

## **Cabinet**

**30 May 2012**

### **Revitalising Markets within County Durham**

**Key Decision NH/06/11**



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#### **Report of Corporate Management Team**

**Joint report of Terry Collins, Corporate Director, Neighbourhood Services and Ian Thompson, Corporate Director Regeneration and Economic Development.**

**Councillor Bob Young, Cabinet Portfolio Holder for Strategic Environment**

**Councillor Neil Foster, Cabinet Portfolio Holder for Economic Regeneration**

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#### **Purpose of the Report**

- 1 To present the findings of the County Durham market review and seek Cabinet approval of the draft strategy for 'Revitalising Markets' within County Durham' for public consultation.
- 2 To present options for the future management and operation of markets across the county for further consideration.

#### **Background**

- 3 In the pre-19th century the majority of the population made their living through agriculture and livestock farming, most people lived where they worked, with relatively few living in towns. Market towns grew up at centres of local activity and were an important feature of rural life.
- 4 The monarch has always had the power to grant to a subject the right to hold a market without disturbance. This was in essence a monopoly which restricted the right to hold another market within a certain travelling distance of an existing one. This limit was usually a day's worth of travelling to and from the market. This has evolved into the common law distance of six and two thirds miles.
- 5 Markets can be created by grant from the Crown, long user (prescription), local Act of Parliament or under powers in public acts such as the Food Act 1984. If a market has been created by grant, long user or Local Act of Parliament the owner of the market has certain privileges including the right (in some cases) to restrain rival markets within the common law distance set out above. Therefore organisers of new informal markets may be at risk of possible action by existing right-holders. Where a market is held without the authority or right of a franchise or by statute it is an 'unofficial' or 'informal' market. Any concourse or gathering of buyers and sellers may amount to an informal market regardless of whether the activity is described as a market.

## **The Role of the Council**

- 6 There is no statutory duty for Durham County Council (DCC) to provide markets on any particular day at any particular location.
- 7 However, whilst there may be no requirement to hold markets there may be legal considerations relating to the origin and status of the existing markets which dictate when such markets are to be held and their location. In addition, once a market has been formally established, whilst market days and market location may be changed, any such change will be subject to following the correct statutory or other legal processes including consultation, advertisement and change of planning permission.
- 8 Under Part IIA of the Food Act 1984, the County Council is a market authority and can, under the terms of that Act:
  - s.50 Establish or acquire a market
  - s.52 Appoint market days and hours
  - s.53 Demand charges
  - s.60 Make byelaws

## **Local Authority Market Provision**

- 9 Local Authority managed and operated markets currently operate in 10 locations across County Durham namely Durham City, Chester-le-Street, Crook, Consett, Stanley, Seaham, Spennymoor, Bishop Auckland, Barnard Castle and Stanhope. Appendix 2 shows the existing licensed and DCC managed market provision within County Durham. Other markets exist and operate across the County but they are not under the control of the County Council.
- 10 Responsibility for markets was transferred to the Environment, Health and Consumer Protection Service (EHCP) following local government re-organisation in 2009. The existing management arrangements have remained in place since then and as a result the Council has continued to directly manage market provision in some areas. The markets in Consett, Stanley, Seaham and Durham City, are operated under local agreement by independent market operators.
- 11 Therefore there are two management models that exist under the current arrangements for markets across County Durham. Different operators continue to operate and manage the markets under the terms and conditions contained in their agreements which were inherited following local government reorganisation.
- 12 In order to provide a position statement in the current market provision a review of the markets was commissioned by the Head of Environment, Health and Consumer Protection and Head of Economic Development and completed in February 2011.

- 13 The aim of the review was to identify a baseline on which to develop a strategic approach for the revitalisation of markets and encompassed eight key areas:-
- Integration with town centre and local communities
  - Promote good management practice
  - Identify additional investment requirements
  - Consider publicity and marketing
  - The need for a unique selling point
  - Identify sustainable locations
  - Promote partnership working
  - Identify lessons learned from elsewhere
- 14 The scope of the review considered all areas of DCC's services relating to markets including management undertaken by EHCP, town centre management, asset management, regeneration and planning undertaken by Regeneration and Economic Development (RED). As a result of the review and the Council's internal audit process a number of service level improvements were identified which were implemented but these were not designed to have an impact over the strategic view or management of markets.
- 15 The review included representations from existing users and traders as well as research data from private markets and highlighted examples of best practice across the region. The best practice examples were mainly from those authorities with single markets as opposed to larger unitaries where multiple markets were in operation across the local authority area. A copy of the review report has been made available in the member's room.

### **Findings of the markets review**

- 16 With the increase in consumer's mobility and availability of online shopping, it is widely reported that today's shoppers have greater expectations and are often looking for a retail experience including a social and entertainment element; and all in one place. This has stimulated the continued rise and dominance of supermarkets both in and out of centre; and the success of out of town retail parks, that offer ample free parking and a perceived safe and secure environment.
- 17 Nationally this trend has had a significant impact on the sustainability of traditional markets which have generally been in decline across a number of market areas over the past 10 years. The apparent decline in markets could be down to a number of factors and there is no "one size fits all" blueprint for success for a market as each will have their own unique selling point to their existing and potential customers. Recent years have also seen an increase in the opening of discount retail stores often occupying prime, high street premises. Such enterprises have the capacity to bulk purchase and sell on goods at less cost than the market traders can buy at wholesale.

- 18 Like many places nationally, Durham's markets show a mixed pattern and different levels of performance. Some markets are considered more popular than others in terms of number of traders wanting to trade and numbers of visitors but most are operating with varying degrees of under-occupancy. It is clearly evident however that a core of traditional traders are the mainstay of our markets and continue trading despite the challenges faced in the current economic climate. It is also likely that each market will have regular users with some markets having a greater potential to attract visitors from outside the immediate locality.
- 19 In line with the national trends, the review also suggested a number of other reasons contributing to the overall decline in traditional retail markets across the county including:-
- Technological advances leading to increased competition from online sales
  - The rise of the supermarket and out-of-town retail centres
  - Lack of investment or vision in market provision
  - Changing demographics
  - Overall current economic conditions within local town centres
  - Image of the market-quality and appearance of the stalls and general environment
  - Lack of investment in markets including publicity and advertising.
- 20 These factors are reflected in the current level of take up for market stalls within County Durham, where with the exception of the Saturday Market in Chester-le-Street, there are no other markets running at full capacity. Appendix 3 shows the take up of available stalls, identified within a survey undertaken as part of the review of markets across County Durham which showed at that time that many were trading at half or below half capacity.
- 21 Officers within the Environment, Health and Consumer Protection service are responsible for managing five retail open markets, one outdoor farmers market and the contract monitoring of the four licensed markets.
- 22 The four licensed markets operating in Consett; Durham, Seaham and Stanley are directly managed by a market operator under local agreement with the Council and are managed directly by their employees and operate independently of one another. The contracts for these markets have been extended and are due to expire on 30 June 2012.
- 23 The direct salary costs to the Council in managing markets is circa £120,000. There is currently no specific budget provision for publicity and marketing of markets and a limited budget of £21,000 to deal with any associated repairs and maintenance of market infrastructure and equipment.
- 24 Due to the current level of resources, officers have limited capacity to manage and operate all markets within County Durham. An example of this is particularly evident on a Saturday when the team are currently responsible for five active markets. The level of operation is therefore often limited to collecting rents and responding to daily occurrences.

- 25 The management of the market is also restricted in terms of publicity, promotion, seeking new traders and opportunities for funding due to the resources in EHCP.
- 26 Existing agreements for the Consett, Stanley and Seaham markets require a sum payable of 50% of gross receipts from the licensee with the Stanley market requiring a minimum sum payable of £700 per week from the Operator. The agreement for Durham City market requires the licensee to pay 50% of the operating surplus of income less expenditure.
- 27 Income received from markets since 2009 is set out in the Table below:-

	<b>2009-10</b>	<b>2010-11</b>
	<b>£</b>	<b>£</b>
Stanley	28,320	26,410
Consett	21,100	18,310
Barnard Castle	8,310	8,280
Chester-le-Street	100,890	92,090
Durham City	10,010	6,080
Crook	19,080	16,360
Bishop Auckland	17,920	13,160
Stanhope	1,860	1,670
Spennymoor	1,900	0
	<u>209,390</u>	<u>182,360</u>

Income relating to Seaham market is not included in table as the market has only been operating since 2011.

- 28 Annual income targets for markets have been based upon those originally set by the legacy authorities prior to April 2009 and against the market income target for 2011/12 of £278k. It is not known how the legacy budgets were set and if they included information purely from market income or contained other finances that may have been generated from other sources such as external grants etc. This has resulted in a projected shortfall in income which has presented a significant budget pressure for the EHCP service over the last twelve months and for the years ahead unless a more realistic target can be established and income generated from markets improve.
- 29 The current sustainability of markets operating across the County based upon the current management and operational arrangements is extremely limited and in order to revitalise markets and get the best market offer for County Durham the review concluded that the current management of the market provision would need to change.
- 30 The review recommended that the Council should develop a strategic approach to improve the performance of markets and take appropriate steps to promote market activity within town centres and maximise any opportunities for economic growth.
- 31 Successful markets offer a significant economic benefit to town centres and local communities and remain an important element of the local economy, particularly in relation to: providing a sense of place, independent retailing, local employment / job creation and business start-up opportunities.

