



House of Commons
Communities and Local
Government Committee

Market Failure?: Can the traditional market survive?

Ninth Report of Session 2008–09

Report, together with formal minutes

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Communities and Local Government Committee

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Summary

We undertook our inquiry into traditional retail markets to determine whether local authorities and central government should be doing more to support them.

Having looked at a wide range of markets we have come to appreciate the complex and diverse nature of the traditional retail markets sector. A significant number of all types of markets continue to thrive, but the number in decline appears to be greater than the number that are more than holding their own. There are a number of reasons for the decline, the most significant being increased competition from supermarkets, other alternative cheap retail outlets and the internet. Nevertheless, a growing number of markets are adapting successfully to change, and we see reasons to be optimistic about their future.

We believe strongly that local authorities and central government should care about markets, because of the multi-faceted nature of the benefits that successful markets can bring to local towns and communities. Our report identifies five key benefits. The economic benefits are perhaps the most obvious. However, we consider that the social benefits of markets are equally important. For example, markets can play a significant role in encouraging social cohesion. We identify further roles for markets in assisting the regeneration of town centres, in promoting healthy eating, and in reducing environmental impacts in the retail sector.

Our report considers the role of local authorities in regulating, managing and promoting different types of markets. We look first at the role of local authorities with regard to farmers' markets. Over the last decade, farmers' markets have helped bring a new vibrancy to the market scene. We assess the further dimension they can bring, and how they interact with older markets.

We then turn our attention to the two big challenges facing local authorities seeking to sustain big metropolitan markets in the current austere economic climate: finance and management. We note lessons from elsewhere in Europe, including the use of longer-term contracts with private operators. We identify best practice, and recommend that councils consider using prudential borrowing, market champions at a senior level within the council, and co-operation with the private sector. We also examine the challenges facing some local authorities running markets in London, where local legislation is constraining their ability to improve their street markets.

Our report looks at the challenges facing medium and small town councils seeking to keep smaller, local markets alive. We urge these councils to consider carefully whether their markets are sustainable in the longer-term, but caution against making a hasty decision to close them given the range of benefits they can deliver. We offer a number of suggestions to help them manage their local markets, including sharing the cost of joint market champions and market operators, improving dialogue with market traders and looking at the potential to attract non-council streams of funding to further complementary goals through the market.

We welcome the progress the industry has made in recent years, providing more coherence and vision across the sector, promoting markets, recruiting new traders and disseminating

best practice. We note, though, that there is still much to do, particularly with regard to better promotion and recruitment and training for existing traders and market managers.

Finally, we consider the role of central government. We accept the Government's contention that, with regard to markets, local government is properly in the lead, and that Government's main role is at the strategic level. We welcome its efforts to include markets in strategic planning guidance, but recommend that greater emphasis be given to the non-economic benefits of markets in the new planning guidance out for consultation.

We are concerned by a lack of clarity within central government as to who has overall responsibility for markets. We believe Government is missing opportunities to help local government and the market industry make strategic change, and to use markets as a vehicle to promote key departmental objectives. We want CLG to provide a clear central government focus for markets, and become the first point of Government contact for industry and local authorities with concerns about market legislation and other 'big picture' issues. We also recommend that CLG establish an inter-departmental working group to ensure that departments make best use of markets as a vehicle to further wider Government objectives.

1 Introduction

1. Markets are our oldest form of exchange. They are the reason many towns exist. Our oldest markets, established under Royal Charter, can trace their origins back to medieval times.
2. We acknowledge the value of this heritage. It is not, however, the reason that we decided to undertake an inquiry into traditional retail markets. Rather, our motivation was to investigate whether markets remain relevant today, and whether thriving markets can continue to bring substantial and diverse benefits to the towns, cities and communities that sustain them and are in turn sustained by them. Prompted initially by observations in our own constituencies, we wanted to know whether markets today are fulfilling their potential and, crucially, whether there was more that local authorities and Government should be doing to help.
3. During the course of our inquiry we held four oral evidence sessions and received over 40 written memoranda from local and central government, the markets industry, consultancy firms, private operators, and market traders. We would like to thank everyone who took part, and gave us the benefit of their knowledge. We would like to give particular thanks to all who contributed to our successful visits to Ridley Road Market in Hackney, Chapel Market in Islington and Leicester Markets. Our visit reports are annexed to this report. We wish also to extend special thanks to Leicester City Council for letting us hold an oral evidence session in its council chambers.
4. Because we were particularly keen to hear from those with first-hand experience of doing business in markets, we ran a web forum aimed at market traders from Tuesday 17 March 09 until 28 April 09. We received helpful posts from market traders suggesting how to improve markets and assist market trading, why it is becoming harder to run a market stall and what makes a successful market, a number of which are quoted in our report. We would like to thank all those who participated in the web forum, and also the National Market Traders' Federation (NMTF) for helping us to publicise it. A summary report of the forum is annexed to this report.
5. Finally, we would like to extend our thanks to our two specialist advisers to this inquiry, Professor Alan Hallsworth of the University of Surrey and Professor Sophie Watson of the Open University. We would like to thank them both for their invaluable contribution.¹

¹ Professor Watson declared that she had no relevant interests. Professor Hallsworth declared the following interests: Adviser for the South East Regional Food Group Markets Policy Team, writing a report for SONY UK on UK retail market regulation, participant in Committee member Andrew George's cross-cutting group co-ordinating minority responses to the Competition Commission Groceries Inquiry

2 Background

6. We launched our inquiry 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.

7. We have come to appreciate the complex and diverse nature of the traditional retail markets sector. The challenges faced by large metropolitan markets, for example, are not necessarily the same as those faced by small markets or the newer farmers' markets. This has implications for the scope of our inquiry, and our analysis of the traditional retail market sector today and the outlook for its future.

8. We caution against a 'one size fits all' approach and simple generalisations about the sector. The evidence we have gathered has, though, given us a wider understanding of the manifold benefits of a thriving market, including economic, social, regeneration, health and environmental benefits. They matter both locally and, as we argue in more detail later in this Report, for the contribution they can make to wider national objectives. We also now better appreciate the increasingly difficult challenges many markets face, and the actions local authorities and Government can take to support and develop the different types of today's traditional retail markets.

Scope of the inquiry

9. Our original terms of reference explained that we intended to consider covered and uncovered markets, including specialist markets (e.g. farmers' markets) serving local people in English urban and rural towns and cities. Accordingly, as summarised by market consultant Michael Felton, our inquiry encompasses "municipal markets both 'Indoors' and 'Outdoors' [...] operated by local authorities and [...] based on custom; royal charter; local acts of parliament passed in the nineteenth century or under the Food Act 1984", and markets run by the private sector which "principally operate in the 'Outdoors' arena with the operators being individuals (ex traders and entrepreneurs); charter holders; quoted and unquoted companies. The bulk of the private sector sites are held on licence or short lease from local authorities who own the car parks; the central squares; the pavements or streets."²

10. In addition to the important ownership and indoor/outdoor distinctions, we also recognize that the size and location of a market can be very significant. We included in our remit both large markets and smaller street markets in metropolitan town centres and small markets in rural towns, assessing the different types of challenge they face. For a number of our witnesses, such as Michael Felton³, it is the smaller markets—defined as 50 stalls or less—which are most at risk. Equally though, some of the smaller markets, such as Ludlow and Lowestoft, which were the subject of a research paper for the Joseph Rowntree

² Ev 63

³ Ev 62

Foundation by our specialist adviser Professor Sophie Watson,⁴ provide intimate public spaces where traders and shoppers know each other and work well for the community.

11. Finally, we cover specialist markets, focusing particularly on ‘farmers’ markets’, the market success story of the last ten years. Farmers’ markets are defined by the National Farmers’ Retail and Markets Association (FARMA) by the following criteria:

- a) stallholders should only sell what they produce/make
- b) stallholders should be drawn from the locality (typically 30 miles)
- c) the principal stallholder should be involved in production
- d) there is information at each stall and within the market about the produce sold.⁵

Only a minority of farmers’ markets are FARMA registered. FARMA believes that “there are currently around 800 farmers’ or producers’ markets in the UK. Of these we estimate that 600 are regular (Mainly monthly farmers’ markets, of which 250 are FARMA Certified).”⁶ A number of non-FARMA registered farmers’ markets, therefore, will depart quite substantively from the FARMA criteria, for instance by selling food products from much further afield. Nevertheless, they remain sufficiently distinct from the older traditional retail markets to be considered separately, not least because of issues for local authorities emerging from the evidence we have received relating to the extent to which farmers’ markets can integrate with traditional retail markets, and whether the terms of Royal Charters that serve to prevent competing markets from being established within six and two-thirds miles of the Chartered market unfairly discriminate against occasional farmers’ markets.

12. As we learnt more about the varied nature of the markets listed above, it became clear to us that, in order to produce a focused report, we needed to stick to our original remit. As set out in our published terms of reference, therefore, we have not considered car-boot sales or, except where they impact on the viability of retail markets, markets whose customers are predominantly other professional traders (i.e. wholesale markets). We have also decided that issues relating to pedlars are outside the scope of this inquiry, though we recognize the need for proportionate regulation to prevent unfair competition for markets. Finally, whilst we acknowledge the importance of continued vigilance, regulation and where appropriate, prosecution, in relation to stolen and counterfeit goods sold at markets, not least to protect and enhance the reputation of markets, this is also not an area that we have considered in any great detail.

⁴ Sophie Watson with David Studdert, *Markets as sites for social interaction Spaces of Diversity*, (Bristol 2006).

⁵ Ev 153

⁶ As above.

Traditional retail markets today

The Rhodes report

13. The starting point of any inquiry into traditional retail markets has to be an assessment of the number of markets operating today and their contribution to the economy. However, a number of our witnesses acknowledged that a paucity of comprehensive and up-to-date statistics hindered an accurate assessment of the state of the traditional retail sector today. For example, in his written evidence, George Nicholson, Secretary for the National Retail Planning Forum, and until recently Chairman of the Trustees of London Borough Market, observed that “it had not been possible until NABMA [National Association of British Market Authorities] undertook a survey of Markets in 2005, to even start any serious discussion on the scale or health of the UK markets sector. Data is still not collected on a regular and consistent basis, making analysis, policy development and growth planning difficult.”⁷

14. This echoes a general consensus amongst those who gave evidence, including the Government, that the 2005 NABMA study⁸, also referred to as the Rhodes report after its author Nick Rhodes,⁹ is the correct starting point for assessing the state of traditional retail markets today. The Rhodes report compiled a database of markets and then sent each a questionnaire to gain additional information. The report covered public and private operated retail markets across the UK, including, where possible, farmers’ markets, other speciality markets and, unlike our inquiry, car boot sales. As with our inquiry, the survey excluded wholesale and livestock markets. In brief, the key findings were:

- Over 1,150 retail markets operated in the UK
- Over 150,000 stalls available each week
- The average stall occupancy rates are at 75% and falling
- Over 46,000 market traders work across the UK
- The market industry offers employment to more than 96,000 people
- Over 435 million shopping visits per year
- Over £1.1 billion spent at market stalls each year in the UK.¹⁰

The Rhodes report concluded that “general markets across the UK, the core of most market operators’ business, are in decline. Declining number of shoppers, decreasing stall occupancy rates, and a perceived decline in the markets’ turnover provides clear signals that they need to be revitalised.” It noted though that “against this backdrop, there is a clear growth in speciality markets, e.g. markets held on a periodic basis that provide added

⁷ Ev 138

⁸ Nick Rhodes, *First National Survey of Retail Markets*, (Manchester, 2005).

⁹ Then retail market adviser to NABMA, now Head of Leicester Markets and Enterprise, Leicester City Council. He was also a witness to this inquiry.

¹⁰ *First National Survey of Retail Markets*, Summary Headline Statistics. By comparison, last year TESCO reported UK sales of over £41.5Bn.

shopper appeal”.¹¹ FARMA assessed that around £250 million is spent at farmers’ markets stalls per year.¹²

15. In its written evidence, the Retail Markets Alliance, which brings together the four major organisations involved in the markets industry in the UK (NABMA, FARMA, the National Market Traders’ Federation (NMTF) and The Association of Town Centre Management (ATCM)), commented on the Rhodes reports’ findings that “it is a mixed and complex picture. It is clear that some market and market types are in decline, but equally many markets are thriving.” They also observed that its key conclusion was supported by other, more recent evidence:

The Rhodes Study concluded that General Markets across the UK, the core of most market operators’ business, are in decline. It also concluded that there had been a significant growth in farmers’ and other specialist markets. This view is supported by the Review of London Markets 2008, commissioned by the London Assembly, which stated that ‘There are around 180 retail markets in London today—63 more than ten years ago and more than twice as many as had previously been thought.’ It also noted that ‘A significant number of borough-managed street markets have shrunk or closed down in the past ten years’, and concluded that ‘The vast majority of new retail markets are privately run farmers’ or specialist markets: at least 47 [...] have been established across London in the last ten years. This sector is thriving and undergoing a popularity surge across the country’.¹³

In his evidence, Michael Felton added that the Rhodes Study figure of 1,150 retail markets operating in the UK contrasted with 1,500 trading “twelve or more years ago.”¹⁴

Since the Rhodes report

16. Given, however, that the Rhodes report was published some four years ago, and that its conclusions were based on a credible but still far from comprehensive 40% response rate and based on some extrapolation, we sought to ascertain the extent to which events had moved on since it was published. Graham Wilson, Chief Executive of NABMA, told us that:

[...] in terms of the overall position, I suspect that with regard to traditional retail markets the decline that was evidenced in that first survey is still continuing [...] There is clear evidence that was highlighted in the research of growth of other markets, particularly specialist and farmers’ markets. [...] research, which is in the final draft stage, suggests that the total number of markets that are currently operating throughout the country is probably around the 2,500 to 3,000 figure. If you take into account the fact that the first survey was directed towards the traditional retail markets, we know there are something of the order of 800 farmers’ markets which are added into the equation, and then there are a number of, now, regular specialist and car boot sales. So

¹¹ *First National Survey of Retail Markets, Conclusion*

¹² Ev 151

¹³ Ev 99

¹⁴ Ev 63

we feel that the overall figure that has now been identified is perhaps a more realistic, overall assessment. [...] The [overall] picture is one of some encouragement, although in terms of the traditional street markets there are some worrying signs, particularly in respect of smaller markets.¹⁵

As well as updating the number of markets, Graham Wilson also offered a provisional update of the customer spend at market stalls per year, reporting that “research that the NMTF have currently undertaken and are shortly to complete suggests that the figure, looking at markets as a whole, is probably nearer £3 billion.”¹⁶

17. Professor Sophie Watson took issue with the implication that all general markets are in decline, observing that:

I do not think it is quite as straightforward as the picture that is coming across where farmers’ markets, specialist markets, are seen to be on the increase and the old, traditional markets are in decline. It is not really like that. Across the country there are many markets that are still very viable that have been there for a long time, the kind of markets particularly in country towns, for example, which still pretty much serve the community. If you take a classic country town where it has a market, say, on one or two days a week you will find people mostly go to the market, more or less everyone. The picture becomes much more varied when you start looking at large metropolitan areas.¹⁷

Other evidence added weight to this assertion that some at least of the older general markets are thriving. Tim Hurst, Assistant Director, Commercial and Support Services, City of Bradford Metropolitan Council, told us that “I believe the local markets are holding their own”¹⁸, whilst Cllr Melvyn Teare, portfolio holder for Culture and Heritage, St Albans District Council, told us that “I believe our market is actually thriving.”¹⁹ Finally, in their written evidence, NABMA also acknowledged that “it is also right to acknowledge that the decline evidenced by the ‘Rhodes Study’ is not widespread throughout the country. There are examples of markets continuing to be successful and are full on market days.”²⁰ As examples of older markets continuing to be successful, NABMA offered Bury Market and, on a smaller scale, Hinckley Market in the Midlands, explaining that “over the last year the number of stalls occupied at Hinckley Market has grown by an average of 8.2% and the market has grown from an average of 40 stalls to over 50 stalls.”²¹ Other examples of successful older markets highlighted to us during the course of our inquiry included Bradford, Bristol, Leicester and Nuneaton Markets, and there are many others.

18. Even accepting that there are more examples of older thriving markets than implied in the Rhodes reports’ conclusion, it still appears to be the case that the number of markets in

¹⁵ Q 92

¹⁶ Q 101

¹⁷ Q 25

¹⁸ Q 140

¹⁹ Q 196

²⁰ Ev 113

²¹ *As above.*

decline is greater than the number of markets that are more than holding their own. When Nick Rhodes, now Head of Leicester Markets and Enterprise, Leicester City Council, gave evidence he told us that “there will be some markets in general that will be declining, and fewer markets in general that are improving”,²² and we found no one prepared to differ substantially from this assessment. Typical comments, to set against those of the previous paragraph, included “in Darlington, which indeed reflects the national picture, the size of the general outdoor markets has seen significant reduction”,²³ “some markets have become a shadow of their former lively, bustling selves e.g. Roman Road Market in Bow London, which in the sixties was a large bustling market with a great selection of stalls, attracting people from a reasonable area, and now consists of a very few and down-at-heel that no-one would travel to visit”²⁴ and “in Portobello Road, over the last six years, there has been a significant reduction in the number of market pitches in regular use on a Saturday, the busiest day, from around 212 to an average of 180. From Monday to Friday the numbers have also been significantly reduced”.²⁵

Reasons for decline

19. Judging by the evidence we received, there are a number of factors contributing to the overall decline of the market sector, with probably the most important being increased competition from supermarkets, other alternative cheap retail outlets and now also the internet. Jean-Paul Auguste, Chairman of the long-standing European-wide private market operator the Geraud Markets Group, told us that:

Historically, markets had not many competitors. They were in city centres and life was easy. Now it is a business. It has to be managed as a business, publicly or privately, but it has to be managed as a competitor. When a market is not adapting to that, it has the risk of losing the competition.²⁶

Simon Quin, Chief Executive, Association of Town Centre Management (ATCM), commented that:

[...] the brave new world of supermarkets and the brave new world of more immediate shopping took over from markets. Markets that have been the backbone of our town and city centres and indeed the very reason that many centres exist for hundreds, if not a thousand years in some cases, in almost one generation were lost or neglected.²⁷

The Western International Tenants’ Association, which represents wholesalers in west London and hence has an obvious interest in the viability of its traditional retail market customers, gave a number of reasons why consumers might favour alternative retail outlets. These included a perception that supermarkets are cheaper, the fact that it is quicker to shop in one store, the convenience of supermarket parking and opening hours

²² Q 140

²³ Ev 56

²⁴ Ev 59

²⁵ Ev 131

²⁶ Q 262

²⁷ Q 53

(which are particularly important for people working full time), a perception that the quality of goods in shops and supermarkets is higher, a perception that traditional retail markets are not fashionable places to shop, and better facilities (eg toilets, lighting).²⁸ Other submissions drew up similar lists. Michael Felton added payment by credit card and the provision of trolleys (which matter a lot to older people and those with young children), and highlighted in particular that “the discounters—Primark; Poundland; TK Maxx; Wilkinsons are a growing threat [to traditional retail markets]—again selling a vast range of goods competing directly with the traditional market and providing a relatively comfortable shopping arena.”²⁹ As one market trader posted on our web forum:

As supermarkets have grown in size and quantity they have also adopted all things that customers like about markets, 10 years ago, if you wanted fresh fish, you had to go to the local fish market. Supermarket meat was prepacked, as was the veg. To ask for certain size or portions markets were the only place. This has now changed to suit the needs of the customer.³⁰

20. Several submissions referred to the sheer juggernaut power of the supermarkets which have, over the past 20 years or so, gained a stranglehold over sales of household goods and groceries that has decimated all forms of independent retailing. Consultancy firm Quarterbridge, for instance, argued that:

Shops and market stalls that sold preserves, dry goods, tinned goods and the like are no longer viable because of supermarkets’ ability to undercut them by buying-in long shelf-life stock in bulk, direct from the producer. Retail consolidation has forced many traders out of the industry and left the consumer reliant upon a limited range of retailers and their procurement and pricing policies—not a healthy situation.³¹

One market trader posted on our web forum:

Our large Sunday market has just been refused a license to renew its planning permission because the entry and exit roads are classed as dangerous [...] today we have learnt that Tesco has been given permission to build a new store on the very same site. 9 Tescos, 4 Somerfields, 2 Sainsburys, 2 ASDAs, within a 7 mile radius of us and 2 more Tescos being built, is there any wonder no other trader has a chance of survival?

