promote food sales during British Barbeque Week.
- As a showcasing opportunity for restaurants.
- As a promotional activity for the Hairy Bikers during Bolton International Food and Drink Festival

### Outcomes

**4.91** The outcomes delivered to date from this initiative have been significant in terms of:

- Over £15K in advertising exposure to date.
- Regional recognition (it was quoted as an example of innovation when Bolton Markets won Tourism Retailer of the Year in May 2009 at the Visit Manchester Tourism Awards).
- Collaborating with partners and building business relationships.
- Providing business benefits for traders (showcasing the more cosmopolitan market businesses via food and lifestyle displays)
- Demonstrating a 'joined up' Council approach.
- Achieving against Council Priorities.
- Offering a practical opportunity for the Markets Service to contribute to the community cohesion/celebration activities.



# case study 16

## Stoke School Market – reaching the community

### Issue

**4.92** Working in partnership to find suitable locations for new community markets.

### Actions taken

**4.93** The Bucknall / Townsend area of the city was identified as a potential community market location. No public space existed for such a venture. However the large and predominantly council house estate had a High School at its centre.

**4.94** This High School, as part of its change to a Business and Enterprise College, had made contact with various local authority departments with a view to building links with business and the community.

**4.95** The markets section made contact and a number of productive meetings in May 2009 resulted in the 'Walk-on Market' Initiative.

**4.96** The benefit for the college was the ability to work with the local community, to use the market for a variety of business related study activities and particularly its link with the Change4Life campaign, hence the promotion of walking to the market.

**4.97** The markets section and local authority was deemed to benefit from the supply of goods and services to an area with high social deprivation, for the additional social cohesion it could foster and raising the general awareness of markets to all ages.

**4.98** Students then undertook a market questionnaire in the local community. This resulted in a 61% approval rating for a market with a 70% support from the 40 plus age group. It also enabled a list of desired commodities to be originated. Most popular of which was fruit/vegetables and meat.

**4.99** A decision was made to hold the first 15-stall market to coincide with the school sports day on Tuesday 7 July 2009. The students from year 11 designed posters and flyers for the event and undertook their distribution.

### Outcomes

**4.100** Following the success of the pilot, a further meeting with the school resulted in some concerns regarding the public generally accessing the school site. This resulted in a decision to move the market to Saturdays.

**4.101** A planning application has been submitted for the establishment of a one day weekly market and if approved it is hoped to start running the market from November 2009.

**4.102** The school will retain the ability to have a stall and to trade enabling the full range of business studies to be put into practice on the market, including marketing and promotion and will where possible be assisted by the markets section.

**4.103** The market will also assist other school activity by virtue of the agreed 50:50 profit share from the market initiative.



# case study 17

## Longsight Retail Market Manchester – Chand Raat market

### Issue

**4.104** Developing a market event to reflect the cultural diversity of its location.

### Actions taken

**4.105** For many years Manchester has held events to celebrate Eid-ul-Fitr, a festival that marks the end of the holy period of Ramadam (the month of fasting) for Muslims. There had, however, been some problems due to the large crowds they attracted and some anti-social behaviour.

**4.106** In 2002, Manchester Markets were approached by a market trader on Longsight Market, to see if an event could be staged on the market itself as part of the celebrations.

**4.107** Working in partnership with the traders, local community leaders, the Police and other City Council services a decision was made to create a night market to coincide with Chand Raat (new moon). In addition to

the market, which offered specialists selling Asian food, crafts, jewelry and fashion as well as regular traders from Longsight Market, the event featured live music, dancing, street entertainment and traditional henna painting.

### Outcomes

**4.108** As well as being the first market in the UK to celebrate Eid-ul-Fitr, the Chand Raat market was the first night market to be held in one of Manchester's retail markets.

**4.109** The success of the first market has continued and the event is now in its 7th year. It continues to attract large crowds, in the order of 5,000, from local communities and visitors from outside the city, and has attracted regional and international media coverage through radio, the press and satellite TV. In 2009 the event was visited by Dutch local government politicians, and has been used as the model for the development of a Chand Raat festival in New York.

## Marketing & PR

**4.110** The RMA recognises that more must be done to market and promote the sector at a national and regional level. Many individual markets have delivered very effective local promotions. The challenge now is to get individual markets at both wholesale and retail level to pool resources for more generic marketing.

**4.111** The RMA will also seek to develop some best practice guidance around specific issues such as understanding the customer target audience, smart marketing objectives and measured outcomes.

# case study 18

## Bury Retail Market – prioritising marketing strategy

### Issue

**4.112** Bury Market management identified a strategic priority to establish Bury as a tourist destination within the sub-region.

### Actions taken

**4.113** Using existing budget allocations, but reprioritising spend, the markets management focused on the Implementation of a comprehensive promotional campaign working in partnership with town centre partners and market traders.

**4.114** A range of promotional activity for each of their target audiences was devised, selected from:

- Local/regional press advertising.
- Radio advertising, PR and competitions.
- Creating presentations and promoting courtesy visits.
- Targeting newspaper, magazines/press - draws and editorial.
- Targeting specialist press: editorial coach – drivers' promotion.
- Producing leaflets, posters, banners, hoardings, and town centre fact pack and artwork.
- Building relationships with Tourist Boards and with public and private industry.

- Constructing mailing programmes.
- Organising press briefing, and familiarisation visits.
- Stimulating editorial news items, radio programmes, TV and press coverage.
- Influencing coach operators.
- Creating exhibitions.
- Undertaking market research.
- Producing promotional DVDs.

### Outcomes

**4.115** The number of recorded coach visits has risen from 600 to over 1000 during the last year from, 2 six years ago.

**4.116** Promotional packages including DVDs, coach packs and consumer leaflets are distributed nationally. Bury Town Centre and Bury Market now established as film location, leading to many appearances on TV.

**4.117** Bury Market has 370 stalls and is fully occupied making a net contribution of £850,000 to the Council's income.

**4.118** It was voted best market of the year by NABMA in 2006, and best food market of the year in the BBC 2009 Food and Farming awards.

# case study 19

## Warrington Retail Market – successful advertising on TV

### Issue

**4.119** A number of adjacent shop units in the town centre have become vacant during the recent recession and although the market is well supported by the local population it is clear the level of footfall is showing signs of gradual decline year on year.

### Actions taken

**4.120** During 2008 we arranged a series of low cost promotional events on the market forecourt to test public response. They became very popular with customers and our regular traders.

**4.121** During 2009 we developed these events into major promotions spreading across the town centre and advertised each one on ITV Granada Television. We did not increase the size of our existing advertising budget but merely reviewed the way it was spent to maximise impact.

### Outcomes

**4.122** After each event our indoor traders reported large increases in trade and new customers, which have since made returned visits.

**4.123** Local shops have also reported having their busiest Saturday trading ever, and meeting lots of new customers who had travelled into Warrington from other towns.

**4.124** There has been a significant increase in the number of enquires for renting stalls in the indoor market.

**4.125** Local retail partners in the town centre have witnessed the successes and are now more willing to make financial contributions towards future events.



## Improving management support

**4.126** Good management is fundamental to any successful market and should not be undervalued. Good decision making, effective communication, business acumen and the ability to deliver a safe, clean and inviting environment are essential. Equally, the effective capture, management and analysis of information and data is an important constituent of successful markets. It is both strategic and operational and recognises the need for, and delivers investment in markets.

**4.127** In his oral submission to the CLG Committee inquiry, George Nicholson, secretary of the National Retail Planning Forum, and former Trustee of Borough Market, stated that:

*“to run a successful market you have to want to run a market...”*

**4.128** A detailed manual of market management falls outside the scope of this report. However this section identifies a number of priority areas for management development, which set a framework for future projects. These are:

- Training
- Sharing good practice
- Management models

**4.129** NABMA already provides training for market managers. In January 2009 it also launched a management toolkit - a CD that provides key information, legal and operational advice and documentation to assist market operators. These, linked to the introduction of mentoring, local and regional networking and the increased use of the internet to share good practice will provide a national framework of management support.

**4.130** The RMA is also actively promoting the development of Market Champions within Local Authorities – either senior Councillors or Officers who will take a proactive role in promoting markets locally.

## Plugging the knowledge gaps

**4.131** The RMA recognises that there are three areas that can be improved upon in relation to the markets sector. The first relates to the national co-ordination, analysis and dissemination of data that already exists at a local/market level. The second relates to helping markets that currently don't measure performance on a regular basis to do so, and share the results. The third area relates to knowledge gaps at a national/regional level.

