

Meeting: ENVIRONMENT & ECONOMY SELECT COMMITTEE

Portfolio Area: Resources

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REVIEW OF STEVENAGE INDOOR MARKET

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1 PURPOSE

- 1.1 To consider the report and recommendations of the Environment & Economy Select Committee Scrutiny review into Stevenage Indoor Market.

2 BACKGROUND & SCRUTINY ISSUE IDENTIFIED

- 2.1 The issue of scrutinising Stevenage Indoor Market was agreed by the Select Committee as a scrutiny review item along with other scrutiny items when it met on 1 March 2017.

2.2 Scope and Focus of the review

- 2.2.1 The Committee met on 3 July 2017 and agreed a scope for the review of the Indoor Market, which it agreed should consider the following areas:

- Members to establish with officers what the current financial position is with the market/income/financial commitments
- Looking at the current support structures provided by the Council and establishing if these are adequate to support the small businesses based at the indoor market?
- Looking at what scope there could be for further improvements to the market
- Look at the current plans for the market
- What is the current and future viability of the indoor market?
- Will the Town Centre Regeneration offer any possible solutions to a new venue or improved current location?
- How does the market compare with other indoor markets?
- Does the quality of the offer have an impact on the number of users?
- Is the range of traders the right mix?
- Is the market too large?

- Are there any alternative venues for the market?
- What are the successes of the indoor market and where can things be improved? Can officers invite some case studies from a range of traders, long established, new niche markets etc.?
- The Traders cite the cost of parking as an issue to attracting shoppers. How much does the cost of parking effect the number of potential customers?

2.3 Process of the review

2.3.1 The Committee met formally on five occasions in 2017 to undertake the review. The Committee met as follows: On 3 July to agree the scope and receive an officer presentation on the service, on 11 September, 2 October and 7 November to interview the Executive Portfolio Holder for Resources, officers, Members of the Market Traders Association and Market Traders, Markets expert Peter Turvey (NABMA), Tina Benson Town Centre Manager, and finally on 22 November 2017 to sign off and agree the draft report and recommendations of the review. Members of the Committee and the Scrutiny Officer also met informally on two further occasions to carry out a site visit to the market on 19 July 2017 and to visit Luton Indoor Market on 5 August 2017.

2.3.2 The Committee received written and oral evidence from the following people:

- Market Traders Association Committee Members, Arthur Howard & Mark Nugent
- Market Traders, Ahmed & Anil Ahmet trading as Clubman Hairdressers
- Market Traders Barry and Mandy Crouch trading as Mandy's Café
- Market Trader Onyebuchi John Nwachukwu, trading as Oyoyo and Zap Intelligent Solutions
- Market Trader Clive Taylor, trading as DC Collectables
- Market Traders Shaz Setoudeh and Louis Lobjoit T/A Lenny's Fresh Fish
- Peter Turvey, NABMA (National Association of British Market Authorities)
- Tina Benson, Stevenage Town Centre Manager
- Councillor Mrs Joan Lloyd, Executive Portfolio Holder for Resources
- Tom Pike, Strategic Director
- Carlo Perricone, Garages and Markets Manager

3 REVIEW FINDINGS

3.1 Conclusions of the Environment & Economy Select Committee

3.1.1 Based on the input provided to Members conducting the review by Officers supporting the review the Committee have made the following conclusions.

3.1.2 Short term and long term recommendations

3.1.3 The review concluded that there should be some short term recommendations that could be implemented within the next two years to support the Indoor Market, including a comprehensive, independent, Market

Research carried out to investigate the long term viability of the market and following this piece of work the reviews more longer term recommendations could be considered in conjunction with the findings of the Market Research.

3.2 The need for Market Research

3.2.1 During the review and specifically during the interview with the independent Market's expert, National Association of British Market Authorities (NABMA), it was recognised that there needed to be a full market research exercise carried out to highlight important data on who uses the Market, what is bought, value of average shops, what the awareness of the Market is amongst local shoppers etc.

