

Law and Governance

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06 February 2014

Supplementary reports for CEB on 12th February.
Scrutiny Reports on Covered Market and Educational Attainment.



**INVESTORS
IN PEOPLE**



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To: City Executive Board

Date: 12th. February 2014

Report of: The Scrutiny Committee

Title of Report: Educational Attainment Programme

Summary and Recommendations

Purpose of report: To report the comments and recommendations of the Scrutiny Committee on the progress report for the Educational Attainment Programme.

Key decision: No

Scrutiny Lead Member: Councillor Mills

Executive Lead Member: Councillor Kennedy

Policy Framework: Strong Active Communities

Recommendation(s): For the City Executive Board to say if it agrees or disagrees with the following recommendation.

To welcome the continued investment and work in this area and to see both the evaluation of the Leadership programme and the Key Stage results as soon as they are available.

Introduction

1. The Scrutiny Committee set a Panel to consider the outcomes from the City Council's investment in Primary Schools in the City. This work is on-going and being considered through a partnership with a City School which is taking part in the KRM programme. An update on this work will be provided to Scrutiny and the City Executive Board in April. In advance of this the Scrutiny Committee asked to pre-scrutinise the views of officers and the Board Member on progress during the second year of this investment.

2. The Panel was supported in their debate by Anna Wright and Councillor Kennedy; the Committee would like to thank them for their time and advice.

Conclusions and Recommendation

3. The Scrutiny Committee noted the difficulties of showing evidence of improvement against target within the KRM investment because of the delayed start of most of the schools in the programme. They did however join with the Board Member in being encouraged by some of the early signs of improvement.
4. The work of the Scrutiny Panel was discussed and in particular the evidence from the partner school that linking improvement in the school overall to KRM was difficult because of the many other changes within City Schools. This was accepted and overall it was agreed that the only evaluation method we have is Key Stage tests and so the target and evaluation remains around performance in these. The Scrutiny Committee look forward to the early results in July 2014 and hope to see participating schools improving at a rate that allows the gap between comparator schools to begin to close and good progress made towards the target.
5. The Scrutiny Committee heard worrying details of the high turnover of Head Teachers and teachers and discussed some of the reasons for this. Of particular interest was the offer of support with accommodation in an effort to make posts more attractive and sustainable. A Committee Member with experience of using this scheme for recruitment to a local school said that this had made little difference and councils and schools need to think more widely than this to attract good quality candidates.

Recommendation

To welcome the continued investment and work in this area and to see both the evaluation of the Leadership programme and the Key Stage results as soon as they are available.

Comments from the Board Member

No comments

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List of background papers: None

Version number: 1

To: City Executive Board

Date: 12 February 2014

Report of: The Scrutiny Committee

Title of Report: Improving the Economic Health of the Covered Market

Summary and Recommendations

Purpose of report: To present the conclusions and recommendations of the Scrutiny Committee's inquiry into the economic health of the Covered Market.

Scrutiny Lead Members: Councillor Campbell

Executive Board Member: Councillor Cook, Board Member for City Development

Recommendations:

For the City Executive Board to say if it agrees or disagrees with the following recommendations:

Recommendation 1

The Council should articulate its role in the Covered Market. The Panel believes that this should provide for greater emphasis on the civic importance of the Market and its contribution to the City.

Recommendation 2

The Council should appoint a Market Manager who will be based in the Market and accessible to the traders.

The role should include the following:

- **Working with the Council and traders to develop the Market for the future, including discussions on the leasing structure and strategy, and the balance of trades**
- **Spending the Councils allocated budget for the Market and commissioning services delivered within that**
- **Promoting the market**
- **Offering training and support for traders**
- **Reviewing the website and keeping it up to date.**

Recommendation 3

In the longer term to evaluate all the options for the management of the market around criteria to be developed by the Market Manager, traders and the City Council.

Recommendation 4

That early negotiations take place between the Council and traders to determine the best rental and licensing structure with the aim of moving as quickly as possible to a clearer and more flexible leasing and licensing arrangement needed to improve relationships and provide the flexibility needed for success.

Recommendation 5

That the Council moves as quickly as possible to improvements to the Market Street entrance to the Market, and begins negotiations with traders on their loading and unloading requirements with the aim of freeing space for the extension of outdoor trading. This should also include discussions on the provision of extra cycle parking.

Recommendation 6

To come forward with temporary arrangements for more visible signage for the Market on High Street including options using the buildings above and free standing signs.

Recommendation 7

To provide money as soon as possible for the improvement of the Market Avenues from High Street.

Recommendation 8

The Council move to commission design options for changes to the Covered Market and for these to include better use of the service yard.

Recommendation 9

That Council actively promotes and includes the Covered Market in their communications and event planning to take the opportunity to highlight the Market as a key destination and also attract a more diverse range of people into it.

Foreword from the Covered Market Scrutiny Panel

In January 2012 the Council organised a workshop to consider the Future of the Covered Market. Over the last two years, and particularly in the last nine months, a lot of time and effort has been invested into developing ideas that came out of this workshop. Our Scrutiny Panel has been part of this investment.

It is clear to us that the potential for the Covered Market to contribute to Oxford is as great as it has ever been, and also that the majority of stakeholders are committed to make the changes that are needed to realise this potential.

One of the recommended actions following the January 2012 workshop was to “set up a Partnership Charter as a joint statement of intent by landlord and tenants.” It is in that spirit that we make these recommendations.

Our recommendations are based on our own findings, on the proposals made by the Retail Group and on the conclusions of the different consultation exercises carried out by the Council. **Our key message, to the Council and to the Traders, is the need for a clearer understanding of the role of the Covered Market, and for greater flexibility and co-operation in fulfilling that role. Doing nothing is not an option.**

Introduction and Background

1. The Covered Market is an iconic attraction of value for residents and tourists alike, offering a unique retail experience of high quality goods and independent stalls different to those offered on the high street. It is an Oxford institution and is recognised by the Council as such in the many Council plans and strategies written to protect its diversity and status.
2. The Council's Asset Management Strategy places the Covered Market within its "Investment Property Portfolio" and highlights it as one of the most important properties within that Portfolio. The overall objective for this class of asset is stated as:

".....to make the greatest possible financial contribution to the Council within the context of the Council's wider Corporate Plan and priorities, good estate management, good investment management, thereby protecting, and where possible enhancing, asset value."

The Plan goes on to recognise the heritage value and contribution to the fabric of the City made by the Covered Market and talks about the current process commissioned through the Retail Group to consider future Business Planning. It is within this context and emphasising this particular status that some of the panel's recommendations are made.