**4.132** In relation to the first two, the RMA's Knowledge Base Working Group will continue to lead this area.

**4.133** In terms of the latter, examples include:

- A detailed study of the peripatetic type of retail market trader – i.e. those who stand on several markets each week. What are the challenges? What are the rewards? Can additional targeted support be provided?
- Measuring the environmental footprint of markets across the whole supply chain. Are they actually less environmentally damaging than other forms of retail?
- What would be the impact on fresh fruit and vegetable take-up of a co-ordinated national marketing campaign for wholesale markets?
- What are the benefits and disadvantages of retail markets operating in shopping malls?
- How many retail market fruit and vegetable traders are there, and what are the challenges to increasing that number?
- What are the indirect employment and economic benefits of markets?

**4.134** This research would require support funding to implement, and the RMA will work with partners to try and identify and secure funding packages.

## Conclusions

**4.135** The management of markets is changing and will continue to do so, and some exciting new models are starting to emerge. In particular the option of smaller markets being managed by Town and Parish Councils, with these small local authorities pooling management resources potentially offers sustainable solutions. Equally, larger local authorities are starting to consider the creation of public-public joint venture companies (PPJVCo) at sub-regional or city-region level. These offer economy of scale and better scope for strategic planning. Partnerships with the private sector and markets run as social enterprises will also continue to develop.

**4.136** The challenges facing the markets industry in the UK are significant. In particular the need to attract investment in markets, improve the quality of management and the retail offer, and attract new businesses. The RMA's strategic priorities seek to address these issues and it is essential that resources are focused on their delivery.

**4.137** There is a clear need to continue research projects to better understand the sector and to measure its performance at a national as well as local level.



# Section 5 – Knowledge management

## – measuring success

**5.1** In terms of implementing change management processes, one of the key questions is what will success look like? This section looks in more detail at the characteristics of a successful market, and at how managers and the industry can make better use of key performance indicators to measure their performance.

### Successful and Sustainable Markets - Critical Success Factors

**5.2** The RMA has reviewed a number of versions of critical success factors for retail markets, and produced a 'hybrid' version taking the common and best elements of each. These are listed below. The more areas the market conforms to, the greater chance it has to succeed.

#### **Sense of place**

**5.3** Locations are said to have a strong 'sense of place' when they have strong identity and character that is deeply felt by local inhabitants and by many visitors. Successful markets such as La Boqueria in Barcelona, and Borough market in London clearly demonstrate this. This sense of place reflects not just the physical nature of the market and location but also the cultural and social diversity of the area.

#### **Critical mass**

**5.4** This measure looks at the scale of the market in relation to its location, and is not just about size. It is important that the market has critical mass for two reasons. Firstly, placing 25 stalls in a space that can support 125 stalls means that the market will appear small and inconsequential. Equally, a 20-stall market that fills its location is more likely to appear bustling and thriving. In relation to size, the larger the market, the more chance it has to survive economic downturn.

#### **Good management**

**5.5** Good management is fundamental to any successful market and should not be undervalued. Good decision making, effective communication, business acumen and the ability to deliver a safe, clean and inviting environment are essential. Equally, the effective capture, management and analysis of information and data is an important constituent of successful markets. It is both strategic and operational and recognises the need for, and delivers investment in markets.

#### **Accessibility & permeability**

**5.6** The market needs to be accessible for all users, so good transport links (public and private) are essential. The market must be welcoming with good entrances, and the interior must be designed to allow good customer flow. This factor also includes location, arguably, the single most important success factor. Markets placed in the wrong location fail.

#### **Marketing & PR**

**5.7** The market needs to be promoted to raise the awareness both for shoppers and to retain and increase the traders' base. Marketing strategies should recognise the market's brand and emphasise its 'unique selling point' (USP). There should be strong positive links with the local media.

#### **Safety & security**

**5.8** Customers do not like to frequent places that have high levels of crime and anti-social behaviour. Equally, they will react to perceptions of crime as well as actual crime. It is essential, therefore, that where this is an issue it is tackled robustly and effectively.

## Integration with surrounding retail offer and community

**5.9** The market offer has to be understood in relation to the surrounding retail offer. Is the market competing with or complementing that retail offer? What differentiates the market offer from the other shops, so that it can attract and retain its own customer base? Equally, the market offer has to be aligned to its demographic base. Understanding retail customer profiles, spend patterns and values and the types of commodity and services that different customer types prefer is essential.

## Partnership working

**5.10** Sustainable markets need partnership working. This involves not just effective working between managers and traders, but also building and maintaining links with, for example, other council departments, local businesses, town centre managers, local schools, colleges and universities, local primary care trusts, and the local media. They will vary from location to location.

## Key Performance Indicators (KPIs)

**5.11** The following key performance indicators can be adopted by all markets services, and reported on annually:

- Occupancy rates
- Number of businesses supported through the portfolio's operation
- Number of market businesses managed by traders living within the local authority's boundaries
- Number of Black and Minority Ethnic (BME) managed market businesses
- Number of female managed market businesses
- Number of people directly employed on the Markets - Full Time Equivalents (FTEs)
- Footfall
- Business turnover generated by the markets
- New business start-ups

- Business survival rates
- % waste generated by the markets that is recycled
- % of stalls/businesses selling food
- The number of health/community initiatives delivered on the markets
- Customer satisfaction levels
- Operating profit as % of budget target.
- Arrears as % of income.
- Marketing budget as % of income.

**5.12** Previous attempts at carrying out national performance benchmarking have met with limited success. Effective local knowledge management would enable greater participation in national, regional and local benchmarking.

**5.13** A simplified knowledge management tool can also be employed, that makes use of the Red/Amber/Green (RAG) reporting process. Green indicates improved year-on-year performance, amber indicates no change, and red indicates declining performance. This is a useful technique for comparison of stall occupancy, footfall and business turnover, and an example is shown below.

*Performance report 2008/9*

Anytown Market	Year-on-year Comparison	RAG status
Footfall	Increased	Green
Stall occupancy	Same	Amber
Trader turnover	Down	Red
Operating profit	Same	Amber

**5.14** A more detailed case study of footfall data (customer throughput) and how a number of market managers have used the data to inform their management decisions and improve market performance is attached at Appendix 2.

# case study 20

## Bradford Wholesale Market – retailer registration scheme

### Issue

**5.15** Using a barrier entry/registration scheme on a wholesale market to improve security and develop customer profiling.

### Actions taken

**5.16** An entry card system for all wholesalers, their staff, retailers and haulage companies has been introduced. This ensures that only bona fide users access the site and also provides Bradford Markets with valuable customer data.

### Outcomes

**5.17** Since 2nd October 2006, 635 retailers have signed up to the scheme. Income from

the annual security card, including the daily charge, is in the region of £50,000.

**5.18** Monies generated from the issuing of cards are held as a separate fund to improve the market. Over £150,000 has already been spent on customer improvements.

**5.19** The other benefit of the system is to help the wholesale businesses identify their core customers, where they come from, the types of businesses and how often they attend the market. The data gathered from the entry card system is used to target new business opportunities and marketing/promotional activities.

## Conclusions

**5.20** Successful markets have a number of features (critical success factors) in common. These should be developed as a tool for use by all markets to help identify where change is required to improve the market.

**5.21** There is a need to improve the way that markets measure their performance. Creating a more standardised approach to the way that markets do this will enable markets to compare their performance with others, and mean that more accurate data can be gathered and analysed at a national level.

# Section 6 – Conclusions and recommendations

## Conclusions

**6.1** The findings of the 2009 research show that the retail and wholesale market sectors in the UK remain significant, with a total annual turnover of £7.6 billion. This is generated by almost 47,000 micro and small to medium enterprise (SME) businesses.

**6.2** These figures do not include the indirect benefits of markets. No research has been carried out into the indirect employment impact of markets (transport, stall manufacture, utilities, legal and accountancy, cleaning and waste disposal etc.). Equally the economic ‘multiplier effect’ of local markets within local communities has not been studied nationally.

**6.3** Although the number of traditional markets has remained relatively constant over the last 5 years, this potentially masks significant decline in terms of the size of those markets. Excluding the growth of farmers’ markets, there has been a 14% reduction in the number of traders operating from traditional retail markets.

**6.4** Despite the decline in trader numbers, traditional retail markets account for 83.6 % of all retail market traders and 93.5% of the retail business turnover. They can, therefore, continue to play a major role in supporting employment, wealth generation and the provision of local services to communities.

**6.5** Although wholesale markets account for only 2.1% of businesses operating in the sector, those businesses generate 53.9% of the sector’s turnover. Their role in contributing to the food supply chain and the economy should be recognised and supported.

**6.6** Overall, retail markets do not appear to have capitalised as much as they could have on the opportunities created by the economic downturn. While some markets have clearly outperformed the high street, others have performed much worse. Local factors such as

lack of investment, quality of management and traders’ offer, and poor location are likely to contribute to this mixed picture. Equally, on a national level this could be due to a number of factors including:

- Failure to recognise and respond to increased competition from discount retailers.
- Insufficient marketing and PR.
- The length of time it takes to make changes happen within markets.

**6.7** Farmers’ markets have shown mixed results, and it remains to be seen whether the expansion of this sector will pick up again as the recession eases.

