

CABINET

29 March 2016

MARKETS REVIEW

REPORT OF ASSISTANT DIRECTOR (ECONOMY & COMMUNITIES) AND HEAD OF ESTATES

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RECENT REFERENCES:

[WTF234](#) - Review of Markets Programme - 09 March 2016

[CAB2274](#) – Winchester Market Update – 7 December 2011

[CAB 2100](#) - Management of Winchester Market - 9 February 2011

EXECUTIVE SUMMARY:

Winchester's current programme of markets has been developing over the last five years, and has enjoyed much positive feedback during this time from shoppers, tourists and residents.

However, the programme was always intended as a temporary one pending the development of Silver Hill. In view of the Council's decision not to proceed with the planned scheme, and in response to continued concern about aspects of the markets expressed by Winchester Business Improvement District, a review has taken place over the past three months.

The findings are encouraging, with market traders and retailers sharing views about the criteria for a successful market, and agreeing that it adds to the interest of the City Centre. It is clear that the market can be improved, but the evidence points more toward ongoing evolution rather than sweeping changes in the short term, with the Broadway agreed by almost everyone to be the best location in future, once Silver Hill moves forward.

An action plan has been drafted and is attached for Member approval.

RECOMMENDATIONS:

- 1 That the Markets Development Plan at Appendix 1 be approved, and that the Head of Estates be delegated to oversee its implementation.

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### MARKETS REVIEW

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#### DETAIL:

- 1 Introduction
- 1.1 The current markets programme in and around the High Street was introduced in 2010. It was conceived as a means to enhance and diversify the City Centre 'offer' at the height of the recession.
- 1.2 The programme grew rapidly to five days a week, including a food market, provisions market (three days) and speciality markets including art, antiques and collectables. In recent weeks, Hampshire Farmers' Markets have also moved onto the High Street for a trial period, two Sundays a month.
- 1.3 Market stall locations have been adjusted over time in response to feedback from retailers. Some have actively requested stalls outside their premises (e.g. in Upper High Street) whilst others have understandably required greater attention to accessibility, and food stalls are not placed outside clothing stores.
- 1.4 The appearance has improved too, with matching gazebos supplied for all traders, and quality standards enforced for the range and display of products on sale.
- 1.5 All the markets except the Farmers' Markets are operated on the Council's behalf by SMT on a rolling contract that has been renewed each May. A separate Report elsewhere on this agenda refers in more detail to that contract (CAB 2799 refers).
- 1.6 The programme is now an established part of Winchester life, but the arrangements were conceived on a temporary basis on the understanding that the Silver Hill development would bring new opportunities.
- 1.7 Winchester Business Improvement District (BID) has continued to raise concerns on behalf of a number of its member retailers, and these were heightened during the Christmas trading period in 2015.
- 1.8 In view of the BID's lobbying for change and the length of time that the 'temporary' market arrangements have been in place, the Portfolio Holder for Local Economy authorised an evidence-based review of the impact of the markets on the year-round business community.

- 1.9 The review has now concluded, and an action plan has been drawn up for Member approval which officers believe will address the findings of the review.

## 2 Format of the Review

- 2.1 The nature of the evidence to be collected as part of this review was agreed with representatives of the BID. The most important element is a piece of new research commissioned from independent consultants The Retail Group, exploring the impact of the markets on year-round trading in the city. This study is based on feedback from 111 city centre businesses and 35 market traders.
- 2.2 It also included:
- Footfall indicators
  - Parking provision
  - Feedback from Winchester Cathedral about their Christmas events

This information is set out in some detail in Report [WTF234](#) - Review of Markets Programme, 9 March 2016 which was presented as a basis for contributions to the review by Winchester Town Forum Members. It is not repeated here, although it is worth noting that footfall in the Lower High Street area of Winchester was down by 5% in 2015 over the previous year. This is part of a national trend in towns and cities, in part arising from the increased impact of on-line retailing.

- 2.3 The Retail Group presented to both the BID Forum (an open meeting of BID members) and to Winchester Town Forum on Wednesday 9 March 2016. Feedback from these meetings is included in the Background Documents to this report.
- 2.4 A number of unsolicited contributions have also been received in response to media coverage of the review, and these have been considered in developing the action plan.
- 2.5 It was agreed with the BID that the Sunday markets would not be within the scope of the review because they were well supported by the businesses. However, improvements proposed for other days of the week can equally be applied to these markets.

## 3 Main Findings of the Review

- 3.1 There was broad support for the markets, with consensus between the permanent retailers and market traders that quality and presentation were the most important factors for a successful market.
- 3.2 Despite some anecdotal feedback to the contrary, the great majority of shoppers and visitors agree that the markets make Winchester a more interesting place to visit, and add to the vitality of the city centre, providing a

greater variety of products. Consumers look increasingly for a mix of activities when visiting, and the market is part of this mix in the same way as the café culture, heritage buildings, regular shops and services.