3. The Covered Market Scrutiny Panel (the panel) was established in 2012 by the Value and Performance Scrutiny Committee to review the economic health of the Covered Market, in particular the effect of the level of rents on the variety of independent traders in the market. However the panel quickly realised that the Council was planning to appoint consultants to review the overall performance of the market and so it was felt appropriate that the panel broaden its scope and align its inquiry alongside the consultants' work.
4. In February 2013, the Council commissioned the Retail Group to draft an all-encompassing report for the future operations of the Covered Market. The Retail Group's report provides a vision for the market, strategy and a list of actions to improve performance for Council and traders to consider. The Retail Group's report went out for public consultation in November 2013.
5. This report does not intend to cover the ground analysed in some detail by the Retail Group but aims to emphasise and give importance to

recommendations and options supported by the panel's own research and the wider consultation.

6. The Covered Market is a valuable financial asset for the Council and currently makes approximately £500,000 each year contributing to the Council's budget.
7. The Market does not run well. Relationships between landlord and tenant are poor; there is falling footfall, vacant units, concerns about diversity and balance of trades, perceived underinvestment and strained communications. More positively, all recognise these issues and agree that change is needed to secure the Market's economic viability. This report is aimed at contributing positively to that change.
8. The panel would like to thank Council officers, the Board Member, the Council Leader and traders for their contributions, support, time and advice.

Review Methodology

9. The panel used a mix of desk top reviews, financial detail, consultation, visits and observations to gather evidence. These methods have allowed us to gain a better understanding of the current management arrangements, finances and leasing, views of stakeholders and the Council's aims. The panel has:

- Interviewed market traders on a 1-2-1 basis.
- Held discussions with officers and board members.
- Visited 5 markets (4 in London and 1 in Bristol).
- Observed the consultation events run by the Retail Group.
- Reviewed financial and other information held by the Council.

10. The panel's findings can be found in the appendices attached and listed in the table below. The conclusions and recommendations that follow are firmly based on these findings.

Appendix 1 - The panel's scope.

Appendix 2 - Consultation with traders.

Appendix 3 - Key points from market visits.

Appendix 4 - Key points from discussions with the Board Member and Leader.

Appendix 5 - Key points from discussions with Officers.

Appendix 6 - Financial information.

11. The panel has scrutinised the Retail Group's report published in November and has incorporated its thoughts, on the findings and subsequent consultation, into the 4 sections listed below.

Conclusions and Recommendations

Council's role in the Covered Market

12. The Covered Market is treasured locally, regionally, nationally and even internationally. The City Council's ownership and stewardship of this asset is complex and multi-faceted. The panel's view of the role of the City Council is that it:
- Owns the asset with a duty to council tax payers to get best value from it.
 - Protects and maintains the fabric as a listed building both as the Planning Authority and owner.
 - Has a commercial role as manager and landlord to 52 tenants.
 - Has responsibility for the development and growth of the City Centre within which the Covered Market plays a significant part.
 - Has a "civic" responsibility and commitment to support this asset for future generations.
13. These are not discussed in detail in the Asset Plan but the "spirit" of most is collectively recognised through broad statements. The tensions between these various roles are obvious with some showing themselves currently. Consultation evidence suggests that some people believe it is a narrow financial drive that underpins the Council's actions. The panel believe that notwithstanding this complexity it is possible to review the Market and deliver improvements, in partnership with traders. It is important that the Council has clear statements of intent within its Asset Management Strategy that balance the complexity of its involvement and gives weight to the "civic" responsibilities. This intent must then drive actions and solutions.

Recommendation 1

The Council should articulate its role in the Covered Market. The Panel believes that this should provide for greater emphasis on the civic importance of the Market and its contribution to the City.

Appointing an Autonomous Manager

14. The panel agrees with the Retail Group's report conclusions that "a new management regime with control and complete responsibility is needed to deliver a successful market". The findings from the visits to successful markets elsewhere support this view and the panel are pleased to see funding for this proposed in the budget to enable early implementation. The commercial skills of the Market Manager, along with the autonomy and flexibility allowed, are key to necessary culture change. The panel notes that the post is proposed as a 1 year contract which suggests a combination of role shaping and immediate implementation of short term objectives. The panel wish to emphasise a number of elements that they believe are essential within the role definition. These are listed below:

- Being resident and visible in the Market
- Working with the Council and traders to develop the Market for the future, including discussions on the leasing structure and strategy, and the balance of trades
- Spending the Council's allocated budget for the Market and commissioning services delivered within that
- Promoting the market
- Offering training and support for traders
- Reviewing the website and keeping it up to date.

15. As stated earlier the panel supports the appointment of a Market Manager to provide some immediate and direct focus for change. In the longer term the panel would like to see an evaluation of all the options for the future management of the Market explored.

Recommendation 2

The Council should appoint a Market Manager who will be based in the Market and accessible to the traders.

The role should include the following:

- **Working with the Council and traders to develop the Market for the future, including discussions on the leasing structure and strategy, and the balance of trades**
- **Spending the Councils allocated budget for the Market and commissioning services delivered within that**
- **Promoting the market**
- **Offering training and support for traders**
- **Reviewing the website and keeping it up to date.**

Recommendation 3

In the longer term to evaluate all the options for the management of the market around criteria to be developed by the Market Manager, traders and the City Council.

Balance of Trades and Leasing

16. The Council's Covered Market Leasing Strategy 2006 controls the balance of trades in the Covered Market. Traders hold 15 year leases most beginning in 2002 and ending in 2017 with rents reviewed simultaneously every 5 years. It is clear that to deliver successfully on the future options for the Market the current system needs to be reviewed and, where consent can be achieved, altered.

17. Evidence from successful Markets is clear – economic health is delivered in some part through diversity and flexibility and this requires different trading and leasing arrangements to those currently in existence. The next opportunity to renegotiate leases is in 2017 and the panel wishes to see early discussions with leaseholders. The protection provided by the Tenant and Landlord Act for current leaseholders means outcomes are by no means certain, but improved relationships within shared ambitions are likely to provide the best basis for discussions.

18. The panel agrees with the Retail Group's report conclusion that the current leasing structure needs to change to "shorter 3 year leases and that it would be good to have 20% of the tenants on leases outside of the Landlord and Tenant Act 1954".
19. It is the panel's view that a more transparent rental structure is required to improve the relationship between Council and traders. The panel believes this transparency is more effectively delivered through a rental structure like that used by Bristol City Council which charges on a per sq.m basis and increases annually by the retail price index (RPI). In addition the panel would like to explore the possibility of "tiering" so more prominent locations in the market are charged a higher rate per sq.m.
20. In addition a mixture of leases and licences of varying length can benefit both traders and the Council. Weekly licences at the other markets allow greater flexibility to both traders and management to change and adapt the market offer and encourage entrepreneurship and therefore variety and interest for customers. A number of such licences could be available to start ups.
21. Whichever structure is ultimately shown to be most effective the panel would like to see early thinking and discussions to support lease negotiation in 2017, and the letting of any new trading opportunities created by vacancies and new development.

Recommendation 4

That early negotiations take place between the Council and traders to determine the best rental and licensing structure with the aim of moving as quickly as possible to a clearer and more flexible leasing and licensing arrangement needed to improve relationships and provide the flexibility needed for success.

