

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
Bonnors 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!

This page is intentionally left blank