- 3.3 The Retail Group consultants confirmed that markets do not drive footfall, and only thrive in areas of high footfall. Moving the market out of the High Street would almost certainly lead to its demise, as happened previously when the market was located solely in Middle Brook Street. Covered markets can be expensive to establish and recent experience in the UK shows that they do not generally succeed. Feedback from Hampshire Farmers' Markets reaffirms the importance of footfall for a market, with the following comments received about their trial period on the High Street:

"There have been a few inevitable teething problems, but in general it has been well received by both public and the High Street. We have maintained a regular dialogue with the shops and the comment has been made that we attract a different customer and they like the ambience of our market, but that might not be every shop's view... That said the long term plan was, that once Silver Hill had been finished, we should move into the Broadway.

...Traders have probably seen a small uplift in take, probably due to the fact that there is a more consistent footfall but a bit too early to make any meaningful statements yet, and it does vary trader to trader."

- 3.4 Permanent retailers and market traders share peak trading times and days, not surprisingly, and their customers spend money with both. They appear to share a customer demographic, describing them as 'comfortably off', and this is at odds with comments made in recent years about the markets attracting 'the wrong kind of customer' to Winchester. Indeed, a letter from a BID member prompted by comments to this effect in the newspaper, runs:

"I now own a small independent business in Winchester. All the retailing training and advice I received in my early career emphasised the importance of busy streets and high footfall and in those days there was never any mention of attracting "the wrong sort of shopper"- ...everyone was considered a potential customer..."

There is no viable option to move the markets from the High Street and if that was the case, the High Street may look nice without the stalls but the very life of the city centre would die and numerous businesses like the restaurants etc. who rely on high footfall would indeed suffer..."

- 3.5 At the time of writing this Report, a number of market stalls have been displaced from their usual pitches for a few days to accommodate utilities works. Feedback received via SMT who managed the temporary layout stated:

“Clarks, Smiths, Costa and Phase Eight on the opposite side [of the High Street] were also contacted. Interestingly the management of Costa said that they would like to have a market in the High Street every day, as did W H Smith.

Early in the afternoon personnel from Holland and Barrett approached a trader asking for reasons behind the market move as their turnover had been adversely affected by the move [i.e. the removal of stalls].”

- 3.6 In the survey exploring the impact of the market on permanent businesses, 48% said they did not feel they benefited from being close to the market. However, 51% agreed that market shoppers used other shops and eateries. Turnover is not as healthy for many retailers as it was a year ago, and whilst it is not possible to attribute this to the impact of the market specifically, 42% of retailers disagreed with the statement that ‘the markets were in the right location and position in the city centre’. (At the same time, 55% rated the location as OK to Good.)
- 3.7 The Retail Group felt there was confusion about the market because it is spread across several areas and not consolidated in one location. They proposed improved signage and ‘branding’ to give it a stronger presence, and encourage shoppers to explore the whole length of the market – and the shops on either side of it. They also suggested that some relatively small changes to the current layout could contribute to a more consolidated effect.
- 3.8 Retailer attitudes to the markets tend to be driven by concerns relating to congestion for shoppers – exacerbated when the market is packing up or during peak trading seasons such as Christmas – combined with poor visibility of shop frontages. However, The Retail Group felt that this could be addressed through adjustments to current positioning of stalls at ‘pinch points’ to create more space for pedestrian flows and by more consistent management of the market.

#### 4 Areas for Development

- 4.1 Even within the BID opinion is very varied about the market, with some strong voices at Board level arguing for it to be removed completely from the High Street or, at the very least, for the number of markets to be reduced. However, others consider that there to be a positive relationship between the shops and markets.
- 4.2 Officers are proposing a development plan (see Appendix 1), with both short and longer term actions, which seeks to build on the many positive attributes of the market whilst heeding and trying to address the concerns of retailers dealing with a challenging national trading environment.
- 4.3 In recent days, officers have had confirmation that the Council has identified funding for an annual ‘hand clean’ of the High Street and surrounding streets on an annual basis – with the first in the coming weeks - in response to

comments from residents and the BID about the impact of the market on the streetscene. This is typical of the responsive approach that the Council has sought to adopt in dealing with concerns.

