

Committee Name and Date of Committee Meeting

Improving Places Select Commission – 7 June 2022

Report Title

Scrutiny Review Recommendations – Markets: Engagement and Recovery

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

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Ward(s) Affected

Borough-Wide

Report Summary

This report summarises findings and recommendations from the Improving Places Select Commission spotlight review held on 18 March 2022, which examined the recovery and regeneration of the markets in Rotherham Town Centre. Members undertook a site visit to tour the markets complex and view the areas for redevelopment before consulting RiDo officers and markets industry experts in developing their recommendations. Members received a presentation illustrating the current situation facing the Rotherham Town Centre Markets following on from the pandemic. The presentation outlined plans for redevelopment of the markets complex and revitalisation of the markets microeconomy by attracting a new demographic to experience the markets. Members undertaking the review were Cllr Atkin, Cllr Bennett-Sylvester, Cllr Jones, and Cllr Wyatt (Chair).

Recommendations

1. That a review of the Council's Rules and Regulations in respect of Markets be added to the IPSC work programme.
2. That the following recommendations from the review be endorsed for submission to Overview and Scrutiny Management Board:

- a) That face-to-face consultations and clear communication be prioritised in all interactions with vendors and traders.
- b) That the service avail case studies and resources available in the libraries of NABMA and NMTF to inform the strategic refresh of Rotherham markets.
- c) That the service re-evaluate the support offer for new vendors, in consultation with the NABMA and NMTF, with a view to encouraging more new vendors to continue trading beyond the six-month introductory period.
- d) In view of relevant expert advice in respect of sustaining a market during redevelopment works, that retaining traders through the redevelopment phase be considered top priority.
- e) That any re-design of markets spaces duly consider usability and aesthetics, availing market research to optimise spaces for inclusiveness and accessibility, and to make the offer especially attractive to students and young people.
- f) That consideration be given to how the redesign and operation of the market may best cater to the needs and interests of younger generations by strengthening links with RNN student populations and extending opportunities to new entrepreneurs through the Young Traders Scheme.
- g) Recognising that the Town Centre markets complex represents a unique and distinct microeconomy with its own accompanying needs and character, that consideration be given to the ongoing management resource required to sustain the markets economy successfully over the long term.
- h) That consideration be given to design and development choices that would help the markets to incorporate cashless, up-to-date approaches to commerce that their potential customers expect.

List of Appendices Included

None

Background Papers

None

Consideration by any other Council Committee, Scrutiny or Advisory Panel

None

Council Approval Required

No

Exempt from the Press and Public

No

Scrutiny Review Recommendations – Markets: Engagement and Recovery

1. Background

- 1.1 Members sought to undertake a review of Markets in view of growing concern about the recovery and financial sustainability of the Rotherham Town Centre Markets following the pandemic, which saw a reduction in footfall in the Town Centre that, at the time of reporting, has remained below pre-pandemic levels. Members aimed through this review to inform themselves of the current needs and challenges facing the Markets Service in order to recommend short-term and longer-term actions in respect of revitalising the markets area and making the markets spaces more visible and inviting to traders and customers alike. The Members undertaking the review noted personal experience as stakeholders in markets or retail enterprise which drives their desire to strengthen the markets offer in Rotherham Town Centre.
- 1.2 The previous overview of markets in Rotherham took place when the building opened in 1971, when the current regulations became active. These guidelines have served well over the decades, but it was agreed that a review of the recommendations should be added to the work programme so that Members can help feed into their updating to make them fit for purpose for the time at hand. When the regulations were put in place, a market stall had a very different role than in the present day. It was noted as a definition of terms that, according to Council policy, 5 traders or less is not considered a market, and no licence is needed from the Council. The law begins to control the legal status of a market that has 5 vendors or more. In recent years, some other markets in the area have witnessed dwindling stall numbers, and privatisation has in some profound cases resulted in further decline. Members therefore acknowledged the importance of rallying behind the Market Service in taking the Town Centre Markets in a direction that reflects the changing needs of consumers and maximises the future role Rotherham's markets will play in the community.
- 1.3 Methods utilised in this review included a site visit in which Members, officers and market industry experts toured the Town Centre Markets areas, followed by an in-person presentation and Q&A session with officers and with expert advisors from National Association of British Market Authorities (NABMA) and National Market Traders Federation (NMTF).
- 1.4 The Aims of this review were to receive information in respect of the following topics pertaining to the Rotherham Town Centre Markets:
 - Introducing and contextualising the markets
 - Describing of the current situation facing the markets
 - Summarising budget and financial arrangements in respect of markets
 - Navigating pandemic-related challenges
 - Redeveloping the markets
 - Engaging with young people