Covered Market Development

22. The Retail Group makes a number of proposals, some smaller scale some more radical, for changes to the physical structure of the market. These proposals if implemented would improve access and increase footfall. While recognising the constraints, particularly of budget and heritage, to which it is subject, the panel hopes that, in consultation with the traders and other stakeholders, the Council will consider these proposals in a positive and imaginative way. The panel would like to see design feasibility studies for all these options brought forward so that a more informed debate can take place between the council and traders.
23. In the following paragraphs the panel wishes to highlight particular proposals.
24. At present, only 14% of the city centre footfall finds its way into the Covered Market despite Cornmarket (the busiest street in the city centre)

being less than 50 metres away. The panel agrees with the Retail Group's suggestion that part of the solution to increasing footfall is to develop the Market Street entrance into the Covered Market. For best effect this would require reconsidering parking and loading requirements and relocating the toilets, and the panel would urge Council to support this option through their budget, and open negotiations on necessary restrictions and design as soon as possible. These negotiations should also consider the provision of more cycle parking.

25. In addition, and to further enhance visibility, the panel suggests that an outside market should be run once or twice a week on Market Street. The theme of this market should be a matter of discussion with traders, the Market Manager, the City and County Councils, and other stakeholders. The panel would not wish to see this in direct competition with the trading offer in the Covered Market, but as a complement and enhancement to it.
26. When considering the public consultation the panel noted the desire for the provision of more stalls selling fresh food and flowers and the need for longer and more flexible opening hours. The panel wishes to see these views taken seriously in trading discussions and, in particular, an agreement on opening hours found as soon as possible.
27. Priority should also be given to relocating the toilets and to reconfiguring the Market Yard to provide better parking and loading facilities. Consideration could also be given to possible development above the Yard.
28. Providing effective signage for the Covered Market on High Street is important and has been problematic because of the listed status of the Market. The panel would like early discussion with Council Planners, traders and the owners of the buildings above to see what else might be done on a temporary basis for example, portable free standing signs.
29. The panel believes the avenues into the Market can provide some of that much needed visibility and that investment in their improvement is essential.
30. As outlined earlier the publicity and marketing of the Covered Market needs to be in the control of the Market Manager and traders with all opportunities through traditional, technological and cultural mediums being exploited. The panel would also like to see the Council more actively promote and include the Covered Market in their communications and event planning. This will not only highlight the Market as a key destination but also attract a more diverse range of people into it.

Recommendation 5

That the Council moves as quickly as possible to improvements to the Market Street entrance to the Market, and begins negotiations with traders on their loading and unloading requirements with the aim of freeing space for the extension of outdoor trading. This should also include discussions on the provision of extra cycle parking.

Recommendation 6

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The Council move to commission design options for changes to the Covered Market and for these to include better use of the service yard.

Recommendation 9

That Council actively promotes and includes the Covered Market in their communications and event planning to take the opportunity to highlight the Market as a key destination and also attract a more diverse range of people into it.

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The Panel's overarching scope is:

To consider the economic health of the Covered Market and in particular the effects of rents on the diversity of traders.

At the November 2012 meeting of the Value and Performance Scrutiny Committee, it was agreed that the Panel's brief should include the following lines of enquiry:

- Pre-scrutiny and engagement with the developing Covered Market Strategy and Leasing Strategy¹
- Work to engage with representatives of the Covered Market Traders' Association;
- Review the leasing decision in respect of the unit formerly occupied by Palm's delicatessen;
- Consideration of comparative data from similar markets elsewhere

The Panel decided not to explore the leasing decision of the unit formerly occupied by The Palm's Deli as it was felt there was little more they could add. The other three lines of enquiry have formed the basis of the Panel's inquiry.

¹ The Retail Group report

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Consultation with Traders

On 25 July 2013, the Panel surveyed traders in the Covered Market. The traders were asked three questions:

- Is there a good balance of trade in the Market?
- How successful is your relationship with the Council?
- What was your experience of the rent review process?

The Panel surveyed the following 28 traders.

Non Food			
Fashion clothes	Fashion- shoes & accessories	Traditional Services	Home products, Gifts and toys
TheIna	Macsamillion	Jemini	Fone Exchange
Ansari	East 2 West	The Market Barber	Cardew and Co
	John Gowling Jewellers		Pet Supplies
			Helen & Douglas House
			Oxford Aromatics
			Brown's Saddle Shop
Food			
Raw Food	Food Products	A1 Food - immediate consumption	A3/A5 Foods
David John	Chocology	Oxford Sandwich Co	Ricardos
Fellers and Son	Nash Bakery		Sofi de France
McCarthys Greengrocer	Cake Shop		The Oxford Cafe
Bonnars Greengrocer	Oxford Cheese Shop		Brothers Café
Haymans' Fishmonger			Browns Café

Below are responses from traders and the Panel's findings.

Q1: Is there a good Balance of Trades in the Market?

- Traders regularly look at each others shops and prices and gradually adopt similar goods which create competing rather than complementary stores. Issuing change of use licences encourage this i.e. one store adding a cake unit – as they had been issued a change of use to become a café.
- Need to protect and promote more food stores – allowing supermarkets in town centre have made it hard to compete and drawn customers away. Don't want to lose any more food stores in the market.
- Don't want multiples, ie charity stores, Timpsons and Cards Galore (are not small businesses)
- Restrictions on what we can sell in the Leasing Strategy not enforced – “cards and gifts” too wide.
- Need to be able to open later – big demand after 5pm (workers etc)
- I expect that we as traders pay a premium through our rent for this privilege but I can't see any advantaged, because it isn't implemented. In what way is the character of the market protected by recent additions such as Cards Galore or the mobile phone shop?
- The leasing strategy is good as it enables the council to control the balance of trades.
- The character of the Covered Market has deteriorated steadily over the 30 years I have been here—lots of cheap catchpenny souvenir sellers (which are found everywhere).
- The market is saturated with food establishments (cafes) making competition high and business tough.
- The leasing strategy is not successful it has been made clear that income is the prime objective (for the Council). It has destroyed the character of the market, which is the main contributor to footfall. No support to maintain or attract traditional users. le Palms deli marketed at £40,000 rent – which is too much.
- Document is ignored if it pleases Council, followed if it pleases the Council.
- Multiples push up rents - traditionally keeping out multiples had helped with rent rises, traditionally the City has kept the independent mix well but the strictness of policy has eased and will open the floodgates if multiples are let in.
- Balance had changed - e.g. Letting Cards Galore as a multiple is against the strategy. "Fresh" now on Avenue 1. There were already enough

clothing/accessories shops and the owner of "Fresh" is now directly competing with me by poaching 2 of my suppliers.

- Estates Department a few years ago (circa Cards Galore time) didn't admit there was a strategy.
- Increase in eating places in recent years and food diversification is good BUT don't need any more.
- Should be more original (and possibly traditional) shops - something to draw people in. Market is unique in many ways. Visitors enjoy and revere the market.

How would you like to see it changed?