Several submissions also made the point that the internet had become an alternative means of exchange for both prospective market customers and market traders. St Albans Council commented that “many years ago the market stall was the first opportunity for business for such entrepreneurs as Alan Sugar, Jack Cohen (TESCOS) and Marks and Spencers. It is the Internet which offers that opportunity now”,³² whilst Derby Council wrote that “we are

²⁸ Ev 61

²⁹ Ev 64

³⁰ Web forum post by Jane52, March 22, 11:40AM.

³¹ Ev 128

³² Ev 69

aware of at least three traders moving completely to their successful online sales business—hoover bags, toy cars and toy bears.”³³

21. A second, related factor is that consumers have higher expectations from their shopping experience today. This poses a particular challenge for outdoor markets, especially those that do not also contain an indoor element that can still attract customers when the weather is poor. As Professor Sophie Watson pointed out “typically, those that have no cover, which would probably be the vast majority of markets, really struggle through the winter months.”³⁴ Vale Royal Borough Council similarly observed that “today open markets are out of favour as most people today will not shop outdoors unless the weather is good—markets cannot survive on 3 or 4 months of good trading—so sadly the days of open markets are numbered”,³⁵ though there is a caveat that “the one exception to this is Street Markets.” Even more fundamentally, customers appear increasingly to want an easier shopping experience and market stalls, where customers need to be more proactive and knowledgeable in terms of quantity, type of cut, weight, etc., may sometimes be too challenging for today’s time-pressed shopper.

22. A third, perhaps more avoidable, factor concerns town planning decisions over the last 20 years or so. A number of contributions stressed the damage done to city markets from unsympathetic city centre redevelopment which had effectively marginalised the market, for instance by relocating it outside the new city centre. Other unhelpful planning decisions cited included pedestrianisation of the market area, thereby making it harder for customers to access the market and leave with their shopping as they have to travel further from bus stops and car parks, and decisions to create large out of town retail outlets. As the Retail Market Alliance explained in their evidence:

Regeneration of our towns and cities often results in a shifting of the commercial/retail centre, leaving markets isolated. Equally, regeneration can result in dispersal of the market’s traditional catchment population. The result is shoppers’ ‘footfall’ being moved away from the traditional retail markets. Regeneration can also negatively affect the accessibility of markets by diverting public transport away from traditional markets, and by increasing the availability of car parking (sometimes free or subsidised) as part of their developments.³⁶

Meanwhile, on our web forum, one market trader remarked “it is difficult to see how to encourage people to drag their bags of food shopping through pedestrianised streets to get to their mode of transport.”³⁷ Indeed, there appear to be a range of transport-related issues that act to stack the dice against markets, including parking regulations, metering, yellow lines, and so forth, making it difficult for shoppers and traders to park close to the market site.

³³ Ev 72

³⁴ Q 31

³⁵ Ev 76

³⁶ Ev 99

³⁷ Web forum Jane52, March 22, 11:40AM.

23. Even where planning has taken account of the local market, it has not always been a success. We saw, for example, in Leicester the legacy of a rather grim, unpopular purpose-built indoor market which the council was now looking either to improve or simply replace. This is by no means an isolated case. As the Retail Markets Alliance observed in their evidence, “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.”³⁸

24. A fourth factor, again commanding a high degree of consensus, is that too often local authorities, who are responsible for the running of nearly all of the indoor English markets, and a good proportion of outdoor markets, have neglected their markets. The weight of evidence suggests that, whilst a few, mainly northern, local authorities have consistently supported and developed their markets, more often than not market decline can be attributed, at least in part, to a lack of investment and/or operator expertise from the responsible council. In his evidence, Michael Felton contrasted the lack of investment in markets by local authorities to “the regular refit by chain stores/supermarkets. Local authorities have been unwilling or unable to invest in the markets other than a ‘tarting up’ or essential structural repair.”³⁹ Chris Hurdman, an Oxfordshire market trader, also bemoaned the lack of local authority reinvestment, commenting that “markets on which I trade earn in excess of £60,000 per annum for providing floor space on a free car park. I am unaware of any reinvestment.”⁴⁰ The Retail Markets Alliance reflected not just on a lack of investment, but also of other more intangible factors:

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.⁴¹

A fifth factor cited in some evidence is the slowness of the market industry to adapt to change. The Retail Market Alliance itself acknowledged that “many traditional markets, market operators and traders have failed to grasp the need for change”.⁴² One example of the need to adapt more quickly given by a number of contributors is the lack of credit card facilities on markets. Another is the suggested failure of the market industry to promote itself, contrasted—perhaps unfairly—with the slick advertising of supermarkets and shopping centres.

³⁸ Ev 99

³⁹ Ev 64

⁴⁰ Ev 81

⁴¹ Ev 99

⁴² Ev 97

25. A final factor contributing to market decline is a lack of new traders. For market consultant Michael Felton “the shortage of traders is evident from statistics supplied by local authorities retaining us; the number of advertisements in the trade press (Market trader/Market News) seeking further traders; the unwillingness of the younger generation to follow in their parents’ businesses—principally the excessive hours.”⁴³ He also cited problems obtaining loans from banks and the decreasing number of wholesalers willing to trade with small retailers as further disincentives.

The outlook for markets

26. Given the range of factors identified above as contributing to the general decline of traditional retail markets, it is clearly legitimate to ask whether they have a long-term future in England. However, the bulk of the evidence we have received suggests that the battle is by no means lost. Ann Coffey MP, Chair of the All-Party Parliamentary Markets Group, who told us that “I think markets have the opportunity to transform themselves into something that is part and parcel of 21st century life”,⁴⁴ was by no means an isolated voice. Joe Harrison, Chief Executive of the National Market Traders’ Federation, affirmed that “there are prime examples throughout the country where markets are still successful and still thriving.”⁴⁵ Michael Felton concluded that, although the market industry will continue to be subject to extreme pressure, “the tradition will carry on even so as the younger (under 40) population will accept that market shopping while not comparable with other retail, has considerable benefits.”⁴⁶

27. Some of the evidence received has even suggested that the worst is over, that markets are already on the comeback trail. Simon Quin, Chief Executive, Association of Town Centre Management, proposed to us that:

[...] just as we all threw out our antiques in the 1960s but are now collecting them again, markets are beginning to come back into fashion in certain ways in certain cases. People have rediscovered the distinctive nature of what markets offer, the uniqueness of what they have.⁴⁷

Several witnesses, including Simon Quin, Anne Coffey MP and Graham Wilson, saw opportunities for markets arising from the recession, on the assumption that consumers are starting to place greater emphasis on value for money, and also that, when loans are harder to come by, markets offer new businesses a more affordable way of starting off. Chris Hurdman observed to us that since the recession “I have found, myself, that we are seeing more people on my markets.”⁴⁸

28. The key, as emphasised to us by a number of witnesses, is whether individual markets are able and willing to adapt to changing circumstances, including the increased

⁴³ Ev 64

⁴⁴ Q 22

⁴⁵ Q 50

⁴⁶ Ev 68

⁴⁷ Q 53

⁴⁸ Q 111

competition, to ensure that they remain destinations of choice, now that they are no longer destinations of necessity for most people.⁴⁹ Whilst our witnesses did not underplay the obstacles, they could point to the longevity of markets, and to recent and ongoing change, as evidence that a number of markets would continue to adapt successfully.

29. Jean-Paul Auguste, Chairman of Gerauds Market Group affirmed that “there are experiences on the continent and here of markets adapting and they are easily successful.”⁵⁰ Several witnesses including Nick Rhodes suggested that, whilst the increased competition from other low-cost retailers meant that non-food sales were in decline in many markets, food sellers were finding it easier to retain their niche. As further evidence of adaptability, Professor Sophie Watson highlighted the example of Rotherham Market combating the elements through “sail-type umbrella covered markets”,⁵¹ whilst Derby Council concluded that “there are fewer traditional market products [...] but there are also more specialist products sold and services offered in markets. For example beauty/tanning/nail bars, tattooists, alternative therapy, travel companies, legal advice/age concern and phone unlocking.”⁵² On a similar theme, Tot Brill, Executive Director for Transport, Environment and Leisure Services, Royal Borough of Kensington and Chelsea, observed that “for us the fruit and vegetable traditional bits of the market have been in decline, but Golborne Road Market has recently become a success with the growth of a North African market there.”⁵³ We also heard during our visits to Leicester and Ridley Road (Hackney) Market how markets can renew themselves by selling to and from new ethnic communities. Ridley Road Market in particular has drawn on successive waves of new immigration over the course of the last century.

30. Professor Sophie Watson even suggested that under some circumstances markets can seek to gain from the proximity of supermarkets, arguing that where the supermarket and the market “are quite closely intertwined spatially”, as in Central Milton Keynes, “quite often people will move between the market and supermarket and the shops around. So the physical proximity of a market to other retail outlets can enhance the market.”⁵⁴ Finally, for the Government, Iain Wright MP, then Parliamentary Under Secretary of State, Communities and Local Government, told us why he is optimistic for the future of markets:

I think good, active town centre management, incorporating a whole range of things, as I said, whether it is retail, whether it is cultural, where it is providing information about government services, can be done in markets [...]⁵⁵

31. 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 market. There is

⁴⁹ See also Ev 129

⁵⁰ Q 262

⁵¹ Q 31

⁵² Ev 71

⁵³ Q 236

⁵⁴ Q 26

⁵⁵ Q 335

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 The benefits of traditional retail markets

32. In the previous section we identified the challenges facing traditional retail markets. In this section we consider the benefits they can bring to local towns and communities, and, crucially, whether they are sufficiently important to warrant greater attention from local authorities and Government.

The multi-faceted nature of traditional retail markets

33. The All Party Parliamentary Markets Group (APPMG) set out, in their 2007 Markets Policy Framework document, why “successful markets matter in all their forms.” For the APPMG, “they 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 tradition.
- remaining an important element of the economy, particularly in relation to independent retailing, local employment and business start-up opportunities.
- offering local access to fresh produce and other commodities.
- reducing environmental impacts e.g. by eliminating excessive packaging/waste.⁵⁶

34. Most contributors to this inquiry made similar points. Professor Sophie Watson placed particular stress on the ability of markets to act as a social focus for the local community, providing a space where different groups of people (across age, race and ethnicity) can mix casually with one another, thus breaking down potential hostilities between different groups, and acting as a space of social inclusion. A number similarly stressed the individuality and distinctiveness of each market, asserting, like Darlington Borough Council, “that many town centres replicate each other [...] but markets are individual to the immediate locale”,⁵⁷ and like Bolton Council that “these venues give identity, pride and a sense of belonging to local communities.”⁵⁸

35. Crucially, in terms of acknowledging the wider significance of markets, a number of councils explained to us how they were using markets to promote their key strategic goals, most—if not all—of which are also key Government objectives. Tim Hirst, Assistant Director, Commercial and Support Services, City of Bradford Metropolitan Council, explained that one of his council responsibilities was to make “the strategic case for markets [...],” which

[...] is not just about making a profit, but it is helping economic growth, it is helping the local economy, but it is adding to that culture a sense of place and the cohesion

⁵⁶ All Party Parliamentary Markets Group, *Markets Policy Framework 2007*

⁵⁷ Ev 57

⁵⁸ Ev 118

aspect as well, as well as spin-offs to education and what-have you. It does tick a lot of boxes in terms of corporate priorities.⁵⁹

Similarly, Southwark Council explained in its evidence that it “supports street markets and street trading because we believe they are economically, socially and culturally important to the Borough”⁶⁰ and the Royal Borough of Kensington and Chelsea observed, with regard to two markets in their locality, that:

Portobello and Golborne Road markets are unusual in that they serve some of both the richest and the poorest wards in Britain. These markets are particularly important in providing access to affordable healthy food and the opportunity for local people to set up stalls to meet the needs of their own communities, for example Moroccan food traders are particularly strong in Golborne Road. Socially these markets are places where the different communities in the borough can meet and shop.⁶¹

During his oral evidence to us, Malcolm Veigas, Assistant Director (Community Services) Bolton Metropolitan Council, highlighted “the five priorities that the council has—in terms of strong, safe and confident, cleaner, greener, achieving and prosperous” and emphasised that “the markets portfolio can add value to each of those areas, not just to those areas per se but by joining up activity and collaborating with other departments—whether it is regeneration, whether it is children or adult services, or whether it is Bolton NHS.”⁶²

36. In the rest of this section, we look in more detail at five key benefits that markets can provide: economic; social; health; regeneration; and, the environment, before ending with an analysis of the specific contributions and issues relating to specialist markets.

The economic benefits of markets

37. In the previous section we highlighted the key statistical indicators of markets’ contribution to the national economy, namely customers spending an estimated £1.1-£3 billion a year at stalls run by some 46,000 market traders providing around 96,000 jobs across the UK. Our evidence provided a more detailed insight into these economic benefits.

38. One key economic benefit—also with social implications—is that thriving markets offer cheap, fresh food. The Retail Markets Alliance, for example, drew our attention to a shopping survey undertaken by the New Economics Foundation in 2005 which “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.”⁶³ It also referred to the National Market Trader Federation (NMTF) Shopping Basket Survey 2008 which “showed that, across a range of thirteen items, markets were on average 6% cheaper than supermarkets, and in relation to fresh produce, markets were 32% cheaper than supermarkets.”⁶⁴ The

⁵⁹ Q 155

⁶⁰ Ev 77

⁶¹ Ev 132

⁶² Q 154

⁶³ Ev 101

⁶⁴ *As above.*

clear implication is that markets can be especially important for the poorer sections of the community—including many elderly people, single parents on low incomes, students and young people—particularly at a time of recession. This view is reflected in much of the evidence we received. The Quarterbridge consultancy firm, for instance, stressed that “the low prices offered on markets have always played a vital role in providing for many of the most vulnerable and disadvantaged members of society, especially those with limited mobility and income”⁶⁵, a point echoed by, amongst others, the National Retail Planning Forum⁶⁶ and Mr Mel Hilbrow, Executive Director of St Albans Enterprise Agency and Director of St Albans Chamber of Commerce, who further commented in his evidence that:

it is noticeable that in times of economic downturn in St Albans we are hearing reports of those who would never have used the market now buying there. So markets also help those in deprived areas get better value but also those who may be deprived in wealthier areas.⁶⁷

39. A further economic benefit, of importance to the whole retailing sector, is that thriving markets attract additional footfall into town centres, encouraging shoppers to buy not just at the market, but also at neighbouring shops. Indeed, a key point arising from the evidence we received is that markets should not simply be seen as competition to other forms of retail, but rather as complementary to it. In her evidence, Patricia Gray, Fareham Town Centre Manager, observed that markets “create a social hub. Whilst not all retailers benefit (because of the customer base they attract), most of them do claim that street market day is their busiest trading day of the week after Saturday.”⁶⁸ Vale Royal Borough Council supported this contention:

When we were planning a major refurbishment of our Winsford Market we undertook extensive surveys of traders, local shopkeepers and customers. The findings were very interesting in that the local shopkeepers stated that market days were their busiest days and the manager of ASDA said that a market day was worth an extra £16,000 in turnover.⁶⁹

Similarly, the Retail Markets Alliance quoted research commissioned by the London Development Agency which found that “customers shopping for food at street markets spend between £3,000 and £15,000 a day in nearby shops, and local retailers were almost universally supportive of markets”⁷⁰. The Government’s evidence quoted similar evidence from more rural areas:

A National Farmers’ Union study found that 80 % of neighbouring businesses saw a boost in trade following the establishment of a market nearby. For example, WH Smith

⁶⁵ Ev 129

⁶⁶ Ev 138

⁶⁷ Ev 59

⁶⁸ *As above.*

⁶⁹ Ev 76

⁷⁰ Ev 101

and Debenhams in Winchester, which are both adjacent to the local farmers' market site, reported a rise in takings of up to 30 percent on market days.⁷¹

A further related footfall point was that successful markets, particularly those that put on special events (for example family days organised at Nuneaton Market) or were able to advertise a particular expertise (eg ethnic food at Ridley Road Market in Hackney, one of the markets we visited during the course of this inquiry) could attract additional people from out of town and tourists.

40. Our evidence also highlighted the important role markets have in offering start-up opportunities for new businesses. Nick Rhodes, Head of Leicester Market and Enterprise, Leicester City Council, told us that, in the current economic circumstances, “a lot of people are coming in to being self-employed and looking for markets as a vehicle to do that”. For him, “that is what markets are about, really—giving young people and others the opportunity to trade and, hopefully, to grow the business.”⁷² Further to this, during our visit to Leicester one of the councillors gave the example of one popular stall holder, a Romanian man, who sold cakes—he did not have sufficient turnover to run a shop, but could make a living from his stall. Also important to Nick Rhodes was the fact that markets mainly generated local jobs. He told us that “most of our traders are coming from within a five-to-ten mile radius of Leicestershire; that money is usually retained within the community, so that is poured back into it.”⁷³ Other councils were similarly keen to emphasise the importance they attached to markets as a vehicle for establishing and developing new local businesses. In their submission, Bolton Council explained that their Market Services department “currently nurtures over 300 small businesses [...] at the Ashburner St venue alone”⁷⁴ whilst Cllr Melvyn Teare from St Albans Council also stressed his pro-active approach to supporting traders, observing that “they are small businesses in their own right.”⁷⁵ Tot Brill, Executive Director for Transport, Environment and Leisure Services, Royal Borough of Kensington and Chelsea, which runs Portobello Road market, explained one of her council's job creating priorities as follows:

We want to link our markets into the creative economy of the area so that they are a starting place for young designers to reach an audience for their goods. We have been working with local arts organisations to find ways of regenerating and shifting people around the markets.⁷⁶

41. For many witnesses, such as Anne Coffey MP, the importance of markets as a vehicle for new businesses stems from the low start-up costs and also the greater degree of flexibility. As she explained to us:

I think it would be possible for a woman who perhaps had responsibilities for young children but perhaps made jewellery or craft items to sell that on a market two or three

⁷¹ Ev 167

⁷² Q 154

⁷³ *As above.*

⁷⁴ Ev 118

⁷⁵ Q 207

⁷⁶ Q 261

mornings a week and fit that in with her family responsibilities. It would be possible for someone to work part-time on a market and pursue further training perhaps at a training college. In its flexibility, it actually fits in with people's changing views of how they work, how they pursue education through their life and things like that.⁷⁷

The implication of our evidence is that, whilst the internet has opened up another avenue for small businesses, markets continue to play an important role. It is still sometimes easier to sell products through personal interaction, and sometimes customers want to see, touch, try on or smell the products before they buy. A number of current 'big names' such as Marks and Spencers (Leeds), Morrisons (Bradford) and TESCO (Hackney) started off in markets, and the suggestion is that markets remain a key source of retail innovation.

42. Finally on the job creation front, our witnesses and submissions also drew our attention to the extent to which markets also create ancillary jobs. Derby City Council noted that "there are ancillary employees—for example supplies, hospitality, security, delivery vehicles. There is ancillary work generated for local car and vehicle dealers and repairers by traders and suppliers."⁷⁸ Bolton Council observed that, in addition to over 300 small businesses at Ashburner St market, the market also provided "direct and indirect employment for over 500 people".⁷⁹

43. Some markets, particularly large metropolitan markets, provide one last economic benefit, by providing profit for their local council. We were informed, for instance, that Bradford and Leicester markets each make an annual profit of some £500,000 for their respective councils. The importance of this profit should not be underestimated—not least because, in England, councils have relatively few ways of generating significant income.

The social benefits of markets

44. Although sometimes hard to disentangle from the economic benefits, two social benefit themes ran through our evidence. The first is that markets have an important role in supporting minority communities. Anne Coffey MP told us that:

Market traders come from a great diversity of backgrounds. In my market in Stockport we have longstanding traders and we have traders from a range of the ethnic communities. Often people who come to shop in towns come from a diversity of communities.⁸⁰

Many of the ethnic minority traders sell ethnic food to their communities (and others) which would not be available elsewhere. During our visit to Ridley Road Market, we learned how it had a long history of supporting new communities—at the beginning of the 20th century, Ridley Road was a centre of the Jewish community. More recently, Asians, Greeks, Turks and West Indians had settled in the area, creating a more diverse market. Nick Rhodes, at Leicester Market, was similarly keen to emphasise that Leicester was a multi-ethnic city and it was important that the market reflected and took advantage of this.