- Planning for future sustainability

2. Key Issues

Members findings and recommendations centred around four areas: Re-evaluating the introductory offer, designing responsively for economic sustainability amid present-day budgetary challenges,

2.1 Re-evaluating the introductory offer

Currently, the introductory offer includes a reduced rate and the freedom to discontinue with a week's notice. New traders are currently referred to the RiDO business start-up advisers, who provide them with support. For six months, a vendor pays £50 per week, which is roughly half the normal rate. This flexible trial period is intended to help businesses to test their business model without a long-term commitment, yet many new vendors leave at the end of the six months, indicating a need to re-evaluate the support offer for new traders.

- 2.2 The service has considered the possibility that the rates after the introductory period is over becomes a hurdle that many new vendors are not able to get past, but the rents at the Town Centre Market are lower than anywhere else in South Yorkshire and have been frozen since 2013. More information is needed around why traders leave after six months, and what it would take for them to stay on and continue trading.

2.3 A new approach to budgeting for sustainability

The distinction was made that the markets are maintained by two budgets: a budget for infrastructure, which sits with Asset Management, and a budget for operations, which generates between £100 and 160k per year. Issues with the infrastructure of the markets complex have required ongoing repairs. Due to the difficult trading conditions, traders have been offered a 10% discount on rents since 2017. Routine maintenance of infrastructure is no longer sufficient to keep up with the needs of the building, which include roofing and drainage issues. Whilst not a complete demolition and rebuild, upgrading and resolving issues in the fabric of the building will be necessary to sustain the markets into the future.

- 2.4 The financial structure of the markets industry has changed dramatically since the Council's approach to markets was put in place. Five decades ago, markets used to generate surpluses. A trader who had a stall in a market could rely on a significant income from trading. Surpluses have since disappeared, replaced by a need to subsidise markets for them to survive. The future will require new ways of managing, new financial arrangements, and innovative ways to reorganise the financial burden. Over 75% of members of NABMA expressed in a recent survey that they regard the future of the market industry with apprehension. Contributing to this view are macroeconomic trends that mean consumers have less disposable income, prompting them to cut down on nonessentials. To make matters worse, footfall remains lower than pre-pandemic. Markets across the country are feeling this funding gap, but the service is optimistic that redevelopment can help close that gap by attracting new clientele.

2.5 **Navigating redevelopment by nurturing relationships**

With more intensive works needed to address infrastructure issues, the service is now considering how best to keep traders safely trading during the future development phase, especially whilst the roof undergoes repairs. Traders are likely to be offered a rent reduction during the works to compensate for expected reduction in footfall. When options for temporary relocation are discussed, traders express a preference to stay in place during the works if possible. However, multiple case studies have demonstrated significant detriment to markets where traders tried to stay in place during remodelling. Even if the service could find a developer willing to do the works with traders in place, having traders in the building during the work could affect how much refurbishment can be accomplished and the project would take longer. Members recognise the service seeks to honour the preference of traders amid these challenges, and they recommend that any proposal prioritise retention of traders during the redevelopment.

- 2.6 Nurturing this economy of good will by strengthening relationships with the community of traders throughout the transitions ahead has been acknowledged as an area the service is particularly seeking to develop. A further way to do this is by strengthening the role of a designated trader liaison to promote open and clear communication with the traders. The liaison approach provides a conduit for reliable information to help minimise the development and proliferation of any potential rumours - which expert advisors identified as a significant risk that can have damaging effects on a trading community. Expert advisors provided further examples to illustrate how much better it is bringing traders along on a development journey than trying to reignite a market that has fizzled out. Therefore, it was recommended that the service consult examples of good practice and other insights which have been amassed by the professional organisations NABMA and NMFT and have kindly been made available to help guide next steps during this transition.

2.7 **Designing for long term success**

Redesigning the space to make it more usable and attractive will help generate interest and make the experience immersive, inviting, and attractive to shoppers. For example, current food options are scattered; therefore, in the redeveloped spaces, seating design and placement will need to anticipate how visitors will move through and utilise areas such as the new food court. Consideration will need to be given to how the market looks, sounds, and smells.