- Stop leaseholders buying up leases when they become vacant, it creates a monopoly and strangles diversity in the long term.
- Multiples push the rent up for everyone as they can afford the higher rent by shouldering the cost on their other stores.
- Would like to see the strategy properly applied, all decisions should be made by councillors not officers who often do not have the knowledge.
- More emphasis on food and quality items – character has been lost. No deli which is bizarre.

Panel's Findings - Balance of Trades

The leasing strategy needs to be tightened up in terms of the trades allowed to lease in the market to improve the character and the offering of the market. More emphasis should be given to raw food, traditional services and food products and less on stores that sell generic goods available anywhere.

The strategy needs to put more weight on the diversity of the market rather than the financial gains to the Council. A weighted scale which encourages Independent traders over multiples should be introduced.

The number of stores one individual can lease needs to be reviewed, Traders need to be encouraged to sell goods that complement each other rather than the same good. Change of use requests need to consider the effects they may have on other traders and the market as a whole.

The leasing strategy needs to be made more flexible in regards to opening hours, past 5pm.

Council needs to follow and enforce its leasing strategy.

Q2: How successful is your relationship with the Council?

- Mutual mistrust between traders and Council.
- Not enough support from the Council, Council doesn't buy goods from Covered Market.
- Council doesn't communicate very well with traders. Not enough direct discussions
- Officers don't visit traders,
- Maintenance is slow to get repaired – as it's always another department's responsibility. eg The toilets were closed for 4-5 months but it was meant to only be for 2 weeks.
- Strategy sounds good, but don't believe anything will come of it – as we have been through similar processes in the past and nothing eventuates.
- Council doesn't understand what it's like to be a trader. Not enough professional business people making the decisions.
- Longer term traders are stuck in their ways and prolong mistrust. New tenants have a more modern approach to selling. The Council has a cherry picking attitude to those new traders and attempts a divide and rule with the tenants association and those who don't want to join an elite club.
- Council doesn't understand the needs of businesses –
- It is not a partnership. It does not matter to the Council if any business within the market survive or fail – this is a purely financial interest and the Council simply wants as much money from one tenants as possible (whoever they are) for the least expenditure.
- The rent review has completely damaged the relationship – if ever there was one
- The new signage took too long and although traders were involved in the process they weren't involved in the final decision, therefore there's been no continuity with the signs.
- The relationship is quite poor with the exception of the porters.

How to improve the partnership?

- A genuine interest in the wellbeing of the whole market with a proper landlord and tenant relationship based on mutual respect.
- A proper appeal system against officer decisions.

- There needs to be an operating manager, who keeps the standards up. I very rarely see anyone from the Council in the market.

Panel's Findings - Relationship with Council

Traders mistrust Council and feel that Council does not communicate enough, is dishonest or has an underlying agenda. Many traders perceive Council to be solely financially driven and do not care who leases the stalls as long as they can get as much money as possible. Several traders feel the recent lettings of Palms and Fruitsticks were clearly designed to push up rental values to use at the rent review.

Although the proposed CM strategy sounds great to many traders, they don't believe it will eventuate into any meaningful actions as they have participated in similar consultation processes in the past which have resulted in nothing. Council needs to communicate better with the CM traders. Many traders felt there was no relationship between traders and Council as there is not enough dialogue between traders and council officers to build an effective working relationship. Many traders have no direct communication with officers responsible for the Covered Market and therefore have not been included in any council consultations.

Many traders also feel that maintenance issues are not dealt with by Council effectively. Maintenance is slow and things take too long to get repaired because there is no market manager, it appears that it's always another department's responsibility.

Many traders feel that Council doesn't understand the pressures of working in retail and are making decisions that affect traders without fully knowing the effect these decisions will have. The whole way the rent review process has been run reaffirms this belief, as it is nearly 2 years on from when the rents increases were suppose to start and the process has not been resolved yet.

Rather than fighting with the traders, Council should be supporting them and promoting the market so that it can prosper.

Q3: Rent Review Process

- It takes too long to finalise and it makes it impossible to plan for the future as the length of time it takes to settle the leases means traders now have rent arrears of 18 months.
- Initially consulted well, but Council/ Marriots wouldn't return my calls. I accepted a compromised rent to secure a change of use.
- Small traders being priced out.
- Reviewing rents does not always have to produce tensions, but it always will if a landlord is unreasonable with its financial demands and refuses to have meaningful discussions with tenants. The attitude of the Council in this respect has been dishonest, uncaring, unreasonable and destructive. They are acting against public opinion but could easily make the whole process simple and fair, we have to assume they don't want to.
- It has been handled badly – the Council is the one who benefits we never win. The rent increase do not reflect the decrease in our profits
- In all the arbitrations the Council has been found wanting, in fact in the last occasion they had to pay our costs as a result of their unrealistic demands.
- Total lack of commitment or sense of urgency on the officers' part to bring or start negotiations to a successful conclusion with or without arbitration. Despite a firm undertaking at a liaison meeting that this would not be the case this time.
- The recent lettings of Palms and Fruitsticks were clearly designed to push up rental values to use at the rent review.

What would you change?

- We need to shorten the process by Council consulting with traders well before the rent review is due.
- Appointing an external agency is just wasting money.
- If Council had a proper understanding of the current business environment it would help in the negotiations.
- The calculation used to assess rent is unfair – ie proportions used. Need to clearly explain how figure is reached.
- Dialogue and a timeframe – we are now “dug in”

Panel's Findings Rent Review Process

The whole rent process is taking too long to complete which makes it very difficult to plan for the future as traders now have rent arrears of 18 months. Traders feel that there is a total lack of commitment or sense of urgency on the officers' part to bring or start negotiations to a successful conclusion with or without arbitration. The process could be shortened if Council consulted the traders well before the rent review is due.

Traders feel that Council is only interested in financial gains and wants to receive as much money from the rents as possible, regardless of whether traders can afford it. Small traders feel they are being priced out of the CM, they believe the calculation and proportions used to determine rent is unfair – as the traders do not have the revenue of chain stores on the high street. Traders feel that the CM is a unique attraction that should be subsidised by Council to protect its future. Some traders also feel there is a lack of transparency in how the figure is reached.

Council appointing an external operator to run the rent review process has not improved the relationship with traders. Successive agents for the CMTA have consistently complained about the difficulty of dealing with the Council. These difficulties have only arisen and got progressively worse since the lease renewal in 2000. Prior to then although there were disputes they were settled amicably without court or arbitration. Ironically these earlier reviews were handled "in house".

If Council had a proper understanding of the current business environment it would help in the negotiations.

Other Comments made by Traders

Council Support (or lack of it)

- Commercial decisions benefit the Council not the traders. This is a unique attraction that should be subsidised to protect its future; it's already too late as most of the true market traders have given up.
- We need support from the City Council but instead we have to fight them
- Slowly losing patience with Council
- Council looking to the short term
- Council too focused on money rather than maintaining diversity. No money if market is only empty stores.
- If you ask anyone – residents, students, visitors or tourists they are amazed that the traders are not support and that the market is so little valued by those who should be its guardians.