- 32 The success and further development of local markets across County Durham is considered key to town centre development and the Council's aim of achieving 'Vibrant and Successful Towns'. Consultations undertaken as part of the preparation of Town Centre masterplans across the County highlight the importance placed by residents on local town centre markets and aspirations for an improved market offer. A number of initiatives have already been delivered in Durham City, Spennymoor and Bishop Auckland and are currently proposed in Consett which have recognised the importance of a local market to encourage visitors to the town centre, support the local economy as well as enhance the overall visitor experience and potential tourism offer.
- 33 The positive contributions markets can make to towns has also recently been recognised by the Portas Review, commissioned by the government to identify opportunities to strengthen and revitalise town centres. This review includes specific recommendations to Government around declaring a National Market Day and recognising the positive contribution to Town Centres that markets can bring.

### **Material considerations**

- 34 Following on from the market review further work has been undertaken in consultation with traders, consumers and other interested parties to develop a strategy for 'Revitalising Markets within County Durham' A copy of the draft strategy is shown in Appendix 4. This sets out the councils overall vision to create,
- 'Our vision is that County Durham's markets should be well-managed, integrated components of successful town centre economies, offering good quality and good value local produce and speciality goods in support of our communities. Shopping in County Durham's markets will be a pleasurable experience, characterised by high quality, accessible stalls, an excellent mix of well-trained and passionate traders and links to retail stores and town centre events and attractions.'***
- 35 Realising this vision, will depend upon the long term commitment of key stakeholders to adapt and respond to the needs of current and future customers. As such the strategy includes a range of measures intended to encourage and support local and regional traders as well as enhance the shopping experience for residents and visitors to County Durham.
- 36 In taking this long-term strategic approach to the revitalisation of markets the council will need to change the manner in which it manages, supports and promotes each local market activity whilst recognising the historic market rights that may exist across the county.
- 37 It must be noted that the aspirations and actions contained in the strategy would not guarantee a marked improvement in the overall performance of each market. There may be a number of factors outside the Authorities control that could play a part in how successful each market will be, but by delivering the actions it would give each market the opportunity to maximise its potential against the existing and emerging factors that are contributing to its apparent decline.

## Key elements of the strategy

38 The strategy for revitalising County Durham's street markets has been developed as a logical progression from the findings and initial options analysis that were contained in the Markets Review. The strategy aims to further develop a range of practical interventions that will enable the County Council to optimise support for the enhancement and growth of markets across the county. Underlying this key objective is an evidence base which highlights the substantial economic benefits of the best markets coupled with a desire to ensure that any changes to the ways in which the County Council manages its interests in markets is geared towards an integrated approach to maximising assistance to our town centres, existing retailers and traders, local communities, local producers and future entrepreneurs. The strategy also seeks to translate best practice and recent guidance on securing the future of our high streets into a range of key themes for future potential investment and suggested next steps for action

39 The strategy contains eight key themes,

- Structured, Effective Management
- Engaging Partners
- Supporting Our Town Centres
- Place Shaping
- Supporting Micro-Businesses
- Supporting Communities
- Supporting Local Produce and Speciality Goods
- Marketing and Public relations

40 County Durham's markets should be well-managed, integrated components of successful town centre economies, offering good quality and good value local produce and speciality goods in support of our communities. Shopping in County Durham's markets will be a pleasurable experience, characterised by high quality, accessible stalls, an excellent mix of well-trained and passionate traders and links to retail stores and town centre events and attractions.

41 The key themes of the strategy essentially, illustrate how our markets should function and what they should look like in order to grow in a sustainable fashion and to best support town centre economies.

Future investment should revolve around these key themes which call for more effective, structured management and engagement coupled with support for fledgling businesses, local communities and local producers. With a better planned offer across the county and strategic marketing and Public Relations, future market provision has the potential to better support town centre economies and help to define and shape distinctive places.

42 The strategy proposes a set of suggested “next steps” in order to begin to deliver the quality of markets that would enhance the county’s offer to shoppers, visitors and tourists. Further work is required as to the detail of the arrangements, but the priority actions are:

- The design and implementation of a more effective management model incorporating, if appropriate, the arrangement of a partner (or partners) to help the County Council to deliver its objectives.
- Co-ordinating efforts to increase footfall and spend, delivering a well-publicised programme of high quality and where appropriate, speciality markets across the county on different days.
- Create an environment which recognises and supports the competition between traders to encourage them to improve and develop
- Supporting existing traders and encouraging new traders, experimental sellers, SMEs, micro businesses and the like via a range of incentives.
- Encourage entrepreneurial activities as well as maintaining business support for existing traders which could lead to their growth and possible expansion into fixed retail outlets
- Ensure the markets provide a good mix of traders whilst promoting and encouraging the sale local produce
- Improving the quality of markets in the context of their setting with the town centre environment by, for example, investing in new stalls and fixtures to improve the cosmetic nature of the existing markets.

In developing the strategy examples of models that have been adopted elsewhere have been considered.

### **Options for future management and operation of markets**

- 43 There are a variety of different management models in operation throughout the Country and the following three options have been identified for further consideration by Cabinet:-.
- 44 **Option One:** Continue to operate the markets as now which creates differing management models and agreements with some markets operated under licence and others maintained by the council. It is considered that the continuation of the current management approach for the Council managed markets is not a sustainable option without further significant investment in the service to ensure that markets are well managed, maintained and promoted. The current level of resources within the EHCP service is already limited and is without capacity to develop markets in the longer term or make any additional investment to support the delivery of key objectives contained within the draft Market Strategy.
- 45 Furthermore should the management and operational arrangements remain unchanged and potential for markets to continue to decline then this would continue to present an even more significant budget pressure within the EHCP service as a result of the widening deficit between projected income targets and actual income received.



- 46 If this option is favoured, it may be that the council would wish to consider whether to cease running any market that is deemed to be failing. This could increase the earning potential of any remaining markets; develop greater trader loyalty as well as providing a larger market in certain localities with a potentially better offer, increased footfall which would also act as a recruitment incentive to new traders. This decision would require considerable consultation and consideration together with additional legal advice on how this could be achieved taking into account the individual legal status of the markets in question.
- 47 **Option Two:** The council to manage all markets and dispense with all existing local agreements to allow the council to retain the strategic and operational management of the markets offering the advantage of accountability, linking markets to wider policy and strategic goals. Bringing the management of markets in house would ensure that all markets are managed consistently throughout County Durham and would increase income potential for the council even at the current level of trading.
- 48 Adopting best practice that has been identified from highly performing markets nationally, this model would however require further investment and enhancement to the existing EHCP service. This option would require the expansion of the existing market team to provide more capacity and include the appointment of a Markets Manager, with overall responsibility for promotion and development of each market to improve their economic vitality and prosperity. Should this option be considered more favourable than others then it is crucial that the markets team is developed to ensure that staff have appropriate skills to deliver initiatives around economic wellbeing and business support and aligned to a service area that is linked closely with town centre regeneration.
- 49 It is estimated that increased revenue costs of £250k would be required to meet additional salaries, repairs and maintenance programme and associated publicity and marketing, it is also expected that further capital investment in new infrastructure, stalls, awnings and equipment would be required. The exact cost of this investment is not known but an assessment of the existing equipment has found that it is in need of updating and replacement in certain cases. That assessment has only been made on the 10 markets currently managed in house.
- 50 Whilst there is a potential for some increase to income by managing all markets directly, both capital and revenue costs would have to be met by the council in full. It is highly unlikely that any increase in income would be significant enough to offset the additional investment required and therefore the predicted budget pressure within EHCP service would likely increase in the short to medium term.
- In addition, for those markets currently operated by independent market operators, such costs are being met by the market operators in line with the terms of their local agreements, consequently if the management of all markets were brought under the councils direct control, any opportunity to attract additional external investment in local markets would be taken away.
- 51 Given the current financial pressures facing the council and existing skills gap within the existing markets management team, this option is not considered to be economically viable in the present climate and would still present risks to the council in terms of increased costs without any guaranteed tangible increase in income.

- 52 **Option Three:** To adopt a management model whereby all markets are operated and managed by independent operators, trader consortia or other interested parties. Harmonising the terms and conditions of contractual agreements/licences would allow the local authority to retain the strategic management of its markets but transfer the operational management function to a third party partner. Such third parties may be private operators or variously structured social enterprise organisations. This model is preferred particularly as there is limited in-house capacity and where external capital investment is required.
- 53 In adopting this approach the council would retain the strategic management and market portfolio but seek a third party partner to manage the day-to-day operation of the markets. Any third party would be expected to have their own development plans and employ their own markets officers to transform markets and support the local traders.
- 54 It could be the case that each market is operated by a different operator who would be considered to be acting in the best interests of that particular market. An assessment of prospective market operators and their interest in running each individual market would need made which must be open, transparent and fair
- 55 If the operational management of the market is placed in the hands of a third party, then contractual arrangements would need to be put in place that encouraged investment, income growth, footfall increases, customer satisfaction, and event participation. Payment mechanisms would be strictly monitored.
- 56 This option would remove much of the responsibility for the market provision and market management from the council but still allow harmonisation of standards, terms and conditions across all markets and within the context of the markets strategy.
- 57 This arrangement would also allow the council to consider setting minimum income levels for each market which also allows the partner / operator to retain a percentage of any surpluses thus encouraging the operator to maximise the markets potential and improve performance.
- 58 It must be noted that the delivery of the strategy will require market operators and traders to work in partnership with the council within the terms of their agreements. It is expected that by the commercial nature of independent operators and traders that they will strive to provide the best market offer to maximise any potential for economic growth within each town.
- 59 Option Three does present an opportunity to revitalise markets within County Durham and as such would be the preferred management model subject to member's consideration.