⁷⁷ Q 12

⁷⁸ Ev 73

⁷⁹ Ev 119

⁸⁰ Q 8

A number of submissions suggested that markets were a particularly accessible vehicle for ethnic minorities seeking to launch businesses. One of the most impressive was from Chelmsford Council which explained how, in October 2008, to celebrate Black History Month, the council offered:

[...] free stalls to traders selling goods such as Caribbean food, Indian food, black hair and beauty products. In addition, there was a programme of live music from a range of local black and minority ethnic groups (BME) music groups.⁸¹

Chelmsford further explained that, as a direct result of the event, “the Council’s town centre management team was able to put one of the specialist traders in touch with the Council’s inward investment team who helped them to locate suitable premises in Chelmsford from which to grow their business”. They concluded that:

The Black history Month event served as a springboard for some BME traders to evaluate the potential of their business ideas, having benefited from a free market pitch on one of the busiest days of the year.⁸²

45. A second social benefit highlighted to us is that markets can serve to promote social cohesion, encouraging different communities to inter-mingle and providing community support and information. A number of witnesses referred directly to the research paper written by Professor Sophie Watson, which concluded that:

- Markets were important sites of social interaction for all groups in the community, but most significantly for older people, especially women. Markets were also important as 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.⁸³

The key point is that it is the unique atmosphere of the market, created by a combination of the traders, public and the effect of the social space itself, that generates the conditions for this vital social interaction. As a number of submissions and witnesses stressed, and as we witnessed first hand during our market visits, “the excitement, noise, smell, crowds (pizzazz)—does not exist elsewhere in UK retail.”⁸⁴

46. Markets thus provide a tremendous opportunity for local and central government, working with market traders and the industry, to foster community integration and to get

⁸¹ Ev 75

⁸² *As above.*

⁸³ Joseph Rowntree Foundation, *Markets as Social Spaces Informing Change summary document for Markets as sites for social interaction study* (2006)

⁸⁴ Ev 67

messages and information across to hard to reach groups—such as the elderly and young people—who will be present at the market. As the research paper recognised, the market traders themselves are crucial. Much depends on them not simply to create the atmosphere, but also to see their role in the market in more than strictly economic terms. As market trader Chris Hurdman remarked to us, “in the communities that I do my markets in, I think sometimes I see myself as a bit of a social worker”.⁸⁵ Professor Sophie Watson endorsed this view of market traders:

[...] market traders typically really look after their customers. It is an interesting role that they take on quite seriously themselves. They keep an eye out, if you like, for their customers and often provide advice or support. Lots of market traders, for example, will take a box of oranges back to some old lady’s house who cannot come and get her oranges. It is surprising how much they do that [...] if you talk about the way in which market traders take responsibility for the community, I think in many areas they do.⁸⁶

47. From the evidence we received, a number of councils are actively looking to exploit the wider social benefits of their markets. Professor Sophie Watson cited the example of Rotherham council, which allowed Age Concern to give out information and leaflets at one of its market stalls. She commented that “quite often the local authority will give over some stalls to local groups. I think that is one of their important roles in terms of making a community [...]”, emphasising that stalls offering information and advice are more likely to reach their intended recipients in markets because people are more likely to linger in them:

[...] normally people tend to rush past such things in the main High Street, whereas when it is in the market people are more likely to stop and have a look and perhaps talk to somebody about what is going on.⁸⁷

Cllr Melvyn Teare from St Albans observed that his council encouraged “voluntary and charitable organisations really just to display what it is that they do and encourage volunteering in that kind of way”,⁸⁸ and Chelmsford Council explained how it had used the market to “raise awareness of other Council initiatives to a wide audience”,⁸⁹ for example an event held to celebrate Older people’s Day in collaboration with Age Concern. “Proceeds from town centre trading pitch fees were used to pay for staging and sound for the event, which enable various older people’s community groups to showcase their activities.”⁹⁰

48. Joe Harrison, Chief Executive, National Market Traders Federation, told us that

my organisation has been asked twice now by government departments to use markets and market traders to get across messages. One was in the education and skills, the adult numeracy and literacy skills, where the message was put across via the market

⁸⁵ Q 135

⁸⁶ Q 47

⁸⁷ Q 40

⁸⁸ Q 230

⁸⁹ Ev 75

⁹⁰ As above.

traders to the public. A more recent one, which is to be launched in Dartford on 12 March, is the Pension Credit [...]⁹¹

A number of our witnesses felt that the Government could be doing more. When we put this to the Minister, he accepted that “I think we can be pushing that a lot more in terms of using markets, using places where people congregate to get important government messages across.”⁹²

Markets and regeneration

49. One wider benefit promoted by a number of witnesses was the potential for markets to assist in the regeneration of town centres. Markets can do this not only by encouraging footfall and fostering community cohesion, but also by creating a flexible public space, which can also support other uses. Anne Coffey MP told us:

When a market stall is not there, the market place is there and is maintained. You can have theatres, shows, entertainment. Again, it is giving the idea of this public space, which is a flexible public space, which sometimes is a market and sometimes is a place of entertainment.⁹³

Councils that take advantage of the opportunity provided by the market place can add vibrancy to their town centres. Regeneration schemes that retain a central place for the market can similarly benefit, and there is evidence that current regeneration schemes have learned lessons from previous redevelopments which moved markets out from the town centre, a practice which frequently led to the decline both of the market and of the town centre. Current plans for Preston town centre, for instance, feature the market as one of the retail ‘anchors’.

50. The Government also appears to have recognised the contribution that markets can make to the regeneration of town centres. The Minister commented that “one of the things I would be keen to explore with the Committee is to what extent this is all part of a wider, fundamental town centre strategy, because I think markets are intrinsically linked to town centres.”⁹⁴ He pointed particularly to paragraph 2.27 of Planning Policy Statement 6, which sets out the Government’s policy for town centre development. He further observed that “in terms of best practice, what I would like to see is local authorities having a vision for their town centres in which markets need to be a key consideration.”⁹⁵ PPS6 is currently being revised and amalgamated with a number of other Planning Policy Statements, a matter which we consider in our forthcoming report *Need and impact: planning for town centres*.⁹⁶ That report expresses strong support for the Government’s ‘town centre first’ planning policy and for the aim of creating vibrant, vital town centres.

⁹¹ Q 50

⁹² Q 342

⁹³ Q 14

⁹⁴ Q 300

⁹⁵ Q 311

⁹⁶ Communities and Local Government Committee, Tenth Report of Session 2008-09, *Need and impact: planning for town centres*, HC 517.

Markets can play an important role in achieving that aim. We discuss Government planning policy in more detail in a later section.

Markets and health

51. Markets can promote the Government’s agenda on obesity and healthy eating. On one level, markets promote attainable healthy eating by offering a wider range of cheap food than is often available in supermarkets. On another, as the Retail Markets Alliance amongst others pointed out in its evidence, “in addition to providing access to fresh fruit and vegetables at cheaper prices than supermarkets, many markets are now using their role as ‘community hubs’ to promote healthy eating and lifestyles”.⁹⁷ The Fresh Food Consortium, a trade association representing the spectrum of the fresh produce industry, further commented that “traditional retail markets can play a vital role in helping to encourage consumers of all ages to increase their consumption of healthy fresh produce, in particular women and families with lower incomes, both key target groups for the 5-a-day campaign.”⁹⁸

52. So, for example, Malcolm Veigas, Assistant Director (Community Services) Bolton Metropolitan Council, explained to us how his council was installing a demonstration kitchen into its indoor market which “will be used on a monthly basis to celebrate local communities and different foodstuffs”. In addition, “we will be looking during the school holidays to use that venue to sample new school meal menus” and, working with the Bolton PCT, “we have an opportunity to invite people from deprived areas of Bolton to come in and, basically, do some domestic science on site—so flip a pancake, as we did on Pancake Tuesday.”⁹⁹ Similarly, in its evidence, Darlington Council explained how, as part of “the active use of the markets to engage with the community”, the NHS was sponsoring Food Festivals “to meet their agenda targets/aspirations.”¹⁰⁰

Markets and the environment

53. We have also heard how markets can be used to promote environmental issues. Again, there are a number of strands to this. Markets selling fresh, local food are, in contrast to the centralised distribution systems and air-freighting of non-seasonal foods practised by supermarkets, acting to reduce carbon emissions and ‘food miles’. As Quarterbridge consultancy also pointed out, in contrast to the out of town locations with free parking favoured by supermarkets, “the town centre location of traditional markets and their predominantly local product sourcing is patently more environmentally-friendly.”¹⁰¹ A number of councils also told us how they were working to reduce waste, for example by reducing packaging and offering free bio-degradable bags in addition to one of the market’s traditional roles of selling off stock that needs clearance.

⁹⁷ Ev 97

⁹⁸ Ev 137

⁹⁹ Q 154

¹⁰⁰ Ev 58

¹⁰¹ Ev 130

54. The councils were keen not simply to act in an environmentally-friendly way, but also to advertise the fact, to help to educate the public. A number of markets are clearly proud of their environmental role. Bristol's St Nicholas market, for example, managed by Bristol City Council, was awarded the title 'Greenest market in the UK' by the National Market Traders Federation. The award recognised the market's work to:

- recycle and dispose of food waste and other market waste, such as cardboard, paper and glass;
- reduce food miles by encouraging local growers, suppliers and traders;
- reduce packaging and plastic bags and promote the use of paper and cotton bags; and
- boost the local economy by providing trading opportunities for local suppliers and shoppers.

Showing that Bristol is not alone in this, evidence from Bradford Council stated that:

[...] the Markets Services has introduced a range of initiatives reducing packaging and increasing waste recovery and recycling. The markets are significantly contributing towards two of the Government's national indicators on climate change—NI 185 & NI 186—by identifying means of reducing energy consumption at all of their properties and reducing mileage travelled for business across the district.¹⁰²

Some farmers' markets also have a particularly strong environmental dimension, because of their even greater emphasis on local food. Their contribution is assessed in more detail in the next sub-section.

The contribution of specialist markets

55. Specialist markets, essentially farmers' markets and continental markets, are distinct from general traditional retail markets. They are different in a number of ways, but principally because they are occasional markets—it is unlikely that specialist markets would be sustainable on more than an occasional basis:

[...] nationwide once or twice a month at a fixed location is the limit of trading for each market to date¹⁰³

because of their location and organisational structure:

Farmers' markets have developed from a grass-roots movement, organised differently from general markets, with no permanent market facilities [...] They take place in town centres, secondary shopping areas, car parks, alongside farm shops, village halls. They are operated by a range of organisers, e.g.:

- Producer-owned organisations

¹⁰² Ev 107

¹⁰³ Ev 65

- Specialist private operators
- Local authorities
- Voluntary groups¹⁰⁴

and because they are themed markets: farmers' markets established by FARMA, for example, sell only local products produced by the stall holders.

Economic benefits of specialist markets

56. **Specialist markets can add a further dimension to the five benefits identified earlier: economic, social, regeneration, health and the environment.** With regard to economic benefit, they provide an opportunity for farmers to sell their products direct, and attract new customers into town, increasing footfall. In its evidence, St Albans Council, for example, observed that “the farmers’ market in St Albans has been running for over 7 years and continues to prove to be very popular and interestingly attracts in a different customer group to the normal street market.”¹⁰⁵ Farmers’ markets are particularly effective at attracting more affluent consumers—the AB socio-economic class—who may otherwise be less likely to frequent markets. FARMA estimated that across the UK, “farmers’ markets contribute some £250 million into their local economies each year”, and that they have helped to rekindle food production skills such as the development of artisan cheeses. As with other traditional retail markets “this is multiplied through increased local employment and use of local services by growing businesses”.¹⁰⁶ Other evidence from the National Retail Planning Forum praised specialist markets for generating new business, raising the profile of markets and bringing in “many new and younger entrants into an industry that has a traditionally ageing population.”¹⁰⁷

57. Specialist markets do not, though, usually make a profit for the council. One tension between the older traditional retail markets and the newer specialist markets is that the former often make a profit for the council whilst the latter tend to be subsidised by the council. Often, they appear to be used as a kind of loss leader to bring people into the shopping centre. FARMA, in its evidence, estimated that in Brigg (Lancashire) “the number of people coming into town to shop on relevant Saturdays has increased ten-fold since the farmers’ market began.”¹⁰⁸ Jonathan Owen, of Quarterbridge Consultants, commented that “it can be a perfectly justifiable decision to subsidise continental markets to come into your town centre, possibly as part of a town centre promotion or events programme, to increase footfall in the town centre and that is a perfectly legitimate use of taxpayers’ money [...]”.¹⁰⁹ Clearly, though, there are exceptions to the general rule—Cllr Melvyn Teare told us that St Albans farmers’ market makes a profit for the council.

¹⁰⁴ Ev 100

¹⁰⁵ Ev 70

¹⁰⁶ Ev 157

¹⁰⁷ Ev 140

¹⁰⁸ Ev 156

¹⁰⁹ Q 174

58. Finally, unlike general markets, specialist markets do not tend to offer cheap food for poorer communities. As Jonathan Owen explained:

I think farmers' markets, specialist markets are succeeding, but it is not day-to-day essentials which they are selling. The prices on most farmers' markets are considerably higher than on what I would call a general regular market. They are a destination, a leisure activity on a Saturday once a month or a Sunday once a month. They are not providing day-to-day necessities for most household shoppers.¹¹⁰

Social benefits of specialist markets

59. On the social benefits side, Gareth Jones, Managing Agent, National farmers' Retail and Markets Association (FARMA) told us that:

[...] one of the factors farmers' markets have been very valuable in doing is bringing together the farmers and small scale producers into a marketplace where they can share common values. Being a farmer can be quite a lonely job and being able to come into the town and sell in a legitimate way has been a tremendous opportunity for many. The social cohesion of the rural part of many towns and market towns coming into cities has also been enabled through farmers' markets and is innovative territory.¹¹¹

More widely, over the last decade specialist markets have helped bring a new vibrancy to the market scene, a new energy to town centres which some of the more tired older markets had lost the ability to generate. The key here, as explained to us by Joe Harrison, among others, is that they have been marketed as an event: "the whole atmosphere is an event atmosphere" that all markets historically generated, but which some older markets have now lost. For Joe Harrison, "farmers' markets to a degree are us reinventing the wheel because that was what markets were a thousand years ago; farmers bringing their products to market, selling their goods and creating a community."¹¹²

60. In its evidence, FARMA provided specific examples of farmers markets being "instrumental in bringing new life into a community"¹¹³ in Stroud (Gloucestershire) and Brigg (Lancashire). In both locations, FARMA suggested, the town centre was in decline at weekends as people shopped at out-of-town supermarkets. "The farmers' markets have been instrumental in bringing people back into the town centre [...]." FARMA also offered further evidence of a farmers' market playing a social cohesion role: Moseley farmers' market, established by Moseley Neighbourhood Forum (supported by Birmingham City Council) ploughs all proceeds from market stall fees back into community projects. Farmers' markets are not just important in rural areas. Tot Brill, Executive Director for Transport, Environment and Leisure Services, Royal Borough of Kensington and Chelsea, explained that:

¹¹⁰ Q 170

¹¹¹ Q 58

¹¹² Q 64

¹¹³ Ev 156

In North Kensington, which is a very deprived area, access to fresh fruit and food is really important. The farmers' market we have set up was set up specifically at the initiative of local ward members to regenerate an area that was kind of dead at the weekends.¹¹⁴

Environmental and health benefits of specialist markets

61. A number of submissions also highlighted the important contribution that farmers' markets are making to environmental issues through their emphasis on the benefits of local produce sold locally. They are also playing an important role in the healthy eating agenda, not least by championing an interest in a range of good quality local produce, and encouraging people to take a greater interest in the food they are eating and where it comes from. Indeed, FARMA went so far as to assert that "farmers' markets have been the chief instrument of a change in the food culture in the UK over the past ten years."¹¹⁵ This comment may slightly over-state the case, but nevertheless they have certainly played a significant role in promoting a greater interest in local, fresh food.

62. The distinct benefits provided by farmers' markets are clearly widely recognised. The Government has "provided funding, at both a national and regional level, under various grant schemes, to help establish and raise awareness of farmers' markets",¹¹⁶ and we were told that "DEFRA officials meet regularly with representatives from FARMA to explore how we can work together on our common goals of reconnecting farmers to their markets and helping them to add value."¹¹⁷ Indeed, if anything, the Government's submission over-emphasises the importance of farmers' markets, a small component of the whole markets sector, and raises questions as to whether a similar level of support should be extended to the rest of the market sector. We explore this further in a later section.

Tensions between farmers' markets and older markets

63. Though the benefits of farmers' markets are widely recognised, there is continuing tension over the position of farmers' markets within the markets sector. There is an ongoing debate about whether farmers' markets detract from or enhance older markets, and whether they can integrate with them, or should be separate from them. FARMA argued strongly in favour of keeping farmers' markets separate, arguing that their unique selling points are diluted when they are combined with older markets. As Gareth Jones put it to us, "we feel quite passionately that if you confuse [farmers' markets] with brought-in products [sold at ordinary markets] which could have come from any source whatsoever it makes the message we are delivering at farmers' markets not easy to pick out when you are walking through the market itself."¹¹⁸ Patricia Grey, Fareham Town Centre Manager, also favoured separation, arguing that specialist and farmers markets "do not integrate with regular street markets, either from the traders' or the customers' perspective"¹¹⁹, a point of

¹¹⁴ Q 239

¹¹⁵ Ev 150

¹¹⁶ Ev 166

¹¹⁷ Ev 167

¹¹⁸ Q 63

¹¹⁹ Ev 59

view also endorsed by the Western International Market Tenants' Association.¹²⁰ Jonathan Owen pointed to a tension between ordinary market traders and specialist market traders arising from the subsidy of the latter by the council.

64. The National Retail Planning Forum (NRPF) also acknowledged that “there is a problem with the integration of new farmers markets within existing markets”, suggesting that “often this is because of resistance from existing traders, such as in Leeds market or more often from the operators of farmers markets who want to retain a distinct identity”.¹²¹ The NRPF, though, drew a different conclusion, arguing that “with many markets in need of an injection of new traders and products, it probably makes sense to try and integrate new markets within existing structures where they exist.”¹²² Similarly, St Albans Council argued that “as long as there is a transparency as to what the specialist market is being charged and the rules and regulations are the same then the integration can be successful.” For St Albans, integration on farmers' market days widens the attraction of the market, increases footfall and creates more ‘linger longer’ time. Crucially, “when there is an opportunity to combine the two together then the traditional market is opened to a new customer group.”¹²³ Michael Felton added a caveat, observing that the regular market and farmers' market in St Albans were on opposite sides of the street, clearly near each other but with “no sign of integration”.¹²⁴

65. Other evidence also pointed to either the successful integration of the two types of market, or at least successful proximity. Vale Royal Borough Council felt that specialist markets need to be close to the existing regular market for both to benefit from increased footfall.¹²⁵ Derby City Council “believed that overall they [farmers' markets] do attract trade to the adjacent Market and bring in additional revenue for the Council as well”¹²⁶ and Westminster and Kensington and Chelsea councils were similarly relaxed, observing that farmers' markets in their localities were successful both in isolation and when integrated with an existing market. The latter observed that when an occasional farmers' market came to Portobello Road market “there was no objection from the Portobello traders to the specialty market because it filled unused space and increased footfall for the whole of the market.”¹²⁷

66. Available statistical evidence, though not conclusive, is supportive of integration. A survey undertaken by Action for Market Towns of their membership—market towns with a population of between 3,000 and 30,000—revealed that:

From the cohort that indicated their town held ‘New’ markets such as Farmers, Continental and Arts and Crafts, 54% stated that these had been successfully integrated with the older markets. Responses from the 41% who did not feel that the new markets

¹²⁰ Ev 62

¹²¹ Ev 139

¹²² *As above.*

¹²³ Ev 70

¹²⁴ Ev 66

¹²⁵ Ev 76

¹²⁶ Ev 72

¹²⁷ Ev 132

had successfully been integrated centred on the lack of a previous market to integrate with and ‘New’ and ‘Old’ markets being operated in different locations.¹²⁸

We see no reason why farmers’ markets should not retain their identity within a larger ‘ordinary’ market, and can see advantages for both types of markets in terms of increasing footfall and creating more of an event feel. We recommend, therefore, that local authorities actively consider the benefits of co-location, though we accept that this may not always be appropriate.