**6.8** Based on the preliminary survey results carried out by Julie Smith as part of her PhD research, food sales on retail markets appear to have held up better than non-food, with 58% of managers reporting no change in the number of traders selling food and 30% reporting an increase.

**6.9** Wholesale markets appear to have performed better than the retail markets, and have remained stable during the economic downturn, but the need for capital investment remains a priority.

**6.10** The research findings offer no grounds for complacency. If significant change does not materialise quickly, it is not unreasonable to suggest that somewhere between 20-25% of current markets will close within the next decade.

**6.11** The historic development of markets in the UK, in particular their place in local government, means that, although driven by a clear commercial imperative, retail and wholesale markets can help contribute to a range of public policy priorities.

**6.12** Recognition of the unique nature of market trading, and of the public good they can generate does not mean markets can or should simply carry on as they are. Nor does it mean that there is no room for the private or third sector. Nor does it mean that the need to generate business profit is in anyway diminished. On the contrary it provides a focus and framework on which to develop innovation, change, growth and sustainability, which in turn deliver the policy benefits identified.

**6.13** Parliament, through its CLG Committee Inquiry, and Central Government, through its Ministerial response to that Inquiry Report, have accepted the importance of markets and the contribution they can make to public policy. Mechanisms are being put in place to help support and integrate joint working on markets issues. However, if the UK is to improve its retail and wholesale markets and ensure they are thriving and sustainable, the national co-ordinating role currently being provided by the RMA must continue, with sufficient resources to ensure success.

**6.14** Many of the recommendations made by the CLG Committee relate to local rather than national government. Local authorities are key to the future success or failure of markets in the UK and to date through their principal associations have made no formal response to the Inquiry findings and recommendations.

**6.15** The management of markets is changing and will continue to do so and some exciting new models are starting to emerge. In particular the option of smaller markets being managed by Town and Parish Councils, with these small local authorities pooling management resources potentially offers sustainable solutions. Equally, larger local authorities are starting to consider the creation of public-public joint venture companies (PPJVCo) at sub-regional or city-region level. These offer economy of scale and better scope for strategic planning. Partnerships with the private sector and markets run as social enterprises will also continue to develop.

**6.16** The challenges facing the markets

industry in the UK are significant. In particular the need to attract investment in markets, improve the quality of management and the retail offer, and attract new businesses. The RMA's strategic priorities seek to address these issues and it is essential that resources are focused on their delivery.

**6.17** There is a clear need to continue research projects to better understand the sector and to measure its performance at a national as well as local level.

**6.18** Successful markets have a number of features (critical success factors) in common. These should be developed as a tool for use by all markets to help identify where change is required to improve the market.

**6.19** There is a need to improve the way that markets measure their performance. Creating a more standardised approach to the way that markets do this will enable markets to compare their performance with others, and mean that more accurate data can be gathered and analysed at a national level.

## Recommendations

**6.20** That local authorities accept and implement the recommendations of the CLG Committee Inquiry into Traditional Retail Markets.

**6.21** That local authorities specifically explore the range of different management models available to determine the most appropriate one for their markets.

**6.22** That the RMA ensures there are sufficient resources available to deliver their strategic priorities.

**6.23** That the RMA/Inter-departmental Working Group adopt the strategic priorities as the starting point for a shared agenda and joint working.

**6.24** That more research is commissioned at a local, national and international level to better understand the performance of wholesale and retail markets and their contribution to delivering sustainable communities.



# Appendix 1 – Extract from Smith, J. (2009)

## Traditional food retail markets: the hidden sector?

A geographical analysis. Countryside and Community Research Institute, University of Gloucestershire.

### Number of markets

This is an extract from a Working Paper, written by Julie Smith as part of her PhD research project into traditional food retail markets in England. This research material may not be reproduced without the author's express permission.

### Methodology

A database of traditional retail markets, wholesale markets, and more specialist niche markets, including farmers' markets was constructed using secondary data sources. More detailed analysis was carried out using a range of statistical techniques to provide numeric and regional breakdowns for all markets and more specifically for traditional retail markets operating in England.

### Traditional retail markets and wholesale markets

Data on various types of traditional retail and wholesale markets was constructed using existing databases supplied by NABMA and the NMTF. Each entry was then checked on the internet. This involved searches by: market name; local authority, town and parish council websites; community websites; private operator websites; tourism websites; recorded minutes of various local authorities and community organisations; and newspaper coverage available on the internet. Entries were then amended, updated and additional information about each market was added, including a more detailed breakdown of the types of market and the days of the week each market was held.

Considerable time was spent unravelling the management structure for individual markets, in particular those owned by local authorities but contracted out to private operators. The basis of these structures was often unclear. For example, it was difficult to distinguish between markets now operated as public/private partnerships and those that are privately managed for the public sector. Markets that were duplicated in the existing databases were excluded. Markets that were inactive were included but listed separately to enable comparisons to be made between the 2004 and 2009 data sets.

Wholesale markets were checked against the listing in the re:fresh Directory 2009 and by internet searches. There was a difficulty identifying the primary wholesalers, as there is a much larger tier of secondary wholesalers. After consultation with various market professionals, 26 were identified as the primary wholesale markets and included in the database.

### Farmers' markets

Entries for farmers' markets were started from scratch. Searches were carried out using existing websites, including those of the National Farmers' Retail and Markets Association (FARMA), Farmers' Markets in London/Wales and other local/county sites; and using a range of directories set up by local food suppliers including Big Barn and Dig for Victory. Local authority websites were also searched and it was noted that farmers' markets were often displayed more prominently than the traditional markets on offer.

Searches were also carried out for farmers' markets by name and under the other categories used for the traditional retail market searches. A small number of very small farmers' markets, those only held intermittently, or those whose future seemed uncertain, were excluded. Finding out when and where farmers' markets were held often took time because these were often subject to change and the management structures of farmers' markets was also complex. A range of structures and criteria for defining a farmers' market exist. These ranged from the accredited guidelines laid down by FARMA for membership to others run as commercial enterprises with no clear guidelines for letting stalls.

## Country markets

Country markets have received less exposure than farmers' markets but there are significant number operating on a weekly basis. The 'umbrella' organisation operating these markets is Country Markets Ltd (CML), a co-operative organisation with a membership of 65 regional market societies. More than 12,000 producers are shareholders of the societies, selling items locally and co-operatively and directly to the public. CML has an annual turnover of around £10 million, with around £9 million of this returned to the producers. The organisation has a very comprehensive website and all markets are listed by county which greatly assisted in adding these entries to the database.

**Table 1** shows the numeric and percentage breakdowns for all markets in the UK. The number of all markets identified totalled 2,105. Types A – G (inclusive) were classified as 'traditional retail markets' giving a total of 1,124 operating throughout the UK. This overall figure is consistent with the number of retail markets in the Rhodes Survey (published in 2005), which identified 1,169 markets, although this figure also included some farmers' markets (predominantly those in the public sector).

In addition, 26 wholesale markets, 605 farmers' markets, and 350 country markets were also operating at the time the 2009 database was constructed.

**Table 1** *All types of markets in the UK: numeric and percentage breakdowns.*

Type of market	Nos. UK markets	Percent
<b>A. General retail outdoor</b>	697	33.1
<b>B. General retail indoor</b>	199	9.5
<b>C. Combined general retail indoor/outdoor</b>	56	2.6
<b>D. General retail outdoor with car boot</b>	51	2.4
<b>E. Speciality/continental</b>	77	3.7
<b>F. InShops</b>	38	1.8
<b>G. Community</b>	6	.1
<b>K. Wholesale</b>	26	1.2
<b>L. Farmers' market indoors</b>	118	5.6
<b>M. Farmers market outdoors</b>	487	23.1
<b>N. Country market indoors</b>	328	15.6
<b>O. Country market outdoors</b>	22	1.0
<b>Total</b>	<b>2105</b>	<b>100.0</b>

## Types of markets

The numbers emphasise the dominance of outdoor traditional retail markets, with 697 operating and accounting for 33% of all markets (London's street markets account for 101

markets in this category). There were 487 farmers' markets (outdoor) accounting for 23% of the total. The Rhodes Survey (2005) found a 250% increase in farmers' markets between 1998-2004 and figures in 2009 indicate that this upward trend has continued. Research conducted by the National Farmers' Union identified 450 farmers' markets in 2002 showing a 34% increase in 2009 with 605 farmers' markets operating.

Comparisons with the 2004 data also indicate that 120 of the original traditional retail markets identified were inactive in 2009. The fact that overall figures had not altered much can be explained by the fact that 'new' markets, not identified in the original set of data, were included in 2009.

However, the current figures should be interpreted with some caution because they do not reflect the temporality of each market. For example, many retail markets operate on a number of days each week, whereas country markets often operate for half a day on a weekly basis, and farmers' markets frequently only operate once a month.