- 2.8 Members agree there should be a buzz about a market, and cultivating that buzz is essential. As the markets currently serve mainly an older demographic, the service hopes the redevelopment inspires a younger generation to explore a new experience. The service seeks to partner with RNN Group, which consists of Rotherham College, North Notts College and Dearne Valley College, to help cater to the needs and interests of over 3000 college students who frequent the Town Centre. Furthermore, the Young Traders Scheme for 16- to 30-year-olds is an area for expansion, as young

traders enjoy being around other young traders. Rotherham has had success in nurturing sparks of interest from young traders in the past, and service hopes expanding the Young Traders Scheme, perhaps in partnership with courses at the college, could help stir up young entrepreneurial spirit once again.

- 2.9 Delivery of planned Town Centre housing developments is an opportunity to increase footfall, and at 5-10 minutes' walk from the train, the convenient location could be further publicised. Currently, it is not obvious to passers-by that the market is there; therefore, redesign of entrances and store fronts becomes an important part of redevelopment. Interconnectivity in the Town Centre offer would mean visitors to Forge Island might easily go across to the market, enticed by not just retail but an immersive participatory experience. Delivering this kind of experience will be an ongoing task that requires dedicated resource and understanding.
- 2.10 Members have seen that, in addition to a functional and attractive space, a successful market also requires hard work and attention over the long term. Failure to give a market the right level of management jeopardises its longevity. For example, striking the right balance of trade diversity can stimulate competition and drive better value for customers. Whereas an entire market made up of 40 fruit and vegetable stalls would not ordinarily be advantageous, the exception is where a market has a renowned niche. People will come from miles around to attend the fish market in Doncaster, for example. The knock-on effects of each addition must be considered, however, because investment in quality drops if there is insufficient turnover of stock. The market should present an opportunity for people to experiment and try things – locally produced food, produce and crafts. Where appropriate, the offer should be widened to cater to customer and trader needs, as is being done in respect of electricity and Wi-Fi connectivity in the redesign of the space. These design choices help foster a more up-to-date way of conducting business that many potential customers expect.
- 2.11 Lessons about resilience can be taken from how the markets responded during the pandemic, when essential goods stalls were given the option to open. The markets never shut down completely, although at times 4-8 stalls traded during reduced hours from 8am to 2pm. A few traders temporarily adopted a click-and-collect model, but this was not effective for all but 2 or 3 traders and was largely discontinued. Across 2020-21 and 21-22, traders paid a total of just under one year's rent due to agreed rent reductions for the lockdown period. The Market and Finance services assisted traders to ensure businesses received grants they were entitled to, but business rates relief did not extend to markets operators. Retention of traders at the Rotherham Town Centre market during the pandemic was among the highest in South Yorkshire during a very difficult period for trading. Retaining traders remains top priority for the service during the redevelopment phase ahead.

3. Options considered and recommended proposal

- 3.1 The discussion included some of the possible outcomes if traders were to temporarily locate versus remain in place during redevelopment, with the

ultimate recommendation that the service ensure that any proposal must prioritise foremost the retention of traders through the transitional period. Recommendations were developed by Members and derived from discussion during the Q&A session with service leads.

4. Consultation on proposal

- 4.1 Members have regard to the expressed views of their constituents in their formulation of scrutiny priorities and lines of enquiry. Recommendations from scrutiny are produced as outcomes of consultation of industry experts, officers and partners providing the service with Members in their role as elected representatives of Rotherham residents.

5. Timetable and Accountability for Implementing this Decision

- 5.1 The accountability for implementing recommendations arising from this report will sit with Cabinet and relevant officers.
- 5.2 The Overview and Scrutiny Procedure Rules require Cabinet to consider and respond to recommendations from Overview and Scrutiny Management Board and the Select Commissions in no more two months from the date that Cabinet receives this report.

6. Financial and Procurement Advice and Implications

- 6.1 No financial implications arise directly from this report, although the response to the review will take account of any such implications.

7. Legal Advice and Implications

- 7.1 There are no legal implications directly arising from this report.

8. Human Resources Advice and Implications

- 8.1 There are no human resources implications directly arising from this report.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 There are no implications for Children, Young People, and Vulnerable Adults directly arising from the report.

10. Equalities and Human Rights Advice and Implications

- 10.1 Furthering equalities and human rights are key objectives in undertaking scrutiny activity; therefore, Members have considered equalities implications in the development of scrutiny work programmes, lines of enquiry and in their derivation of recommendations designed to improve the delivery of council services for residents.

11. Implications for CO2 Emissions and Climate Change

- 11.1 There are no climate or emissions implications directly associated with this report.

12. Implications for Partners

- 12.1 There are no implications for partners directly arising from the report.

13. Risks and Mitigation

- 13.1 Members have regard to the risks and mitigation factors associated with the services under scrutiny and have made recommendations accordingly.

14. Accountable Officers

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