67. A further source of tension between older markets and farmers’ markets stems from the ability of local councils with Charter markets to prevent any other market—including occasional farmers’ markets—from operating within a six mile radius. In its evidence Leicestershire Food Links Ltd, a not for profit social enterprise which runs five farmers’ markets in Leicestershire, complained that “several councils and independent Charter holders within Leicestershire strictly operate Market Charters with or without Rival Markets Policies which stop new markets evolving.”¹²⁹ Their main criticism was not that their applications were being turned down per se, but rather that the Charter fees proposed by the Charter-holding councils to sanction the creation of new occasional markets were prohibitively high. Their plea was for greater flexibility on behalf of councils to give them the opportunity to promote local food.

68. This source of tension was also acknowledged by other evidence, including the Government, which observed that “in a few areas, there have been tensions between supporters of farmers’ markets and existing charter markets, with the former arguing, for example, that the existence of charter markets has prevented the establishment of a farmers’ market in a particular town.”¹³⁰ Although the Government’s rather anodyne response to this issue saw “no reason why farmers’ markets and charter markets cannot co-exist happily”, as explained to us during our visit to Leicester by Leicester City Councillors there can be a problem of market viability when too many markets compete for custom in too small an area. They felt that the absence of Charter powers in London had led to the creation of too many non-viable markets there. **We acknowledge that the use of market Charters to regulate market numbers is a complex issue, but believe that it is one that locally-elected councils are best placed to adjudicate on. We would though recommend that councils treat farmers’ markets applications sympathetically given the potential benefits they can offer whether in proximity to existing markets or in isolation. We also recommend that account be taken of the status of the organisation wishing to run a farmers’ market, and that consideration be given to reducing fees in the event that the organisation is a not-for-profit organisation with clearly articulated social goals.**

¹²⁸ Ev 83

¹²⁹ Ev 134

¹³⁰ Ev 166

4 Realising the potential of traditional retail markets in metropolitan centres

69. In the previous section, we examined the benefits that markets can provide to towns and communities. In the next two sections, we focus on the challenges facing local authorities seeking to realize these benefits. We look first at traditional retail markets in metropolitan centres, and then at traditional retail markets in medium and small towns. In this section we also look at lessons from elsewhere in Europe and the particular challenges facing London authorities and London markets.

What makes a successful metropolitan market?

70. We received evidence from a range of interested parties on what makes a successful metropolitan market. We have grouped this evidence into eight separate qualities, recognising that a number of them are complementary and that there is a degree of overlap between them. Whilst we accept that a number of these qualities are also relevant to a wider range of markets, this sub-section is written especially in relation to local authorities with responsibilities for large metropolitan markets.

Integration with the town centre and local communities

71. The first key quality highlighted to us was the need for the market to complement and act in sympathy with the wider town centre and local communities. Graham Wilson, Chief Executive of NABMA, gave us a number of examples of successful markets where “the market offer gelled within the general town centre scene.” In Bury, Lancashire, for instance, he explained that “the market links trips to the market with other attractions in the neighbourhood. So a day out in Bury will be a day shared between the market and other things in the neighbourhood”. He also noted that “the borough market in Halifax was another of our award winners where we were impressed by the way in which the traders, the management and the town centre generally came together to embrace the market as part of the overall town centre scene.”¹³¹ Linked to this, and stressed by, for instance, Professor Sophie Watson, is the need to consider how the design of the market can work to encourage people to linger in the town centre, for instance by including places to sit, eat and drink and making it easy to move through and around the market including push-chair and wheel-chair access.

72. The Retail Markets Association noted that one reason for the success of Bradford International Market was that it celebrated “the cultural and social diversity of the area.”¹³² Bradford City Council explained in more detail how it achieved this, including the “signature events” held over the August bank holiday week-end in 2004 and 2006:

In 2004 a four day celebration of European style street trading attracted over 650,000 visitors generating £10 million in economic activity for the city. In 2006 the

¹³¹ Q 96

¹³² Ev 102

International market attracted almost a metric mile [1.5km] of market stalls from across the continent and beyond to a traffic free City Centre.¹³³

The Retail Markets Alliance also praised Longsight, Manchester Chand Raat Market for “celebrating the end of Ramadan and supporting the cultural and social mix of its location.”¹³⁴ NABMA’s submission made a similar claim for Darlington, “an excellent example of how markets are a vital part of the local community”. NABMA noted how Darlington’s markets “aim to provide something for everyone and with an increase in Eastern European residents in the Borough the markets now attract a different ethnic mix of customers [...] the market is a perfect fit within Darlington’s town centre and adds to the general vibrancy of the activities of the town centre.”¹³⁵

73. The National Retail Planning Forum (NRPF) also emphasised “the integration of the market into the surrounding area where it is located, whether it is the surrounding retail offer or the host community.”¹³⁶ It also stressed that the market needs to be seen to be a permanent feature, part of the unique character of the town. Similarly, Westminster City Council observed that “markets need to be relevant to the community, who ideally should at least be stakeholders in them”. Westminster further explained that, to achieve this, it had sought to “devolve the governance of the markets [...] to the local community, which involved local residents, market traders, and community representatives. This has allowed relevant priorities to be set and focused local interest in the management and operation of the market”.¹³⁷

Good management

74. The second quality we have identified from the evidence is good management. George Nicholson, Secretary of the NRPF and one of the founders of the modern Borough Market, told us that

[...] it sounds simplistic but to run a successful market you have to want to run a market [...] A lot of people who own markets or preside over markets [...] in a sense have inherited these things. Often the structure of the local authority has changed dramatically and the management of those markets has changed. In essence it always come back to, whether it is publicly owned or privately managed, you have to want to run a market, not just preside over something which happened to be there.¹³⁸

NABMA, drawing on research it had commissioned from Professor Alan Hallsworth, one of our specialist advisers, and Cathy Parker, Director of the Retail Enterprise network, Manchester Metropolitan University,¹³⁹ highlighted the need for Market Champions alongside a pro-active management. We consider this quality in more detail in a later

¹³³ Ev 110

¹³⁴ Ev 102

¹³⁵ Ev 114

¹³⁶ Ev 141

¹³⁷ Ev 126

¹³⁸ Q 264

¹³⁹ Alan Hallsworth and Cathy Parker, *The present status and future prospects for retail markets* (Retail Enterprise Network 2005).

section, as one of the key challenges facing local authorities revolves around putting the correct management structure, with the requisite expertise, in place.

Investment

75. A third, related, quality for a successful market is investment. As we saw in an earlier section, substantial and long-term investment is key to ensuring that markets remain attractive to customers. Our evidence contained many examples of markets being successfully rejuvenated through the injection of new funding. Bradford Council, in particular, which “has adopted a ‘ring-fenced’ approach to profits generated through its markets allowing reinvestment of the profits back into the markets”,¹⁴⁰ was held up as an example of how a long-term commitment to investment, enabling “a number of innovative and large scale market projects”,¹⁴¹ can create sustainable and successful markets. NABMA also proposed that “Stockport covered Market Hall is a wonderful example of how investment can act as a catalyst to the market. In 2003 the market hall was identified as being in need of refurbishment and by the end of last year [2008] a major scheme of refurbishment had been completed which had involved expenditure of almost £2M.”¹⁴²

Promotion

76. A further related quality is market promotion, which many contributors to our inquiry felt that markets and market managers neglected at their peril given the size of the marketing and PR budgets available to other parts of the retail sector. The NRPF emphasised in particular the need to “celebrate your achievements. Let people know how you are making progress and share that with the local community”. It highlighted how markets were well placed to link into “food tourism”, drawing for instance on the experience of Blackpool, which “has recently started to promote itself as a centre for traditional foods”.¹⁴³ It also praised Bury’s promotion of its award-winning ‘World Famous Market’ and Stockport Council for putting its market on the town’s promotional material. Malcolm Veigas, accepting that “we [the markets industry] could do better with promotions, generally”, told us that Bolton Council was “looking at aggregating up advertising revenue, so in the North West, for example, Wigan, Warrington, Bolton and Bury are coming together and using local advertising on television to try and increase footfall.”¹⁴⁴ Perhaps the most imaginative promotion brought to our attention was that for Coventry market, where market traders and the council got together to produce a musical—with market traders and customers singing about the joys of their market.

Unique selling point

77. Promotion will not work unless there is something to promote, which brings us to a fifth quality—a unique selling point. There needs to be a good reason for people to come to

¹⁴⁰ Ev 113

¹⁴¹ Ev 113

¹⁴² Ev 115

¹⁴³ Ev 139

¹⁴⁴ Q 162

‘your’ market rather than a shopping centre or a different market. Borough Market is a good example of a market with a clear identity centred on quality (if expensive) and exotic fresh food that even celebrity chefs, and their would-be imitators, want to purchase. Once a unique selling point has been established, it will attract further success. As George Nicholson observed to us “a lot of traders that come to the Borough Market come from places like Cumbria and they go past the doors of a lot of the other markets on the way to London.”¹⁴⁵ Much of the evidence similarly stressed food, for example fresh food or ethnic food as in Bradford Market and Ridley Road Market, as an obvious ‘USP’. Ensuring that the market is a special event, combining shopping with other social and cultural activities, is another obvious market ‘USP’. Another angle, suggested for instance by Vale Royal Borough Council, was stressing personal service, placing the role of the market trader at centre stage. An example would be “someone selling jewellery but also offering a repair service.”¹⁴⁶ Other examples would be mobile phone unlocking, key cutting and picture framing.

Location

78. Several contributors to our inquiry also stressed location as a key quality of a successful market. As the consultancy firm Market Place (Europe) put it “in order for markets to flourish we believe that, amongst other things, they need to be located in prime locations within a town or city. Acknowledging that markets that operate maybe only two or three days a week could not justify “occupation of prime space with permanently erected stalls”, they urged “flexible markets with modern demountable stalls—erected/dismantled on a daily basis [...]”.¹⁴⁷ During our visit to Leicester Market, councillors told us that they were giving consideration to moving from a fixed stall market to demountable stalls. They explained that whilst a fixed stall market made it easy for stall holders to set up, and kept the costs associated with opening and closing the market low, on the downside, on Sunday and evenings the market space is a “dead area” which can’t be used for anything else—and runs the risk of being used as a toilet. Also, during quiet periods, rows of empty stalls can be off-putting to shoppers. The councillors felt there might be merit, therefore, in introducing some moveable stalls to increase site flexibility—though the council would incur more costs setting the stalls up for trading and removing them when the market shut.

79. Another related location issue is good transport links. Leicester City Council told us they had some concerns in this respect as pedestrianisation of the high street had resulted in bus stops being relocated further away from the market. The Council was funding a city hopper service and home delivery service to make it easier for the elderly to access the market. It was possible that eligibility for these services would be expanded in future.

80. One of the market traders who contributed to our web forum posted:

[...] all the good markets I have worked in my 38 years of trading have been at the heart of the market town. The moment the market gets pushed into a less prominent

¹⁴⁵ Q 263

¹⁴⁶ Ev 77

¹⁴⁷ Ev 163

position, then it's the start of the end of that market. The better or more experienced traders move to a better market. Time after time I have seen the redevelopment of town centres where the positioning of the market appears to be done as an afterthought.

Partnership working & size

81. The seventh quality we have identified is partnership working: market traders and market operators working together for the good of the market. Several submissions stressed the desirability of a strong trader organisation able to work with an engaged market authority. The eighth and last quality we have identified from the evidence is size. The suggestion is that bigger markets can survive a number of weaknesses because they can still offer diversity and choice. In their evidence, Darlington Borough Council observed that:

The difference between a small failing market (that has little diversity of product, is uninteresting, does not have 'critical mass' etc) and a large successful market (that has these good qualities) is size—because size, properly managed, overcomes these bad qualities.

As the issue of size raises concerns particularly for smaller markets in medium and small towns, we will return to it in more detail in the next section.

Lessons from elsewhere in Europe

82. During our inquiry we sought to identify examples of European best practice which could, relatively easily, be transplanted to England. We heard, in particular, from Jean-Paul Auguste, Chairman, Geraud Markets Group, a renowned private market operator of long standing which runs markets both on the continent and in the UK. He made a number of positive suggestions. First, he recommended that English markets “should be more orientated towards food because people have the need to eat and to buy each day of the week [...] On the continent, mainly in Latin countries—Spain, Italy, and France—the food stalls are between 40 and 60 % of the stalls of the markets and this is the way to keep our clientele.”¹⁴⁸ He also felt that England could learn from the long term commitment to markets—including financial commitment—which is more of a feature on the continent. He contrasted, in particular, the long-term nature of the contracts given by local authorities to private market operators on the continent, with the short term contracts in place in England. He explained the benefits of long term contracts as follows:

[...] I have in mind mainly Bordeaux Capucins Market, where there are two big market halls refurbished through a very long term duration contract. Through this contract, every partner, the city council and us, are obliged to eliminate any short term speculation decision. We are obliged to think at least 10 or 20 years ahead. When we took over this market, we were left with 40/45 food traders and the market was perhaps 40 per cent occupied. It took 13 years and this is the first year the market will be fully occupied and rented. It is a long term commitment [...] It is a complete change compared to what could be said about private operators in this country. I would not

¹⁴⁸ Q 264

attack private operators in this country because it is a sort of catch 22 situation. They were offered short term contracts. You cannot have an answer which makes these people aware of what is the long term interest for the city council, a long term vision for the market, if they are stuck on a very short life together with the city.¹⁴⁹

He also urged “better interaction between wholesale and retail markets in this country”, observing that, on the continent, all retailers—supermarkets and market traders—have access to the same wholesale markets whereas, in England, supermarkets tend to monopolise much of the wholesale market, giving market traders fewer opportunities to purchase a diverse range of fresh produce. George Nicholson supported this line of argument, as did Graham Wilson, and Michael Felton similarly acknowledged that “traders do not have the advantage of powerful block purchasing and rely upon the small/medium wholesalers whose numbers have decreased over recent years.”¹⁵⁰

83. Malcolm Veigas recognised that some continental market habits are unlikely to work in an English context. For example, he explained to us that “the legislation in Catalonia says that you can only have supermarkets within indoor market venues, and even then they can only be 7,500 square metres in size, and even then only sell certain types of goods.”¹⁵¹ He also thought felt that English councils could learn from the continent how to use markets to “animate” public space, giving the example of Dappermarket, in Amsterdam:

[...] it suffered an awful lot from red light syndrome a few years ago, and it still reverts back to that at night-time, but during the days, when the market is on, it becomes something completely different, and it becomes something that the whole of the community really, really enjoys and values.¹⁵²

In his written evidence on behalf of Bolton Council, he further suggested that England could learn from the relationship between trader and authority organisations on the continent. He cited the arrangements in place at Boqueria market in Barcelona, where traders have greater responsibility for, and hence a greater stake in, the upkeep and promotion of the market than do their counterparts in English markets, as worth exploring for possible wider application:

All traders as part of their licence are required to join the trader organisation. The traders in turn employ staff to promote the market and liaise with the city authority, who in turn employ specific staff to look after the interests of the market.

Finally, we were also interested to note in his written evidence that Bolton market services are “in early discussions with Barcelona’s market authority to ‘twin’ with them at some time in the near future.”¹⁵³

84. We recommend that local authorities develop a strategic plan for the development of their markets that encompasses the eight separate qualities we have identified:

¹⁴⁹ Q 272

¹⁵⁰ Ev 64

¹⁵¹ Q 157

¹⁵² Q 158

¹⁵³ Ev 119

integration with the town centre and local communities; good management; investment; promotion; a unique selling point; location; partnership working; and lessons from elsewhere in Europe. We further recommend, drawing particularly on the continental approach, that English local authorities consider the advantages of longer-term contracts with private operators if they choose to outsource their market operation, and recognise the importance of long-term commitment—including financial commitment—to their markets. We also see merit in local authorities exploring with NABMA and the NMTF the feasibility of creating broader roles for market trader organisations in terms of managing and promoting their markets, as a means of encouraging innovation in the future development of markets. Finally, we suspect that continental markets have much to offer in terms of managing public space and creating market events and suggest that local authorities consider the merits of market twinning, perhaps as part of a wider town twinning arrangement.

Challenges for local government

Resources

85. **We do not underestimate the size of the challenge facing local authorities seeking to sustain their markets in the current austere economic climate. From the evidence we have received, it seems to us that there are two big challenges: finance and management.** In many metropolitan centres there appears to be a legacy of under-investment in local markets that has become a major obstacle to their future viability. Ann Coffey MP was not alone in suggesting that “local authorities have had higher priorities for investment, and often they have approached market management in a regulatory way. They have not seen it as investment for the future.”¹⁵⁴ In a number of submissions, local authorities were seen as having treated markets as ‘cash cows’. The consultant Jonathan Owen thought it

[...] fundamental to any business, if you want to maintain your competitive edge, that you have got to reinvest constantly in your business. Unfortunately, in my experience most local authorities have treated their market services as a cash cow over the last 30 or 40-odd years. They have not got a structured reinvestment policy into their service, they have not got the capital investment in there and as a result the competition, which plays by a different set of rules, which have been investing heavily, which have been borrowing and investing and improving the product and their attractiveness to their customers, have overtaken them.¹⁵⁵

The practical impact of this lack of investment is captured in one of the market trader contributions to our web forum:

Our local council invest very little time and effort into modernizing or enhancing the market. Structurally we have a leaking roof. We have a cold building in winter to the point where the public won't enter unless they have to. We have a faded and out dated paint scheme and lots of other superficial decomposition.

¹⁵⁴ Q 17

¹⁵⁵ Q 167

86. We commend those councils such as Bradford, Bolton and Leicester who have already taken steps to increase and sustain investment in their markets. 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. Ring-fencing market profit for reinvestment in the market, as Bradford have done in recent years, is clearly one option that more councils ought to consider. In addition, 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 local and regional partners—for example regional development 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.

87. We were puzzled during our inquiry as to why councils had not used their prudential borrowing powers to secure investments in profitable markets. Leicester city councillors explained that, in the past, market profits could not be guaranteed, so borrowing to invest in the market was considered too speculative a venture. Other regeneration projects had promised a better early return. They felt though that, now the market had been turned around, there might be greater opportunity in future to use prudential borrowing in this way. We recommend that local authorities with profitable but ‘tired’ markets consider prudential borrowing as a means of revitalising their markets.

88. 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. When we put this proposal to the Joe Harrison, Chief Executive of the National Market Traders’ Federation, he was sympathetic, saying “exactly, yes. It is not an ‘us and them’ scenario”.¹⁵⁶ We shall also consider in a later section whether there is a case for central government to provide financial support.

Management

89. We also received much evidence that was critical of local authority market management. Common themes were that, too often, council market management was overly bureaucratic and lacked expertise. The suggestion was that, where officials had markets as part of a wider, diverse portfolio, they were often unable to devote the necessary commitment to them and that, as a result, markets would sometimes escape the notice of councillors until they reached a critical point. Because there were so many different interests at stake with regard to markets, they tended to, as Professor Sophie Watson put it to us “fall between many stools.”¹⁵⁷ Experienced council market manager Nick Rhodes, whose role in turning around Leicester market was much praised by other witnesses, observed that:

¹⁵⁶ Q 86

¹⁵⁷ Q 34

A lot of markets are, shall we say, treated poorly by local authorities, they do not recruit the right people (possibly, they do not even know how to recruit the right people—market management is a skill, and people have lost sight of the fact that it is a skill), and it has to be nurtured along, and it just does not happen overnight. You have to react to the outside world as well, and if you are not skilful enough and you have not got that experience then there are going to be problems ahead.¹⁵⁸

90. What can councils do to improve their market management? One key issue is training for market managers, and we look at how NABMA are addressing this need in a later section. Another suggestion, strongly propounded by NABMA amongst others, was that councils with markets should appoint a ‘market champion’ at councillor or senior official level to act as an advocate for local markets, bring together the various interests at stake—“the economic side, the transport side, the design side, the social side”¹⁵⁹—and articulate a strategic vision for the local markets that aligns with and enhances the council’s wider town centre management plans. Precisely where the market champion sits—we found in our evidence that councils place market management under a wide variety of different areas—appears to us less important than the degree of access and influence the market champion wields. **We commend those councils who have already identified market champions and urge other councils with markets to adopt a similar model.**

91. During the course of our inquiry we were informed that the Local Government Association has also appointed a market champion—currently the leader of Stockport Council—to help and support councils more generally. Surprisingly perhaps this initiative was not mentioned in the LGA’s submission, and other evidence questioned the impact he has had thus far. The NRPF for instance noted that “currently, there is a “markets champion” (Stockport) designated within the LGA” but also observed that “how this is translated into action either in terms of policy development in the LGA or in action on the ground is not at all clear.”¹⁶⁰ **We commend the LGA for establishing a market champion and recommend that it work with local councils and NABMA to develop the post so it has a clear and prominent role that adds real value to local council efforts to improve market management.**

92. We acknowledge that a number of councils have substantial in-house expertise in market management. We were interested to learn during our visit to Leicester market, for example, that a number of councillors had themselves formerly been market traders. However, it is equally clear from the evidence that other councils have experienced difficulty building up an in-house team. Some submissions pointed to a diminution of in-house expertise over time as discrete market teams were amalgamated into larger departments. George Nicholson observed that:

When I first became involved with markets 30-odd years ago, each local authority had its own markets committee. It had a director of markets and a mini-bureaucracy around running a market. Now, there are only maybe one or two local authorities in

¹⁵⁸ Q 151

¹⁵⁹ Q 34 [Professor Sophie Watson]

¹⁶⁰ Ev 141

the country—the City of London and maybe one or two others—with that dedicated political and bureaucratic structure based around the market.¹⁶¹

93. One solution proposed, was for more councils either to go into partnership with the private sector, or simply to outsource day-to-day market operations altogether. Some evidence was rather equivocal on the benefits of private sector involvement. Darlington Council for instance felt that “local authorities are however more likely to engage with the whole community”¹⁶², whilst St Albans feared that “private operators are primarily concerned with profits and have been known to turn a blind eye to illegal trades and bad practice”¹⁶³ and others were concerned that private operators were less likely to take a long term view—going after short term profits at the expense of sustainability.