### **Staff Implications**

- 60 There are five posts (5FTE) which may be affected by the proposals to transfer the management and operation of the markets, three of which are currently vacant and are filled by agency staff to maintain a level of service. A decision to fill these posts has been deferred pending the decision as to delivery of the market function.

- 61 Option Three may present TUPE implications which will be thoroughly explored if this option is agreed as the preferred way forward.
- a. To support the implementation of option three, it is proposed that a new Market Development Officer Post (PO1) be created to oversee and develop the overall aims of the strategy and act as monitoring officer for compliance with the Markets Strategy and any contracts / licences that are in place.
62. The implement any new management model may require further consultation will with both affected staff and their Trades Unions. This will be managed appropriately and in accordance with current guidance and protocols.

### **Financial Implications**

- 63 Whilst option three provides the most cost effective management arrangements for the delivery of the overall 'Revitalisation of Markets Strategy' it will present some financial implications in terms of a potential reduction of income as well as a potential accrued salary savings of £80,000.
- 64 Whilst the new management arrangements will seek to promote better market performance across the County, it is expected that a more realistic income target will need to be established to reflect the sums payable under any contractual agreement. Any revised income target may present a further reduction against the actual income collected during 2011/2012 but could be offset by the overall salary savings from the rationalisation of the existing staffing establishment.

### **Legal and Procurement Implications**

- 65 The legal status of the existing markets within County Durham will differ depending on their history and the manner in which they were established. Therefore, no matter which management option and general market strategy is agreed by Cabinet, more detailed legal advice will be required as to the nature and legal status of each market to determine how such an option and strategy can be implemented. Of necessity this may differ depending on the status of each market.
- 66 If the Council decides to transfer the management and operational delivery of markets to a third party it will need to seek prospective partners. Whilst this will not constitute a formal procurement process, it is recommended that any such exercise is fully transparent and open. This would also enable the Council to establish the most appropriate organisations/persons to deliver its strategy and vision for markets in County Durham

### **Conclusions**

- 67 The council needs to consider the significance of local markets and their future provision within the context of town centre regeneration plans and the employment / business growth potential markets provide. The proposed strategy will give the markets the best opportunity to succeed and provide economic benefits to our towns.

- 68 Existing management arrangements are not sustainable given the pressures on budget, the current staff resources and the limited capacity within the EHCP service to invest in publicity, marketing, and business support services to revitalise markets as set out within the proposed strategy.
- 69 Entering into contractual agreements/licences with independent operators would enable, where possible, market operators to develop, promote and deliver a variety of markets in a consistent manner and in line with the strategic approach set by the Council which would incorporate a guaranteed minimum level of income.

### **Summary and Next Steps**

- 70 It is proposed to undertake a two stage approach to the development and implementation of the Market Strategy.
- 71 The first stage is to undertake a further consultation exercise to inform the future development of the strategy ensuring that any market offer is delivered in accordance with a wider development and regeneration plan for town centres.
- 72 In addition, it is proposed to undertake further soft market testing in relation to the options available for the management of markets within County Durham during this first phase.
- 73 All existing contracts/licences currently in place have been extended until 30 June 2012 pending the conclusion of this exercise. Due to the nature of consultation on the draft strategy, and the outcome of the soft market testing in relation to management arrangements these may need extending.
- 74 A further report will be presented to Cabinet for their consideration following completion of the consultation and soft market testing exercises. Subject to Cabinet approval it is proposed to commence the second stage of the process which will focus primarily on the key tasks relating to the delivery of the strategy and implementation of any revised management arrangements.
- 75 A project plan outlining key milestones and timescales has been developed to ensure that these proposals are implemented in accordance with any agreed timescales.

### **Recommendations**

- 76 Cabinet consider and agree the proposed draft strategy for the 'Revitalisation of Markets within County Durham for public consultation.
- 77 That a further report be considered on completion of the consultation and soft market testing exercises, seeking approval of the final market strategy and agreement of future management arrangements with relevant timescales for their implementation.

**Background Papers** (Copies available in Member's room)

- Markets Review report
- Mary Portas Review report

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## **Appendix 1: Implications**

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### **Finance**

The base budget target for markets income of £277,000 is ambitious and to date has been unachievable based on financial information available. The cost of staffing for existing market provision is £118,000.

### **Staffing**

There are five FTE employees currently employed for market duties within EHCP. There are currently three vacancies. The current level of staff resources has already placed significant demands on the service and contingency arrangements have been put in place to meet service demands. These arrangements are not sustainable in the longer term.

Transferring the management and operation of the markets may have TUPE implications.

### **Risk**

Early discussions with existing market operators have indicated that there is some interest in undertaking the management of markets in areas across the county. However there is a risk that there is no suitable provider to deliver the proposed market management arrangements in all areas where markets are currently operating. In such cases the council may wish to consider the implications of retaining market management arrangements in house and to consider whether to cease running any market that is deemed to be failing . A risk assessment will be undertaken following the completion of the soft market testing exercise, the outcome of which will be subject to a further report to Cabinet on proposed management arrangements.

### **Equality and Diversity/ Public Sector Equality Duty**

An Equality & Diversity Impact Assessemnt screening has been carried out and will be reviewed after the consultation period. However, it is not envisaged that the proposed changes to the delivery of a markets across County Durham will create any disproportionate impact on the protected equality groups as the level of provision experienced by customers should not change. However, the need to ensure maintenance of current levels of service provision for the protected groups, in-particular through physical access standards, will be addressed within the licence / contractual agreement to be made with the future provider.

### **Accommodation**

The costs associated with the existing market accommodation are met by EHCP. The outsourcing of the function would pass this responsibility to the operator.

### **Crime and Disorder**

None

## **Human Rights**

None

## **Consultation**

During the review customer and traders surveys were conducted at a number of DCC managed and privately license markets.

Further consultation with users and traders of the markets is proposed prior to the implementation of any proposals. This would be extensive and cover the whole of the County.

Should TUPE apply, the council has a duty to consult with any affected employees. The Council will also follow all statutory and internal procedures in the event of possible redundancies.

## **Procurement**

The implementation of the preferred option 3 to transfer market management arrangements is not considered to be a procurement exercise. All existing contracts currently in place have been extended until 30th June 2012 pending the conclusion of this exercise. It is recommended that this is extended further until 31 December 2012.

## **Disability Issues**

None

## **Legal Implications**

Markets can be created in a number of ways, including by grant, prescription or statute. The different methods of creation may result in differences in the standing and rights attached to each Market.

Any decision to transfer management and day to day operation of the markets provision should ensure that the Council does not lose, compromise or infringe any rights in relation to markets.

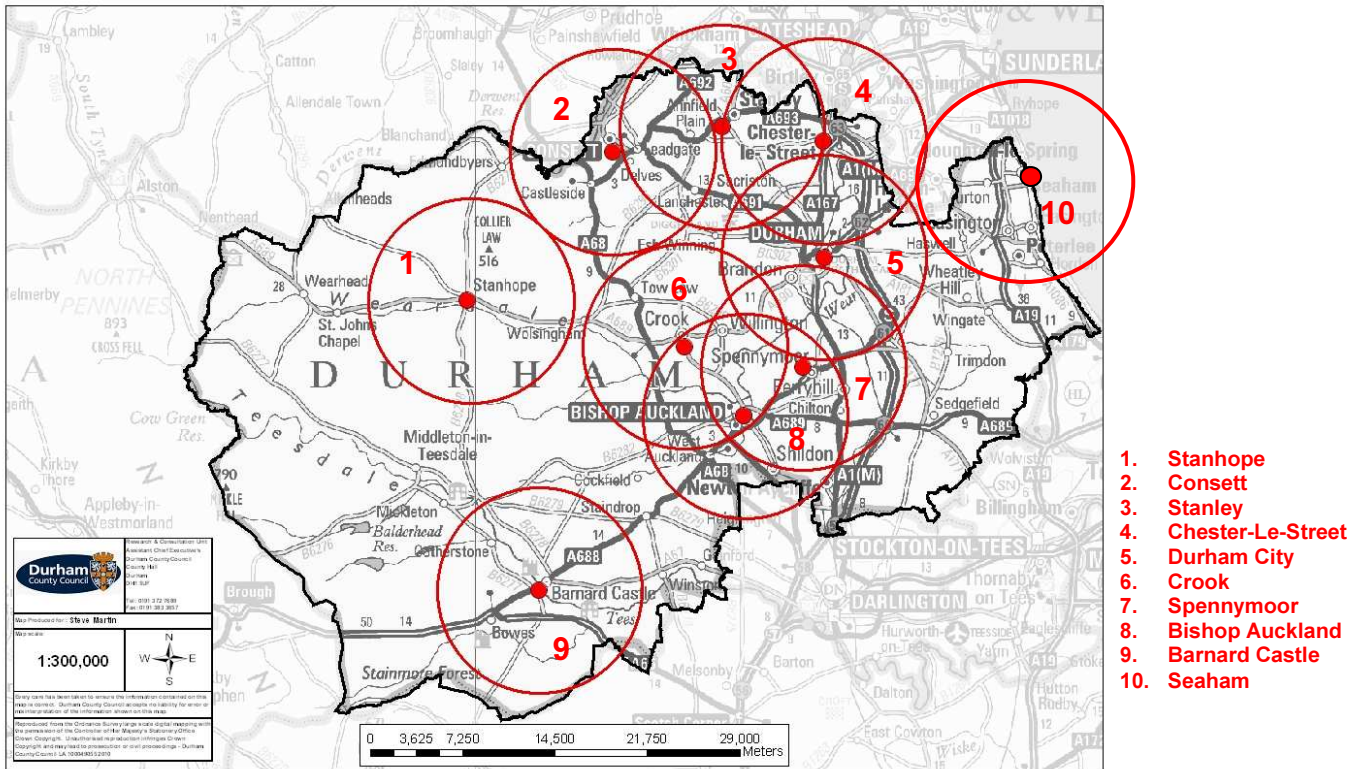
The law surrounding markets is complex and it is anticipated that specialist legal advice will be required in the event of any dispute connected with markets.

