

To: Scrutiny Committee
Date: 01 February 2023
Report of: Scrutiny Officer
Title of Report: Site visit to Covered Market

Summary and recommendations	
Purpose of report:	To set out a summary of the key discussion points and issues raised at the Scrutiny Committee and Finance and Performance Panel's site visit to the Covered Market
Key decision:	No
Corporate Priority:	All
Policy Framework:	Council Strategy 2020-24
Recommendation(s): That the Scrutiny Committee:	
1. Notes the report and considers whether to make any recommendations.	

Introduction and Background

1. At a meeting during the 2021/22 municipal year, the Finance and Performance Panel requested information relating to unit usage and strategy for improvement in the Covered Market. In response, the team responsible for the Covered Market suggested that a visit to the market could be more beneficial. The suggestion of a site visit was supported by Members and invitations to attend were extended to members of the Scrutiny Committee and to the Finance and Performance Panel.
2. On 22 September 2022, the Chair of the Scrutiny Committee, Cllr Dr Snowton, attended the site visit along with Cllr Arshad, Cllr Bely-Summers, Cllr Coyne, and Cllr Mundy. Members were welcomed by Elaine Philip, Markets Manager, Emma Gubbins, Corporate Assets Lead, and Charlie Clarke, Graduate Surveyor, who gave an hour-long tour of the Covered Market which Members reported was useful and informative. This report sets out a summary of the key discussion points and issues.

Pricing/Leasing Strategy

3. In some parts of the market, Members noted a number of vacant units but officers advised that these were expected to have been filled by the end of October 2022. There were only two true voids (i.e. empty premises that are not currently under offer). At that point, the aspiration was that this would not remain the case for any significant period.

4. Units within the Covered Market had historically been small but there was a trend during the 1960s and 1970s to merge units for larger-sized shops. More recently there had been a pattern of reverting to smaller units. It was explained that these provided valuable 'incubator space' for fledgling businesses. The aspiration was that businesses would succeed and might outgrow the smaller units and need to move to larger ones. This contributed to a hub of regularly changing units offering vibrancy to the Covered Market, which made it attractive to shoppers and visitors, and, also, attractive to potential traders as a place that would benefit their business.
5. Members were advised that enquiries were regularly received from businesses that wanted larger units and so it was not held to be desirable to turn all units into smaller ones.
6. Oxford Preservation Trust and the City Council had worked together closely in dividing up the former John Lindsey & Son's Butcher's shop into three different units. These were some of the earliest units in the market, dating from around 1849, and great effort had been made to ensure that they were very carefully restored. These units could be let as one, two, or three units.
7. A trader selling woollen products manufactured around Sheffield was described as being very keen to take one of the units and interest had been expressed by a small business seeking to sell food as well as a small café. The Makespace Project was developed by the Council, using funding secured by OxLEP from the Government's Getting Building Fund. This sought to reanimate underused space in urban centres and the project had taken responsibility for three linked units in the market.
8. Members established that rental costs for a unit varied depending on a number of factors. The [Covered Market Leasing Strategy](#) states in paragraph 3.19:

The Council will take a balanced view when setting asking rents for units as and when they become available, including considering research, information and professional advice. Factors that the Council will take into consideration in setting rents for units will include (but are not limited to):

A. Location within the Covered Market

B. Importance of product category to the market (e.g. anchor status and priority rated / target category)

C. Lower initial rents for start-up or emerging businesses

D. Impact and visibility of the unit

E. Local independent retail sector rental levels for appropriate categories, user types and trading location.

In response to questions relating to how rental rates in the Covered Market compared to mainstream units outside it, Members established that the rent cost per square footage was understood to be slightly lower within the Covered Market than in units on Cornmarket Street. Members were also informed that business rates were not due on void units because of the listed status of the Covered Market.

9. Members asked about the length of leases and were advised that 15 years had been standard but that the Covered Market Leasing Strategy approved by Cabinet in June 2021 had recently been implemented. The strategy noted that "shorter and

varied lease formats will enable the Covered Market to be quicker and nimbler in identifying and accommodating growth sectors and format.” (paragraph 3.13). Paragraph 3.14 states that:

Going forward the Council will offer three types of leases for new operators in the market:

A. 5 year or longer leases within the Landlord and Tenant Act for anchor status (i.e. main / bigger / established) operators, i.e. circa 20% of tenants

B. Fixed 3-5year licence-based leases for the majority of operators, i.e. 60 – 70% of most tenants

C. A variety of short-term leases of 3 months to 2 years licences targeted at new and start-up business, i.e. 10 – 20% of tenants. The new strategy, in seeking to encourage the growth of businesses, now allowed three-five year leases. Leases also came with break clauses that meant new traders were not discouraged from entering into leases that would prove unviable were the business not to succeed.