3.2.2 With this information this will provide Members and officers with valuable data which can then inform any future recommendations regarding the future of the Market. Without this data it would put into question any substantive further recommendations that the review provides.

3.3 Economic Background

3.3.1 The evidence from the National Association of British Market Authorities confirms the oral evidence from market traders that indoor markets are in decline nationally. This is at a time when consumers have been through a time of austerity and earnings have been rising below the inflation rate for a decade. The only markets that are stable or growing are traditional outdoor markets in market towns and where there is an interesting food offer.

3.4 Current Location

3.4.1 The issue of the location of the indoor market is one of the key issues to the success or otherwise of the market along with the offer available and consistency of opening times. During the interviews the issue of location was raised as the single most detrimental issue to the Market.

3.4.2 There were periods in the Indoor Market's history when its location was less critical. However, anecdotally Market Traders and Members have said that there was a period during the 1970s through to the 1990's when the market was thriving, so the location had no detrimental bearing on it during this era, so what has changed? A combination of factors have combined against the market including closing the shoppers pedestrian access through the Boots and Wilkinson's Shops, the rise of internet shopping, a plethora of discount stores, an aging cohort of loyal customers who aren't easily replaced and changing tastes in shopping all conspiring against the Market.

3.5 Possibility of alternative venues

3.5.1 So far during the plans for the Town Centre Regeneration consideration of an alternative venue for the Indoor Market has not been identified to date. Officers have said that there is not an obvious alternative location which is a natural fit for the Market in its current configuration. Such a project could

establish alternative styles of market, size, mix of indoor and outdoor etc. Members have made a recommendation to ask officers to formally consider an alternative location but this would be subject to agreement of the Executive and a budget being established for this.

3.6 Needs of Market Traders

3.6.1 During the site visit and at the interview meetings it was clear to Members that the cross section of Market Traders who were spoke to all had varying needs depending on their own small business. Some traders would prefer longer opening hours or a varied opening time to catch potential evening trade, whilst others like hot food providers do their trade up to lunch time but nothing thereafter so would favour closing earlier perhaps by 3pm. However, operating different opening hours would present a problem for the market as it is viewed as a whole business by potential shoppers who would not have a good impression if they found stalls closed. Therefore there needs to be a uniform approach so the only thing that can be done is to enforce the current regime. The Garages and Markets Manager is working with the Market Traders Association to agree a revised package of incentives. Also the Garages and Markets Manager is looking at deterrents to encourage all of the traders to keep to the agreed licence agreements, and opening times which has a detrimental effect on the overall success of the market if the opening times are not adhered to.

3.6.2 The issue of how flexible the market should be regarding a duplication of traders in the market was also one which produced a difference of opinion amongst traders. Some advocated a total free market approach whereas others wished to continue protecting traders from competition within the market. The Committee were of the view that a free competitive environment should be the goal for the market and that the Mutual Agreement between Traders is no longer in place.

3.7 Parking Charges

3.7.1 A number of the Market Traders have asked for the Council to consider varying the parking charges to give a concession to shoppers as an incentive to shop at the indoor market. In the past there have been reduced fee parking charges offered (in 2014 there was a trial period for a number of months) but, it would appear that there was no significant impact or increased footfall at the market during these periods, nor has there been any noticeable increased footfall when similar concessions have been carried out on single day or weekend occasions. In addition, a pilot including a 30 minute ticket for 50p has been in place from April 2017 until this point in time. However, there are no easy solutions with regard to this as there are cost implications to the Council. It is not possible to alter the charges in the multistore car park without the same charges being applied to the Westgate car park, due to a legal agreement when the Westgate Shopping Centre was built. However, Members are aware that there is a possibility of a reduction in short term parking charges in the 2018/19 budget proposals for all Council operated car parks so the Committee will await the outcome of this process.

3.8 Voids

3.8.1 The number of voids fluctuates on a monthly basis as traders currently only need to give a month's notice to quit their stalls. Therefore the market is vulnerable from traders leaving on a monthly basis. The Garages and Markets Manager and colleagues work closely with the traders to do all they can to keep traders trading. However, at times, it is inevitable that there will be churn amongst traders.