## Appendix 2: Demographics

The map shows the locations of the markets across County Durham as well as the population and salary range within a five mile radius of each market.

The market towns of Barnard Castle and Stanhope are well positioned on major routes across the Pennines as well as benefiting from the influx of tourists over the summer months.

Spennymoor in particular is overlapped by the stronger performing markets of Durham City, Crook and Bishop Auckland, all of which operate on the same Saturdays.

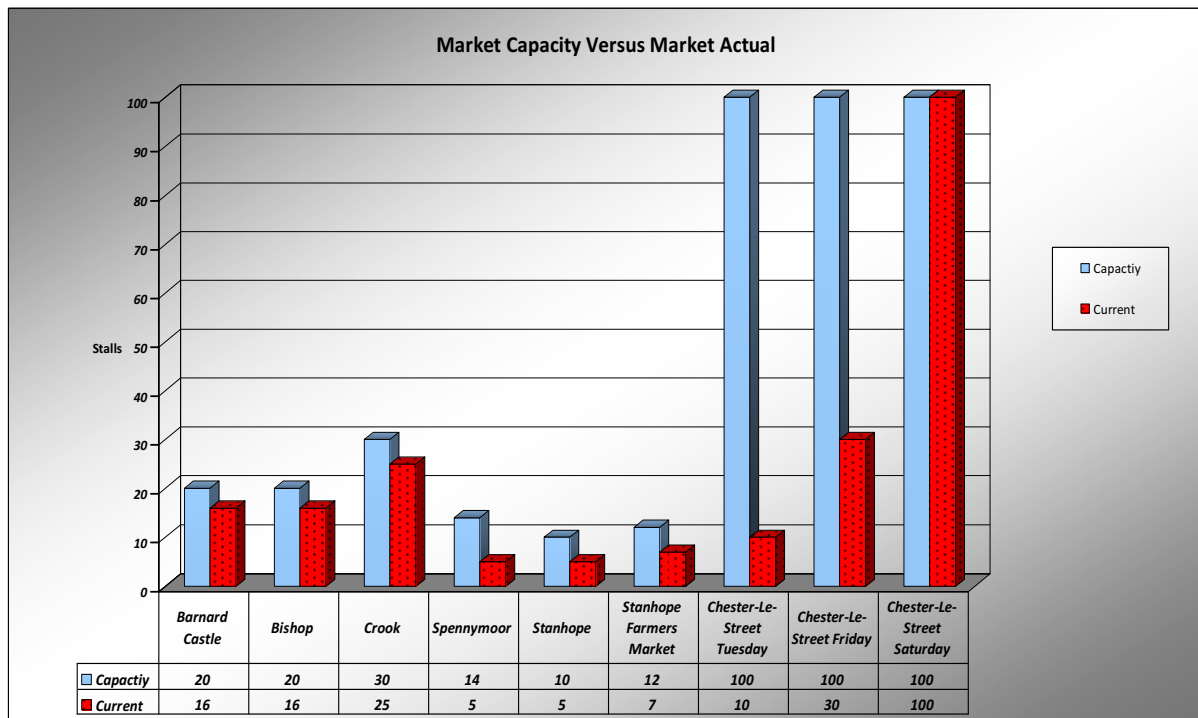


Location	Operator	Day	Operating Times	Stalls	Capacity	Average Occupancy
Barnard Castle	DCC	Wed	9am – 4pm	Trader owned	20	80%
Bishop Auckland	DCC	Thurs Sat	9am – 4pm	Trader owned	20	80%
Chester-le-Street	DCC	Tues Fri Sat	9am – 4pm	Fixed stalls	100	10% 30% 100%
Crook	DCC	Tues Sat	9am – 4pm	Trader owned	30	83%
Durham city	Market Operator	Sat	9am – 4pm	Trader owned	30	50%
Spennymoor	DCC	Sat	9am – 3pm	Trader owned	14	35%
Stanhope (April - Sept)	DCC	Mon	8am – 3pm	Trader owned	10	50%
Stanhope (farmers Market)	DCC	4 <sup>th</sup> Sat of Month	10am – 3pm	DCC Contract	12	43%
Stanley	Market Operator	Thurs	9am – 4pm	Trader owned	60	66%
Consett	Trader Consortium	Fri Sat	10am – 3pm	Trader owned	40	55% 43%

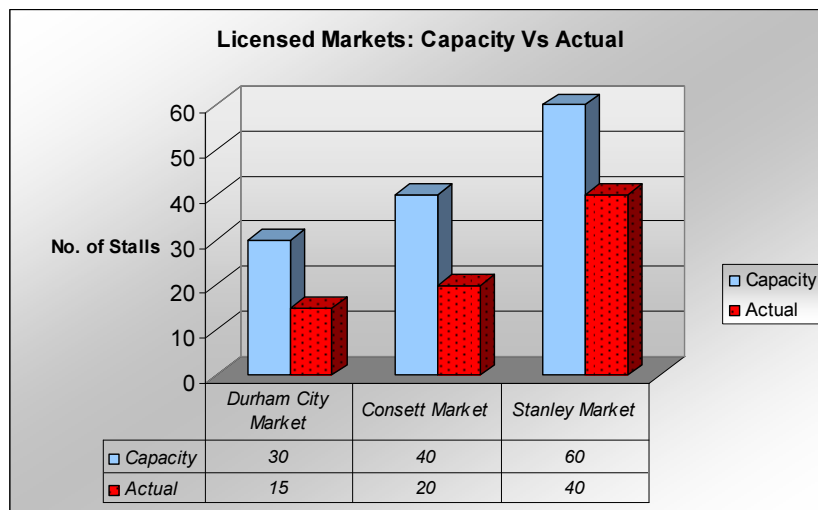
NB: Seaham – Figures not available (newly established market 2011 )



**Table 3: DCC managed, Capacity V Actual Snapshot at February 2011  
Over what time scale (snap shot, February 2011)**



**Table 4: Managed under Licence, Capacity V Actual  
(Snapshot survey at February 2011)**



# Revitalising Markets

## A Strategy for Supporting the Growth and Enhancement of County Durham's Street Markets



## **1. Background and Existing Provision**

- 1.1 Markets are the birthplace of towns and cities across the world and many of the UK's major retailers (Marks and Spencer, Tesco and Morrisons) started life in markets. In 2009, work for the Retail Markets Alliance indicated that the markets industry supports over 100,000 jobs and 45,000 businesses in the UK.
- 1.2 Durham County Council plays a significant role in the governance and management of a range of markets throughout the county's major centres. The council is therefore in a position where it is empowered to make key decisions to shape the future of markets' provision across the county and to determine the contribution that markets can play in supporting the revitalisation and sustainability of our town centres.
- 1.3 Durham County Council currently has an interest in the management and operation of ten markets in major settlements across the county. Further details of the markets, their location and days of operation are provided at Appendix 1, In summary, the operation of markets is not uniform and can be categorised into those markets which are directly controlled and managed by the County Council at Barnard Castle, Bishop Auckland, Chester-le-Street, Crook, Spennymoor and Stanhope (the latter having an additional Farmers' Market once a month) and those which are licensed for operation by private operators and trader consortia at Consett, Durham City, Seaham and Stanley. Seaham is a relatively new market, established in 2011. Other markets operate across the county, but the ten referred to above are those that are under DCC control.
- 1.4 As a clear trend, all of the markets have experienced a steady decline in activity over the past decade. This is probably linked to similar declines in activity on the UK's high streets, characterised by falling expenditure in high street retail outlets, increased property voids, the dominance of superstores, a shift to out-of-centre retail parks and increased volume of purchases over the internet. This has led to a displacement of high street economies which in turn has affected markets.
- 1.5 Within the group of markets under DCC control, performance is mixed, with none of the markets operating at full capacity; indeed many are trading at half capacity or below.
- 1.6 Tables to illustrate trader uptake against total capacity are provided at Appendix 2. It should be noted that the information is based upon a "snapshot" survey and that trading levels vary from week to week.
- 1.7 The ten markets are the responsibility of DCC's Environment, Health and Consumer Protection Department within Neighbourhood Services. In February 2011, the County Council completed a review of market provision in order to highlight risks and opportunities to inform options for future service delivery. The review involved the collection of baseline information on the current market offer and consultation with shoppers, traders and licensed operators.