- 4.4 The BID have asked to see the markets contract openly tendered in order to test the market and ensure that the Council and Winchester as a community are getting the best from it. Feedback from The Retail Group suggests that SMT is one of the best market operators working in the UK. For the short term, therefore, it is proposed to focus officer time on working collaboratively with the existing operator to make improvements. Options for future procurement of the management for the markets will be examined over the next year.
- 4.5 Short term developments focus on:
- **Presentation**, including use of clear backs for greater visibility of the surrounding shops, improved management of litter and a more consolidated presence in the High Street, positioning of the more visibly attractive stalls in the high profile locations
  - **Quality**, ensuring that products, service and the overall customer experience are of a high standard
  - **Circulation**, making adjustments to market layouts to ease congestion at pinch points
  - **Branding** (including branded uniforms for markets staff), and clear signage, to create a strong identity
  - **Marketing** of the market as an attraction, and also as part of the wider offer of Winchester
- 4.4 In recognition of the importance of the last week before Christmas for BID members, it is proposed that the two additional market days on the Monday and Tuesday of that week be removed from the programme.
- 4.5 In the longer term, there is no doubt that Broadway is the most frequently suggested location for a single, dedicated market area and it is acknowledged that this would be an attractive space in which to locate it. The market could improve the public realm in this part of the centre and the move would significantly improve the pedestrian experience in the Middle Brook Street and the Lower High Street.
- 4.6 However, discussions with highways colleagues indicate that there would be substantial disruption to bus services to and from the bus station, as well as to coach services which drop off and collect passengers in the Broadway. The closure of the Broadway on market days would have an impact on journey times and contract costs; inconvenience shoppers and other visitors, especially those with mobility difficulties, and affect delivery/servicing

arrangements for the shops. In addition it would seriously impact on all bus routes, and especially the Park & Ride service, at times when there is traffic congestion in the city centre. Such a proposal would therefore cause real operational difficulties and would be likely to attract a very high level of resistance from operators.

- 4.7 A move of the market to Broadway, with the associated highways changes, would need to be accommodated by a package of measures as part of a County Council-led plan for the city centre.
- 4.8 In the meantime, Town Forum Members are enthusiastic about the possibility of making greater use of Broadway for ad hoc markets and the Council has been approached by a local event management company with some interesting proposals to this effect. These include themed and night markets.
- 4.9 Members can review the complete draft Development Plan set out at Appendix 1, and are asked to approve it for implementation by the Head of Estates.

#### OTHER CONSIDERATIONS:

#### 5 SUSTAINABLE COMMUNITY STRATEGY AND PORTFOLIO PLANS (RELEVANCE TO):

- 5.1 The successful operation of the markets programme supports the local economy – in alignment with the Council’s Economic Prosperity outcome - and contributes to the corporate goal of being Efficient and Effective.

#### 6 RESOURCE IMPLICATIONS:

- 6.1 Although the markets were introduced and continue to be managed in order to support the economic wellbeing of the city centre, they do make a significant revenue contribution to the Council’s budget each year. In 2014/15 the net revenue from the markets was c£215k.
- 6.2 The evidence collected does not seem to call for any major reductions to market trading hours. Proposals therefore reflect an evolutionary rather than revolutionary approach, as recommended by The Retail Group.
- 6.3 Most of the short term changes in the Development Plan can be accommodated within existing revenue budgets. However, the loss of the two additional market days in the week before Christmas will mean a reduction in revenue to the Council of c£9k. This can be accommodated within existing budgets as a prudent income forecast has been set for 2016/17.

#### 7 RISK MANAGEMENT ISSUES

- 7.1 Key risks relating to the markets programme that have been raised during the course of this review are as follows:



- Visitors/shoppers deterred from coming to the city because of congestion at peak times (eg Christmas), resulting in a drop in footfall and therefore spend in Winchester's shops and eateries;
- Shopping offer is perceived to be 'downgraded', resulting in changes to shopper profile and so lower spend in the city centre;
- Year-round shops and eateries struggle against 'unfair' competition from the markets, resulting in more empty shop units and a loss of independent retailers;
- The markets are removed to secondary shopping areas with low footfall, which would lead to a reduction in the numbers and quality of stalls;
- Reputation as a 'business-friendly' called into question, resulting in loss of confidence in future negotiations/decision-making processes.

#### BACKGROUND DOCUMENTS:

Winchester Market Survey 2016, The Retail Group

Winchester Business Improvement District Proposed Action Plan

Feedback from Winchester Town Forum Members

#### APPENDICES:

Appendix 1: Draft Market Development Plan

## Appendix 1: Draft Markets Development Plan

NB: Actions will be extended to include all markets, including Sunday speciality markets which were not part of the original review. They do not apply to Hampshire Farmers' Markets as these are independently run, but could be used as a basis for further discussion with HFM for their own future development.

**Objective 1: Presentation** - All street markets will be presented to a high standard, with attractive stalls, merchandising and signage.