3.8.2 Void stalls create a bad impression for shoppers as it appears that the market is in decline. The Committee are aware that alternative uses have been used for the void stalls such as charities and schools using them but there is a limit to how many can be used for this purpose. The Committee have made a recommendation encouraging the use of voids to casual traders, with marketing strategies to reach new permanent traders and consider other uses, but are aware that this could cause more problems with making more permanent stalls less attractive if the casual trader rates were more attractive, so have asked the officers to consider the best use of voids.

3.9 Access through Boots and Wilkinsons

3.9.1 The loss of a pedestrian access to and from the town square to the multi-storey car park has had a significant impact on footfall to the market. Both the Garages and Markets Manager and the Town Centre Manager have been in dialogue with both Boots and Wilkinson's for many months to see if either would enter into an agreement to reinstate access at the rear of their stores. So far there has been no resolution to report but officers continue to pursue this.

3.10 Improved signage and pedestrian access to the market

3.10.1 The Council is working on a scheme as part of the town centre improvements to provide new way finders which will provide visitors and shoppers with clear directions around the town including to the market.

3.10.2 The Council's engineering officers have stated that it would not be easy to provide a safe crossings point at the entrances to the indoor market in the multi-storey car park building and would therefore not recommend moving forward with a safety study due to the prohibitive cost which would likely result in a negative outcome. However this is a matter for Members to determine if they wish to pursue this further.

3.11 Links to Town Centre events and the Town Centre Manager

3.11.1 During the review a perception was gained that close liaison between Town Centre activities and the Indoor Market was not happening as often and as routinely as Members would like. However, following the interview with the Town Centre Manager, Members are now confident that there is evidence of good liaison between town centre activities and the Indoor Market. Members

are aware that officers attend monthly meetings with the Town Centre Working Group so would expect that any issue that effect both the market and the wider town centre would be addressed regularly at these meetings.

3.12 Current governance arrangements and possible future options

3.12.1 Talking to Market Traders and interviewing the independent markets expert it is apparent to the Committee that the officer support provided to the traders and the MTA is very comprehensive and of a high standard. The Market Traders Association work untiringly to promote the market and represent the views of the traders and have a good working relationship with officers and the Executive Portfolio Holder. However, it is hard for the officers to make purely commercial considerations when managing the market as there are a number of conflicting requirements and interested parties. The Committee therefore are of the view that some consideration should be given to looking to a third party commercial entity to run the market on a commercial basis for the Council and the officer support could be in the nature of a client manager.

3.13 Site visit to Luton Market

3.13.1 A small group of Councillors and the Scrutiny Officer visited Luton Market to see how their indoor market operated and to see if there were any ideas that could be replicated in Stevenage's Indoor Market? Members met with the market operator, Town and Country Markets, who run the market for Luton Borough Council. The main advantages for Luton market were as follows:

3.13.2 Access from the multi-storey car park, all shoppers are sent through the market on their way to the main shopping centre: low number of voids, vibrant food offer; professional looking stalls with uniform plinths, shutters and signage; arms-length independently run market.

3.14 Equalities & Diversity issues

3.14.1 Members considered the current access arrangements to the Market to be less than adequate and recommended that any significant future investment to the multi-storey car park or alternative market venues should take this issue into consideration so people with mobility issues would be able to access the market more easily.

4 RECOMMENDATIONS

4.1 That the Environment & Economy Select Committee considers the findings of the review, contained within this report and the recommendations below be presented to the Executive Portfolio Holder for Resources and the Strategic Director, Tom Pike and that a response be provided from these and any other named officers and partners within two months of the publishing of this report.

- 4.2 PRINCIPAL RECOMMENDATION - That officers be requested to engage an external company to carry out market research in order to find out what kind of market offer is required by the Town longer-term.

Reason – This tackles the fundamental question regarding the indoor market, what type of market is desired by shoppers and what type of market does the Council wish to support. This would provide some data on which to inform future decisions, and without which the other recommendations of the review could have some impact on improving the fortunes of the market but do little in the long run if the market is not supported by shoppers.