This work has enabled a picture to be formed of the current characteristics and performance of the individual markets to give a position from which to work. The key characteristics are summarised at Appendix 3 and illustrate that whilst markets (in common with high streets) face a number of threats, there are significant opportunities to work with markets to enhance town centres, economic development, entrepreneurship, tourism, health and diversity and the sustainability of our major centres.

- 1.8 The County Council receives an income stream from the markets under its control. The agreements are, for the most part, inherited from the former District Councils and there are variations in the methods of licence fee calculation. For the DCC managed markets, rents are received directly from stallholders. The Consett, Stanley and Seaham markets involve the licensee paying 50% of gross receipts to DCC (subject to a minimum £700 per week charge in the case of Stanley) with the Durham City licensee paying 50% of operating surplus. Consequently, the arrangements for recovering income are cumbersome and inefficient.
- 1.9 Research into the visitor economy shows that market towns have the ability to draw people into rural areas for day trips and longer stays and to act as service centres for tourists on rural holidays and short breaks. A market in a market town is an integral part of market towns fulfilling both of these functions. Stabilising and growing the market offer in the county's market towns is therefore consistent with delivering on the county's tourism management plan that identifies market towns as critical to the success of a rural visitor economy. Markets also have the ability to promote distinctiveness. Understanding distinctiveness and experiencing it in a practical way is a main benefit that tourists are looking to gain from their leisure decisions and spend
- 1.10 There is no statutory requirement for Durham County Council to provide markets on any particular day at any particular location in the county.
- 1.11 The present position however is that the markets are held on the days that have become established over the years which presents some degree of competition particularly amongst those markets operating on a Saturday.
- 1.12 Whilst there may be no statutory requirement to hold markets, there may be legal considerations as to the Charter status of markets and of the common law practice of prescriptive markets, which may dictate when markets are to be held and their location. In addition, once a statutory market has been established and has gained planning permission, there will be a statutory reason for holding that particular market on that particular day at that particular location. This may be changed, but to do so would be subject to following due legal process including consultation, advertisement and change of planning permission.
- 1.13 As the markets authority, the council is also the primary regulator for the county under Part IIA of the Food Act 1984.

1.14 In addition to the various powers available under charter, prescription, custom and practice and local legislation, it is also possible to utilise the provisions of Part III of the Food Act 1984 under which a local authority can:-

- s.50 Establish or acquire a market
- s.52 Appoint market days and hours
- s.53 Demand charges
- s.60 Make byelaws

1.15 Responsibility for markets was transferred to the Environment, Health and Consumer Protection Service (EHCP) following LGR in 2009. The existing management arrangements have remained in place since then.

1.16 The current management arrangements for markets across County Durham presents a two different management models to market provision, with different operators continuing to operate each market under the terms and conditions contained in their agreements which were inherited following local government reorganisation.

1.17 The current sustainability of markets operating across the County, based upon the current management and operational arrangements, is extremely limited and, in order to revitalise markets and get the best market offer for County Durham, the review undertaken in 2011 concluded that the arrangements for market provision would need to change.

1.18 The review recommended that the council should develop a strategic approach to improve the performance of markets and take appropriate steps to promote market activity within town centres and maximise opportunities for economic growth.

1.19 In the course of preparing this strategy, near neighbour authorities in Cumbria and Northumberland have been consulted, in order to compare market management arrangements and identify potential management solutions.

1.20 Market management arrangements for the 12 regular, open markets in Northumberland appear similar to the current regime in County Durham, with 9 markets managed directly by the County Council's Neighbourhood Services division and 3 run under licence by private organisations.

1.21 The arrangements in Cumbria are more diverse with 6 district councils holding responsibility within their respective areas. The majority of districts have markets which are under direct council control, however Allerdale Borough Council has contracted out the management of its markets (including regular, weekly markets and one-off events) to a specialist market management company in return for a share of profits which is distributed annually. The borough includes the town of Keswick where the weekly market is exceptionally popular with residents, local retailers and visitors and where there is a significant waiting list of prospective traders.

- 1.22 Markets have been an integral part of town centre economies and, with strategic planning, innovation, quality of offer and integrated management they have the potential to continue to play a significant role.
- 1.23 Taking an approach based around support for town centres and markets is entirely consistent with central government policy, acknowledged best practice and the council's own economic policies and regeneration focus.
- 1.24 Elsewhere, within the region, there are instances of good practice in the operation of markets with notable examples at Darlington, Stockton-on-Tees and Hexham.
- 1.25 The purpose of this strategy document is to establish the broad economic and policy justification for managing County Durham's markets in a more efficient, innovative and structured way in order to better link with wider town centre and tourism initiatives in support of our major centres. In turn, this will secure stronger and more sustainable town centres benefitting retailers, traders, other town centre occupiers, shoppers and residents. It will also point to some suggested next steps towards delivering an integrated approach.

## **2. Our Vision for County Durham's Markets**

- 2.1 It is important to establish what functions our markets should serve, what we want them to do and what we want them to look like, in order to understand how we can best support them.
- 2.2 Supporting the enhancement and growth of markets can be viewed as part of the council's role under the Regeneration Statement of "adopting a 'Whole-Town' approach to creating vibrant and successful towns encompassing the economy, housing, health and the infrastructure to make it work".
- 2.3 The development of this strategy follows on from the Markets Review of 2011 and seeks to establish vibrant, dynamic markets that provide access to quality, affordable food and other goods, have significant economic benefits both for the county and for local market towns, that promote and sustain enterprise and community and that contribute to a positive, inspirational sense of place and belonging.
- 2.4 In purely physical terms, markets can play a significant role in adding to a sense of place and engendering a sense of belonging, identity and common ownership. To be effective, the market needs to be located in a sensible position and offer traders uniformity of quality in pitches but with a degree of flexibility built in. The first element of our vision is that County Durham will seek a structured, weekly cycle of markets, each sensibly located within a major centre and offering a well-planned, efficiently-managed, high quality trading environment to be readily accessible to all and to offer a diverse range of quality/value goods with a complementary mix of proactive traders and the active support of local retail interests and shoppers.

- 2.5 In economic terms, well run, well supported markets have the ability to enhance a town centre's appeal and to offer a significant draw to visitors and (in some instances) tourists. The second element of our vision is that County Durham's markets will, as part of a wider impetus for town centre regeneration and economic development, become noted for their ability to increase footfall and customer spend in our town centres and will be hubs for entrepreneurial activity, test grounds for small businesses, potential locations for new employment generation and the first port of call for buying local produce. The markets will be integral to the community, the benefits they bring will be obvious to all and they will operate in co-operation with local retailers and without protectionism from any quarter. Markets will be well integrated with festivals, events and other types of market (eg Farmers', French/German/other themed, local food, Christmas) and will tie in with town centre regeneration and tourism strategies to maximise footfall, local expenditure retention and job creation potential.

### **Vision**

***Our vision is that County Durham's markets should be well-managed, integrated components of successful town centre economies, offering good quality and good value local produce and speciality goods in support of our communities. Shopping in County Durham's markets will be a pleasurable experience, characterised by high quality, accessible stalls, an excellent mix of well-trained and passionate traders and links to retail stores and town centre events and attractions.***

### **3. The Economic Case for Intervention**

- 3.1 Wider research on markets has produced clear evidence of the contribution they make towards a wide range of economic and social policy goals. This includes benefits in regeneration, economic development, culture and tourism, food and health, community cohesion and the environment.
- 3.2 The ten markets operating across County Durham could make a significant contribution to the vitality of the county's town centres. In addition, they have the potential **to generate significant multiplier effects**, with market customers more likely to spend money in other shops in the town centre for every £1 they spend in the market.
- 3.3 This has the effect of **retaining expenditure in the local town economy**. The recent Portas Review highlighted the fact that spending in the out of town shopping developments and larger supermarkets led to the instant loss of expenditure from the local area, thus having less economic impact than spending on retailers with a localised supply chain.<sup>1</sup>
- 3.4 Markets can also be of **particular importance to deprived communities** and most of the market town locations contain proximate areas of deprivation.

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<sup>1</sup> The Portas Review – An Independent Review into the future of our high streets – page 12 – evidence provided by New Economics Foundation

Markets offer good value for money on a wide range of convenience goods and this has the potential to support higher living standards among lower income groups due to their lower prices. It has been shown that the food prices in markets have been consistently lower than those in supermarkets in recent years.