## Geographic spread of markets

Although the raw data figures in Table 1 show the numbers and types of markets operating in the UK, the study also looked at the patterns of concentration of traditional retail markets in England. Table 2 begins to break these figures down at regional levels in England.

The North West (158 retail markets), London (144 retail markets) and the South East (124 retail markets) have most markets operating and the North East has the least (48 retail markets). However, figures generated by the raw data should be interpreted with caution as they do not take other factors into account such as differences in population density. For example, when the low number of traditional retail markets in the North East are related to the number of people living in the region, it is more or less what would be expected. It is also worth noting the buoyant number of retail markets in the Eastern region, despite the fact that there is no primary wholesale market to supply them located in this region.

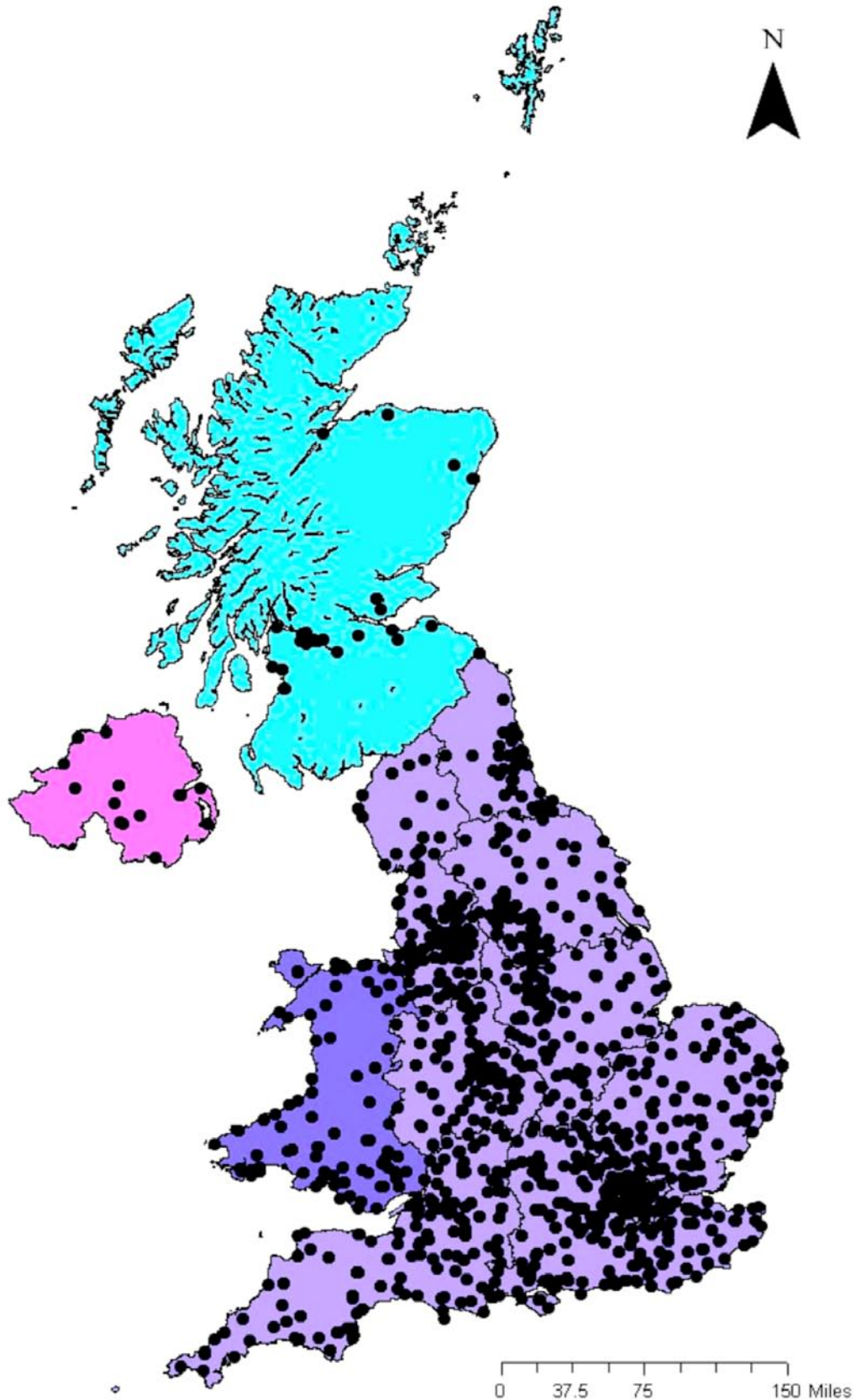
**Table 2** *All types of market in the UK: breakdown by Government Office Region (GOR).*

GOR	All markets	Traditional retail markets	Wholesale markets	Farmers' markets	Country markets
<b>E</b>	237	107	0	78	52
<b>EM</b>	172	94	3	48	27
<b>L</b>	198	144	5	47	2
<b>NE</b>	72	48	2	14	8
<b>NI</b>	25	15	1	6	3
<b>NW</b>	226	158	4	48	16
<b>S</b>	79	37	2	40	
<b>SE</b>	305	124	2	102	77
<b>SW</b>	284	101	1	100	82
<b>W</b>	171	86	1	42	42
<b>WM</b>	173	101	1	42	29
<b>Y&amp;H</b>	163	109	4	38	12
<b>Totals</b>	<b>2105</b>	<b>1124</b>	<b>26</b>	<b>605</b>	<b>350</b>

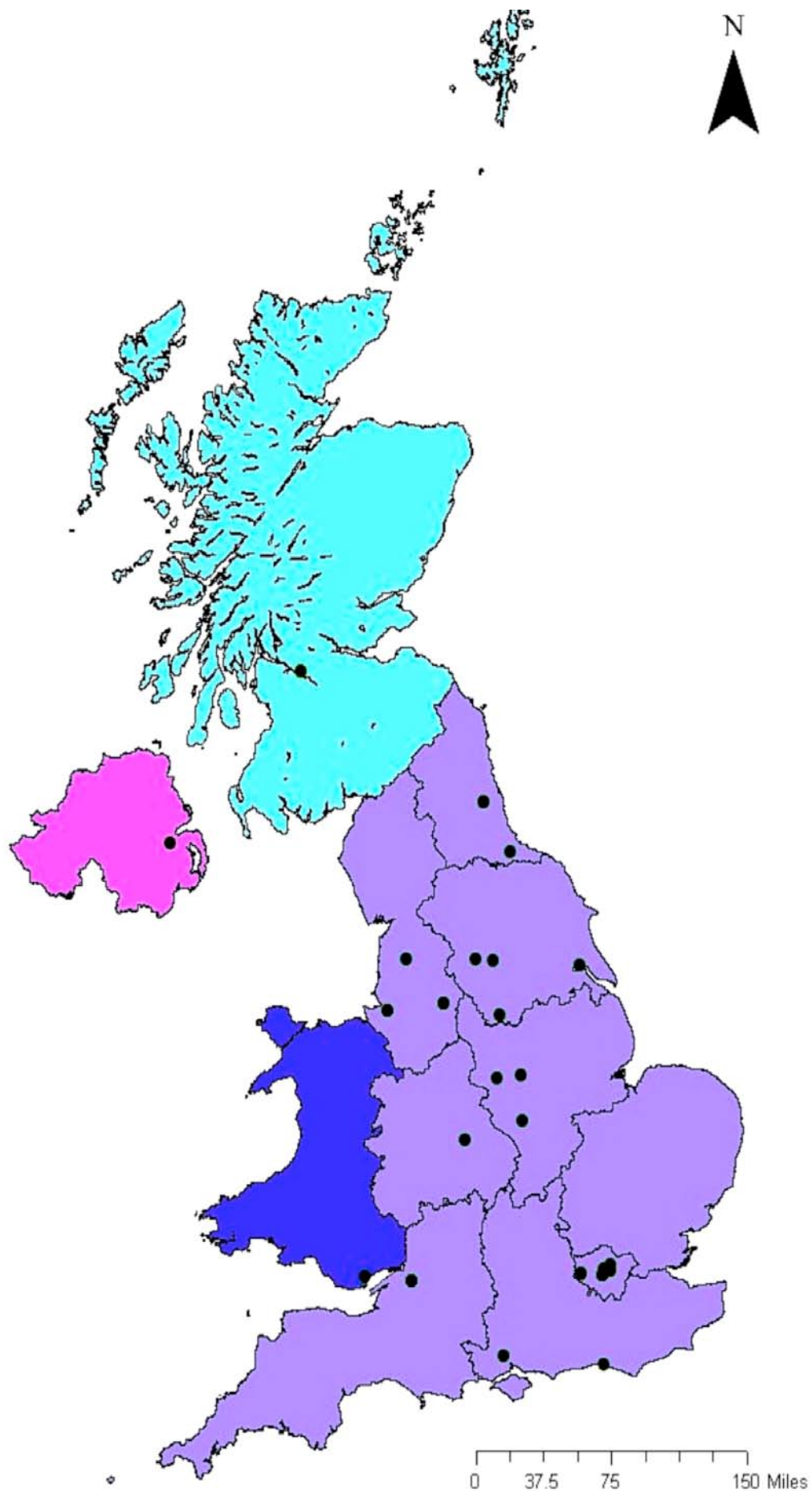
*E – Eastern region; EM- East Midlands; L – London; NE- North East; NI- Northern Ireland; NW – North West; S – Scotland; SE- South East; SW – South West; W – Wales; WM – West Midlands; Y&H – Yorkshire and Humberside.*

Using specialised mapping software, coordinate points were assigned to each market postcode so that a data-point could be placed on the UK map. This displayed the current geographic spread and distribution of all types of UK markets at postcode level.