Short Term Recommendations

- 4.3 SHORT TERM RECOMMENDATION 1 - That officers revisit this issue with the shops to see what incentives would be required to restore access to the multi-storey car park as this would significantly improve the potential footfall of the market and would also restore a much needed pedestrian route to and from the car park to the town centre.
- 4.3.1 Reason - Since Boots and (the former Woolworths shop) Wilkinson's have closed the pedestrian access from the back of their shops leading to the multi-storey car park this has had a major impact on the footfall for the market. Until now the shops have shown little interest in re-establishing this link, citing storage and security as their main issues. If security could be improved then the shops would also benefit from increased footfall. Members are aware that officers have been in ongoing dialogue with both shops over the summer and autumn to see if there can be any movement on this issue.
- 4.4 SHORT TERM RECOMMENDATION 2 - If the Market is not moving venue as part of the Town Centre Regeneration Plans, then the Council should look at improving the fabric of the building including upgrading the quality of the pitches by replacing the fascia and shutters (with a uniform replacement roller blind or more expensive metal shutters).
- 4.4.1 Reason – The current infrastructure of the car park and the indoor market is an uninviting environment. If the market is to continue in the current location then the building and shopping experience should be improved. There could be scope for more of the building being openly visible from the service road such as the butchers and blind shop, which makes it more obvious to potential shoppers that there is a Market operating in the building. Obviously structural and façade changes would be expensive. However, changing the market stall blinds would be less expensive but would still be a significant capital expenditure.
- 4.5 SHORT TERM RECOMMENDATION 3 - That officers look at incentives for Market Traders to keep to the opening trading times and days. Members would recommend that the Garages and Market Manager discuss with the MTA altering the current rules of incentives and disincentives to Market Traders to see if this issue can be improved.

- 4.5.1 Reason – Continuity of pitches opening times is an ongoing issue. It is confusing for customers who may have visited to use one particular stall if that stall is not open when the rest of the market is open. It doesn't help the reputation of the market and can generate negative publicity.
- 4.6 SHORT TERM RECOMMENDATION 4 - That the Executive Portfolio Holder for Resources discusses with officers in Finance and the Car Parks Manager the options open to varying the parking charges. Members are aware that work is ongoing with the budget process regarding parking options, and would therefore recommend that all await the outcome of those proposals beyond the initial MSCP 30 minute trial that has been taking place this year, before making any further recommendations on this issue.
- 4.6.1 Reason – The Market Traders Association (MTA) have requested that Council consider concessions on the parking charges for market shoppers, from free parking to chip coins, to discounts to aid footfall. The Council has introduced a low cost short stay option in the MSCP and Westgate and is reviewing effects in the two car parks. Members would like officers to explore options suggested in the recommendation to see if there is anything that can be done regarding parking to help the Market Traders.
- 4.7 SHORT TERM RECOMMENDATION 5 - That officers discuss with the Town Centre Manager ways to further enhance and incorporate the Indoor Market with Town Centre events that are organised by the Town Centre Manger.
- 4.7.1 Reason – Officers demonstrated that there is close liaison between Town Centre activities and the Indoor Market. However, Members would like to see even more active links between town centre activities and the Indoor Market. Members are aware that officers attend monthly meetings with the Town Centre Working Group so are asking that this issue is looked at this meeting.
- 4.8 SHORT TERM RECOMMENDATION 6 - That officers discuss with the MTA ways to encourage a wider diversity of traders available in the Market.
- 4.8.1 Reason – It was apparent to Members that there was a wider variety of traders at the Luton Indoor Market than at the Stevenage Market. A wider selection of traders helps with the appeal of the Market as a shopping experience.
- 4.9. SHORT TERM RECOMMENDATION 7 – That officers consider a staggered rent for new traders.
- 4.9.1 Reason – Traders have said that a lot of new traders do not last more than six months, as a way to help them last beyond six months, possibly providing some flexibility on rent payments for new traders by staggering payment amounts could help them manage their income through this initial and crucial start-up period.
- 4.10 SHORT TERM RECOMMENDATION 8 – That officers approach other traders from different markets or other settings.