- 3.5 Markets provide important sources of employment and income generation for significant numbers of people. They also **create venues in which new business can be launched on a test trading basis at lower costs than in other premises**, and therefore have a role to play in promoting entrepreneurship and business start-up.
- 3.6 Retail markets remain an important part of the retail offer in towns and cities and local retailers are generally supportive of markets. Markets also provide an opportunity to **deliver business-led solutions to regeneration problems**. Chester-le-Street market, with its fixed stalls, provides one example where the development of the market place has acted as a catalyst for change and town centre renewal in the vicinity of the market place through public realm improvements and the installation of the “Civic Heart” public art sculpture.
- 3.7 The healthy levels of trading in and around the busy market at Crook illustrate how a **market working in tandem with a wider town centre** area has multiple benefits for traders, local retailers and shoppers alike.
- 3.8 Markets, with their associated food and cultural festival events have the potential to **strengthen County Durham’s cultural offer** and image and, to support economic growth by co-ordinating and promoting cultural events and attractions. They also contribute to the County’s economic identity by:
  - Improving the quality of place in specific sites across the county
  - Increasing positive perceptions of the county
  - Raising the profile of the county
- 3.9 The increased profile for the county’s economic identity has the potential to be reflected in the proportion of the county’s residents and businesses who feel that the market asset base increases local pride, visitors who cite markets as one of the reasons for their visit to the county and the generation of media attention.
- 3.10 There has been a clear growth in speciality markets in recent years, which demonstrates that a variety of **good markets remain popular with customers**. Economic impact studies have been commissioned in relation to Christmas markets in Belfast and Manchester. These showed net additional expenditure of £5.3 million and £22.4 million respectively into the local economy<sup>2</sup>. The fastest growing segment of the markets sector comprises farmers’ and specialist food markets, including the annual food festival in the Durham Dales, hosted at Bishop Auckland’s market place.

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<sup>2</sup> London’s Retail Street Markets – Report by Regeneris for the London Development Agency, June 2010



3.11 They also bring other benefits to the wider community. Markets are important in providing access to cheaper goods, and their presence therefore helps to increase standards of living for some groups. The 2008 review of street markets by the London Assembly identified that 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.<sup>3</sup> At a retail level, there is great scope for markets to play a role in **ensuring that local communities have access to fresh produce**. They can offer ideal locations for providing information and learning/skills opportunities on a wide range of health issues including healthy eating, and food buying/cooking skills. They can also be used to market and promote healthy eating campaigns such as the 5-a-day and Change 4 Life initiatives.

3.12 In 2006, the Joseph Rowntree Foundation published research on the value of markets as spaces for social interaction<sup>4</sup>. This concluded that:

- Markets were important sites of social interaction for all groups in the community, but most significantly for older people, especially women. Markets also represent **important social spaces** for mothers with young children, young people, and families with children, particularly at weekends
- Markets had a **significant social inclusion role**, as places to linger, particularly for older people and young mothers
- The social life of traders played a significant role in creating a vibrant atmosphere in markets, and in forging social bonds and links in the trading community as well as with shoppers
- For markets to function well as social spaces, various factors are significant. Essential attributes include: a large diverse range of products fitting well with local needs and tastes; café or food vans on site or nearby; good access to the site, especially by local transport; and an active and engaged community of traders.

3.13 There are a number of examples of markets contributing to environmental improvement agendas. These include the introduction of effective waste management systems including food packaging. The Local Government Association published a food packaging study which showed **that retail markets produced the lowest weight of waste** and the highest proportion of recyclable waste, compared with supermarket and independent high street retailers.<sup>5</sup>

3.14 In recognising the contribution that markets make to a range of economic, social and cultural factors, this strategy aims to create an environment for success and economic regeneration through:

- Increasing footfall and customer spend
- Attracting new traders and maximising the potential of existing traders
- Improving the local trading environment and opportunities for the surrounding town centres

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<sup>3</sup> Greater London Assembly Economic Development, Culture, Sport and Tourism Committee (2008), London's Street Markets, GLA

<sup>4</sup> Watson, S. et al (2006) Spaces of diversity: markets as sites for social interaction. Joseph Rowntree Foundation. The Policy Press

<sup>5</sup> Local Government Association – War on waste – Summary food packaging study: Wave 2, LGA

- 3.15 In line with the emerging national view of markets, the council recognises the mutual benefits that vibrant and dynamic markets can bring to town centres for local businesses and communities particularly in relation to:-
- Providing a sense of place and belonging
  - Local employment and independent retailing
  - Opportunities to promote entrepreneurialism and business start up.
- 3.16 In realising our vision for Durham County markets, the council will ensure that it delivers the very best offer for County Durham, whilst recognising the historic market rights that exist across the county. The need to revitalise markets, in order to provide jobs for local people and meet environmentally sustainable objectives, will be a stimulus for future action. The council recognises the role that markets play in adding value to the economic, social and cultural fabric of the county.
- 3.17 Changes in modern living habits and consumer expectations have had a negative effect on some market towns. The growth of out-of-town shopping centres and supermarkets, out-commuting and increased care use has meant they are under increasing threat from becoming 'dormitory' towns, overly reliant on transport, with a deteriorating sense of community. Equally, the growth of online sales have resulted in considerable retail leakage away from existing town centres, putting a strain on smaller independent retailers and other service providers who find it hard to compete.

This strategy seeks to address the immediate challenges presented by the economic downturn whilst preparing the foundations for future success. It covers a range of short term priorities aimed at addressing the immediate challenge of the economic downturn, medium term priorities aimed at building capacity and resilience within market towns and long term priorities aimed at building strong foundations for a prosperous future.

- 3.18 Key to these priorities is the aim to develop sustainable management solutions which transition emphasis away from regulation and enforcement toward investment and commercial management. The overarching objective is to develop the county's existing market asset base on a sustainable platform which drives up the provision of high quality goods and services and consistency across the county.

#### **4 Key Strategic Aims and Themes**

- 4.1 In formulating this strategy to revitalise the county's markets, several key themes have emerged. It is intended that future actions should address one or more of these key themes in order to secure a coherent and effective approach.

## **Key Theme 1- Supporting Our Town Centres**

A market that is well-positioned, easily accessible, customer facing, sensibly laid out and offering a clean, tidy, well-maintained and uniform image with an appropriate mix of stallholders is an asset to a town centre. It is a key theme that we should strive to achieve such a facility in each of the county's major centres and that markets should form a component of the wider regeneration and economic development agenda to:

- Increase footfall and customer spend in town centres.
- Increase visitor numbers and dwell time in our market towns.
- Attract new traders and offer the opportunity for existing traders to maximise their potential.
- Form an integral part of the town centre retail offer and assist in meeting the challenges posed to the vitality of the high street in a climate of minimal, current economic growth.

## **Key Theme 2 - Place Shaping**

For the longer term, it is essential that markets work with wider town centre interests to sign up to plans of action in support of the "business" of the high street. The Portas Review recognises that town centres comprise a diverse range of interests of landlords, retailers, councils and others and that a lack of cohesion has exacerbated the decline in footfall and retail performance.

As a priority measure, we should seek to encourage markets which (as a first step) follow basic principles of good retailing with good quality, well maintained, accessible and uniform stalls, active frontages and welcoming signage to greet shoppers. There should be a logical mix of quality goods. Shoppers should be able to enter and pass through the market easily and gain ready access to nearby shops. Such basic steps will improve the local trading environment and provide opportunities for the surrounding area.

In the longer term, markets must be viewed as major players in the town centre and involved in town centre improvement proposals.

## **Key Theme 3 - Supporting Micro-Businesses**

There are numerous examples from around the UK where local authorities and private operators have successfully encouraged the development of budding entrepreneurs.

- The national "Make Your Mark" competition, run by Enterprise UK in association with the Retail Markets Alliance offers prizes to entrepreneurs in the form of 6 months free trading, £1,000 to support the business, free marketing, free business starter pack and free NMTF membership including public liability insurance.
- NMTF runs a First Pitch programme to enable starter businesses to test trade on a market stall.

- NMTF is in discussion with a German company to provide specialist support and training to new traders.
- Acton Market is doing similar via a community market model, providing market trader training and support.
- South Derbyshire District Council, Derbyshire County Council, Business Link and Geraud Markets UK have developed a start-up programme, giving free advice, support and business planning plus discounted rents.

Additionally, the Portas Review recommends the use of markets as a step onto the business ladder with proposals for a National Market Day and the removal of unnecessary regulations.

It is recommended that markets be used as a low cost entry point to retailing for fledgling businesses with financial support for creative businesses. Markets offer an opportunity to help establish new businesses and to help engender a culture of customer care. It is recommended that start-up micro businesses who seek to trade through markets in County Durham be encouraged with appropriate financial incentives during their first few months of trading to support their business development.

#### **Key Theme 4 - Supporting Communities**

It is acknowledged, earlier in this strategy document, that County Durham's markets already offer a degree of support to communities via the provision of good value, fresh food in town centres. It is however a driving aim of the strategy that markets do more to support both the business community and some of the county's more deprived communities which, in many cases, are "on the doorstep".

Again, there are successful examples of support for communities across the North. In Wakefield market, Wakefield Council, NHS Wakefield and the Joint Public Health Unit have developed a healthy eating and living demonstration stall. In Bradford, the City Council introduced a "Step Up Market Challenge" to encourage young people to develop business ideas with the winners selling from stalls on the market.

