

Traditional Markets and the Local Economy

Summary

This paper accompanies a presentation from Cllr Dave Goddard (Leader, Stockport MBC) on the local authority role in supporting traditional retail markets.

Recommendations

Members are asked to note the presentation and offer comments on the issues raised.

Action

As agreed by members.

Traditional Markets and the local economy

Background

1. Traditional markets (retail markets and wholesale markets) are an important part of many local economies. They have a collective turnover of £7.6 billion, and employ over 100,000 people¹. Markets, traditionally, have also been an important source of innovation in business, and remain (literally) at the centre of many towns. Research has also shown that produce bought from markets is often cheaper than bought in supermarkets, and that they often produce less waste packaging.
2. 60% of existing retail markets are run by the public sector, and market operators as a whole turnover £125 million per year. Councils are central to the provision of many local markets, and have a keen interest in their continued success. Councils also have an interest through their regulatory and trading standards functions in ensuring that markets operate safely and within the law.
3. Cllr Dave Goddard (Leader, Stockport MBC) will give a short presentation outlining this interest as the LGA's "markets champion", and his thoughts on the role of councils in supporting local markets. A recent *First* magazine article on the importance of local markets, authored by Cllr Goddard, is enclosed at **Annex A**.

Policy context

4. The CLG Select Committee, on 23 July, published its report, *Market Failure?: Can the traditional market survive?* The report found that markets bring a series of benefits to local areas, but that the sector had experienced a steady decline in recent years, although with some marked success stories within each type of market. The report made a series of recommendations, of which several were specifically aimed at local government. The central recommendations aimed at local councils were that councils should:
 - develop a strategic plan for the development of their markets;
 - within the context of wider fiscal retrenchment, find funds to modernise and support markets. Ring-fencing existing income or exploring prudential borrowing were both suggested;
 - review their management of markets and consider all delivery options.
5. The report also made several operational recommendations, such as the employment of a shared market operator amongst smaller authorities, considering the location of markets within towns and encouraging the right mix of stall holders.

¹ *Market 21: A Policy & Research Review of UK Retail and Wholesale Markets in the 21st Century* (Retail Markets Alliance, November 2009).

6. In its response to the CLG enquiry, government accepted the recommendation to establish an inter-departmental working group on markets, led by CLG. Cllr Goddard is the LGA's representative on this group, which reports to Rosie Winterton MP (CLG Minister for Local Government and BIS Minister for Regional Economic Development and Co-ordination) and to Jim Fitzpatrick MP (Minister for Food, Department for Environment, Food and Rural Affairs).

Progress and next steps

7. The markets working group has initially established two priorities: to draw up a market management guide for local authorities and market managers; and to examine how markets can promote enterprise and business-start-ups.
8. Speaking at the National Food Markets conference in Dewsbury on 2 December 2009, Rosie Winterton also set out that she wants the working group to act as "a forum for the sector. One where...we learn from each other, sharing the good ideas that are helping markets in different parts of the country so we can spread them more widely. And where we can have an open and honest dialogue about the best way to ensure our traditional markets thrive long into the future."
9. The board is invited, following Cllr Goddard's presentation, to offer feedback on the following issues:
 - The role of markets in their local economy, current performance and future prospects;
 - Views on the local authority role in supporting markets, and the relevant recommendations from the CLG Select Committee enquiry;
 - Key messages the board would like Cllr Goddard to convey to the government's inter-departmental working group on behalf of the LGA.

Financial Implications

10. None arising from this report.

Implications for Wales

11. The CLG Retail Markets Working Group is addressing issues relating only to England. Any issues of relevance to Welsh authorities or local markets will be addressed as they arise.

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Making the most of local markets (LGA *First* magazine, 17 June 2009)

Markets have an important economic and social role to play within local communities and councils should do all they can to encourage their growth, writes Cllr Dave Goddard, LGA markets champion

There has never been a better time to recognise the value of local authority markets and to promote their importance in fulfilling some local and national policy initiatives. Sustainability is an important element of life today and markets play a key role in promoting the green agenda.

In May 2008 the LGA published a study on food packaging entitled 'War on waste'. It found that on average 5% of the total weight of shopping baskets was made up of packaging. However, at 617g retail markets produce the lowest volume of waste compared with supermarkets and have the highest proportion of recyclable waste.

Markets continue to make a vital contribution to the retail economy. Research conducted in 2005 produced the following statistics in respect of the UK markets industry.

- More than 1,150 retail markets operate within the UK
- More than 150,000 stalls are available each week
- More than 46,000 market traders work across the UK
- The market industry offers employment to more than 96,000 people
- More than 435 million shopping visits a year are made to markets
- Market operators turnover more than £125m each year
- More than £1.1bn is spent at market stalls each year in the UK

A survey in 2008 by the National Association of British Market Authorities showed that across a range of 13 items, markets are on average 6% cheaper than supermarkets, and in relation to fresh produce, markets are 32% cheaper than supermarkets.

These figures back up a survey by the New Economics Foundation in 2005, which found that in Lewisham a shopping basket of food cost £4.74 from the market compared to £7.18 from a supermarket.

As customers focus more closely on value for money, Core Cities members which measure customer footfall through their indoor city centre retail markets, showed a year-

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on-year increase between January 2008 and January 2009. In Sheffield the increase was 9.7% while Manchester saw an even greater increase of 12.8%.

Choice and diversity

The government has recognised the importance of markets. Its planning policy for city centres (planning policy statement 6) states: "Street and covered markets, including farmers' markets, can make a valuable contribution to local choice and diversity in shopping as well as the vitality of town centres and the rural economy.

"As an integral part of the vision of their town centres local authorities should seek to retain and enhance existing markets and, where appropriate, re-introduce or create new ones. Local authorities should ensure that their markets remain attractive and competitive by investing in their improvement."

Markets also play an important community role and this was recognised in research by the Joseph Rowntree Foundation in 2006. It found that markets are important sites of social interaction for all groups in the community, but particularly for older people and women.

They provide a distinctive form of trading and good markets create a vibrant atmosphere which can do much to enliven the town centre. They have a significant social inclusion role providing a place to linger and opportunities should be taken to promote them as part of a growing café society.

Research from the London Development Agency in 2005 showed that markets remain an important part of the retail industry in towns and cities in that customers shopping for food in street markets created additional custom for nearby shops.

Given the importance of markets both economically and socially, I would urge all councillors who have a market in their area to look again in these difficult economic times and give as much support to this vital industry possible.