**Figure 1** – Geographic distribution of retail markets

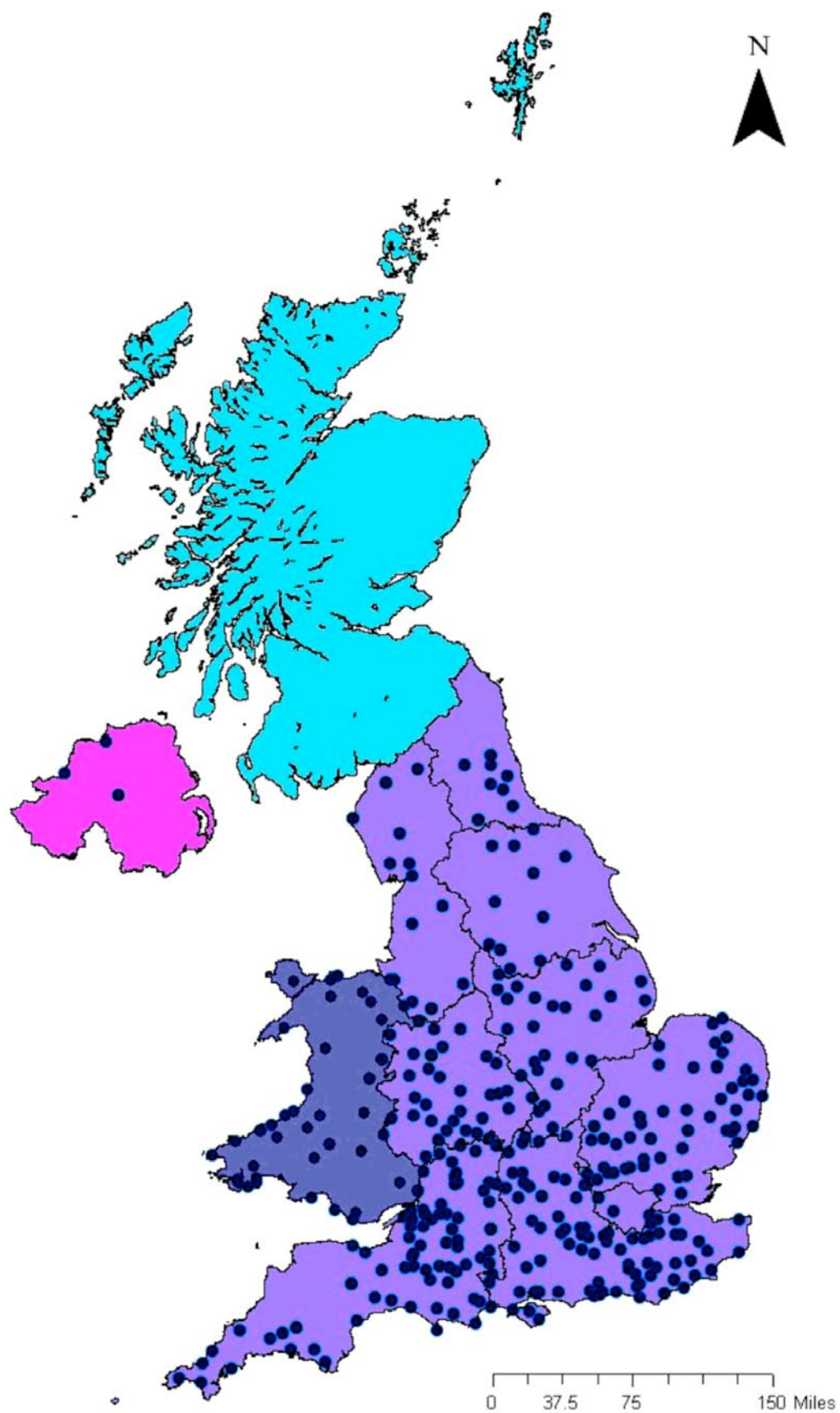


**Figure 2** – Geographic distribution of wholesale markets

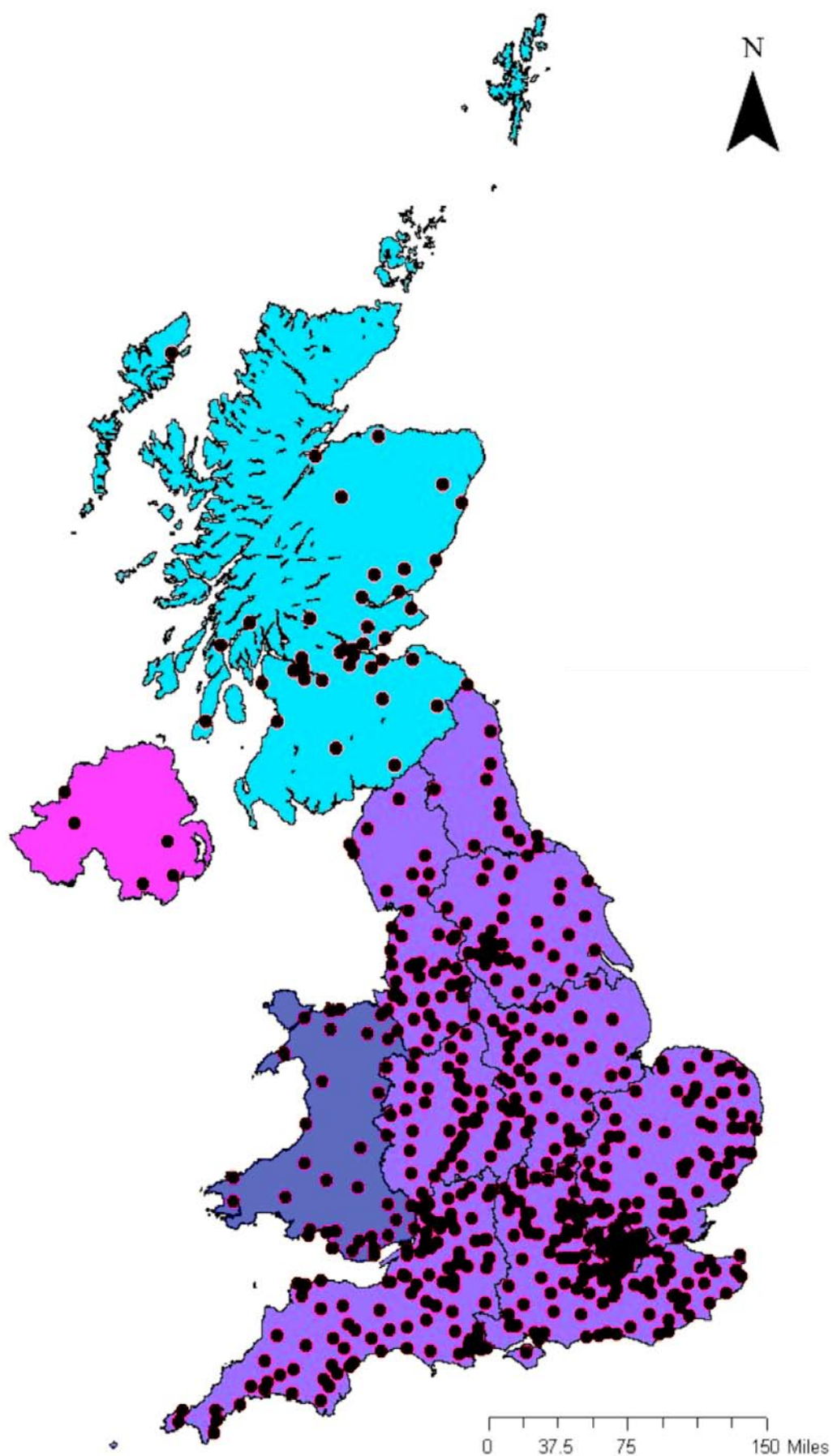




**Figure 3** – Geographic distribution of country markets



**Figure 4** – Geographic distribution of farmers' markets



## Types of market management

The Rhodes Survey identified 429 market operators in 2004 (268 from the public sector and 161 private market operators). The 2009 database shows at least 520 operators running markets, with at least 345 in the public sector and 172 in the private sector. There are also a number of partnership arrangements that introduce a range of other operator combinations.