Lease holders

- All new lease holders should have to be members of the traders association as they provide legal and insurance cover. It is really compulsory in all developed markets.

Maintenance

- The building itself with its units is set in the 1960s/70s it is delusional to think, wow aren't we good to have such an historical indoor market! There are far better indoor markets elsewhere.
- More signs/ advertising promoting the independent trades in the market.
- Could be a bit more user friendly - to counter the maze effect.

Management

- Everything should be sped up – 3 years for poor signage to go up is a disgrace.
- Potentially there is always a risk of disagreement but successive agents for the CMTA have consistently complained about the difficulty of dealing with the Council. This involves substantial costs on both sides which could be used for better purposes ie market improvements etc
- These difficulties have only arisen and got progressively worse since the lease renewal in 2000. Prior to then, although there were disputes they

were settled amicably without court or arbitration. Ironically these earlier reviews were handled “in house”.

- The operating part and the surveying part should be totally split
- Manager needed to look after tenants
- Officers need to have retail experience/ or an understanding of how retail works
- Tried to rent the Palms unit for a temporary period (which would probably have included Xmas) but the process was too difficult and he gave up.
- Why isn't the whole market a WiFi zone?
- Officers threw away the 2 counters that were left when Palms closed - the counters were worth circa £10,000!

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Key Points from Market Visits

In August 2013, the Panel's Support Officer joined traders and council officers on a visit to Covent Garden, Spitalfields, Borough and Brixton Markets in London. The tour was organised and led by Paul Frater from The Retail Group. Later in the month, the Panel and council officers visited St Nicholas Market in Bristol.

Market	Ownership	Speciality	Lease/License	Customer base
Covent Garden	Private	Restaurants retail and events	Leases/Licenses	Tourists and Locals
Spittlefields	Private	Stalls and Events		Locals and Tourists
Borough	Charitable Trust	Food	Licenses	Locals and Tourists
Brixton		Food		Locals and Students
St Nicholas, Bristol	Council	Mix	Licenses	Locals, Tourists
Covered Market, Oxford	Council	Mix	15 year leases	Locals, Tourists and Students

Notes from the market visits and the Panel's findings are listed below.

Covent Garden

Privately run and owned with limited LA involvement

Core focus is restaurants and retail, market stalls secondary

Vision: high end restaurants and retail experience

Footfall: 40M a year – counted by counting visitors' simcards (so know visitors by nationality etc)

Lots of tourists - performances

Focus is on increasing shopping by Londoners vast majority come to eat and drink

Management

Manager in charge of tenants, leases, maintenance, website, plus a group of maintenance staff responsible for cleaning and security

The website is run inhouse and the Manager has access to update it.

Food market – 16 stalls runs every Thursday

Competition issue with local restaurants

Yearly licence from Westminster CC

Licenses and leases

Daily licences: Arts and crafts Tues-Sat

Selection process: focus on the quality of goods, must be UK handmade.

Constantly looking at the tenant mix – don't want everyone selling same goods. If tenant passes selection process can book a stall on a daily basis.

£60-75 paid at end of day

80 traders

Must book stall by 9.15am

No storage at market but Covent Garden provides a storage facility and brings/ takes away traders goods each day for a fee.

10am to 6pm core hours but flexibility to stay open till 8pm

Leases

Permanent Retail stalls - rent £23,000 a month

Autonomous, book slots

Performances to attract and entertain visitors

A range of performances throughout the day

Can cause noise problems as there is sometimes competition between performers

Appearance

Clean, tidy, bright – stores are chains, and are presented uniformly ie same signage/colour scheme to show consistency.

Although CoventGarden is a brand the market doesn't sell it. The Jubilee market next door contains stores selling CoventGarden souvenirs which are unavailable in Covent Garden.

Consumers – Tourists, Locals

Panel's Findings -Covent Garden

What could be learnt for Oxford CM?

The focus of Covent Garden stallholders is quality British goods. The manager controls and monitors what is sold and by whom. He understands the customers the market sells to and focuses on maintaining quality to meet the customers' needs.

The licence system is flexible and allows the management team to change and adapt what is sold at the market. Having a daily licence, means the manager can select performers and different products to entice a new audience into the market easily.

The manager has the autonomy to monitor and change things without having to get approval from others which means changes can happen quickly and trading is not disrupted.

Understanding the importance of a brand and promoting it is vital, Covent Garden is a world-recognised brand yet the brand is not sold in the market, souvenirs for Covent Garden are sold in the Jubilee market next door. Covent Garden is missing out on customers because they are not exploiting their brand.

Spitalfields Market

Privately owned and operated.

One manager and 4 staff responsible for dealing with traders, promotion and events

Grade 1 listed building – 13 entrances

Dual purpose – stalls and events

Can cause tension – as events need the space stall holders use.

Stalls

New stallholder 1-2 month lease

Experienced stallholder – guaranteed space as long as there before 9.15am

Daily lease £20 (mid week) – £85 (sun)

Slightly selective of product

Stalls open 9.30 to 6pm week, 11-5 Sat, 9-5 Sun.

Gates open 8am-11pm

Specialist days ie Antiques fair, Record fair

No storage onsite but car park nearby for stall holders.

Events

Sliding fee scale depending on scale of event and how much floor space it will use.

Restaurants bring people in mid-week, whilst the market is the draw-card in the weekend

Shops either independent or small multiple (fewer than 10 stores) (except Wagamama)

Sept-Xmas is the busy period

Promotion

Vouchers have been used to entice people into the market –vouchers put in newspapers, for people to use at market stalls, stall holders can use vouchers to pay their rent.

A range of pamphlets produced to show upcoming events/ outline of market.

Gates in entranceway are each named to event/person from local history – link to past.

Website managed in-house.

Appearance

Clean and bright,

Good range of different food shops,

Communal dining area

Uniform shop fronts, signage

Several markets in areas that blend into each other, this causes stiff competition between them but also a 'market hub' for consumers. Open plan layout means that consumers unlikely to know where one market stops and another begins. An offer from one must also draw people to the others.

Consumers – Locals, Tourists

Panel's Findings - Spitalfields Market

Management actively promotes the market through pamphlets and a website. Clear signage in the market explains where things are.

The range of events, stalls and restaurants complement each other and encourages people to come and spend a few hours at the market, by offering a range of things to do. Offering a range of events encourages new people into the market and new shoppers.

The market encourages independent stalls and food places, offering consumers something that they can't get elsewhere.

The flexibility of opening hours means traders are still open when people are finishing work and are able to entice them to spend on their way home.