94. The majority of the evidence, however, rightly in our view, felt that the private sector had more to offer in the markets sector. The advantages of using private market operators identified in the evidence included the introduction of new investment, a flatter, more decisive management structure, a more innovative and business-orientated approach, and promotional savvy. NABMA, for instance, explained in its evidence that it had “a number of private market operators within its membership and these private operators have contributed significantly to the markets industry over many years.”¹⁶⁴ Citing Liverpool as an example of a successful partnership agreement, and Glasgow as a successful arms length arrangement, it concluded that:

There is a need for all local authorities to consider how markets can be most effectively provided in their areas. Many will choose to continue operating themselves but others may find it helpful to contemplate new arrangements. Whatever provision is contemplated the future must be considered against criteria which embrace the wider agenda for markets.¹⁶⁵

Simon Quin, Chief Executive, Association of Town Centre Management, also saw the benefit of private sector involvement, particularly from the perspective of situating markets within wider town centre management and development plans:

We are strong believers that the reason why town centres have started to see a way forward, albeit with the recession it is going to set some of that back, is the bringing together of the public and private sectors to work in partnership because there is real added value that comes out of having perspectives from different stakeholders. The market is a key part of that town centre, therefore looking at how it is managed, how it is run and what is done with it from a private sector perspective is very important as well.¹⁶⁶

We were particularly impressed by the evidence from Jean Paul-Auguste and his Geraud Group, not least because the terms of their involvement—their emphasis on partnership

¹⁶¹ Q 279

¹⁶² Ev 58

¹⁶³ Ev 70

¹⁶⁴ Ev 116

¹⁶⁵ *As above.*

¹⁶⁶ Q 80

and long-term goals, combined with their specialist knowledge of market operations—appears to be a recipe that maximises the positives and minimises the negatives of private sector involvement. We were particularly struck by their involvement with Liverpool City Council in a joint-venture partnership—also mentioned by others as a success story—which they submitted has “overseen a dramatic reversal in the financial performance of the city’s markets portfolio”, with a deficit eliminated and “an aggregate profit of over £1,000,000 realised.”¹⁶⁷ **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 due weight to the public and private sector alternatives on offer.**

Challenges in London

95. During the course of our inquiry we were appraised of one issue that was peculiar to London, namely the extent to which the London Local Authorities Act 1990 (and a similar Act peculiar to Westminster) acted to constrain the ability of some local London authorities to improve their street markets. The submission of consultancy firm Market Place (Europe) Ltd was one of a number to highlight “the difference between the vast majority of markets operated throughout the country and those operated in London.”¹⁶⁸ It explained that:

Elsewhere in the country markets are created by several methods, primarily being by Royal Charter, Prescriptive Rights or by Statute—the latest being the 1984 Food Act. The operator is permitted to apply realistic commercial charges to the traders and such profit generated can be re-invested in the market or used to provide other benefits for the local community.

By contrast, in London:

The street ‘markets’ are not strictly markets in the legal sense of the word. They consist of a number of individual Licensed Street traders—licensed under the London Corporation Act—who all congregate together at the same time and place to give the outward appearance of a market to all intents and purposes. The crucial difference here is that the L.A. can only recoup certain basic operational costs and cannot derive a profit from the operation of the ‘market’.

The impact of this is that:

London local authorities often regard their ‘market’ as a necessary nuisance which they would rather not have to deal with and accordingly allocate the minimum resources—often of indifferent quality—to manage and develop the ‘market’.

Whilst the London councils we visited or took evidence from disputed any suggestion that they neglected their street markets, they certainly agreed that the London Local Authority Act (or equivalent) provided an obstacle to effective management of their markets.

¹⁶⁷ Ev 142

¹⁶⁸ Ev 161

96. Chris Wroe, Environmental Health Manager for Licensing Policy and Strategy, City of Westminster Council, told us he wanted “to designate an area as a market and then give us rights more akin to a market operator to be able to shuffle people about, to be able to put commodities together.”¹⁶⁹ Tot Brill, Executive Director for Transport, Environment and Leisure Services, Royal Borough of Kensington and Chelsea, felt constrained by the number of ways there were of challenging London council decisions, observing that “it is not just the market traders, anybody can object to anything that the local authority proposes to do”,¹⁷⁰ which was stifling change and innovation. Whilst acknowledging that market traders were concerned that change would threaten their livelihood because they only had a right to a particular spot, she argued, in line with Westminster, that “what you end up with [at the moment] is isolated stalls in an empty market street where you would want, if you were managing the market properly, to cluster people together so they do not get lost and customers do not give up before they get to them [...]”¹⁷¹

97. Tot Brill further emphasised that London councils would not be able to raise the money to invest in their markets unless they were given greater flexibility to raise rents and vary charges depending upon the position of the stall. Chris Wroe further added to this point that, because their rent is kept artificially low by the Act, market traders with tenancy rights that can be passed down generation to generation “do not have to operate efficiently [...] their customer care is poor, their display is poor and the training of their staff is poor.”¹⁷² Stephen Douglass, Area Management and Engagement Manager, London Borough of Southwark, also argued that the present legislation was “quite a negative piece of legislation”, because it pushes local authorities “down a regulatory enforcement route” rather than allowing the flexibility to promote and develop markets, for instance by “allowing us to generate a surplus to then reinvest.”¹⁷³ Islington Council, whose Chapel Street Market we visited, similarly argued that, in parts, the legislation was no longer fit for purpose, as it “was written at a time when street trading flourished [...] This is no longer the case”. Islington Council stressed that “markets still play a vital role in our communities” but that, crucially, they “need increased council intervention to succeed.”¹⁷⁴

98. Tot Brill offered a specific example where the legislation was being obstructive. Her council runs a farmers’ market in a street in partnership with a private sector organisation. In her words, “putting it together in a street was a nightmare because we ran the risk of it being designated as a street market which we are trying to avoid because if it was a street market then it could not be run by London Farmers’ Market Limited who guarantee that what you have got is a farmers’ market and not a collection of chancers.”¹⁷⁵ Because the legislation does not allow local authorities to transfer their street market responsibilities, she was forced to establish the farmers’ market on a temporary licence. In their submission and during our visit, Hackney Council similarly wanted greater flexibility to “transfer

¹⁶⁹ Q 244

¹⁷⁰ Q 245

¹⁷¹ *As above.*

¹⁷² Q 257

¹⁷³ Q 247

¹⁷⁴ Ev 174

¹⁷⁵ Q 250

management of Markets to another organisation where the local authority do not necessarily have the commercial expertise in-house to maximise the potential of markets.”¹⁷⁶ Short of abandoning the Act altogether, Islington Council similarly proposed allowing applications for stalls to be made by partnerships or companies, as well as reducing the notice of intention to revoke a licence because of unpaid rent and allowing the local authority to “promote and invest in markets and recover these costs from weekly rents.”¹⁷⁷

99. Other evidence to us, however, suggested that the issue might not be quite as black and white as implied above. Comments on our web forum were critical of London authorities for seeking to maximise revenue from their markets at the expense of market traders, by driving up rents. Some saw little evidence that the councils were committed to improving their markets, and were suspicious of their attempts (see below) to change the law without, as they saw it, any consultation with traders. One market trader, for example, who operates in Southwark, was critical of the council, which had “not invested in the ambience of the market” and asserted that a recently published consultancy prepared review stated that “Southwark markets are unloved” that “communication with stakeholders in poor” and that numbers of market traders had declined from nearly 700 in 1998 to under 300 in 2008. The view from our web forum was that better consultation, rather than new rules that enabled imposed solutions, was the way forward.

100. It appears clear that the present situation in London is unsatisfactory. Westminster City Council is currently seeking to improve the situation through means of a private Bill, introduced into the House of Lords, to replace the current City of Westminster Act. Chris Wroe explained that it did not address the financial issues, but would allow “for freedoms and discretions to enable us to manage our markets and our street trading better.”¹⁷⁸ Having sought confirmation from Iain Wright MP, then Parliamentary Under Secretary of State, that the issue had not come across his desk—he told us “it has not been flagged up as a major concern from London councils in the Department”¹⁷⁹—we queried why London authorities had not sought to make a combined case to the Government to change the law. The answer appears to lie partly in the different circumstances that pertain across London both in terms of numbers of markets and legislation (for example, we were told that Greenwich has a Royal Charter and so does not have a legislative issue), and partly in scepticism that the Government would be particularly sympathetic or willing to take an active role. In recalling a meeting he had attended with a Minister when the London Local Authorities Act 1990 was being drafted, Michael Felton certainly implied a lack of sympathetic government engagement in the past:

We made a number of suggestions and she explained to us very nicely the difficulties of getting it absolutely right. We pointed out to her that some of these provisions simply would not be fair nor work effectively and it turned out that we happened to be right.¹⁸⁰

¹⁷⁶ Ev 175

¹⁷⁷ Ev 174

¹⁷⁸ Q 241

¹⁷⁹ Q 307

¹⁸⁰ Q 194

Some witnesses also complained that there was no clear lead responsibility for markets in London—and this is an issue that we return to in a later section.

101. We are persuaded that there is a strong case for London authorities to be given greater powers in respect of their street markets. Whilst some councils would themselves admit that they have neglected their markets in the past, from the evidence we have seen there now appears to be a genuine desire to devote more time and resources to improving them. During our visit to Hackney too we were struck by the contrast between a historic tendency by the council to let its markets run themselves, and the extent of its commitment now. **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. In doing so, however, they should be mindful of the need to include a requirement to work in partnership with market trader organisations on the development of London street markets. Where local authorities gain additional powers in relation to market rents, stall location and management structures, it should be incumbent upon them clearly to articulate their strategic vision for the future of their street markets, and the benefits that will ensue for both traders and the wider community, before they put these powers into practice.**

5 Realising the potential of retail markets in medium and small towns

102. Large markets in Leicester, Bradford, Manchester and the like require serious investment and strategic management thinking by local authorities to sustain success, but also offer obvious sizeable economic and non-economic benefits in return. Michael Felton, for one, was not worried about “large markets, particularly in the north-west and north east and the Birmingham conurbation in this country, the big indoor markets, [which] will certainly survive.”¹⁸¹ Equally, our witnesses were bullish about the prospects for farmers’ and continental markets. Some witnesses expressed more concern, however, about local markets in medium and small market towns and small open street markets within metropolitan centres, such as the smaller street markets in London covered in the previous section. As Michael Felton explained:

My main concern is the smaller market town and the smaller open street market. These are the ones which I see in distinct danger and are still currently very much in decline [...] time and time again when one goes to the smaller places you see nothing but problems occurring there, i.e. a lack of traders or one week suddenly the greengrocer vanishes and stays away. This is where I think the greatest loss to our traditional market and our heritage aspect on markets will in fact be suffering.¹⁸²

In this section, we consider whether his fears for medium and small market towns are justified and, to the extent that they are, what action can be taken to address them.

The challenges facing smaller, local markets

103. Struggling, even badly managed large metropolitan markets can survive in decline because they retain a sufficient range of products to attract footfall. Local markets, by contrast, are less resilient—it takes much less for them to lose ‘critical mass’. The loss of one or two key stalls—a greengrocer for instance—can quickly generate further irreplaceable trader and customer exodus. During his evidence, Chris Hurdman, who sells confectionery and dried fruit at a number of local markets in Oxfordshire, told us that even a thriving local market can quickly collapse if, for instance, the market operator hikes rents for short term gain:

If you have a successful market, they [in this case, private market operators] would raise the rent on a yearly basis, and sooner or later it becomes cyclical; a few traders leave so the public stop coming, and a few more traders leave and the public stop coming even more [...]¹⁸³

104. The results of a membership survey conducted in December 2008 by Action for Market Towns, a membership organisation open to market towns with a population between 3,000 and 30,000 as well as individuals and organisations who wish to promote the

¹⁸¹ Q 175

¹⁸² *As above.*

¹⁸³ Q 114

viability of market towns, further emphasised the challenges facing smaller, local markets. From those surveyed who indicated that their town did not have a market, 50% reported that a market was previously held. Of this latter cohort, 43% indicated that the market had closed in the last five years. From those surveyed who indicated that their town did have a market, 46% replied that the number of stalls had either decreased or greatly decreased over the last 5 years, compared with only 20% who replied that the number of stalls had either increased or greatly increased over the last 5 years. Of those surveyed, 60% felt that there were obstacles hindering the successful operations of their existing market traders, with two main causes cited—location and local authorities—the latter of course having an important say in the former.

105. The impact of the vagaries of local councils are perhaps more keenly felt by local markets, because their position is more precarious. From the smaller councils' viewpoint, there are sound reasons why supporting the local market may not be a priority. First and foremost, their profit-making potential is limited. As Graham Wilson, Chief Executive of NABMA, observed during his evidence session:

I think it is also right to acknowledge that a number of our members are currently subsidising their markets. One of our members, at a meeting we had this morning, Oswestry Town Council, is a market town, operating a market hall and an open market [...] the town council are subsidising their markets on an annual basis to the tune of between £30,000 and £50,000 per year [...] we certainly would argue that in the past more of our members have benefited from this cash cow principle, and some continue to do so, but in the smaller authorities I think it is the case that currently a number of markets are being squeezed and being subsidised.¹⁸⁴

We also heard from Bletchley and Fenny Stratford Council how the income they received from their market had declined markedly over the last few years, and was likely to move from profit to loss at the end of the 2008/09 financial year. Particularly, as in Bletchley's case, when it is the lower tier town council that is managing the market, issues highlighted in the previous section relating to investment and management expertise are even more starkly presented.

106. The question then arises of why many councils persevere with local markets. In some cases, it seems to be benign neglect, with councils acting neither to improve the market nor to close them. There is a sense that councillors do not want a centuries old market to die out on their watch. More positively, though, a number also clearly see the wider benefits of running even a loss-making market. Graham Wilson also explained how for Oswestry Town Council “those markets are an essential part of the community life of that town.”¹⁸⁵

Actions for local government

107. We certainly do not underestimate the challenge facing local authorities who wish to support and develop their local markets. Particularly where they are not making a profit, they clearly need to think carefully whether the continued presence of a market is a greater

¹⁸⁴ Q 94

¹⁸⁵ *As above.*

priority than the other challenges they face. **Councils need to have a clear strategic vision of how they intend to secure the long-term sustainability of their markets.** It may, for instance, be impossible to secure the long-term viability of all local markets, and better to close down non-viable markets now so that resources can be directed to those with a better chance of survival in the longer-term. However, in a small town, a local market can still provide many if not all of the benefits identified in the second section of our Report, particularly the important social cohesion function, so **we encourage those local authorities who retain a market to review very carefully the other options available to them before they elect to close it down. One option, as in the previous section, would be to create a market champion on the council, possibly aligned with the town centre management function. Smaller councils should also explore the feasibility of sharing a market champion to oversee markets in more than one locality.**

108. **Given the vital importance—when one or two key stalls can make all the difference—of attracting the right mix of stalls and market traders, smaller local authorities should also place particular emphasis on employing a market operator capable of building up a sustainable market.** One problem here is that, particularly in smaller councils, markets are often managed at the site level from departments in the council that have no special expertise in markets. In her research paper, Professor Sophie Watson cited the example of Lowestoft market, where the market site was managed by the person in charge of car parking. **The suggestion from a number of our witnesses, which we think is a good one, was that local councils might need to look to the private sector to find such a person.** Michael Felton explained that where local markets are successful it is often “because they have a dedicated man known as a ‘toby’ in charge of the market who is employed by a private operator. He probably works something like five markets a week, moving from place to place. His sole occupation in life is to set up a market, get it advertised, get the traders in, interest the public and get the thing working, and for that he gets a salary and a bonus depending upon turnover.”¹⁸⁶ **Given that a ‘toby’ can run more than one market, we recommend that the local councils of neighbouring market towns consider a cost-saving joint-employment arrangement.** If local authorities do not wish to use the private sector, then they can draw on NABMA’s advice service, something we consider in more detail in the next section.

109. **Local authorities should also consider carefully the location of their markets, particularly in the light of the AMT study cited above.** In his evidence, Chris New stressed the importance of place, observing that:

I have been working, for instance, in Hereford lately, where we are putting a new open market into the pedestrianised precinct in Hereford, lifting it out of the outskirts, cattle market position where it is doing badly and bringing it into a new city centre position where it will be a great service to the community and bring vitality to that city centre.

Linked to this, there is also evidence that councils need to consider more carefully developments that they authorise around markets. Chris Hurdman graphically explained the problems that can arise for market traders from relatively minor council decisions, when the implications for market traders are not thought through. He observed, for

¹⁸⁶ Q 181

instance, that in Thame, a long street market in a high street, simply moving his stall “four stalls up or 40 foot down” could have an impact as regular customers, used to finding him in the same location, fail to find him. He also told us that “I had a trader come to me a month before Christmas, or thereabouts, in tears because they had put a CCTV camera space right in the middle of where his stall was, four weeks before Christmas”, the location of the CCTV physically preventing him from putting up his stall. He commented:

What they [the council] do not see is the effect that would have on a man that trades on that particular market for two days out of five. You are, effectively, saying: ‘Do something else. Go on the dole.’¹⁸⁷

As Chris Hurdman’s examples indicate, **small decisions can make a big impact, and a heartfelt plea from much of our market trader evidence was that councils needed to include them in consultation when they were considering changes to the market environment— a plea which we endorse.**

110. **We see one further option that councils with local markets should explore, namely the potential for greater partnership working, including non-council streams of funding, to further joint goals. We believe that lower tier authorities, possibly in conjunction with upper tier authorities, can—on a smaller scale—pursue the same wider objectives (healthy eating, community cohesion etc) as metropolitan councils.** We were disappointed to hear that this was an area which some local councils with local markets had not so far explored.

111. In the last two sections, we have focused primarily on the role of local authorities in supporting a diverse range of markets. We have seen that there are a number of actions that councils can take to improve their chances of success in relation to their markets regardless of the size either of the council or the market. One theme we have explored is the benefits of partnership working, and we shall explore this further in our next section, which considers in more detail the role of the various components of the market industry.