Table 3 shows current breakdowns for the types of operators for all markets operating in the UK in 2009 (information was not available for 8 markets), including farmers' markets (largely membership based) and country markets (run as cooperatives).

Traditional retail markets are principally run by the public sector (60%), although 321 (29%) are now run by the private sector. Other partnership categories are difficult to unravel by internet searching and the table uses 'privately managed for the public sector', 'public sector partnership' and 'public-private partnership' as other types of market management. This needs further investigation to clarify exactly what these structures are. If these categories are analysed as one, 103 traditional retail markets are managed as some form of partnership (9%).

Although the majority of farmers' markets are managed as membership organisations (45%), 29% are operated by the public sector and 13% are run by private operators, with 7% run under a variety of partnership arrangements

**Table 3** *All types of markets in the UK: breakdown by type of market operator*

	Public Sector	Private Sector	Privately managed for Public Sector	Public Sector partnership	Public private partnership	Charity	Community Association/ other types partnership	Co-operative	Membership
<b>Traditional markets</b>	669	321	91	2	10	1	4	19	3
<b>Community markets</b>	0	0	0	0	0	0	0	350	0
<b>Farmer's markets</b>	178	77	14	18	12	1	10	19	272
<b>Wholesale markets</b>	25	0	1	0	0	0	0	0	0

## Frequency of operation

The Rhodes Survey data showed 36% of markets operated on 1 day a week and 20% of markets operated on 6 days a week. Table 4 shows the frequency of operation for all markets operating in the UK in 2009.

UK traditional retail markets operate most frequently on 1 day (35%), 2 days (21%) and 6 days (20%). UK farmers' markets operate once a month, 1 day a week, and twice a month in order of frequency. Further breakdown reveals that 1 day markets are most frequently held on Saturdays, Fridays and Thursdays, and 96 of the 209 UK markets operating on 6 days a week are general retail indoor markets.

**Table 4** *All types of markets in the UK: frequency of operation.*

<b>Frequency</b>	<b>Traditional retail markets</b>	<b>Speciality/continental markets</b>	<b>Wholesale markets</b>	<b>Farmers' markets</b>	<b>Country markets</b>	<b>Totals</b>
1 day	369	13	0	92	313	787
2 days	224	3	0	5	4	236
3 days	117	2	0	0	0	119
4 days	54	0	0	0	1	55
5 days	38	0	3	0	0	41
6 days	209	5	23	3	0	240
7 days	29	0	0	0	0	29
Once a month	5	5	0	414	17	441
Twice a month	0	4	0	90	13	107
Three times a month	0	0	0	0	2	2
Annual	1	27	0	0	0	28
Twice a year	0	8	0	0	0	0
3 - 6 times a year	1	10	0	1	0	12
<b>Total</b>	<b>1047</b>	<b>77</b>	<b>26</b>	<b>605</b>	<b>350</b>	<b>2105</b>

The Rhodes Survey gathered data from 465 of the 1,169 retail markets

identified in 2004. The survey asked for information for the period 1998 – 2004 and analysis included information on the number of stalls available each week (over 150,000) and evidence that the average stall occupancy rates (75% in 2004) were falling.

**Table 5** shows the number of stalls currently available on traditional retail markets on a weekly basis in the UK (figures are for actual numbers of physical stalls not numbers available on a weekly basis). Analysis of the data in 2009 cannot, however, identify whether the trend in falling stall occupancy rates identified in 2004 has continued (the Rhodes Survey estimated figures could be around 70% in 2009). 72 traditional retail markets operate on the same sites and at the same time as farmers' markets. This could indicate a growth in stall occupancy rates in these instances.

From the data available, a majority of UK traditional retail markets operate with between 10 and 100 stalls (52%) and further analysis shows that almost all have more than 20 stalls, with many operating with over 60 stalls. There was no information available for 286 retail markets.



**Table 5** *UK traditional retail markets: breakdown of stalls/pitches available to let each week.*

<b>Number of stalls</b>	<b>Nos UK Traditional markets</b>
10 - 100	581
100 - 200	168
200 - 500	78
500 - 1000	6
over 1000	6
<b>Total</b>	<b>838</b>
No info available	286

# Appendix 2

## The Retail Markets Alliance's response to CLG Committee inquiry into Traditional Retail markets

### Retail Markets Alliance Management Board

The RMA's Management Board has welcomed the report and supports the conclusions and recommendations made by the CLG Committee. It has been agreed that they will form a central element of policy management for the RMA. However, as stated at Section 3, the CLG Committee's terms of reference excluded the consideration of car-boot sales, wholesale markets, pedlary, and regulation in relation to stolen and counterfeit goods. These have and will continue to form important elements of markets policy.

### The National Association of British Market Authorities' Annual Conference September 2009

Representatives of the CLG Committee were invited to attend NABMA's annual conference in September 2009, and gave a presentation on the CLG Committee process and key findings.

### Links to central government departments

As part of the implementation of the Cabinet Office report: Food Matters – towards a strategy for the 21st century strategy, the Department for Food and Rural Affairs (DEFRA) and the Department of Health are currently in discussion with Retail Markets Alliance in relation to the role of markets in:

- Providing access to healthy affordable food
- Providing sustainable food
- Encouraging behaviour change
- Food education
- Helping meet the 5-a-day target
- Contributing to the Change-4-Life programme

### Planning consultation (PPS4)

As part of the Government's commitment to simplifying regulation, the Department for Communities and Local Government has reviewed its Planning Policy Statements and Guidance documents. One consequence of that process has been the redrafting of Planning Policy Statement 4 – Planning for Prosperous Economies (PPS4), which was put out to consultation in the summer of 2009. This replace and incorporates, amongst others, Planning Policy Statement 6 – Town Centres and Retail Developments (PPS6), referred to in Section 3.

In addition to supporting the continued express reference to markets, the RMA's response to the consultation included the following:

***“The Community and Local Government Committee Inquiry into traditional retail markets.***

*The final report of the CLG Committee inquiry into traditional retail markets was published on 23 July 2009. At paragraph 124 – page 57, it states:*

***‘We welcome the Government’s decision to include markets within its strategic planning guidance and, in particular, the advice to local governments to retain and enhance existing markets. In the light of our inquiry though, we are disappointed at the current narrow emphasis on***

*consumer choice and competition. As the cover of the Government's PPS document makes clear, as well as supporting economic objectives, planning also plays a key role in supporting the Government's wider social and environmental objectives for sustainable communities. As we have seen in earlier sections, markets can make a significant contribution to local authorities' social cohesion and environmental agendas. We urge the Government to emphasise the wider non-economic benefits that markets can bring and to encourage local authorities also to take them into account when making decisions, both in the PPS document, and in the future iterations of the accompanying good practice guidance.'*

*The Retail Markets Alliance strongly supports this key recommendation of the CLG Committee."*

## **Guidance & best practice**

The CLG Committee Report identified a number of priorities for the markets industry and local government. These included:

- Finance
- Management
- Recruiting new traders/entrepreneurs
- Identifying and sharing innovation and good practice.

The RMA has already recognised these as strategic priorities for change within the markets sector, and will develop and implement improved guidance and best practice through a variety of media.

# Appendix 3

## Case Study 21 - Effective data management

This section looks in more detail at the specific issue of footfall data (customer throughput) and how a number of market managers have used the data to inform their management decisions and improve market performance.

A survey was carried out with three market authorities that have had footfall counting equipment in place for a number of years – Birmingham, Manchester and Sheffield. They were asked to provide information on the following:

- What do you do with your data from a management perspective?
- With whom is it shared?
- What changes have you introduced into the markets as a consequence of the analysis of footfall data?

Sheffield responded:

‘The data goes upwards to my Service Director and Cabinet Member and also to the NMTF locally and other traders through a quarterly newsletter. A weekly analysis is done in the form of a graph, which compares the same time last year. We look to identify any impact of marketing and promotions campaigns and also the more mundane things like bus strikes and bad weather! We also compare our footfall with that recorded by city centre counters and counters at the main entrances of Crystal Peaks Shopping Centre to see what percentage of the Centre’s footfall we are capturing.

It is also a key piece of evidence for the Customer Service Excellence Award that has replaced Charter Mark, that we were recently awarded.’

Manchester responded:

‘The data is analysed for strengths and weaknesses - hourly, daily, weekly, and monthly patterns are scrutinised. Performance indicators are produced. Measurements are used to identify outcomes from marketing/promotional activity. Comparisons are made with shopping centre and city centre statistics to understand performance. Measurement informs decisions on stall rentals charged. Staffing profiles and security profiles are targeted to throughput. It also facilitates meaningful discussions with traders enabling a more business-focused discussion.

Data is shared internally via KPIs, and with key business partners such as City Centre Management and landlords. Traders are also provided with an overview.