Borough Market

Owned and managed by the Borough Market Charitable Trust

Vision: the revival of British food (1998) now to celebrate the diversity of British food. Management has pride in the traders, produce and value
Sells only food

Open Thursday 10-5 to Saturday 8-5

Licenses

Umbrella/ casual licence – daily or monthly
Storeholder – 3 year lease

Balance of Trades

Rigorous traders' application process

1. Application form – must offer a special/ unique product to sell
2. Interview with management
3. Testing panel – test product to check quality – appearance, aroma, taste

If a trader passes the application process they can apply for a licence

If a trader wishes to change the product they sell – refused, ie can't go from selling coffee to cheese. If they wish to add complementary products ie cheese selling wanting to sell chutneys they need to apply for a new licence and go through the application process again.

Traders are very knowledgeable and can discuss their products with consumers.

Management regularly surveys market – ie number of products sold for £1 for value as well as quality.

The market is currently full; the turnover is very low due to rigorous application process. 3 traders have left in last 3 years.

Atmosphere

Traditional bustling market,
Umbrellas uniform

Very busy

Aromatic

huge selection of diverse products – at a cost.

Special occasion food rather than weekly grocery shop

Consumers – locals, tourists

Panel's Findings - Borough Market

Borough Market's management demands high quality and unique products to set it apart from other markets and to strengthen its reputation. Their vision is to celebrate the diversity of British food and is backed up by procedures such as the rigorous traders' application process which means that quality is not sacrificed. If a trader's goods do not meet management's quality standards then the trader is not given a licence to trade.

The quality of the product is more important than financial rewards.

Brixton Market

Similar layout to Oxford – style of market the same
Shops focused on providing niche products sought by the local community ie unusual fruits, ingredients.

Goods brought out onto the street – entice consumer into shops.

Atmosphere

Light and bright market with a relaxed atmosphere but tired looking shops with old stock, cheap and cheerful.

Consumers: local community, students (restaurants)

Panel's Findings – Brixton Market

The Brixton market focus is on providing goods that the local community wants. It sells a wide range of authentic products that are unique to the culinary cuisine of the community and affordable. It fills a need which is not widely available.

St Nicholas Market- Bristol

Council owned and run market.

Monday –Saturday trading 9.30-17.00

Pilot night market – food related/events which was successful outside the market but not inside.

Currently piloting opening Sunday – perhaps once a month?

The market is made up of several different sections – an outside area, glass arcade, covered market, exchange hall etc. Each section sells different products ie glass arcade only sells ready to eat food, whilst the exchange hall is made up of open stalls which layout can easily be changed and the covered market contains built in fixed stores (like the Oxford Covered Market).

The market offers a range of different sized stalls so that traders could potentially move to larger stalls as their business grows.

Management

Run by a manager + 3 FT market officers (promotion, marketing, clerical) and 7FT maintenance attendants - all are Council employees.

Licenses

All traders on weekly licenses

Currently weekly cash payment but moving to direct debit to improve security and more efficient.

Flat rate £28 p.a. per sq. ft. exchange hall

£21p.a. per sq. ft. glass arcade over 50 weeks (2 weeks rent free)

This include utility costs – excluding business rates

In 1994 Traders lobbied Council on the license price and got a 6 year price freeze, since 2000 – the license goes up by the Retail Price Index (RPI) each year.

All traders only required to give 1 week notice to end licence

Balance of traders

Balance important

Manager interviews traders

Currently restrictions on stalls selling silver jewellery after consultation with traders.

Traders don't have any direct decision in the type of goods sold.

Communication with Traders

Manager holds monthly meetings with the traders

Consumers: Locals, Tourists

Panel's Findings_ St Nicholas Market, Bristol

The St Nicholas Market consisted of several different rooms which all provided a different offer, ie food, giftware, services. Most of the food traders were in one part of the market which meant that it was easy for consumers to see what was on offer and the aromas complemented each other. It has an amazingly diverse range of cooked food which provided many options for the lunch time rush.

Having one manager on site seemed to work very well as all the traders knew who to approach if they had an issue and he appeared to have a good rapport with the traders.

The flexible weekly license encourages entrepreneurship, as traders only have to pay for a weekly licence and can 'test' out their product on the market. If it

doesn't sell well they can walk away, if it does they can renew the license.

The Council is very transparent with the prices – they have a flat rate per sq.ft., irrespective of the size of the stall.

Unlike Oxford, Bristol doesn't seem to have a problem with mistrust between traders and Council. This might be due to the market manager being responsible for all traders and therefore communication between the two groups is better or because the licenses allow for more flexibility than the leasing structure does in Oxford.

**Key Points from discussion with the Leader and Board Member
5 September 2013**

Attendees

Cllr Bob Price, Leader of Oxford City Council
Cllr Colin Cook, Board Member for City Development
Cllr Jim Campbell
Cllr Elise Benjamin
Cllr Jean Fooks
Sarah Claridge

What is your vision of the Covered Market in 5-10 years?

Bob Price

Retail is changing nationwide – independent stores are closing and being replaced by chain store.

Traditional notion of food only offer in market is unrecoverable because of the large supermarket presence in the city centre. The nature of wholesaling means that larger retailers are able to source goods in bulk more cheaply than smaller independents and therefore offer cheaper prices.

The Covered Market needs to concentrate on offering niche goods/services that are unavailable elsewhere in town.

The size of the units are too small and there is limited space for storage and stock. Maybe if we merged some of the stalls they would be more viable.

Need to strike the right balance between food and non-food traders

We need to focus more on making it a tourist site. We need to market it better so that tourists know where it is and make a special trip to see it – ie like the shambles in York – full it with independent, specialist stores.

Colin Cook

We're going to have trouble bucking national retail trends and changes to the retail offer will evolve through customer demand ie second hand book stores are not profitable and will not survive.

No intention of clearing the market and starting again.

The retail sector in Oxford is bright – Oxford was the most popular place to set up retail in 2011. We have one of the lowest retail vacancy rate compared to other similar sized cities.

Market traders need to help themselves, Council receives a lot of negativity and petty remarks from Traders. They are unhappy with the signage despite supporting the concept in the first place.

I go on regular inspections of the market and only hear complaints

Relationship between Council and Traders

Leases create a different relationship to licenses

The overall relationship between the Council and traders has suffered because there is not one person or forum responsible for the market. Delegating the everyday running of the market to officers has meant that traders deal with many officers for different things and so many relationships have had to be formed. A sub-committee of Councillors responsible for overseeing the market could be established which would give the traders a single forum to direct their problems to.

A sub- committee could be responsible for overseeing the long-term capital spending in the market ie maintenance and signage, and the marketing of the market.

A lot of traders have failed because they have had the wrong business plan

Improving the relationship

Changing the rent review process would improve the relationship

Communication between Council and traders need to improved, traders need a forum to approach when they have concerns.

Externalising Management

Could be a possibility – it would all depend on the bid.

Dedicated manager

A possibility – the question is deciding their job description. Do we want a manger who is responsible for everything - ie leases, maintenance and promotion of market, Who is the effectively the 'face' of the Council at the market – or do we want them only to deal with the day to day running of the market (ie maintenance, communication) – with leases and marketing being dealt with by others?