4.10.1 Reason – Current traders are aware that traders from other markets would be interested in setting up in Stevenage if the completion rules were removed. It could be argued that competition across the market could help as there would be less voids and customers would have a competitive offer. However, officers have said that targeting traders from other markets would need to be handled with sensitivity and could therefore be problematic.

4.11 SHORT TERM RECOMMENDATION 9 – That officers further promote other uses of void spaces and to casual traders.

4.11.1 Reason – Void stalls create a bad impression for shoppers as it appears that the market is in decline a possible solution to this could be more use by casual traders and other users such as Schools and Charities. In the past schools have been invited via a letter to take on void stalls, but only two schools responded and more broadly schools capacity to take advantage of this offer is limited by their already stretched resources. Perhaps a personal face to face invitation to schools may produce a better outcome?

Long Term Recommendations

4.12 LONG TERM RECOMMENDATION 1 - That options for a future alternative location for the indoor market be included in the town centre regeneration plans.

4.12.1 Reason - Location linked to footfall was seen as the biggest barrier to Stevenage Indoor Market being a success.

4.13 LONG TERM RECOMMENDATION 2 – (i) That the Executive Portfolio Holder for Resources discuss with officers the possibility of a future acquisition of the freehold for a suitable town square retail building creating an arcade linking the town centre square with the Indoor Market entrance; (ii) If an arcade link to the Indoor Market is not viable either because of the building configurations or for financial reasons, then the purchase of a smaller retail site with footfall from the town centre be considered for a smaller reconfigured market with a focus on business start-ups in conjunction with an outdoor market offer in the regenerated Town Centre.

4.13.1 Reason – Creating a walk way link between the Town Centre Square and the rear of the shops and the entrance to the Indoor Market would break the physical barrier to the Market and car park from the Town Centre Square. The building would be used as an arcade creating income for the Council. Members are aware that there could be a number of issues that would be obstacles to this happening, including the cost, commercial considerations and the physical floor levels for disabled access. However, if these obstacles could be overcome, creating a physical access to and from the Town Centre Square would be a potential transformative development for the Indoor Market as it would then have a link to the regenerated town centre which it currently lacks. The indicative costs of a providing a cut through kiosk to the Market would be based on the cost of any suitable available site, to this end

currently the corner unit of Market Place and the town square is on the market for £900,000. To give an illustration fitting out a shop of comparable size could be approximately £300,000 with business rates of circa £40,000. Smaller units would be commensurately cheaper than these figures and fit out costs can vary dependent on the condition of the building and finish. Overall Members recognise that this is unlikely to be a viable possibility due to the financial and technical constraints but are of the view that it should at least be considered.

4.13.2 If an arcade cut through is not achievable then consideration should be given to a smaller bespoke Indoor Market that could provide an attractive offer and also some space for start-up new businesses in this market setting.

4.14 LONG TERM RECOMMENDATION 3 – That officers consider approaching an independent company to administrate the market on a commercial basis for the Council

4.14.1 Reason – With the current arrangements it is hard for the officers to make purely commercial considerations when managing the market as there are a number of conflicting requirements and interested parties. Consideration should be given to looking to a third party commercial entity to run the market on a commercial basis for the Council and the officer support could be in the nature of a client manager.

5 IMPLICATIONS

5.1 Financial Implications

A number of the review recommendations would have a financial implication but these are as yet undefined. Depending on the Executive Member response to the recommendations these implications would need to be fully costed by officers and brought back to the Executive Portfolio Holder before any spending was agreed.

5.2 Legal Implications

There are no direct legal implications for this report.

5.3 Equalities Implications

The Equalities implications have been addressed within the report at paragraph 3.14.1. There are no further equalities implications for this report.

BACKGROUND DOCUMENTS

Minutes of the Committee meetings held on 3 July, 11 September, 2 October, 7 and 22 November 2017 are available for inspection, as well as notes from the two informal site visits.

APPENDICES Appendix A – Scrutiny Scoping Proforma