6 The industry

Industry initiatives

Partnership working

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) “with the intention of representing the views of the markets industry on major issues”.¹⁸⁸ Graham Wilson, Chief Executive of NABMA, emphasised to us the importance the industry attaches to the RMA initiative:

It is extremely important that we work in partnership, and I think we are seeing more of this today because one of the best things the market industry has done in the last year or two is the establishment of the Retail Markets Alliance, which has brought together the farmers who provide the main sort of impetus for farmers’ markets, ATCM, NMTF and NABMA. We come together, we share a platform and we speak, largely, on behalf of the industry.¹⁸⁹

He commented that “in terms of making sure that the market offer is varied, is balanced and we get the best that these different markets can bring, the Retail Markets Alliance is going to be an excellent vehicle for achieving that mix and balance in the future”.¹⁹⁰ Similarly, Joe Harrison, Chief Executive, NMTF, commented that “through the Alliance we are joined up from our end these days so, therefore, the industry is helping itself trying to move itself forward”.¹⁹¹ Simon Quin, Chief Executive, ATCM, further stressed the importance of having one over-arching body to prevent mutually destructive industry infighting, observing that:

[...] what we have done as an industry is challenge ourselves to think again and break down some of the thoughts that there are farmers’ markets over there, traditional markets over there, market traders on one side and market operators on the other, and everyone arguing. We have said the markets are too important for that and we need to come together. That is why we formed the Alliance and why we are working together.¹⁹²

¹⁸⁸ Ev 97

¹⁸⁹ Q 97

¹⁹⁰ *As above.*

¹⁹¹ Q 91

¹⁹² *As above.*

Research & promotion

113. Gareth Jones, Managing Agent, FARMA, gave us a practical example of how the RMA was working to address a long-standing industry weakness. A number of witnesses and submissions stressed that the paucity of statistics about the industry was hindering efforts to support the sector. Gareth Jones told us that:

one of the things that the Retail Market Alliance is doing is forming a Market Knowledge Group and we are trying to gather as much information as possible that is available, so existing information from individual markets across the whole sector, all research, and seeking to identify where there are gaps. At the moment there is a PhD student working at Gloucester University who is seeking to identify all retail markets in England [...]¹⁹³

The RMA is also working hard to increase the profile of markets, for instance working with the All Party Parliamentary Markets Group (APPMG) to raise their profile with MPs and co-sponsoring market of the year competitions to help raise their profile with the wider public.

Recruitment of new traders

114. We also heard how the RMA was co-sponsoring a ‘Make Your Mark’ campaign to encourage new market traders. ‘Make Your Mark’ campaigns aim to increase entrepreneurial behaviour amongst young people. “Make Your Mark” is run by Enterprise Insight, founded by the British Chambers of Commerce, CBI, the Federation of Small Businesses, and the Institute of Directors. It is also supported by the Government. During oral evidence, Graham Wilson told us that ‘Make Your Mark in the Markets’ was “a new scheme that started just before Christmas and which will come to a conclusion in the summer [...] currently we are beginning the stage of judging the entries to the competition.” Potential new, young market traders were encouraged to enter the competition with the promise that the finalists would be given up to 10 days at the market of their choice to make as much profit and impact as possible. The winner also receives six months free trading, £1,500 and free NMTF membership. The winner was Matthew Crawford, previously a Business Development Manager for a media firm who had been made redundant during the credit crunch, with his Caribbean Food Stall, ‘Easy’Nuh!’. He trades in Kent at Gillingham Market.

Best practice

115. Finally, we heard how the members of the Retail Markets Alliance were working to spread best practice across the industry. NABMA, for instance, offers consultancy services as part of its membership package. It advertises a training and development programme aimed at increasing the professional standards in the management and delivery of markets. It organises residential courses for market operators and, in January 2009, launched a NABMA toolkit—a CD that provides key information, legal and operational advice and documentation to assist current, and prospective market operators of NABMA. The

¹⁹³ Q 90

toolkit includes a “health check”—a self assessment tool for markets, which was launched in 2008. In oral evidence to the inquiry, Graham Wilson explained that “the toolkit was brought together following discussions with our members with the intention of providing good practice [...] the first of a series of toolkits that we intend to provide for our membership.”¹⁹⁴ He told us that “the toolkit has been very well received, particularly among our members that do not have the in-house expertise to develop detailed policies and procedures”.¹⁹⁵

Industry challenges

116. There was a consensus among our witnesses that the formation of the RMA was an important step forward likely to improve partnership working with local authorities as well as other stakeholders. Darlington Borough Council, for instance, considered that “lack of (previous) cohesion from the leading industry bodies has disadvantaged markets—this is now addressed through the RMA [...]”.¹⁹⁶ The weight of evidence also suggested that, by concentrating on promotion, recruitment and training, the RMA was focusing on the key challenges. The general impression was that, whilst the RMA was off to a good start, there was still much work to be done, something which the RMA itself acknowledges.

Better promotion

117. A number of witnesses and submissions were particularly frustrated by the industry’s inability to promote itself adequately. Nick Rhodes told us that:

I think there are certainly pockets of good promotions within the markets industry, locally, but I think it is fair to say that nationally the industry is not very well promoted, for all sorts of different reasons, mainly finance, but it could certainly raise the profile by organisations coming together and actually promoting the markets industry as a whole. It is something that is very sorely missed.¹⁹⁷

In its submission, the Consultancy firm Quarterbridge commented that “the markets industry has been lamentably poor at promoting such ‘good news’ stories such as the ‘How Green is your Market?’ promotion recently launched by the National Market Traders’ Federation.”¹⁹⁸ In oral evidence, Quarterbridge consultant Jonathan Owen went into more detail, criticising first market traders because “a lot of them are remarkably poor at promoting their own businesses [...] they regard the rather feeble efforts of local authorities to promote the markets as being sufficient to promote their own businesses [...]”.¹⁹⁹ He felt they “should be working harder to promote themselves first”,²⁰⁰ with the market manager working separately to promote the market as a whole. Because many

¹⁹⁴ Q 95

¹⁹⁵ Q 95

¹⁹⁶ Ev 56

¹⁹⁷ Q 162

¹⁹⁸ Ev 130

¹⁹⁹ Q 188

²⁰⁰ Q 189

market traders tend to move from market to market, Jonathan Owen considered that their interests were not automatically aligned to those of the market manager, and that whilst there was clearly scope for more coordinated promotions, equally market traders and market managers needed each to consider their individual promotional needs.

Better recruitment

118. There was a similar feeling from local authorities and others that the RMA needed to do more with regard to recruitment of market traders and their training. Hackney Council in its evidence observed that “a barrier to entry for the next generation of market traders and to some extent market staff for councils is training. We’d suggest that bodies such as the NMTF take a more active role in promoting this career option and potentially looking to provide training”,²⁰¹ Darlington Council observed that “one of the advantages of market trading is that it is very easy to access, but this also works in reverse—most traders fail to put together a proper business plan, there is (to them) no real access to retail training, support networks etc”²⁰² and City of Westminster Council observed that “a recent consultant study of street trading in the Oxford Street/Regent Street/Bond Street Area demonstrated a real lack of retail expertise amongst many street traders, and the need to provide research and training to inform business decisions.”²⁰³ One problem, is that traditionally stalls were handed on through families, but this tradition is now in decline and can, in any case, sometimes act as a barrier to necessary change. Consultant Chris New told us that “from my angle, what I see of markets that are scruffy, badly presented and where there is poor customer care, clearly there is a desperate need for training.”²⁰⁴ He felt that “there are some skills that many market traders need, but they have not got the opportunity because of the way they work—small businesses, disparate distances from each other, etc.”²⁰⁵ Acknowledging that some NABMA members were already running schemes whereby a new market trader works alongside an existing one, he saw merit in more mentoring schemes.

119. The RMA acknowledged the need for more recruitment of market traders and better training for them. In its written evidence, it stated that:

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.²⁰⁶

Graham Wilson further accepted during oral evidence that “the training that exists at the moment [for market traders] is largely fragmentary [...] Certainly, as an industry, we need to bring those together on a national scale.”²⁰⁷

²⁰¹ Ev 175

²⁰² Ev 57

²⁰³ Ev 125

²⁰⁴ Q 123

²⁰⁵ *As above.*

²⁰⁶ Ev 100

²⁰⁷ Q 110

120. **We commend the key market industry organisations for the work they have done in recent years to establish a coordinated approach to tackling strategic market industry issues. 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.** One key concern for the industry is how they generate the momentum, and the funding necessary to take these initiatives forward. One potential source of assistance is central government and, in the next section, we look more deeply at the role that the Government should be playing and, equally importantly, what markets can do for Government.

7 The way ahead for central government

Planning

121. Iain Wright MP, then Parliamentary Under Secretary of State at CLG, told us that “the Government does think that markets are a hugely important and positive part of the retail offer”.²⁰⁸ He placed considerable emphasis on the need to link markets to “a wider, fundamental town centre strategy” and saw the Government’s strategic planning guidance as a means of achieving this end. Indeed, he saw Government’s main role with regard to markets as ensuring that their important contributions are adequately reflected in strategic planning guidance. He stressed the need for Government to “facilitate and enable local authorities to have the tools to put in place planning policies that can help markets thrive”²⁰⁹ and pointed to the text which the Government had placed in the current key strategic planning guidance document Policy Planning Statement 6: Town Centres and Retail Developments as evidence that the Government took this role seriously. In full, the text reads:

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

122. The Government is in the process of “streamlining” its approach to strategic planning guidance, amalgamating a number of its planning statements, including PPS6, into one policy planning statement (PPS) document. A draft new PPS is currently out for final consultation,²¹⁰ with publication due later in 2009. The Government has also published draft good practice guidance for the town centre elements of the new PPS, to be read alongside the draft PPS. One of its key recommendations, the replacement of the ‘need test’ by a new ‘impact assessment framework’, is the subject of a separate, forthcoming Report by this Committee.²¹¹ The key reference to traditional retail markets in the new draft PPS comes under “Policy EC6: Local planning approach to planning for consumer choice and promoting competition for town centre development”, which includes the following advice, similar to that contained in the current PPS6:

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.²¹²

²⁰⁸ Q 300

²⁰⁹ Q 303

²¹⁰ Planning Policy Statement: Consultation, *Consultation paper on a new Planning Policy Statement 4: Planning for Prosperous Economies*.

²¹¹ Communities and Local Government Committee, Tenth Report of Session 2008–09, *Need and impact: planning for town centres*, HC 517.

²¹² PPS Consultation, p 24, EC6.1 (4)

Arguably, a later clause advising local planning authorities to take measures “to conserve and, where appropriate, enhance the established character and diversity of their town centres”²¹³ also has applicability to markets. Street markets are also mentioned in Annex A as a ‘town centre health check’ indicator.²¹⁴ The more detailed good practice guidance adds nothing substantive on markets to the PPS text. Other than a brief reference to a DETR study on the impact of food stores on market towns/district centres,²¹⁵ which emphasises the need to “take positive steps to improve the range and quality of food shopping in these centres, and adopt a cautious approach to considering the location and likely long-term consequences of the development of large food stores in non-central locations”, markets get swallowed up under the generic heading of “special forms of trading”.

123. Some contributors, including Simon Quin,²¹⁶ felt that Government strategic planning documents, such as the current PPS6, should place more emphasis on the role of traditional retail markets, although others were more positive about the existing guidance. George Nicholson for instance was strongly supportive of the Government for including markets within PPS6 telling us “that I think what is in PPS6 is fine because it is a call to arms. It is asking local authorities to recognise that street markets and indoor markets have an important function within their towns, city centres and villages throughout the country.”²¹⁷ He did, however, add the rider that:

[...] at the very least the paragraph in PPS6 should be carried through to the new document. It is a very important paragraph and recognition from Government that DCLG, in issuing PPS6 in the first place, had a paragraph for the first time which specifically addressed in planning terms the importance of markets. It is important that it is carried through into the new guidance which emerges later this spring or summer.²¹⁸

124. **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 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 and 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 planning decisions, both in the PPS document, and in the future iterations of the accompanying good practice guidance.**

²¹³ PPS Consultation, p 4, EC6.1 (6)

²¹⁴ PPS Consultation, p 39, Annex A (A4)

²¹⁵ Planning for Town Centres, p 45

²¹⁶ Q 59

²¹⁷ Q 299

²¹⁸ Q 298

The case for a clearer central government focus for markets

The Government's view

125. Apart from setting the strategic planning framework, the Minister was cautious in terms of how pro-active he felt Government should be with regard to markets. A key theme of his evidence session was the number of times he stressed that it was up to individual local authorities to make decisions about their local markets, observing that “what I would like to see is local authorities having a vision for their town centres in which markets need to be a key consideration”.²¹⁹ He defended, for instance, the lack of any central government data on traditional retail markets by asserting that “local government is in the driving seat here”,²²⁰ and argued against allocating central government funding for local markets on the grounds that “what government policy is trying to do at the moment is not to ring fence specific allocations of money but to provide as much flexibility as possible for local authorities to determine their own policies and priorities.”²²¹

Witness views

126. A number of contributors were quite critical of what they perceived to be Government neglect of traditional retail markets. Some identified an apparent lack of clarity as to where responsibility lay in Government for traditional retail markets. The suggestion was that markets were, in a sense, victims of their own versatility, as different aspects of markets were scattered across different government departments. For Anne Coffey MP, Chair of the All Party Parliamentary Markets Group (APPMG), “getting access to central government decision-making” was a major challenge, because “at least seven government departments were involved”. She argued for a “Markets Minister who would have responsibility for ensuring that support was given to markets across government departments and obviously could be a focus for government departments to send policy initiatives to, to check that they included support for markets”.²²² Simon Quin, one of a number of witnesses with similar views, also observed with regard to government departments that “because everyone perhaps has them [ie markets] somewhere on their agenda, they have not been focused on or taken seriously”,²²³ whilst Graham Wilson stressed “we desperately need a co-ordinating role.”²²⁴

127. Tim Hirst, Assistant Director, Commercial and Support Services, City of Bradford Metropolitan Council, and Malcolm Veigas, Assistant Director (Community Services) Bolton Metropolitan Council, felt that a lead Minister or at least a lead departmental official could act to raise the profile of markets “in the same way that central government has raised the profile, in the work they have done over the last couple of years, on, say creative industries.”²²⁵ Southwark Council criticised the absence of an “overarching holistic

²¹⁹ Q 311

²²⁰ Q 302

²²¹ Q 309

²²² Q 17

²²³ Q 89

²²⁴ Q 105

²²⁵ Q 156

approach”²²⁶ by Government. George Nicholson, Secretary NRPF, felt that there should be a Minister to champion markets, and argued that the Minister should sit in the Department for Business, Enterprise and Regulatory Reform [now the Department for Business, Innovation and Skills], as “markets have an economic purpose. They are businesses.”²²⁷ Other contributors, however, argued that the correct department for a Markets Minister was CLG because its wider planning, social cohesion and local government responsibilities better covered the wider economic and non-economic benefits that markets can deliver.

128. Witnesses and submissions suggested that a more co-ordinated approach to Government might involve Government support for “further research into the scale and value of retail and wholesale markets in the UK”,²²⁸ better national promotion of markets and, crucially, wider recognition within Government that the market industry and market traders should be eligible for national funding and support from wider national schemes. Graham Wilson, for example, argued that “if we had a minister championing markets that minister would flag up the importance of markets in terms of embracing some of the New Start schemes that come out from various agencies.”²²⁹ Other evidence suggested that central government should give clearer direction to Regional Development Agencies to ensure that they considered investment in traditional retail markets within their regional regeneration strategies.

129. Jean-Paul Auguste, head of the Geraud Group of markets, which operates Europe-wide, told us that markets “have a champion in France. There is a sort of minister for small businesses. He is our contact within the government.”²³⁰ He noted that the Minister provided practical help, for instance by helping to reduce bureaucracy for market traders by reducing the amount of commercial paperwork required by different Ministries from eight separate documents to one. He also said that this Minister had helped the markets industry to lobby the European Union again from the perspective of combating bureaucracy:

[...] there was to be a rule about stickers to be placed on every food product. A trader preparing some food—a charcuterie for example a pate—would have been obliged to give at zero point something per cent the components of his pate on the market day. Tomorrow it is impossible to get the same composition each day [...]²³¹

Complementary to this, the consultancy firm Markets Place (Europe) promoted the adaptation of the Dutch model whereby “a civil servant in their equivalent of the DTI has special responsibility for markets and, following consultation processes with the main players and organisations within their market industry, reports to their equivalent of the

²²⁶ Ev 79

²²⁷ Q 284

²²⁸ Ev 97

²²⁹ Q 108

²³⁰ Q 285

²³¹ Q 287

Communities and Local Government Select Committee. As a result, Holland now has a well administered, progressive and thriving market industry.”²³²

130. A number of witnesses felt not only that the Government should be doing more for markets, but also that the Government was missing opportunities to use markets as a vehicle to pursue a variety of national objectives. Job creation, for instance, is a major concern not just for the markets industry seeking to attract new blood to address a declining, ageing market trader population, but also for Government seeking to boost employment opportunities in a recession. As Graham Wilson’s comment earlier in this section suggests, the industry has concerns that markets and market traders are not sufficiently tied in to wider Government employment initiatives. Whilst there was certainly evidence of local authority/PCT initiatives to promote the healthy eating agenda, witnesses also felt that the Government could be doing more to encourage and expand these local initiatives. Malcolm Veigas, for example, suggested that, with regard to the ‘Change for Life’ campaign, an NHS initiative seeking to encourage children to eat more healthily, move more and live longer:

[...] if within the nuances of the ongoing campaign over the next 12 months, or whatever, more and more references could be made to the markets generally—in terms of low-cost food staples, alternatives to go away and change your lifestyle not just by buying there but going to market once, twice or three times a week and doing it by foot etc, and you can then subliminally get that message across, in terms of the bigger picture message in terms of health generally—that would be really useful and it would not cost any money.²³³

As we have seen in previous sections, similar examples can be found in relation to the social cohesion, town regeneration and environmental agendas. We have also seen the potential for markets to convey Government information and advice on a range of issues to otherwise hard to reach groups, and in his evidence session the Minister appeared sympathetic to the opportunities presented here.

Conclusion

131. **It should not be central government’s role to intervene in the future of individual markets. Markets are nothing if not local, and it is for local authorities to be the key source of public support.**²³⁴ **The future of the industry is best served by an active partnership between the key industry organisations, including market trader organisations, and local authorities.**

132. We recognise too that individual government departments have a track record of working with markets—the Government evidence referred for instance to DEFRA’s work promoting farmers’ markets. **We are concerned however that there is a lack of clarity within central government as to who has overall responsibility for markets, as opposed to an interest in certain aspects of them.** We believe that this handicaps local government

²³² Ev 162

²³³ Q 156

²³⁴ The Committee looked in detail at the balance of power between central and local government in its Sixth Report of Session 2008–09, *The Balance of Power: Central and Local Government*, HC 33–I.

and the industry when they want to make a case for strategic change—for instance with regard to markets legislation, or the national promotion of markets or to tie in with wider government initiatives. We believe it also handicaps central government, as markets can end up ‘off the radar’, increasing the risk that individual departments miss opportunities to use markets as a vehicle to promote a key objective. **There are actions that the Government could take, beyond production of strategic planning guidance, better to fulfil its proper strategic role in relation to markets.**

133. A number of witnesses proposed the creation of a Markets Minister, perhaps along the lines of the Minister for Veterans, who sits in the Ministry of Defence but, in recognition of the extent to which veterans issues cross departmental boundaries, also takes responsibility for co-ordinating veterans policy across Whitehall. Veterans are obviously a central government issue. **We are not convinced that there is a sufficiently strong case to appoint a Markets Minister.** Because their character is so influenced by the locality that they serve, markets are rightly primarily a local government issue.

134. **We do nevertheless see a need for a clear central government focus for markets, and recommend that the lead should lie with CLG in recognition both of the wider community aspects of markets and the key role of local government.** Furthermore, as we have observed in successive reports on CLG’s Departmental Annual Reports,²³⁵ the achievement of many of CLG’s objectives is dependent upon co-ordinating delivery with other government departments, and this too seems a good fit with the markets portfolio. The Minister appeared sympathetic to this approach, commenting that “there is a good role to play with our interaction with local authorities, our responsibility for planning frameworks and making sure of that wider sense of wellbeing. I can see CLG having a key role to play there.”²³⁶ However, we were disheartened during this inquiry to learn that the Minister who came to give evidence to us on markets had, in two and a half years as Minister, met market industry representatives on only “one or two occasions [...] I think it might have been the once.”²³⁷ This points to a disturbing lack of active engagement. The Government’s level of engagement must improve. **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.**

135. **We further recommend that CLG lead an inter-departmental working group to ensure that departments make best use of markets as a vehicle to further wider Government objectives as set out in this report.** CLG would then become the clear first point of government contact for the industry and local authorities to take concerns about legislation—and as discussed previously we are aware of at least one live issue, that involving market London legislation, that requires Government consideration—and other big picture issues, such as the national promotion of English markets.

²³⁵ Communities and Local Government Committee, Second Report of Session 2008-09, *Communities and Local Government: Departmental Annual Report 2008*, HC 238 and Communities and Local Government Committee, Second Report of Session 2007-08, *Communities and Local Government: Departmental Annual Report 2007*, HC 170.