Access through Market St

Renovating the Market St entrance to make it the front of the market is an interesting idea. Some form of traffic control would be needed but there are lots of possibilities.

Council is more than just a landlord – we have a responsibility to enhance the retail sector in Oxford.

Panel's Findings

Future vision of the Covered Market

Covered Market traders must accept that market trends are not going to change. For the majority of shoppers, price and convenience has more influence over shopping habits than quality does. This can be seen through the growth of chain stores and the decline in independents throughout Britain.

In order to prosper, Covered Market traders need to concentrate on offering niche goods and services that are unavailable elsewhere in town. They can't compete with the chain stores on price, but they can offer better quality, unique goods that cannot be bought in shopping malls.

Council has a role to play in encouraging this transformation as we have a responsibility to enhance the retail sector in Oxford.

Improving the relationship between Council and Traders

Traders cannot blame the Council for all of their problems; they must take responsibility for their own performance.

The overall relationship between the Council and traders has suffered because there is not one person or forum responsible for the Covered Market. Delegating the everyday running of the market to officers has meant that traders deal with many officers for different things and so relationships have fragmented. A sub-committee of Councillors responsible for overseeing the Market could be established which would give the traders a single forum to direct their problems to and would give Councillors responsibility for building and maintaining the relationship.

The current rent review process needs to change as it is too adversarial to build a meaningful relationship with the traders.

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Key Points from discussion with Officers

Notes from the Panel's meetings with officers involved in the running of the Covered Market

Meeting with Officers 27 August 2013

Attendees

John Bellinger, Building design and facilities Manager
Sheralynn Cross, Streetscene Assistant Operations Manager
Jane Winfield, Regeneration and Major Projects Team
Ruth Whelan, Senior property Manager/
Chris Wood, Property Manager

Panel

Cllr Jim Campbell
Cllr Mary Clarkson
Cllr Jean Fooks
Sarah Claridge, Democratic Services Officer

Sheralynn explained the role of the porter in the market, they are responsible for:

- Opening market
- Waste collection
- Traffic control
- Cleaning toilets
- Monitoring the cellar space – 15 cellars leased separately for storage.

The Current Leasing structure

- There are 57 separate leases which set out the responsibilities for both the landlord and the tenant.
- Leases are 15 years in length, they began in 2002 and end in 2017 – every 5 years the rent is reviewed.
- All but 2 leases begin and end on the same day; this makes the landlord/tenant relationship difficult as the rent is reviewed for all the leases at the same time. Normally leases are staggered so a landlord would only deal with reviewing rent for a few leases at a time. However Council has to review 55 leases at the same time, which means that dissatisfaction amongst traders is widespread.

When the leases expire in 2017, the tenants are legally entitled to a new lease and the council can only oppose a request on specific grounds.

The Council could propose a change in the terms of the lease at renewal but this is largely a matter for negotiation between landlord and tenant. It may therefore be possible to agree different lease patterns at renewal to stagger the leases so they don't all start and end (and require rent review) at the same time.

Council could have a more flexible approach in 2017. It doesn't need to be constrained by tenure as any empty units could be changed to licenses. As long as we are fair to all tenants.

Q What sort of market would you like to see developed?

Change of Use requests – currently Corporate Property is responsible for determining Change of Use applications, we consult with the CMTA, look at the leasing strategy and then officers decide whether the proposed Change of Use is good for the Covered Market or not which can create conflict with the CMTA.

Would like to see a more tightly managed user clause similar to Borough market, which would regulate the quality of the food being sold. ie Borough Market has a tightly controlled approach to permitted uses. In Borough, traders are interviewed and their products taste tested before they are given a licence/lease to sell it. Change of Use are rarely given, traders have to re-apply to sell alternative goods.

The Covered Market could be a niche, high quality shopping destination so that it can distinguish itself from the new Westgate and Oxford Castle. It should sell goods/services that are not available on the High St.

Council needs to consider users and where they are placed in the market.

There needs to be a clear theme in the market to draw people in. ie high quality, unique gifts and food

Need to re-create the Christmas shopping atmosphere year round.

Lighting is an issue – Christmas lights are left to collect dust, some traders have set up their own lighting.

Shop fronts have no identity or cohesion and there is a big difference in quality between vendors.

Focus should be on traditional, local and independent vendors with a strong food focus. Revert back to what the market sold 30-40 years ago.

Improving access to the Market

Signage

- It is difficult to get people from the High St into the market.
- Installing signage on the High St is problematic as it's a listed building and the frontage is owned by Lincoln College so permission is needed.
- If Market Street became the front of the Covered Market – installing signage is easier as the Council owns the entire frontage so we have more control and opportunity in the signs we install.
- Is there a main entrance?

Maintenance

Fixing the Leaky Roof – part of the backlog maintenance programme to be completed in 2014/15

The roof is a construction of a series of small slopes and narrow drainpipes. When there is a large amount of rainfall the drainpipes overflow and water can leak into the building. The Council looked into replacing the drainpipes, but this was too expensive. Huge gutters have been installed to contain the water on the roof until it can drain away. This work will be completed by the end of 2014/15. Blocked drainpipes are an on-going problem and Porters clean the gutters every week. Since the new gutter has been installed, leaking roof complaints have reduced.

Fixtures and fittings

The Panel mentioned how in other markets the stalls were a lot more open and accessible.

In 2017 it is possible to change the fixtures and fittings in the market, however there is a cost to changing the structure. The tenants will need to agree to the change, as a lot of tenants have spent a lot of money on upgrading their shop fronts.

Other

Extending opening hours

Changing the opening hours can only succeed if the majority of tenants decided to remain open. They have tried Sunday opening before, but only 50% of tenants were open, which created uncertainty for shoppers – as some avenues appeared closed.

Because of the mix of stores, quite often the food shops want to stay open later midweek and the gift shops want to be open on Sunday so reaching an agreement can be difficult.

Covered Market Manager

The Panel explained how the other markets had a manager responsible for running everything ie leases, change of use, promotions and events. Officers were asked what they thought of having a manager for the CM.

Sounds like a good idea, - Is the Covered Market big enough for 1 FTE? Currently the CMTA is responsible for promotions.

Relationship with the CMTA

The Council has quarterly meetings with the CMTA, and consults with them on change of use applications. Perhaps we rely on them too much to act as the 'voice of the market' and should consult with non CMTA traders more.

Some traders are very quick to blame the Council for everything ie footfall drops and its Council's fault.

Panel's Findings

Future vision for Market

The Covered Market could be a niche, high quality shopping destination so that it can distinguish itself from the new Westgate and Oxford Castle. It should sell goods

and services that are not available on the High St.

Would like to see a more tightly managed user clause which would regulate the quality of the food being sold. ie Borough Market has a tightly controlled approach to permitted uses. In Borough, traders are interviewed and their products taste tested before they are given a licence/lease to sell it. Change of Use are rarely given, traders have to re-apply to sell alternative goods.