Ideas will emerge, dependent upon the character of each town and the opportunities arising, but potential activities that might receive support include:

- Promotion of healthy eating, healthy lifestyle, exercise and leisure activities.
- Activities to complement specialist markets and town centre events.
- Special events for schools and community groups.
- Initiatives to introduce young people to retailing and customer care.

#### **Key Theme 5 - Supporting Local Produce and Speciality Goods**

Activity under this theme will strive to enhance the distinctiveness of town centres and contribute to a number of objectives.

Generating more local produce and producing more local goods will help to diversify the economy, building on the existing local food sector and helping producers move into higher value added activities, such as food processing.

There are also important opportunities in developing niche sectors, such as the creative and cultural industries and crafts.

The county has already witnessed a degree of success in this area, particularly in Barnard Castle and Stanhope and also in the form of the annual Bishop Auckland Food Festival and the Taste Durham award programme.

As shopping and the food and drink offer become increasingly important parts of the visitor experience, the development of local food and produce will increase the attractiveness of town centres and raise the quality and distinctiveness of restaurants and enhance the appeal of the market.

Potential investment opportunities include:

- Developing a thriving local food sector.
- Encouraging farmers' markets.
- Promoting retail distinctiveness.

### **Key Theme 6 - Marketing and PR**

The markets industry is characterised by a general lack of funding to support marketing and promotion. Similarly, the industry makes sporadic use of websites which are of varying quality, design and maintenance.

Taking a strategic overview of ten markets enables the pooling of potential funding to assist in marketing and promotion. Further advice should be sought in this regard but some examples of effective marketing are:

- Relatively low-cost, local TV advertising by Warrington markets.
- The use of logos to show loyalty to local markets and local produce.
- The use of a small proportion of parking charges on traders to generate a marketing fund at Stockton-on-Tees which is managed by the traders' committee.
- Well-designed, easy to use and informative websites.
- Branding and uniform appearance.

### **Key Theme 7 – Structured, Effective Management**

The current management arrangements involve a split of responsibilities between the council and private operators, a range of differing agreements providing for income to the council and a lack of a consistent, countywide approach to markets' provision.

In September 2010, the Department for Communities and Local Government published a guidance paper on management models for markets.

Whilst the paper points to a range of management structures that work across the UK, the successful models are geared to:

- Being accountable yet cost efficient in their operation and with minimal bureaucracy.
- Being focussed on the core business of promoting and running successful markets incorporating (where possible) economies of scale.
- Having the ability to access capital investment.
- Attracting and retaining market traders and ensuring that they have an increased sense of “ownership” in the operational details.
- Building closer links with local businesses and the wider community.
- Having the ability to share best practice and provide training and support for traders.
- Being integrated with town centre, business, event and tourism marketing and promotion activities.

It is recommended that the preferred, future management regime for the county’s markets adopts these core principles.

Irrespective of the type of market or operator, there is a need for good systems which capture key data without being burdensome and bureaucratic. Stockton-on-Tees invested £2,000 in a Markets’ Management data base system which tracks all rents and other finances, trader contacts, attendance records, trader history and holidays and invoicing procedures to internal audit standard.

### **Key Theme 8 – Engaging Partners**

Irrespective of the type of management model that is in place, Markets 21 (a review of the UK’s retail and wholesale markets, carried out by the Retail Markets Alliance in November 2009) recognised that partnership working is one of the essential components in successful, sustainable markets.

At present, the extent to which the county’s markets are integrated with other key interests and partners is mixed.

This strategy recommends the promotion of enhanced integration between the key players, particularly:

- To establish a forum/town centre board to include market operators, council representatives, trader representatives (NMTF or local group), retailers, businesses, tourism service, voluntary sector, transport operators, police, residents etc.
- To take strategic decisions (under the umbrella of the management regime).
- To co-ordinate marketing, promotions, events, training, access, safety in the context of whole town centre economic development and regeneration, business development and support, tourism and employment.
- Such joint approaches might result in, for example, marketing a town centre incorporating the market, retailers and other visitor attractions and/or actively engaging traders in consultation on physical regeneration proposals affecting a town centre.

## 5 Delivery Strategy

- 5.1 Moving forward, it is clear that the council needs to continue to consider fully the wishes and aspirations of all parties involved in markets, town centres and surrounding communities and to respect the historic market rights that exist across the county. The council also has statutory functions which it needs to continue to discharge effectively.
- 5.2 The existing management arrangements do not permit significant impetus to be given to the enhancement, improvement and development of markets as part of the agenda for town centres. The delivery strategy is based upon the review of the existing management arrangements, culminating in a recommendation to **seek to design and implement a more effective management model (fully reflecting local circumstances and respecting the character of individual centres) in place of all existing, local agreements in order to deliver the following strategic objectives:**
- Affording the council the ability to continue to perform its statutory functions effectively, provide strategic direction and management of markets across the county and, as a minimum, achieve its income targets year on year with an opportunity to reinvest surpluses into markets promotion and development.
  - Providing a structured, efficient and transparent management model which is purpose-designed for County Durham and allows markets to operate at peak performance.
  - Affording the council the opportunity to work with market operators to maximise the performance of markets but, also, to deliver the council's other strategic objectives in terms of wider economic impact, business start ups and growth and support for communities.
- 5.3 Once a management model to meet the council's statutory functions and strategic objectives has been designed, it will be necessary to deliver **a county-wide management service involving an external body or bodies**. This concept needs to be further developed, however there are numerous examples across the UK of successful models which can be adapted to the county's specific needs and aspirations.
- 5.4 The new management model should **enable the council to use its influence and resources to invest in the future of markets, direct strategic policy and implement initiatives, as part of wider town centre regeneration strategies, to maximise the economic effectiveness of markets**. Specific objectives are:
- Increasing footfall and customer spend in our town centres.
  - Achieving a more structured approach to the location, frequency, style, quality and operation of the county's markets.
  - Attracting day visitors and tourists and increasing dwell time.
  - Promoting markets as drivers for improved town centre management and regeneration.
  - Encouraging markets to become involved in business start-ups, entrepreneurial activity and local speciality goods, arts and crafts.
  - Attracting new traders to underpin the sustainability of markets for the future.
  - Encouraging links between street markets and private indoor markets where appropriate eg Durham City.

- Further developing links with local produce, healthy eating and healthy lifestyle promotion.
- Establishing better links with schools and communities.
- Modernising and improving the promotion of markets as part of the branding and image of the county.
- Implementing reduced packaging and recycling initiatives.

5.5 In tandem with a new management model, the council needs to **consider and implement appropriate governance arrangements that will assist in the implementation of strategic objectives, the efficient operation of markets and delivering the agenda for change and improvement.** The arrangements must allow for input from a wide range of parties with interests in our town centres if consensus is to be reached and step changes made. They must also act as a tool for performance management and review.

5.6 The council needs to **keep all interested parties informed and involved in the continuing development of markets as part of the town centres' agenda.**

5.7 In the longer term, the council should **work with all interested parties to utilise markets to help shape our town centre places and to form an integral part of physical regeneration initiatives.**

## 6 Suggested Next Steps

6.1 In the short term, the priority for action is the design and implementation of an effective management model and, if appropriate, the agreement with an external partner or partners to help the council to deliver the wider, strategic objects around revitalising markets. This issue needs to be resolved without delay, as the various local agreements for markets are due to expire in June 2012. It will also require further, detailed consultation on a county-wide basis.

6.2 Once the management model and governance arrangements are operational, the council should seek, as a priority, to co-ordinate efforts of its partners which will have impacts in terms of increasing footfall and customer needs. Potential interventions might, for example, be better promotion and optimising links to other events.

6.3 The arrangements should also agree a priority action of attracting new traders and maximising the potential of existing traders. This will assist in broadening and refreshing the markets' "offer" and help to improve sustainability. Recommended actions might include initial reduced rents (or other incentives) for new traders, test trade opportunities, training and support, incentives to existing traders to introduce new stallholders and offset rents in inclement weather.

6.4 The management of the markets should be co-ordinated so as to allow for the flexibility to support and maximise the potential of large scale and local events

6.5 Finally, and as a further priority action, there should be an impetus towards improving the local trading environment and opportunities for the surrounding town centres. Potential interventions here might be investing in new stalls and reviewing the layout and operation of markets to ensure that they operate in harmony with neighbouring shops and are optimised for shopper access. The council should ensure also that there is a joined-up approach for the operation of markets in the context of other events, initiatives and regeneration strategies.



## Appendix 1

### Schedule of Current Markets

Location	Operator	Market Day	Times	Stalls	Land Asset
Barnard Castle	DCC	Wed	9am - 4pm	Trader owned	DCC Freehold
Bishop Auckland	DCC	Thurs and Sat	9am - 4pm	Trader owned	Adopted Highway
Chester-le-Street	DCC	Tues, Fri and Sat	9am - 4pm	DCC owned. 100 fixed stalls	DCC Freehold
Consett	Trader Consortium	Fri and Sat	10am - 3pm	Trader owned	Adopted Highway
Crook	DCC	Tues and Sat	9am - 4pm	Trader owned	DCC Freehold
Durham City	Durham Market Co.	Sat	9am - 4pm	Trader owned	Adopted Highway
Seaham	Private Operator	Friday	9am - 4pm	Trader owned	Adopted Highway
Spennymoor	DCC	Sat	9am - 3pm	Trader owned	DCC Freehold
Stanhope	DCC	Mon (April – Sept only)	8am - 3pm	Trader owned	DCC Freehold
Stanhope (Farmers' Market)	DCC	4 <sup>th</sup> Sat each month	10am - 3pm	Contracted in by DCC	DCC Freehold
Stanley	Private Operator	Thurs and Sat	9am - 4pm	Trader owned	Adopted Highway

Stalls at Chester-le-Street are fixed, uniform and owned by DCC.