²³⁶ Q 308

²³⁷ Qq 329–330

8 Conclusion

136. The market experience is a unique one, and we are pleased that a range of different types of market up and down the country are keeping the market tradition alive and vibrant in the twenty first century.

137. We are excited by the range of benefits that markets are bringing to local towns and communities. First and foremost, markets stand or fail by the attractiveness of the alternative retail experience that they offer customers. We have seen for ourselves that markets continue to provide value for money as well as providing job opportunities, both at the market and as an indirect consequence of the increased footfall that they bring into town centres.

138. But we believe it is important to stress that markets also offer a range of non-economic benefits. Most importantly, and harder to quantify, markets act to bring communities together and as a social focus that fosters a shared identity and helps create a town's character. In addition, markets have a role to play in promoting local and national agendas around regeneration, health and the environment.

139. We want more markets to thrive, and to fulfil their potential to deliver these benefits. We know though that the challenges they face are increasing, particularly as a result of increasing competition but also because of local authority and industry 'own goals', such as a failure to invest so that markets are enhanced in line with customer expectations, poor planning decisions which have sidelined some markets, poor management and a reluctance to adapt to change.

140. Nevertheless, we believe that the obstacles to future market success can, in many cases, be overcome. There are lessons to be learned both from elsewhere in Europe and from existing best practice in England. We want local authorities who are responsible for markets to develop plans that consider the long-term sustainability of their markets. We want them to explore how their markets can complement and act in sympathy with the wider town centre and local communities, and to make town centre planning decisions within this context. We want them to designate market champions and to invest in and promote their markets, looking where possible to take advantage of prudent borrowing and to attract Government, private sector and third sector funding to deliver shared goals through markets. We are encouraged that a number of local authorities are already doing this.

141. Particularly with regard to smaller councils running local markets, where the future is often most precarious, we want councils to have a clear strategic vision of how they intend to secure the long-term sustainability of their markets. Where in-house expertise is lacking, we want councils to investigate alternative means of bringing in management experience, including private sector market operators, and entering into a partnership relationship with other councils, sharing market champions and market operators.

142. We believe the current legislative situation with regard to London markets is unsustainable, and urge local authorities and the Government to come up with more flexible legislation that allows local authorities to develop a strategic vision for their markets.

143. We want Government to take greater heed of the strategic context to traditional retail markets. We do not expect or advocate routine Government intervention in this sector—local authorities, working in partnership with industry, clearly have the leading role—but it should be more engaged in the big picture. Its strategic planning documents should more fully reflect all the contributions that markets make to town centres, and there should be a clear lead Government department—CLG—that local authorities and the industry can turn to when they have wider strategic concerns, for instance about legislation and national promotion of markets. Finally, we believe that markets have the potential to play a fuller role in supporting a range of national Government objectives, and urge CLG to take the lead role in ensuring that this potential is realised.

Conclusions and recommendations

Background

1. 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 market. 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. (Paragraph 31)

The benefits of traditional retail markets

2. Specialist markets can add a further dimension to the five benefits identified earlier: economic, social, regeneration, health and the environment. (Paragraph 56)
3. We see no reason why farmers' markets should not retain their identity within a larger 'ordinary' market, and can see advantages for both types of markets in terms of increasing footfall and creating more of an event feel. We recommend, therefore, that local authorities actively consider the benefits of co-location, though we accept that this may not always be appropriate. (Paragraph 66)
4. We acknowledge that the use of market Charters to regulate market numbers is a complex issue, but believe that it is one that locally-elected councils are best placed to adjudicate on. We would though recommend that councils treat farmers' markets applications sympathetically given the potential benefits they can offer whether in proximity to existing markets or in isolation. We also recommend that account be taken of the status of the organisation wishing to run a farmers' market, and that consideration be given to reducing fees in the event that the organisation is a not-for-profit organisation with clearly articulated social goals. (Paragraph 68)

Realising the potential of traditional retail markets in metropolitan centres

5. We recommend that local authorities develop a strategic plan for the development of their markets that encompasses the eight separate qualities we have identified: integration with the town centre and local communities; good management; investment; promotion; a unique selling point; location; partnership working; and lessons from elsewhere in Europe. We further recommend, drawing particularly on the continental approach, that English local authorities consider the advantages of longer-term contracts with private operators if they choose to outsource their market operation, and recognise the importance of long-term commitment—including financial commitment—to their markets. We also see merit in local authorities exploring with NABMA and the NMTF the feasibility of creating broader roles for market trader organisations in terms of managing and promoting their markets, as a means of encouraging innovation in the future development of markets. Finally, we suspect that continental markets have much to offer in terms of managing public space and creating market events and suggest that local authorities consider the

merits of market twinning, perhaps as part of a wider town twinning arrangement. (Paragraph 84)

6. We do not underestimate the size of the challenge facing local authorities seeking to sustain their markets in the current austere economic climate. From the evidence we have received, it seems to us that there are two big challenges: finance and management. (Paragraph 85)
7. We commend those councils such as Bradford, Bolton and Leicester who have already taken steps to increase and sustain investment in their markets. 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. Ring-fencing market profit for reinvestment in the market, as Bradford have done in recent years, is clearly one option that more councils ought to consider. In addition, 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 local and regional partners—for example regional development 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. (Paragraph 86)
8. We recommend that local authorities with profitable but ‘tired’ markets consider prudential borrowing as a means of revitalising their markets. (Paragraph 87)
9. 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. (Paragraph 88)
10. We commend those councils who have already identified market champions and urge other councils with markets to adopt a similar model. (Paragraph 90)
11. We commend the LGA for establishing a market champion and recommend that it work with local councils and NABMA to develop the post so it has a clear and prominent role that adds real value to local council efforts to improve market management. (Paragraph 91)
12. 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 due weight to the public and private sector alternatives on offer. (Paragraph 94)
13. We are persuaded that there is a strong case for London authorities to be given greater powers in respect of their street markets. (Paragraph 101)
14. 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. In doing so, however, they should be mindful of the need to include a requirement to work in partnership with market trader organisations on the development of London street markets. Where local authorities gain additional powers in relation to market rents, stall location and management structures, it should be incumbent upon them clearly to articulate their strategic vision for the future of their street markets, and the benefits that will ensue for both traders and the wider community, before they put these powers into practice. (Paragraph 101)

Realising the potential of retail markets in medium and small towns

15. Councils need to have a clear strategic vision of how they intend to secure the long-term sustainability of their markets. (Paragraph 107)
16. We encourage those local authorities who retain a market to review very carefully the other options available to them before they elect to close it down. One option, as in the previous section, would be to create a market champion on the council, possibly aligned with the town centre management function. Smaller councils should also explore the feasibility of sharing a market champion to oversee markets in more than one locality. (Paragraph 107)
17. Given the vital importance—when one or two key stalls can make all the difference—of attracting the right mix of stalls and market traders, smaller local authorities should also place particular emphasis on employing a market operator capable of building up a sustainable market. (Paragraph 108)
18. The suggestion from a number of our witnesses, which we think is a good one, was that local councils might need to look to the private sector to find such a person. (Paragraph 108)
19. Given that a ‘toby’ can run more than one market, we recommend that the local councils of neighbouring market towns consider a cost-saving joint-employment arrangement. (Paragraph 108)
20. Local authorities should also consider carefully the location of their markets, particularly in the light of the AMT study. (Paragraph 109)
21. Small decisions can make a big impact, and a heartfelt plea from much of our market trader evidence was that councils needed to include them in consultation when they were considering changes to the market environment—a plea which we endorse. (Paragraph 109)
22. We see one further option that councils with local markets should explore, namely the potential for greater partnership working, including non-council streams of funding, to further joint goals. We believe that lower tier authorities, possibly in conjunction with upper tier authorities, can—on a smaller scale—pursue the same wider objectives (healthy eating, community cohesion etc) as metropolitan councils. (Paragraph 110)

The industry

23. We commend the key market industry organisations for the work they have done in recent years to establish a coordinated approach to tackling strategic market industry issues. 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 (Paragraph 120)

The way ahead for central government

24. 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. (Paragraph 124)
25. 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. (Paragraph 124)
26. It should not be central government's role to intervene in the future of individual markets. Markets are nothing if not local, and it is for local authorities to be the key source of public support. The future of the industry is best served by an active partnership between the key industry organisations, including market trader organisations, and local authorities. (Paragraph 131)
27. We are concerned however that there is a lack of clarity within central government as to who has overall responsibility for markets, as opposed to an interest in certain aspects of them. (Paragraph 132)
28. There are actions that the Government could take, beyond production of strategic planning guidance, better to fulfil its proper strategic role in relation to markets. (Paragraph 132)
29. We are not convinced that there is a sufficiently strong case to appoint a Markets Minister. (Paragraph 133)
30. We do nevertheless see a need for a clear central government focus for markets, and recommend that the lead should lie with CLG in recognition both of the wider community aspects of markets and the key role of local government. (Paragraph 134)
31. 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. (Paragraph 134)
32. We further recommend that CLG lead an inter-departmental working group to ensure that departments make best use of markets as a vehicle to further wider Government objectives as set out in this report. (Paragraph 135)

Annex 1: Summary of online consultation

Background

1. For six weeks, From Tuesday 17 March 2009 until Tuesday 28 April 2009, the Committee ran an online consultation to obtain the views of market traders on issues of relevance to the inquiry. We invited responses to three specific questions:

- What more could be done, and by whom, to improve markets and assist market trading?
- Is it becoming harder to run a market stall, and if so why?
- What makes a successful market?

This annex summarises the response. Individual responses can be viewed at <http://forums.parliament.uk/market-traders>.²³⁸

2. The site was viewed 1,928 times. A total of 32 responses were posted and accepted onto the website, from 12 people, of whom 10 described themselves as market traders. This is too small a sample to draw wider, representative conclusions. However, their posted views add weight to some of the other evidence we received during the course of our inquiry, and we quote from some of them in our report.

What more could be done, and by whom, to improve markets and assist market trading??

3. A total of 15 comments were posted in response to this question, which was viewed 614 times. The key issues raised were poor decision-making with regard to the location and relocation of markets, their under-utilisation as a wider community resource, under-investment, a need for greater protection for markets from supermarkets and large retail centres, and a lack of consultation with traders. Responders wanted local government to do more to protect and develop markets, including by engaging more with market traders. Some also wanted central government to take a more active role. These themes also re-appeared in the other two threads.

4. Andylever, market trader at a specialist market, stressed the importance of location:

The problem of location can surface when a historical market area, once the centre of town, becomes isolated due to developments within a town, moving the centre to a new area. In some cases the council will just let the market die without moving or assisting in regeneration, or suggest sites that are, while large enough, may be as badly located as the original. In my experience the councils are reluctant to mix the large chains on the high street with market stalls. A market within a town centre can invigorate a town

²³⁸ Committee on line consultations remain on the Parliamentary web site for 18 months after the close of the web forum, in this case until 28 October 2010.

centre and give it a bustling, friendly feel and make a centre different from the normal run of the mill town or city centre.²³⁹

He urged local authorities “to see the importance of the resource they have in their market and use it to their advantage,” stressing that “we won’t mind being used.” Street Market trader urbtaf similarly noted the importance of location in relation to the success of and threats to Bury market:

Look at "the world famous Bury market" in Greater Manchester, possibly the best northern market, 300+ stalls all occupied, mostly by profitable traders, employing staff. Positioned next to the bus and tram stations, visited by many coaches every week thanks to the masterful marketing by John Ayres (the toby). A new development "the Rock" is being built and marketed as boasting a new town centre, they have bought up all property between the "new" centre and the old, allowing it to decay! On its opening late this year I will predict a decline of trade in the "old" centre. The new centre's massive car parks will give the excuse to put the existing car park sites to a more profitable use. Then the practicable thing will be to move the interchange to the Rock as that's where people want to be. And so the decline of the market will start, 5 maybe 10 years down the line I predict Bury's world famous market will be a memory.²⁴⁰

5. Jane52, an indoor market trader²⁴¹, Charlies²⁴², a newcomer to street market trading, and Marion.g²⁴³ were all concerned about council underinvestment. The latter two were also concerned about council over-charging, with Marion.g stressing what she felt was an unacceptable attitude to markets shown by councils in London.

6. Lineflight, a street market trader for some 20 years, felt that the negative impact of supermarkets needed to be better reflected in planning decisions:

We own a country and equestrian store in Cambridgeshire and still trade at 3 local markets per week which is getting harder and harder by the week. Our large Sunday market has just been refused a license to renew its planning permission because the entry and exit roads are classed as dangerous, this market has had the same roads for as long as I can remember. today we have learnt that Tesco has been given permission to build a new store on the very same site. 9 Tescos, 4 Somerfields, 2 Sainsburys, 2 Asda,s within a 7 mile radius of us and 2 more Tescos being built, is there any wonder no other trader has a chance of survival. Where is the monopolies commission ??? I'm afraid in my opinion no street trade will ever recover properly until the giants are taken to task.²⁴⁴

Finally Ray, a street market trader running a stall on the “newly refurbished” Norwich market, had wide support on the web forum with his plea for market managers to “listen to the trader’s points of view and then act in a reasonable time frame” and his further

²³⁹ Andylever 24 March

²⁴⁰ Urbtaf 29 March

²⁴¹ Jane52 05 April,

²⁴² Charlies 16 April

²⁴³ Marion.g 25 March, 06 April, 23 April.

²⁴⁴ Lineflight 29 March

observation that “trying to talk to a deaf council is frustrating and does nothing for the landlord/trader relationship.”²⁴⁵

Is it becoming harder to run a market stall, and if so why?

7. A total of 9 comments were posted in response to this question, which was viewed 658 times. All, including the 6 market traders who posted, felt that it was becoming harder to run a market stall. The most frequently cited reason for this was a lack of support from councils. JohnW, for instance, posted the following message:

I am a market trader, trading in East Street Market, Southwark. I have been a market trader for over 60 years, my father before me and my son following me. I mention this as way of introducing myself. Market trading is a way of life in my family.

I have some knowledge of Street Trading and Markets in London.

Are street markets in London declining? The answer is a definite Yes, they are. Why are they declining? There is in my opinion and in the opinion of many street market traders across London one major problem. That problem is that the Borough Councils are ignoring the value of street markets to not only the community in their boroughs but also to the effect on the loss to the tourist industry and to cultural integration.

East Street Market in Southwark has been in its present situation since 1880, having been removed from the Walworth Road. It still has some 200 stalls, it once had many more- it has traded continuously through both the First World War and importantly through the Second World War. It has had many famous people working in it. It has been the focal point of many authors in their novels. Many generations of Londoners have appreciated it.

However, Southwark Council seem to ignore this fact. The Council have not invested in the ambience of the Market. The whole road surface needs replacing. Holes appear in the road and pavement and are only patch repaired, a constant health and safety problem. What high street supermarket or store would let the very fabric of their premises run down in a state of disrepair to such an extent they become tatty or an eyesore?

The costs of trading in street markets are far too high. Why should traders in Southwark have to pay for the upkeep of two small public toilets to the sum of £70,000 per year, and have been paying for the last 12 years with an explanation remark of a Council officer, "if the market was not there, the toilets would not be needed, so you have to pay for them".

Yet another consultancy prepared review has just been published, a Strategic Review of Southwark Markets & Street Trading Service. Published January 2009, this review states amongst many others. "Southwark markets are unloved". "They exist in isolation".

²⁴⁵ Ray 10 April

"Communications with stakeholders is poor". This report states what is already known. In 1998 there were nearly 700 market traders in Southwark, in 2008, 10 years later, there are under 300.

The answer to the rapid decline and possible demise of markets, particularly in London must [lie] high on the agenda of Borough Councils. This decline could be reversed particularly with the involvement of the stakeholders in markets, i.e. the traders.²⁴⁶

RobVH, a young trader at an indoor market, similarly observed that "our local council invest very little time and effort into modernizing or enhancing the market. Structurally, we have a leaking roof. We have a cold building in winter to the point where the public won't enter unless they have to. We have a faded and out dated paint scheme and lots of other superficial decomposition. The council seem to be happy letting the market slide into oblivion. Power needs to be delegated to councillors with an active interest in making the markets thrive."²⁴⁷ Charlies also complained about "council officials who do not really want the markets anymore [...]"²⁴⁸ whilst Marion.g observed that:

part of the London councils' agenda in having the London Local Authorities Act removed from the statute book is to prevent street traders from passing their businesses to their children. Removing traders' rights to keep their designated pitches will expose them to councils' every whim. If the proposed 'reform' goes through, traders will be in an even worse position than they are today. Market traders are micro businesses; more are desperately needed to add value to every aspect of city life.²⁴⁹

8. Jane52 felt that supermarkets, offering good, cheap food and free parking, were making it harder to run a market stall:

As supermarkets have grown in size and quantity they have also adopted all things that customers like about markets, 10 years ago, if you wanted fresh fish, you had to go to the local fish market. Supermarket meat was pre-packed, as was the veg. To ask for certain size or portions markets were the only place. This has now changed to suit the needs of the customer. Most market customers would still use the markets apart from the obvious. Supermarkets will win every time until markets are run in towns that realise the demise is mainly through over-inflated parking prices. Also pedestrianising the area around the markets causes the carrying of purchases to be a problem. When buses were surrounding the markets they were thriving. It is difficult to see how to encourage people to drag their bags of food shopping through pedestrianised streets to get to their mode of transport.²⁵⁰

Finally, RobVH also felt that markets needed to be promoted better²⁵¹ and Ray pointed to higher costs and "a 35% drop in trader over the past four years."²⁵²

²⁴⁶ JohnW 31 March

²⁴⁷ RobVH 05 April

²⁴⁸ Charlies 16 April

²⁴⁹ Marion.g 31 March

²⁵⁰ Jane52 22 March

²⁵¹ RobVH 05 April

What makes a successful market?

9. A total of 8 comments were posted in response to this question, which was viewed 556 times. For Jane52 a “successful market is a friendly market where the customers feel safe and secure. An eclectic mix of businesses and quality produce will bring people back every time. Confident happy customers send out the message "word of mouth" works as well as any advertising. If you are good people will find you. If you provide the service they will come back.”²⁵³ Urbtaf agreed, whilst also reinforcing the importance of location:

the successful trader needs a successful market to trade on, all the 'good' markets I have worked in my 38 years of trading have been at the heart of the market town. The moment the market gets pushed into a less prominent position, then its the start of the end of that market. The better or more experienced traders move to a better market. Time after time I have seen the redevelopment of town centres where the repositioning of the market appears to be done as an afterthought. We truly are a problem to developers or appear to be.²⁵⁴

Ray stressed the role played by market traders²⁵⁵. Delicarr11, an indoor market trader further stressed the importance of a collaboration between market traders and council officials, but lamented the absence of such a partnership in his town centre (Darwin):

Our Market Hall dates back to 1880, and was specifically built to house an indoor market. We as the people of the town are very proud of this , but it’s not reflected in the budgets and grants from the local council. There is a redevelopment plan but work seems to be but back every month. We need more modern facilities in and around the town centre, if we are to encourage shopping by locals and to attract businesses from other areas.²⁵⁶

Finally, Charlies, picking up on the partnership point, observed that investment without consultation could also be unhelpful in the longer-term:

Our market has recently been refurbished at great expense by our local council, unfortunately there was little consideration given to views by the traders themselves. Only 4 years old and it is already showing signs of the old market, dirty, smelly, a hanging about place for druggies, and drunks, which in itself stops people coming onto the market. The council does not seem to be interested, the new stalls are forever having faults which we have to pay for, even though they admit some materials used are not fit for the purpose .²⁵⁷

10. The Committee would like to express its thanks to all those who participated in the online consultation.

²⁵² Ray 10 April

²⁵³ Jane52 29 March

²⁵⁴ Urbtaf 11 April

²⁵⁵ Ray 10 April

²⁵⁶ Delicar11 14 April

²⁵⁷ Charlies 16 April

Annex 2: Committee visit to Leicester market

Note on traditional retail markets visit to Leicester market Tuesday 24 March 2009

1. Dr Phyllis Starkey MP, Sir Paul Beresford MP, Mr Clive Betts MP, Anne Main MP, and Emily Thornberry MP represented the Committee on a visit to Leicester market to meet market traders and Council market organisers as part of the Committee's inquiry into traditional retail markets. The Committee's two Specialist Advisers for this inquiry, Professor Alan Hallsworth and Professor Sophie Watson, also participated.
2. The Committee held an oral evidence session in Leicester Town Hall Council chambers on the same day.