More promotion and marketing of the market needs to occur, shop fronts need more identity and cohesion, work needs to be done to improve the lighting, signage and visibility of the market.

Improving the relationship between Council and Traders

Traders are too quick to blame the Council for everything - ie footfall drops and its Council's fault. The Council has quarterly meetings with the Covered Market Traders Association (CMTA) and consults with them on change of use applications. We rely on the CMTA being the voice of the market and it should communicate with all traders more.

Changing the leasing structure would improve the relationship between Council and traders. The current leases all start and finish on the same day which has meant that 50 rent reviews all take place at the same time. The tension between traders and the Council occurs because the rent review affects the whole market at the same time. When the leases expire in 2017, the tenants are legally entitled to a new lease however it may be possible to agree different lease patterns at renewal ie stagger the leases so they don't all start and end (and require rent review) at the same time.

When the leases end in 2017 the Council could adopt a more flexible approach. It doesn't need to be constrained by tenure - any empty units could be changed to licenses as long as we are fair to all tenants.

It would be possible to change the fixtures and fittings in the market, however there is a cost to changing the structure. The tenants will need to agree to the change, as a lot of tenants have spent a lot of money on upgrading their shop fronts.

**Meeting with Gordon Reid, City Centre Manager
3 September 2013**

What is your personal vision for the covered market?

Would like to see the historic building retained but remodelled and filled with high quality independent retailers. A highly visible and successful retail venue unique from the chain stores found in shopping centres and providing high quality and varied food and catering establishments.

With the proposed Westgate shopping centre being built in the next 4 years would like to see the Covered Market and wider Broad Street/High St develop into an area for high quality specialist stores, that complement the emerging offer in the new Westgate and adds to the overall attraction of the city centre as a regional shopping destination.

Signage and making the market visible

At present, approx. 10% of the city centre footfall finds its way into the market; approx. 5% of city centre workers; and 4% of visitors/tourists per year.

The Covered Market is not sufficiently visible to potential shoppers and The Retail Group will bring forward proposals to address this. Most visitors to Oxford arrive on the High Street yet the signage to the market from the High St end is poor. The listed building status restricts the type of signage allowed.

The Panel suggested that vertical banners could be used on the High Street to promote the market.

The Market St end of the market has the largest footfall and has been proposed as the front of the market, yet visibility is currently restricted by delivery vans and toilets and there is limited signage.

The Retail Group have been asked to offer solutions to making the market more visible. These could include transforming Market St so that it is pedestrianised, limiting delivery vans to certain hours (as in Cornmarket) and allowing outside traders.

The Council could pay for such renovations by renting out the 1st floor of the market, currently it is not being used but it could be rented as office space or student accommodation.

Relationship with Traders

Initially got involved with the Covered Market through the quarterly traders' meetings, where the idea for a long term Covered Market strategy came from.

There appears to be a lot of mistrust between traders and Council that has built up over many years. This needs to be constructively addressed in order that accepted outputs from The Retail Group's work can be successfully implemented in due course.

When asked for his view on the implications for his own job if a market manager was appointed, Gordon stated that he would welcome improved management arrangements for the good of the market itself and the additional capacity it would provide for marketing the city centre. Having a manager at the market would also 'free up' Gordon to pursue other work.

The Covered Market Strategy

Focus is on the strategic outlook rather than the day to day. Gordon realised the Council didn't have the expertise to draft a strategy inhouse so commissioned The Retail Group to draft it.

Commissioning consultants to conduct evidence based research was the correct approach for the Council to take to best understand the challenges and opportunities facing the market. The best means of facilitating commercial success is to align the retail offer with the expectations of the catchment population.

Officers are expecting the draft strategy from The Retail Group on 2 October 2013

Future Plans

Council needs a cohesive approach to developing, promoting and managing markets and events in the city centre. This is a body of work that Gordon plans to pursue.

**Discussion with David Edwards, Director of Housing, City Development and
Regeneration
21 August 2013**

Relationship needs to improve between traders and Council

Council needs to decide the purpose of the Covered Market

- Financial/ Social
- Commercial operators
- Good management
- Tenant mix

We have a landlord/ tenant relationship with the leases

Other markets have more flexibility through the licences

Covered Market leases

Licenses require a more intensive relationship between management and leaseholders.

Leases offer more security and set out responsibilities for both tenant and landlord.

The CM leases allow tenants to sub-let and several tenants sub-let their leases for significantly more than the lease. As the Covered Market is prime real estate in Oxford.

The leases expire in 2017 and tenants are legally entitled to a new lease with broadly the same conditions as their current lease. Exceptions to this would be a complete re-organisation of the market.

The rent review system causes animosity – as a 5 year lease works well for a High St shop but not for the Covered Market.

Quality and mix of stores in the market

Food offer is important

Use of the first floor – there are always winners and losers with any change,

Signage and management is important

It's important that any changes to the Covered Market needs are value for money.

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Financial Information

Covered Market Income and Expenditure

	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000
City Works/Direct Services					
Management	222	215	194	276	276
Premises Costs (Revenue)	73	88	139	81	74
Premises Costs (Capital Programme)	19	73	1	44	149
Premises Costs					
Depreciation/Impairment	19	73			
Transport	5	5	8	6	6
Supplies & Services	3	4	10	18	22
Support Services	52	41	32	19	17
Total Costs	393	498	385	445	544
Income	- 1,101	- 1,050	- 970	- 992	- 1,026
Net Income	- 708	- 551	- 585	- 547	- 483

Notes

- In 2008/09 and 2009/10 backdated rent was collected with interest from the rent reviews completed in 2007/08 resulting in better performance than in 2010/11 and 2011/12
- Overhead apportionment in 2011/12 was inconsistent with both previous and subsequent years and has been amended for comparability.
- No allowance has been made for the rent reviews in the total income reported for 2012/13.
- From 2011/12 the charge for Market Management included recovery of all central overheads which had not been done in previous years.

Covered Market Arbitration Costs

The Arbitrator has charged £21,319.20.

This cost will be split between the parties as the Arbitrator considers appropriate so it cannot be said that Oxford City Council has incurred this cost.

It does not include the cost of our expert who will invoice the council on completion. As the matter is on-going, it would not be appropriate for me to provide details of the basis of his charge.

I can confirm the cost of making the applications to the Royal Institute of Chartered Surveyors was approximately £2,000.

Property Manager
Oxford City Council

Vacant period former Palm's Deli Unit

Timeline	Date	Number of months no revenue
Palm's Deli last rent received	29 Sept 2009	
Council takes possession of the lease	9 June 2010	8 month
*Temporary let to Calendar Club		
Property let – rent free period begins	5 December 2011	18 months *Temporary let during this period
Rent free period ends	5 September 2012	9 months

The rent paid by Palms was £25,215 p.a.

The new tenant's rent was £36,500 p.a.

Income earned during this time from temporary lets: £7,800.00

The Panel is also seeking financial information from Bristol City Council and if this arrives we will table it at the meeting.