Staffing rotas have been modified, also security work patterns. Marketing plans have been modified and initiated. Trader staffing and owner attendance have been influenced. Stall rentals have also been directly influenced.’

Birmingham responded:

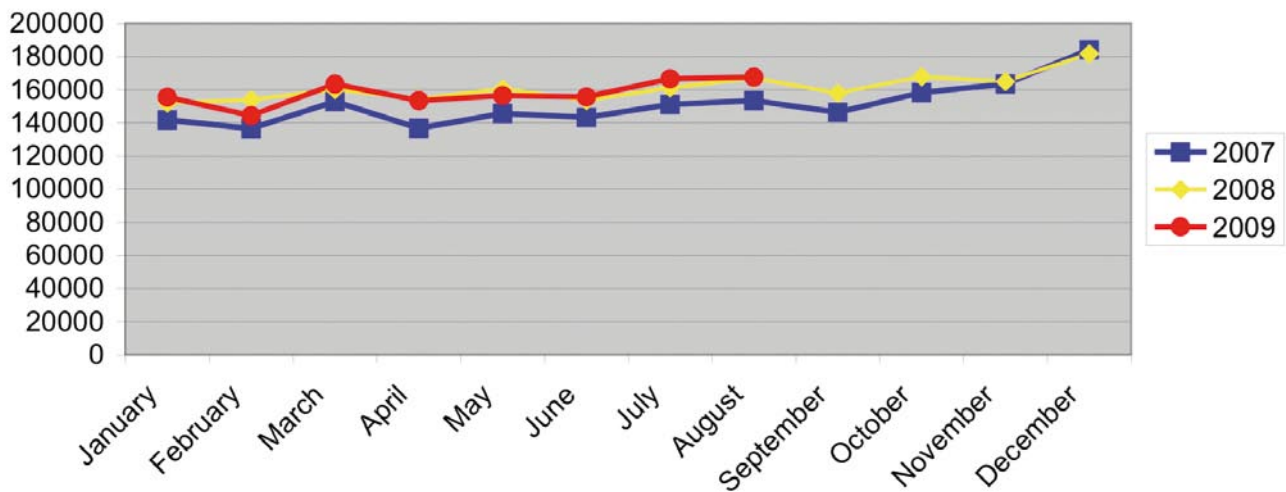
‘Footfall information is used on markets in Birmingham as part of our annual rental negotiations, to evaluate promotional activities, identify customer flow patterns, to support resource allocation, evaluate additional opening hours/days, support submissions for corporate funding and contribute to city-wide information on visitors.

The data is shared with market traders, the retail partnership, media, the City Council and benchmarking with other local authorities.

The numbers have supported rental increases, been used in promotional media and assisted in discussions re additional opening days and holiday opening – Christmas etc.’

The following table was kindly provided by Andy Ward, Markets Manager for Sheffield City Council, and shows the benefits of long-term data capture and analysis. In this case it clearly demonstrates that footfall has held up well, despite the recession.

### Crystal Peaks Footfall Comparison





The following table demonstrates the level of detail/analysis available to market managers, and was kindly provided by Mark Legomski, Head of Markets at Manchester City Council.



## Manchester City Market FootFall Monthly Summary

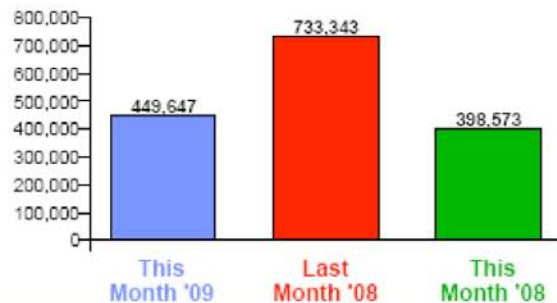


Month Commencing 29-Dec-2008

Month January 2009

### Monthly Visitors

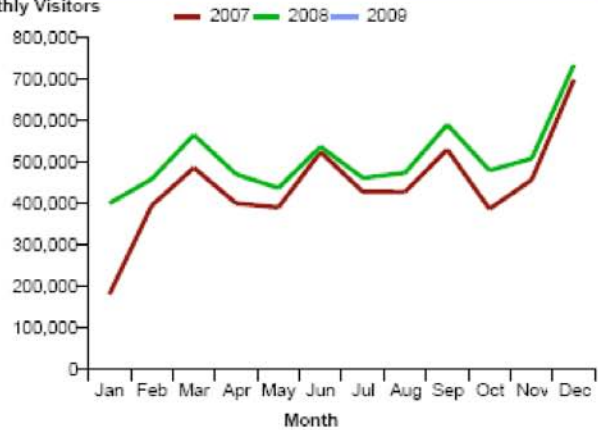
Monthly Visitors



National Benchmark		Monthly		Yearly	
M-O-M	Y-O-Y	Centre Change		Centre Change	
-39.3 %	1.2 %	-38.7 %		12.8 %	

### Annual Performance

Monthly Visitors



### Average Daily Distribution

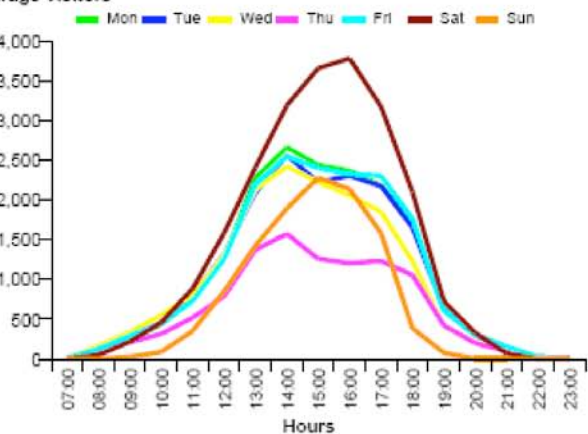
Average Visitors



	Mon	Tue	Wed	Thu	Fri	Sat	Sun
This Month '09	17,595	17,145	15,885	10,375	17,551	22,692	11,169
This Month '08	14,134	9,401	14,012	14,123	15,397	22,163	10,412
Last Month '08	20,877	20,215	20,098	15,377	22,532	30,542	17,029
Y-O-Y % Change	24.5%	82.4%	13.4%	-26.5%	14.0%	2.4%	7.3%