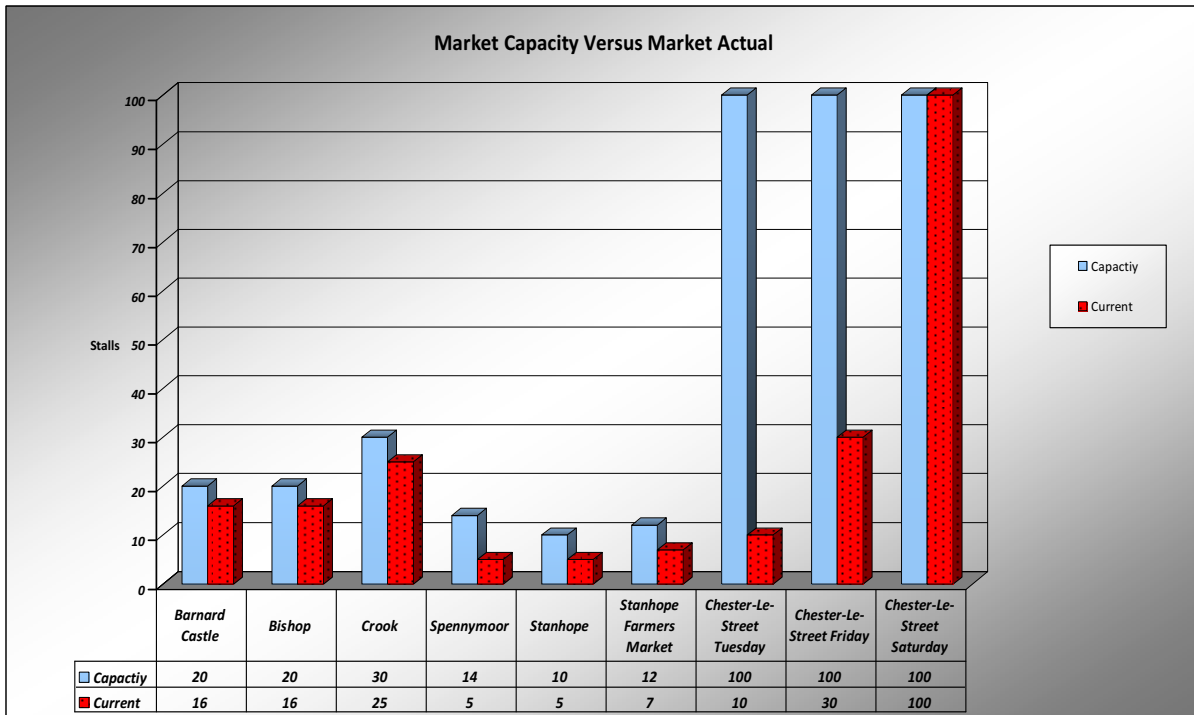
Stalls at Stanhope Farmers' Market are uniform and are hired in by DCC.

Stalls in other locations are owned by traders and vary in size, colour, construction and state of repair.

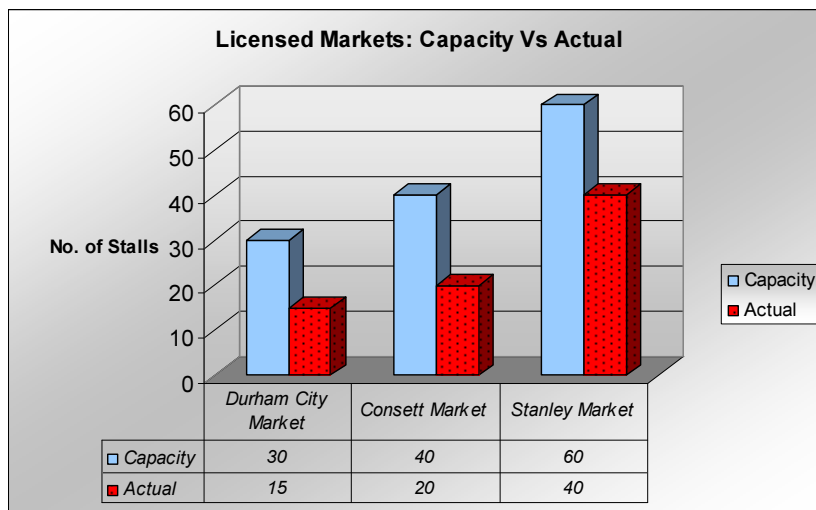
## Appendix 2

The tables below illustrate the capacity of each market and actual take up by traders. The information is gleaned from a snapshot survey in February 2011.

### DCC Controlled Markets



### Markets Managed under Licence



## Appendix 3

### Review of Market Provision Key Characteristics

General	Strengths/Opportunities	Weaknesses/Threats
<b>General Observations</b>	<p>Markets are established, on recognised sites and have a history in the county.</p> <p>There is a significant degree of trader loyalty.</p> <p>Potential to help create an environment for economic regeneration and to link with tourism.</p> <p>Ability to increase footfall and retail spend.</p> <p>Sense of place.</p> <p>Promotion of business start ups and entrepreneurship.</p>	<p>Pressure on markets and town centres from superstores, out-of-town retailing and internet sales.</p> <p>Lack of investment, maintenance and strategic direction.</p> <p>Diminishing trader numbers.</p> <p>Image.</p> <p>Lack of diversity and specialism.</p> <p>Outdated or inadequate management and promotion methods.</p>
<b>General Consultation - Traders</b>	<p>Help from DCC officers.</p> <p>Welcome incentives for new traders.</p> <p>Camaraderie amongst traders.</p>	<p>Weather.</p> <p>Lack of signage/advertising.</p> <p>Lack of investment.</p> <p>No young traders coming through.</p>
<b>General Consultation – Shoppers</b>	<p>Desire for greater food offer, specialist goods and local produce.</p> <p>Demand for top up shopping to avoid fuel costs.</p>	<p>Lack of stalls selling quality products.</p> <p>Lack of volume and hustle &amp; bustle.</p> <p>Poor parking.</p> <p>Market too infrequent.</p>
DCC Managed Markets	Strengths/Opportunities	Weaknesses/Threats
Barnard Castle	<p>Well positioned.</p> <p>Draws traders from North Yorks and Cumbria.</p> <p>Thriving Farmers' Market also run – waiting list for stalls.</p> <p>Barnard Castle Vision and town centre regeneration/retail initiatives.</p>	<p>Susceptible to bad weather.</p>
Bishop Auckland	<p>Significant, recent investment in the Market Place and continued drive to support town centre.</p>	<p>Trade reduced by preponderance of £1 shops in the vicinity.</p> <p>Vehicle movements.</p>

<b>DCC Managed Markets</b>	<b>Strengths/Opportunities</b>	<b>Weaknesses/Threats</b>
Chester-le-Street	Saturday “car boot” table top market very popular (although evidence of illegal trading). Recent refurbishment, although fixed stalls not universally popular with traders. Market manager with good relationship with traders. Market tied in with “Shop Watch” scheme.	Midweek markets very poorly attended. No marketing, promotion or allied events. Lack of signage.
Crook	Very popular market with excellent relationship between traders, shoppers and local retailers. Good footfall on market day. Would be enhanced further by publicity and signage.	Vehicles taking up potential trader space. Traders moving on site without permission.
Spennymoor	AAP initiative to support and improve the market.	Location adjacent to Festival Walk. Dwindling desire from traders to keep going – market very small and suffering due to proximity to other centres.
Stanhope	Excellent location in market square. Growing popularity and resistance from local retailers largely overcome.	Only operates in the summer.
Stanhope (Farmers’ Market)	Traders have had the benefit of training via DCC tourism initiative. Well supported by publicity (although now ended). Attracts traders from surrounding counties.	Promotion reduced by vandalism/theft of roadside signs (Market held in grounds of Dales Centre).

Licensed Markets	Strengths/Opportunities	Weaknesses/Threats
Consett	<p>Run by a trader co-operative – excess profits go to good causes.</p> <p>Well run and well publicised.</p> <p>Only County Durham market signed up to the Shoppers' Charter".</p> <p>Member of NABMA</p>	<p>Location is poor – windy.</p> <p>No public toilets nearby.</p> <p>Pressure from £1 shops and new superstore.</p>
Durham City	<p>Well run by highly experienced manager of Durham Markets Co.</p>	<p>Adversely effected by out-of-town retailing.</p> <p>Potential conflict of interest with traders in indoor market.</p>
Stanley	<p>Incentives offered to new and existing traders.</p> <p>Traders affiliated to NMTF.</p> <p>Well publicised and marketed.</p>	<p>Susceptible to bad weather.</p>