10. The Covered Market Strategy required that best value was achieved when it came to letting units. However, maximum revenue was balanced against a successful market. Questions were raised about how the market management decided who should be given priority if multiple businesses were interested in vacant units and it was explained that the aspiration was to prioritise small, local, independent businesses where possible. There were a number of criteria applied when considering an application, including:
 - a. the fit with the leasing strategy;
 - b. small, local, independent;
 - c. the quality (not the cost) of the proposed fit-out and overall vision
 - d. rental offer
11. Members were advised that there was currently a small number of traders in the Covered Market that would count as chains. Whilst chains would be unlikely to have applications approved now, those that were there were examples of Covered Market ‘success stories’, their firms having either started trading from the Covered Market or having been very early on in their journey when they opened at the Covered Market.
12. The current absence of a charity shop in the Covered Market was noted and it was confirmed that was not a policy decision. It was emphasised that a charity shop would be a very welcome addition to the Covered Market subject to the offer meeting the above criteria and that it would be very much in keeping with the strategy whilst not explicitly mentioned therein.

Evening Opening

13. A number of traders already had licences for the sale of alcohol for off-site consumption and one trader was applying for the first licence in the Covered Market for on-site consumption of alcohol, which was approved at the end of January 2023. The market management had been working closely with Thames Valley Police (TVP) to consider how the site could operate safely when it opened in the evening. Guidance from TVP had included advice that only two entrances on

High Street and two on Market Street should be opened to limit where visitors might wander.

14. It was explained that CCTV would be linked to TVP and that there would be security presence at all openings. Traders selling alcohol were intending to join the Oxford City Crime Partnership's Radiolink radio controller scheme which enabled traders and venues across the city to communicate with each other and directly with TVP. Advice had been received about altering the layout of the public lavatories to make them more secure. During evening opening, the intention was to have a focused area of the market open so that footfall could be concentrated in a particular area. This was intended to ensure safety and security.
15. For those businesses who chose not to open in the evening, there was no provision for alterations of units and so providing shutters, for example, was not being considered by the market management. Responsibility for securing individual units lay with respective tenants. The Market team will work with traders to support their needs where possible.
16. Officers explained that regular evening opening throughout the year was to be a trial and that both the Covered Market officers in consultation with the traders themselves would be able to reflect on whether or not it was considered viable to continue. It was anticipated that late opening could be feasible up to four nights a week and up to 23.00. This would be a 12 month trial with flexibility with it due to begin in the spring of 2023. The consultation over the summer of 2022 received over 700 responses with 70% of traders being willing to consider evening opening in principle. 70% of members of the public reported that they were more likely to visit more often if evening opening also included events to attend and the opportunity to eat and drink as well as to shop.
17. Discussions with other traders about whether they planned to open during the evening was progressing. There were firm commitments to do so from some but some other traders did not feel they were in a position to organise sufficient staffing. Others, including butchers and fishmongers, were open to exploring occasional or seasonal evening opening.

Deliveries

18. Questions were raised about storage, given the size of units, and it was explained that, other than inside the units themselves, there was no other storage. This meant that there were frequent deliveries to the Covered Market. Members asked questions about how traders felt about the impact of the Zero Emissions Zone (ZEZ) and the traffic filters. It was explained that the current phase of the ZEZ did not impact directly on the Covered Market because that end of Market Street was not included in the pilot phase. However, it was intended to be included in the next phase of the implementation, the dates of which were not yet confirmed.
19. Traders were reported as being very apprehensive about the traffic filters with them being perceived as being likely to discourage people from going into the city centre to shop. Concern was reported that shoppers would go elsewhere. Management would seek to work with traders to alleviate the impact, including support with deliveries.
20. The Council purchased two Electric Assisted Vehicles (EAVs) using DEFRA funding, one of which had refrigeration capacity, and these were available to traders to use themselves for deliveries, free of charge. Take-up had not been as

high as hoped, partly owing to availability of staff, but Pedal and Post, the Oxford bicycling delivery company, were also participating in a trial with the Covered Market, where they were using one of the EAVs emblazoned with Covered Market advertising for deliveries. Pedal and Post's involvement was to be reviewed early in 2023.

Ambience and Attractiveness

21. It was reported that the seating area running parallel to Wicked Chocolate between Avenue 1 and Avenue 2 of the Covered Market was extremely busy at lunchtimes with residents and visitors gathering in large numbers.
22. TAP Social was organising a social events programme in collaboration with other traders in the market. These were planned to attract as wide a demographic as possible across both daytime and evenings. Possible events being explored included wreath-making and film showings.
23. Officers expressed the Council's keenness to attract a wider demographic to the market, including young people, as well as long-established visitors. Students were welcome and regular visitors to the market. The social media profile of the Covered Market was being raised but further work was needed on attracting young people who were not students.
24. Historic photographs of the Covered Market had been purchased under licence and were displayed around the market. Christmas decorations were also now an annual presence in the Covered Market, part of the City Centre Action Plan. Previously, such decorations had been organised by traders themselves but officers now work with ODS to erect them.
25. Members established that there was a traders association and there is a positive and constructive relationship, with regular meetings and open communication between traders and management.

Ownership of adjoining areas

26. Officers explained the market entrance was set back from the High Street. The businesses on the High Street were in premises owned by one of the colleges who also owned the avenue entrances. The Golden Cross area was entirely distinct from the Covered Market and owned by another landowner.
27. None of the colleges owned or operated any units within the Covered Market.

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