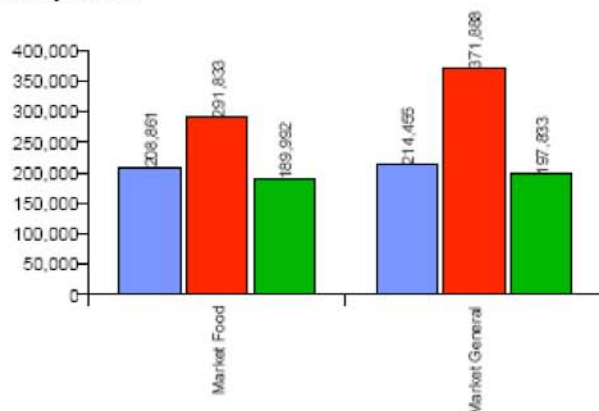
### Average Hourly Distribution

Average Visitors



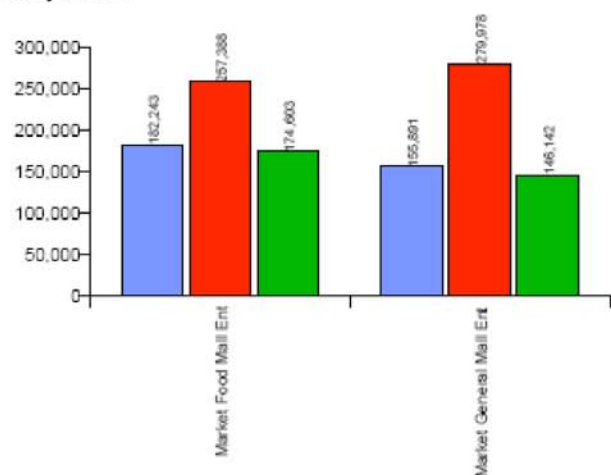
### Zone Comparison

Monthly Visitors



### Internal Flow Comparison

Monthly Visitors

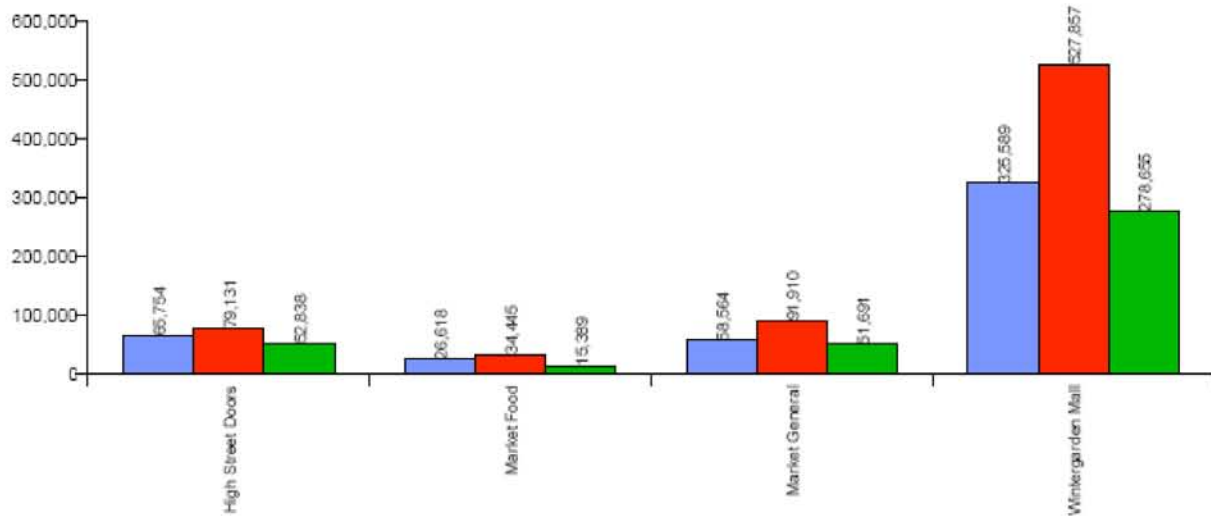


Month Commencing 29-Dec-2008

Month January 2009

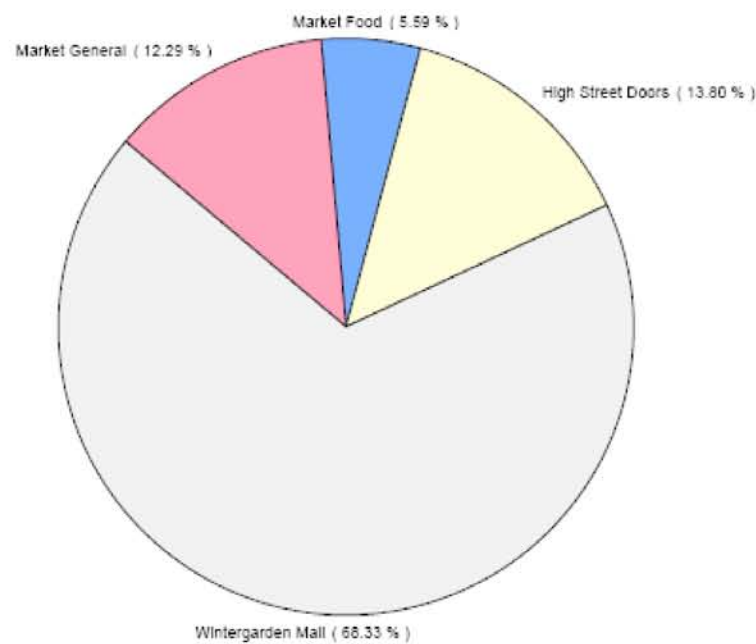
**External Location Comparison**

Monthly Visitors



**FootFall by Entrance**

Monthly Visitors



# Appendix 4

## - References

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The National Association of British Market Authorities (NABMA)  
  
The National Market Traders' Federation (NMTF)  
  
The Association of Town Centre Management (ATCM) and  
  
The National Farmers' Retail and Markets Association (FARMA).
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# Appendix 5

## - Abbreviations

<b>AMT</b>	Action for Market Towns
<b>ATCM</b>	The Association of Town Centre management
<b>BME</b>	Black and Minority Ethnic
<b>BRC</b>	The British Retail Consortium
<b>CAB</b>	Citizens Advice Bureau
<b>CCRI</b>	The Countryside and Community Research Institute
<b>CIC</b>	Community Interest Company
<b>CLG</b>	Communities and Local Government
<b>CML</b>	Country Markets Limited
<b>DCMS</b>	Department for Culture, Media and Sport
<b>DEFRA</b>	Department for the Environment, Food and Rural Affairs
<b>DoH</b>	Department of Health
<b>DWP</b>	Department for Work and Pensions
<b>ERDF</b>	European Regional Development Fund
<b>ESRC</b>	The Economic and Social Research Council
<b>FARMA</b>	The National Farmers' Retail and Markets Association
<b>FTE</b>	Full Time Equivalent
<b>KPI</b>	Key Performance Indicator
<b>LEGI</b>	Local Enterprise Growth Initiative
<b>LGA</b>	The Local Government Association
<b>LLP</b>	Limited Liability Partnership
<b>NABMA</b>	The National Association of British Market Authorities
<b>NMTF</b>	The National Market Traders' Federation
<b>PCT</b>	Primary Care Trust
<b>PPJVCO</b>	Public Public Joint Venture Company
<b>SME</b>	Small to Medium Enterprise
<b>USP</b>	Unique Selling Point
<b>WNF</b>	Working Neighbourhood Fund



# Appendix 6

## - The Retail Markets Alliance

The Retail Markets Alliance (RMA) represents the four major organisations involved in the markets industry in the UK. The RMA was formed in 2008 with the intention of representing the views of the markets industry on major issues, and comprises the following organisations:

- The National Association of British Market Authorities (NABMA).
- The National Market Traders' Federation (NMTF).
- The Association of Town Centre Management (ATCM) and
- The National Farmers' Retail and Markets Association (FARMA).

NABMA represents local authority operators of markets and also a significant number of private operators. Currently NABMA represents one hundred and sixty two local authorities and fourteen private operators and provides advice, good practice and a range of other services to its members.

The NMTF represents the interests of more than 33,000 members throughout the UK. As well as providing them with the insurance cover they need to trade on retail markets, the NMTF lobbies on their behalf at local, national and international government level, and strives to ensure the industry not only survives, but thrives. The organisation also mounts major publicity campaigns to raise public awareness of the choice and value of markets. Through its popular website ([www.nmtf.co.uk](http://www.nmtf.co.uk)) the Federation provides both traders and shoppers with details of more than 800 retail markets.

The ATCM is a UK wide organisation engaged in the promotion of vitality and viability in town centres. It supports nearly 600 members including practitioners in town centre management initiatives, retailers, property owners and government agencies. In helping town and city centres realise their natural roles both as prosperous locations for business and investment, and as focal points for vibrant, inclusive communities, the ATCM has: assisted governments in England, Wales and Scotland in introducing Business Improvement District legislation; supported the formation of the skills and accreditation body the Institute of Place Management; and has formed valuable links with both the International Downtown Association based in the US and the town centre management network (TOCEMA) which includes similar European based town centre trade bodies.

FARMA is a social enterprise of farmers and producers selling on a local scale and farmers' markets organisers. FARMA works throughout the UK and is the largest organisation of its type in the world representing direct sales to customers through farmers' markets and other outlets. FARMA is constituted as a co-operative having a sector developmental role as well as setting standards through a Certification programme for farmers' markets.

# Appendix 7

## - Kryś Zasada profile



Kryś Zasada is Policy Development Manager for the National Association of British Market Authorities (NABMA), funded by, and working with, the representative market organisations in the UK to develop a detailed national policy context for the markets industry. He also represents NABMA on Board of the National Retail Planning Forum.

Kryś also acts as a specialist consultant, and has carried out work for a number of local authorities in relation to their markets, including Southwark, Manchester and Glasgow.

From 1998 to 2008, Kryś was Head of Manchester Markets, responsible for the strategic and operational management of the City Council's wholesale, retail and specialist markets portfolio. Recognising the need for fundamental change of the sector, Kryś produced and implemented a long-term business strategy for the markets, successfully transforming the markets offer, both physically through capital investment and by realigning the offer to the demographic profile of the city.

A key element of that modernisation process related to New Smithfield Wholesale Market. Part-funded from EU grant support, the project sought to modernise and improve the business performance of the tenants, improve the physical infrastructure through a multi-million pound redevelopment of the site, and significantly improve the environmental management of the site. Key to this was the need to modernise and reconnect the rural and urban food supply chain.

Kryś was a member of the advisory group supporting the Joseph Rowntree Foundation research into Markets as sites for social interaction, the results of which were published in September 2006.

Kryś was also a member of the Management Board of Manchester Food Futures – the City's Food Strategy - and chaired the sub-group on Food Access from 2006-2008. He is currently a member of the Board of London Food, which oversees the implementation of the Mayor's Food Strategy.

From 1996-98, Kryś chaired the industry-wide working group responsible for producing the Markets and Fairs Guide to Good Hygiene Practice.

Prior to working in Manchester, Kryś was Operations Manager at Sheffield Markets from 1993 until he took over as acting Head of Markets in 1998. Before that, he had worked for Sheffield's Environmental Health Department for 8 years.

Kryś is a graduate of Nottingham Law School with a bachelor of laws (LLB).

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The Retail Markets Alliance

November 2009

