

REPORT TO: Corporate Policy and Performance Board
DATE: 2nd June 2015
REPORTING OFFICER: Strategic Director Children and Enterprise
PORTFOLIO: Physical Environment
SUBJECT: Markets Update
WARD(S) Appleton and Mersey

1.0 **PURPOSE OF THE REPORT**

1.1 The purpose of this report is to provide an update to Members on occupancy rates and level of arrears at Widnes Indoor Market.

2.0 **RECOMMENDATION: That Members note the contents of the report.**

3.0 **SUPPORTING INFORMATON**

At its meeting in March 2015, the Policy Performance Board requested that a report on Widnes Market Hall be brought to the June meeting of the Board detailing occupancy rates and action that was being taken to address under occupancy and an updated rent arrears figure.

i. Occupancy Rates at Widnes Indoor Market

Although there is a perception that vacancy rates are high at Widnes Indoor Market, the market compares favourably with other market halls. Members are advised that some market halls can appear to be full because they have a policy which allows traders to 'spread' their goods. However, this policy is not supported in Widnes Market Hall, as it is not considered to be sustainable in the longer-term and furthermore, it can be regarded as unfair to traders who pay for additional stalls.

The occupancy rate at Widnes Indoor Market as at 31st March 2015 was 85%. This compares with 84% as at 31st March 2014 and 92% as at 31st March 2013.

Members are advised that the retail environment is very difficult both for town centre retailers as well as market traders. The first two quarters of 2014/15 were difficult with a number of Traders leaving the market, or down-sizing.

This reflects a wider change in the shopping habits of people and reasons for them coming into the Town Centre.

However, since January 2015 there has been a steady number of enquiries received (17) resulting in 12 new traders operating in the market hall. During the period 10 traders left the market, five of which were for 'economic' reasons. Although there are more traders in the market (81) compared with 76 in 2014, some existing traders have downsized, hence the occupancy levels remain static.

A Market Plan is being developed which identifies 9 priority action areas;

Right Traders; Right Products; Right Location; Right Commodity Mix; Right Business

Environment; Right Place; Right Business Model; Right Management.

Regarding occupancy levels specifically, maintaining the right commodity mix is extremely important for the sustainability of a market and it would be inappropriate to accept every request that is received.

Therefore, our focus has been on attracting and encourage a broader range of niche commodities and in particular, those that are in short supply, for example, men's footwear, and additional café/refreshment facilities.

Finally, the markets management team is working with the Communications and Marketing Team and market traders to develop a longer-term events programme, as clearly there is a link between increasing footfall in the market and sustaining and encouraging the number of stalls being used within the market.

ii. Market Arrears

The level and amount of arrears is similar to 12 months ago. However, the split between the amount owed by ex-traders and existing traders has changed. 58% of total debt relates to ex-traders and 42% of total debt relates to existing traders. This compares with 67% (ex-traders) and 33% (existing traders) in the previous year.

There are two main reasons for this change. Firstly, on a positive, regarding ex trader debt, the legal services have adopted a targeted approach, which prioritises higher debts rather than smaller debts.

Secondly, on a negative point, staff shortages (arising from long-term sickness and non-maternity leave cover), have had an impact on the capacity of the team to chase existing traders for non-payment.

The Operational Director for Economy, Enterprise and Property will provide further details at the meeting.

4.0 POLICY IMPLICATIONS

4.1 There are no further policy implications associated with this report.

5.0 OTHER/FINANCIAL IMPLICATIONS

5.1 Widnes Indoor Market continues to generate a small income for the Council. Although the cumulative levels of arrears remain a cause for concern, overall the amount paid each year by traders is 94.5% of the total billed.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children & Young People in Halton

N/A

6.2 Employment, Learning & Skills in Halton

The markets allow potential entrepreneurs and fledgling businesses the opportunity to set up in a supportive and low risk environment.

6.3 **A Healthy Halton**

N/A

6.4 **A Safer Halton**

N/A

6.5 **Halton's Urban Renewal**

Markets contribute to supporting the respective town centres. It also encourages local residents to 'shop local'.

7.0 **RISK ANALYSIS**

7.1 There is a risk that the Council does not see a return on its investment through increased footfall in the markets and wider town centres and an increase in traders paying rent.

8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 Access to the markets has improved to ensure that our markets remain accessible for all.

9.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

There are none within the meaning of the Act.