Action	Aim	To be actioned by	Deadline
Introduce clear backs for market stalls where appropriate.	Improve sightlines and visibility of surrounding shops	Estates/SMT	June 2016
Review and improve litter collection and inspection regime	Improve environment around the market and respect the historic fabric of the city	Estates/Council Contract Manager	Ongoing
Review layout of market stalls	Consolidate position, making for more 'coherent' presence naturally guides visitors/shoppers through the town	Estates/SMT	Ongoing
Market sections to be 'book-ended' by stalls with strong visual appeal	Ensure market attracts interest and actively leads shoppers towards the stalls/shopping streets	SMT	June 2016
Cluster food stalls together in 'Street Food' areas	Reduce smells outside clothing stores and increase visual impact of food stalls	Estates in consultation with BID	July 2016

**Objective 2: Quality** – Customers can expect quality products and excellent customer service in the markets

Action	Aim	To be actioned by	Deadline
Review Management Contract terms to ensure that the quality of traders can be managed effectively	Set a benchmark against which to assess products and service	Estates,	June 2016
Mystery shopping programme	Commission programme of third party mystery shopping exercise to test quality of service and ensure standards set out in Charter are maintained	Estates, supported by Head of Tourism	August 2016
New market stalls to be tested in secondary locations	Ensure High Street pitches are kept for established traders who observe the standards in the Charter	SMT	June 2016
Review licensing arrangements for market stalls	Ensure that appropriate legal permissions are in place for every trader, and that relevant environmental health legislation is upheld and monitored	Estates, supported by Head of Environmental Health & Licensing	Ongoing
Review success of Markets Management Agreement as a basis for considering full tendering of market management contract	If the Development Plan is not implemented and quality standards are not preserved, a tendering exercise presents an opportunity to test the market for other approaches/offers	Estates	May 2017
Explore opportunities for themed markets	To build on the diversity of the offer and Winchester's reputation for good markets, but not in a way that adds to congestion of the High Street or in competition with other events (eg Cathedral Christmas markets)	Estates supported by Head of Tourism	Ongoing

**Objective 3: Circulation** – Shoppers and visitors in the City Centre can circulate freely, with clear access for those with mobility scooters or prams.

<b>Action</b>	<b>Aim</b>	<b>To be actioned by</b>	<b>Deadline</b>
Review layout of market stalls	To ensure that 'pinch points' are not formed at periods of high visitor numbers(eg at Buttercross)	SMT	Annually at peak periods i.e. Christmas and Hat Fair
Ensure that the relocation of the market to Broadway is incorporated into future plans for Silver Hill	To provide a long term home for the market where it can continue to be a visible part of the streetscene whilst reducing pressure on the narrower central streets	Estates	Ongoing objective
Review layouts bi-annually with Winchester Access for All Forum	To ensure adequate consideration has been made for those with disabilities or other mobility challenges	WCC representative	At appropriate meetings.
Do not place stalls in the pedestrianised section of the High Street on Mondays and Tuesdays before Christmas when that falls on a Wednesday or Thursday	To provide some 'down time' for the High Street for retailers to capitalise on peak trading opportunity	Estates	Christmas as appropriate.
Increase number of days when the market can be removed from the High Street to 4 per annum	To enable other events to take place in the City Centre on market days	Estates, in consultation with Safety Advisory Group	June 2016
Discuss all significant layout changes (temporary or long term) direct with the BID at least one month in advance, wherever possible and regardless of cause (eg utilities works)	To ensure that BID views/considerations are properly taken into account	SMT/Estates	June 2016

Actively manage markets area to ensure that stalls are not broken down early	To minimise impact of market take-down on other retailers, while complying with traffic orders and public safety requirements	SMT	June 2016
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**Objective 4: Branding and Marketing** – The markets have a strong identity which reflects and enforces the wider appeal of the city to shoppers and visitors

Action	Aim	To be actioned by	Deadline
Continue to develop branding for the Winchester Markets Programme	To create an identity/personality for the markets which positively contributes to the wider offer of the city	Estates, supported by Corporate Communications	Ongoing
Market gazebos to be replaced with new on a planned basis	To ensure consistency across all stalls whilst giving Winchester markets a unique look and feel	Estates	Ongoing annually
New 'arrival' and directional signage to be developed and introduced to the market	To provide a welcome to shoppers and ensure they are able to explore the entire length of the market and surrounding streets	Estates, supported by Head of Tourism	July 2016
SMT management/ staff to wear branded sweatshirts/coats reflecting	To demonstrate 'active management' of the market to the public and retailers and ensure that complaints (or compliments) can be quickly and easily dealt with	SMT/Estates	July 2016
Market management to be more directly involved in planning for key events/Christmas	To integrate the markets offer sympathetically into wider marketing campaigns and event-planning for the city	SMT, Tourism	Ongoing