Leicester Market

3. The Committee met Nick Rhodes, Head of Leicester Markets and Enterprise, Leicester Council, who gave the Committee a guided tour of Leicester market. He explained that there has been a market in Leicester for over 700 years. The covered market offers a variety of merchandise ranging from fresh fruit, vegetables, flowers, various meat products and groceries to quality fabrics, upholstery, garments, jewellery, and household goods, and has over 300 fixed stalls. There is also an adjacent indoor market, including a fish market on the ground floor.
4. Nick Rhodes explained that the market made an annual profit of around £500,000 for the Council. The profit was not ring-fenced for the market. The Council did allow casual traders—there were 25 on the day the Committee visited and Nick Rhodes commented that their numbers were increasing, possibly a sign of the recession. He said that he tried to keep some same produce stalls a distance apart, but did not seek to restrict product lines. Food was the core business of the market—and its main attraction. The customer profile tended to change through the day: for example, the elderly tended to shop earlier in the mornings, but bargain hunters shopped later in the day.
5. Nick Rhodes observed that Leicester Council was currently regenerating the town centre, of which Leicester market was a part. One current challenge for the market was that the recent pedestrianisation of nearby streets had diverted bus routes away from the market. A lack of nearby car parking spaces compounded the resulting accessibility problem. The Council was funding a city hopper service and home delivery service to make it easier for the elderly to access the market. It was possible that eligibility for these services would be expanded in future.
6. He felt that, whilst food selling continued to thrive, the non-food side of the market was struggling, largely because of increased competition from budget stores, supermarkets and on-line shopping. He felt that the diversity of food on offer was a major advantage in increasing footfall at the market, and the Council was seeking to promote this through food

festivals. Leicester was a multi-ethnic city—with an Asian female Lord Mayor—and it was important that the market reflected and took advantage of this. A further advantage for the market was that, in the city centre, it was the only place that sold fresh fruit and vegetables. The rather grim-looking indoor market was not as popular as the covered market, and the Council was considering options for improving/replacing it.

7. The Committee spoke to a number of market traders as they went round the market—most seemed positive about the future of the market, and confident that they had unique selling points that would continue to attract customers. On the subject of whether market traders should take credit and debit cards, one market trader was unconvinced because doing so would slow down service. The Committee noted a “Shoppers Charter” on display designed to give shoppers confidence that they would not be ripped off at the market. Several food stalls were selling their produce in bowls—making it easy for customers to see exactly what they were paying for. The market was pretty busy with most stalls occupied and a good number of customers—though there were more empty stalls and fewer customers in the upper levels of the indoor market.

Meeting with Councillors

8. Following the market visit, the Committee met the following Leicester City Councillors; Cllr John Allen (Conservative); Cllr Peter Coley (Liberal Democrat); Cllr Andy Connelly (Labour); Cllr Sarah Russell (Labour); and Cllr Paul Westley (Labour).

9. Leicester City is a Labour-run council. There was a fair degree of cross-party consensus on the challenges facing its market. The Councillors explained that the market was “tired”, requiring significant development if it is to remain competitive over the next 20 years. The market needed to be properly signed, pulled in to the main retail circuit and made more welcoming to prevent people missing it out of their trips to the town centre—for instance by heading solely to Highcross Shopping Centre, a new retail development. The indoor market in particular was a priority as customers didn’t like going upstairs. One possibility was to demolish the current indoor market, and replace it with a one-level structure and/or make use of the old Corn Exchange. In the current economic climate, development of the market is challenging, and the Council is still debating the best way forward, with funding the main issue. The Councillors also recognised that they had to bring the market traders, and customers, with them. Changes need to be done sensitively, with agreement reached through consultation.

10. The Councillors accepted that in the past the market had been seen as a “cash cow” and that market traders had complained of a lack of investment from the council in the market, but agreed that recent administrations had worked to support the market and to bring people back to it. They explained that the Council made use of its powers under its Market Charter to prevent other markets opening within 6 & 2/3 miles of Leicester market, thus protecting its position. They observed that one problem in London, where Councils did not have this provision, was that there were too many local markets—the implication was that within a locality fewer, bigger markets able to attract a larger footfall were more likely to thrive. The Councillors were well aware and positive about the benefits of their market—two of the Councillors present had market trading backgrounds themselves. They offered the following reasons why they wished to keep their market:

- The public like “their” market
- It makes a profit
- The market traders, who travel long distances to trade at Leicester market, bring in expertise and create local employment
- Market trader “characters” attract people to the market, and hence to the town centre—which also supports nearby shops and services
- Conversely, were the market to close, there would be a negative knock-on retail effect for nearby shops and services
- It provides cheap, fresh produce
- Market traders are specialists able to give advice e.g. on ingredients, preparation, and ripeness (eg customers can ask for a pineapple for consumption today, tomorrow or a few days time)
- It caters for different ethnic groups—particularly important given Leicester’s ethnic mix
- It encourages intermingling of ethnic groups, promoting social cohesion
- It provides new business opportunities, particularly in a recession. A councillor gave the example of one popular stall holder, a Romanian man, who sold cakes—he did not have sufficient turnover to run a shop, but could make a living from his stall.

11. The Committee asked whether the Council had considered using its “prudential borrowing” powers to support the market. The Councillors explained that, in the past, market profits could not be guaranteed, so borrowing to invest in the market was considered too speculative a venture. Other regeneration projects had promised a better early return. Now that the market had been turned around, there might be greater opportunity in future to use prudential borrowing in this way. The Committee also asked whether there was more that central government should be doing to assist them in the running of their market. The Councillors responded that more could be done to publicise markets to tourists. They also saw more potential to work in partnership with central Government to promote national targets through markets—e.g. by promoting healthy eating (addressing the government target to reduce obesity) with an emphasis on how to shop for healthy produce at the market. With regard to healthy eating, the market had already linked up with the local education authority to arrange for children from local schools to visit, and learn about healthy and easy recipes and how to cook with fresh produce.

12. Also on the national level, the Councillors said they would like to see wholesale markets—which supply produce to their market traders—opening later, as this would allow market traders greater flexibility to open later themselves. Currently, wholesale retailers open at 2am so market traders—many of whom can’t afford to employ additional staff—want to close their stall by 3 or 4pm to give themselves time to have a break and make the opening of the next day’s wholesale market. The Councillors felt it would benefit

the market as a whole—for instance by attracting evening commuters—if more stalls were able to stay open later.

13. The Councillors also discussed with the Committee initiatives they had tried, or were considering, to attract more people to the market. They had organised successful food festivals—for example an Asian food festival which had changed the character of the market for the day. They had tried Sunday trading, but this had not been a success—partly because market traders had not been keen, wanting a rest day. They had debated the merits of switching from a fixed stall market to one with moveable stalls. A fixed stall market made it easy for stall holders to set up, and kept the costs associated with opening and closing the market low. On the downside, on Sunday and evenings the market space is a “dead area” which can’t be used for anything else—and runs the risk of being used as a toilet. Also, during quiet periods, rows of empty stalls can be off-putting to shoppers. The Councillors felt there might be merit, therefore, in introducing some moveable stalls to increase site flexibility—though the Council would incur more costs setting the stalls up for trading and removing them when the market shut.

14. The Committee thanked the Councillors, and Nick Rhodes, for giving generously of their time. On their way to the town hall, the Committee witnessed the presentation of the “Britain’s favourite market” award, which had been won by Leicester City market in a poll of the public conducted by the National Association of British Market Authorities (NABMA).

15. At the town hall, before lunch and the afternoon’s oral evidence session, a NABMA delegation gave a talk to the Committee about Nuneaton market. The Committee heard that the ancient and still successful Nuneaton market operated on a Wednesday and a Saturday in the pedestrianised town centre, with Council-sponsored entertainment and prize-giving to attract visitors to the market. The emphasis was on being “family friendly” and on food. Nuneaton market had around 160 moveable stalls on a Saturday and up to 120 on a Wednesday. Nuneaton market made a profit for the council largely because it succeeded in attracting out of town visitors to the market. Nuneaton had a number of car parks at the edge of town and within walking distance of the market to encourage access.

16. Before leaving, the Committee expressed its gratitude to Leicester City Council for arranging the visit to the market and oral evidence session.

Annex 3: Committee visit to two London Markets

Note on traditional retail markets visit to Ridley Road Market (Hackney) and Chapel Market (Islington) Tuesday 10 March 2009

1. Dr Phyllis Starkey MP, Sir Paul Beresford MP, Mr Clive Betts MP, Anne Main MP, Dr John Pugh MP and Emily Thornberry MP represented the Committee on a visit to Ridley Road and Chapel markets to meet market traders and Council market organisers as part of the Committee's inquiry into traditional retail markets. The Committee's two Specialist Advisers for this inquiry, Professor Alan Hallsworth and Professor Sophie Watson, also participated.

Ridley Road Market

2. The Committee met Hazel Simmonds, Assistant Director for Safer Neighbourhoods, Hackney Council; Paul Viner, Market Inspector, Hackney Council; Larry Julian, Chair, Ridley Road Market Traders Association; and, Jon Giovanni, Vice Chair, Ridley Road Market Traders Association, at Ridley Road Market, and they escorted the Committee round the market. Jon Perriton, Field Manager, National Market Traders Federation (NMTF), was also present.

3. Larry Julian explained that his family had been market traders for 4 generations—though he said that his kids were not involved. He explained the history of the market—at the beginning of the 20th century, Ridley Road was a centre of the Jewish community. More recently, Asians, Greeks, Turks and West Indians had settled in the area, creating a more diverse market. He observed that there were some vacant pitches, but this was partly because the Council wanted to retain a variety of stalls and, in particular, an emphasis on selling a diverse range of food, and would rather have vacancies than too much of the same non-food goods. The Association wanted a fully populated market with no vacant pitches, but wanted the council to try harder to bring in differing trading commodities. The Association believes that the high number of empty pitches is a key factor contributing to Hackney Council making a loss on the market, and thinks the shortfall could be considerably lessened if the Council made a more positive contribution to promoting the market. A licensing panel vets prospective entrants, with the Council having the final decision. There are currently 181 pitches at Ridley Road, of which 120 are permanent, with the rest issued to casual traders on a daily basis. The occupancy rate varies from 60% to 99% depending on the season.

4. Larry Julian felt that the rules and regulations for London markets were stricter than elsewhere in the country, and wanted market traders to have more flexibility, for instance with regard to the hours they had to spend manning their stalls—currently, market traders at Ridley Road market must be at their pitch for 51% of a working day. He considered that the lack of flexibility and increased competition from supermarkets and the internet was contributing to a decline in Ridley Road market. He did acknowledge though that Council commitment had improved. Jon Giovanni, who runs a curtain stall and has been trading at Ridley Road market for 20 years, added that advertising was the key to bringing more

people into the market. Ridley Road Market Traders' Association would strenuously oppose any changes to the London Authority Act which results in councils having the powers to make changes that take away the controls, processes and security that traders require.

5. Hazel Simmonds informed the Committee that Ridley Road Market was the largest and most successful of 5 Markets run by Hackney Council—the others being Broadway Market, Hoxton Market, Kingsland Waste Market, and Well Street Market. She paid tribute to the Ridley Road Market Traders Association for keeping the market going through difficult and changing times when markets had not been a Council priority. She explained that Hackney Council was now committed to improving market facilities, and had allocated £1M for an upgrade including resurfacing, improving drainage and repairing the electricity supply. The Council was consulting market traders to ensure that the upgrade met their needs. She observed that keeping the market clean was a big challenge—street markets naturally generate a significant volume of waste, and some surrounding shops also attempted to freeload on market waste disposal arrangements. She said that Ridley Road market had always been famous as a food market—and was now selling an eclectic mix of foods from Asia, Africa, the Caribbean and the Mediterranean. The Council wanted to retain this character.

6. The Committee walked through the market, meeting traders. Tuesday was one of the quieter market days, but the Committee was still able to see an impressively diverse range of products. The Committee heard from some casual traders who were angry about the way they were treated. They were particularly aggrieved that they were not allocated pitches until 9.30am, and that they were allocated different pitches on different days so regular customers did not know where to find them.

Hackney Council meeting

7. The Committee moved on to a meeting at Hackney Town Hall with Cllr Alan Laing; Hazel Simmonds, Assistant Director, Safer Neighbourhoods; and Sarah Haywood, Head of Internal and External Communication.

8. Hazel Simmonds gave a presentation to the Committee, observing that markets was a small part of her brief, but a large part of her time. She explained that the Council had conducted a public consultation exercise and produced a “Living in Hackney” scrutiny report in 2005, which had identified a number of issues for markets—in particular residents wanted the markets to be cleaner, safer and more accessible. The Council had appointed an Assistant Director to drive forward improvements. Market management had since been strengthened. Certain “dodgy practices” had been stopped (eg Health and Safety issues over the selling of bush meat, and lack of transparency over awarding of new licenses to trade), and relations with market traders improved. She explained that much had already been achieved, including better communication (the council held quarterly and annual meetings with market traders, and communication between Market Inspectors and Traders was much better), a tightening up on criminal behaviour and better traffic management. The Council had imported a “points” system from Islington to tighten up on market trader behaviour, and had also committed to spending more money on its markets, through a 5 year Market strategy that would further improve all its markets

9. Hazel Simmonds accepted that there remained some tensions between traders and the Council, particularly over proposed rent increases—she said that Hackney rents for permanent and temporary pitches were currently the cheapest in London, and that as a consequence the borough was experiencing a shortfall between the costs of running a market (including, for instance, waste disposal, which the Council had worked hard to improve), and fees received from permanent and casual licenses. The Council wanted to raise rents to help pay for the market. The Council also wanted to vary the rent charged by size and location of stall. She observed that the 51% rule—see above paragraph 4—was to prevent sub-letting, but that the council was prepared to be flexible up to a point. She felt that Hackney’s provisions for casual traders—e.g. allowing them to trade in popular pitches when not in use by permanent traders—compared favourably with other London authorities. She ended by observing that there was a big difference between the regulations governing London street markets, like Ridley Road market, and the high profile privately-run Borough market—which was not a street market and was not subject to the same regulatory framework.

10. In general discussion, the Hackney Cllr and officials stressed that they recognised the benefits of markets—for example tackling worklessness, meeting the needs of a diverse population and promoting social interaction. But finance was a problem as they were not breaking even, but were finding it difficult to put up prices. They drew attention to the London Local Authority Act, which regulates London street markets, noting with frustration the extent to which it prevented change by:

protecting stall holders’ tenure

preventing councils from making a profit, or building up a fund to reinvest in the market to make service improvements for both traders and customers

preventing councils from handing over the running of street markets to a private operator—as street markets took place on a public highway, councils had a duty to regulate.

They were positive about their improvement plans, though frustrated by delays to Ridley Road improvements caused in part by the need to align them with other regeneration in the area, itself linked to the East London Line extension. They were keen to promote their markets more, but noted that funding was again an issue. They felt that, London Local Authorities Act notwithstanding, consideration could be given as to whether markets could be managed more effectively at arm’s length from the council.

11. The Committee asked the Council to write specifically on what it would like to change about the London Local Authorities Act, and the Council undertook to do so. The Committee thanked Hackney council for organising the visit to the market, and taking the time to discuss Hackney markets with them.

Islington Council meeting

12. The Committee made the short journey to Islington to meet Councillor Terry Stacy, Deputy Leader of the Council and Executive; Jan Hart, Assistant Director of Public Protection and Development Management; Christine Lovett, Angel Town Centre

manager; David Fordham, Service Manager (street trading and trading standards); and Houriyeh Dervish, Street trading manager.

13. Islington Council explained that Chapel Market—which the Committee was subsequently to visit—is one of 3 street markets managed by Islington council (the others being Whitecross Market and Exmouth market), and the largest. It is a general market, ethnically-diverse, selling all types of goods and foods in the street of the same name. It opened in 1879, and currently has 160 designated pitches with around 105 licensed traders. It is also part of a Business Improvement District. Councillor Stacy stressed that the Council recognised the community role played by its markets, and was proud of the special history of Chapel Market. It was also pleased by the success of the much newer Farmers' Market at a local primary school.

14. Jan Hart explained that Islington's street trading strategy recognised the importance of markets to residents. Markets encouraged people to shop locally for good, cheap food—this was important as although Islington is considered an affluent borough it has the sixth highest level of social deprivation in the country, and one of the lowest car ownership rates in the country. The Council was actively working with other agencies to improve its markets and develop their potential to meet wider Council objectives. For example, Transport for London had supplied street furniture, and the Council was working with the local PCT to promote healthy eating by giving food demonstrations at the market. The strategy has identified a number of key action areas:

Look and feel of our Markets

Running Viable Markets

Promoting our Markets

Greening our Markets

Markets within our Community

Managing our Markets

As with Hackney—which had taken best practice from Islington—Islington Council's management of its markets includes vetting prospective traders to ensure that standards and diversity are maintained, specifying that traders must be on duty 51% of the working day to stop sub-letting and arrangements for casual traders. Unlike Hackney, Islington's markets were not running at a loss.

15. Again as with Hackney, Islington Council would like to change the London Local Authority Act which, with regard to markets, was felt to be too restrictive and too complex. Unlike Hackney, Islington was not keen on using a private market manager to run their markets, fearing that a private market manager would not share the same principles.

16. The Committee asked the Council to write specifically on what it would like to change about the London Local Authorities Act, and the Council undertook to do so. The Committee thanked Islington Council for organising the visit and taking the time to discuss Islington markets with them.

Visit to Chapel Market

17. The Committee walked through the market, meeting traders. Although there were a number of empty pitches, the traders the Committee spoke to were, on the whole, upbeat about the market's prospects. They did stress that advertising was important, and felt that the Council could do more here. They were though positive about their relationship with the Council, with whom the traders' association held regular meetings.

18. This concluded the Committee's visit to London markets.

Formal minutes

Tuesday 7 July 2009

Members present:

Dr Phyllis Starkey, in the Chair

Sir Paul Beresford

Anne Main

Mr Clive Betts

Emily Thornberry

John Cummings

The Committee deliberated.

Draft Report (*Market Failure?: Can the traditional market survive?*), proposed by the Chairman, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 133 read and agreed to.

Paragraphs 134 and 135 read, amended and agreed to.

Paragraphs 136 to 143 read and agreed to.

Annexes and Summary agreed to.

Resolved, That the Report be the Ninth Report of the Committee to the House.

Ordered, That the Chairman make the Report to the House.

Written evidence was ordered to be reported to the House for printing with the Report, together with written evidence reported and ordered to be published on 10 February, 16 March, 20 April, 11 May, and 8 and 29 June 2009.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Monday 13 July 2009 at 4.00pm.]

Witnesses

	<i>Page</i>
Monday 2 March 2009	
Ann Coffey MP , Chair, All-Party Parliamentary Markets Group	Ev 1
Dr Sophie Watson , Professor of Sociology, Open University	Ev 4
Mr Joe Harrison , Chief Executive, National Market Traders Federation, Mr Simon Quinn , Chief Executive, Association of Town Centre Management and Mr Gareth Jones , Managing Agent, National Farmer's Retail Markets Association	Ev 8
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Mr Graham Wilson , Chief Executive, National Association of British Market Authorities	Ev 16
Mr Chris Hurdman , Oxfordshire Market Trader and Mr Chris New , New Markets Solution	Ev 20
Mr Tim Hirst , Assistant Director, Commercial and Support Services, City of Bradford Metropolitan Council, Mr Malcolm Veigas , Assistant Director (Community Services) Bolton Metropolitan Council and Mr Nick Rhodes , Head of Leicester Markets and Enterprise, Leicester City Council	Ev 24
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Mr Michael Felton , Michael Felton Associates and Mr Jonathan Owen , Quarterbridge	Ev 30
Cllr Melvyn Teare , portfolio holder for Culture and Heritage, St Albans District Council and Cllr Robin Bowen-Williams , Chair of Finance and General Purposes Committee, Bletchley & Fenny Stratford Town Council	Ev 34
Mr Stephen Douglass , Area Management and Enterprise Manager, London Borough of Southwark, Mr Chris Wroe , Environmental Health Manager for Licensing Policy and Strategy, City of Westminster Council and Ms Tot Brill , Executive Director for Transport, Environment and Leisure Services, Royal Borough of Kensington and Chelsea	Ev 38
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Mr George Nicholson , Secretary, National Retail Planning Forum and Mr Jean-Paul Auguste , Chairman, Geraud Markets Group	Ev 43
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