

SUBJECT:	CENTRAL MARKET REVIEW
DIRECTORATE:	MAJOR DEVELOPMENTS/COMMUNITIES AND ENVIRONMENT
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1. Purpose of Report

1.1 To provide an update as requested by Committee covering the:

- Performance of the Central Market during the Transport Hub and Cornhill Quarter works; and
- Process for the further review of the Market, the wider market offer and the use of City Square and Cornhill as part of a wider market/retail strategy for improvement.

2. Executive Summary

2.1 Following a reduction in income target for the market to reflect the expected loss of income during the Transport Hub construction works, market occupancy has dropped as expected but has actually held well in the circumstances and is expected to slightly over-achieve against its revised target. There are also signs of occupancy increasing as the works near completion.

2.2 A range of improvements have been made to the market offer during 2017/18 to support traders and the wider Sincil Street area during the most intensive period of construction work to mitigate the impact of the substantial decline in footfall and financial loss.

2.3 The implementation of the Market Strategy will continue in 2018/19 with the development of the options for the unified markets offer both indoor and outdoor within the City Centre taking into account the retail assessment findings, the Business Improvement Group review and the next stages of the emerging regeneration plans for the area.

3. Background

3.1 The City Council owns and operates the Central Market situated on Sincil Street, adjacent to the river Witham. The market offer is seen as a key component of the city centre retail offer and features within the City Centre Masterplan. The development of a single strong and sustainable market offer for the City is one of the priority projects within the Council's Vision 2020.

3.2 A report on the implementation of the Central Market business case was last presented to Performance Scrutiny Committee on 16 February 2016 and was

briefly referred to in an overview update of the projects and initiatives forming part of the annual Economic Growth Vision Group report on 13 July 2017.

3.3 The report from February 2016 outlined the progress in implementing that business case and included:

- Development and implementation of a markets rights policy;
- Development and implementation of a lettings policy reflecting customer feedback on the key components and mix of a market offer;
- Decluttering of stalls within the Central Market area (through stall reduction and a revised layout) to create better sight lines, greater accessibility and sense of space and to create a better ambience within the Market hall;
- Efforts to incorporate market tenants from the Cornhill Market into alternative indoor and outdoor market space (utilising City Square) following its closure in Spring 2016; and
- The recent financial performance of the Market and the agreed reduction in income target given the changes to stall availability.

3.4 Since February 2016, substantial construction work has been taking place in the Sincil Street area, in terms of both the City Council led Transport Hub (work meant the relocation of the bus station to a temporary site on Tentercroft Street from August 2016 to January 2018) and the Cornhill Quarter redevelopment by Lincolnshire Co-operative which started in Easter 2016, with Phase 1 complete and the next phase underway). As a result of the planned work, the financial income budget for the Market was reduced to reflect the expected fall in stall income during this period. As expected, there has been a fall in income and the construction work has led to a significant reduction in footfall in the area and has financially hit the local businesses.

3.5 As reported to Committee in July 2017, proposals for City Square and the Central market building have been revised by a local architect following further discussions with planning and market traders.

4. Central Market

4.1 **Performance:** Financial performance of the Central Market as previously reported and updated. The reduced income target for 2017/18 is expected to be met following the additional stall lettings on City Square with the potential for a small surplus to offset the increased expenditure incurred as a result of a range of activity to support market traders and businesses in the area during the construction works on the Hub.

Year	Budget	Actual	Variance	Comments
2010/11	(259,830)	(261,860)	(2,030)	
2011/12	(260,130)	(247,700)	12,430	
2012/13	(267,710)	(263,080)	4,630	
2013/14	(256,250)	(254,080)	2,170	
2014/15	(256,250)	(240,470)	15,780	82% average occupancy
2015/16	(270,290)	(227,570)	42,720	New lettings closed whilst policies developed and stall layout/reduction undertaken 78% average occupancy

2016/17	(270,290)	(240,321)	29,969	81% average occupancy (based on the revised layout and reduced stall numbers)
2017/18	(230,000)	(235,000)*	(5,000)*	72% average occupancy but currently running at 79% *Based on projected actual income

4.2 **Current Position:** Of the 71 stall spaces within the Central Market area, 61 are currently let with 6 of these being new lettings in 2017/18. Occupancy is steadily increasing with no reductions expected in the forthcoming months. Based on current information the team expect occupancy to increase towards the mid-80% range. In addition, there are 4 traders who regularly trade between 1 and 3 days a week on City Square, with this increasing in Spring and Summer months with the warmer weather. Based on the current position, the Market is expected to slightly exceed its revised income target for 2017/18.

4.3 **2017/18 Improvements:** During the year the Market team have undertaken a range of activities/initiatives to support the Market traders and the wider Sincil Street area during the Hub construction works. These initiatives have arisen following regular monthly meetings with the traders and have included:

- Sponsorship of a Central Market/Sincil Street Knight as part of the BIG managed Knight's Trail;
- A November 2017 "Spring Cleaning" of the inside of the Market Hall including redecoration, high-level cleaning, decluttering, removal of aisle encroachments and stall reorganisation inside and outside to create a better ambience;
- Launch of a new and modern market website (lincolnmarkets.co.uk);
- Enabling BIG to utilise half of City Square to put on events/activities to increase footfall in the area;
- Organised the Easter Egg hunt;
- City Square as the new location for the Christmas Tree;
- Worked with County Council and businesses on the revised Traffic Regulation Order for the area;
- Promotion of the area and businesses as part of the Transport Hub communications, reminding the public to still shop in the area; and
- Supporting other initiatives as appropriate.

4.4 As a result of working with the traders and supporting the wider Sincil Street area, the impact of the range of construction work in and around the area has been partially mitigated. However, businesses in the area have experienced significant hardship and this is reflected in both Market occupancy and income.

4.5 **Update On Regeneration Works:** The Transport Hub which started with the relocation of the bus station to the temporary site on Tentercroft Street at the end of August 2016 is nearing completion, with the first phase of the new 1,000 space Central Lincoln Car Park opened on 17 November 2017, the new bus station is due to open on 28 January 2018 and the rest of the works being completed by Easter 2018. The new car park has already started to have a positive impact on footfall to the area and the return of a bigger and better bus station will further improve that position.

- 4.6 Phase 1 of the Cornhill Quarter redevelopment which started on site in April 2016, completed in October 2017 with the next phase of work to the mid-Sincil Street properties following on and currently on site. A planning application for a further phase in the Cornhill Pavements area was also submitted in December 2017. There will therefore be a further period of disruption whilst the regeneration of the area continues having been kick-started by the investment in the Transport Hub, but the main footfall disruption has now finished.
- 4.7 **Lincoln City Centre Public Realm Strategy:** During 2017 the City Centre Public Realm Strategy was also finalised and approved by the Council and partners. This sets out a vision for the city centre as a space with principles to guide the redevelopment and regeneration of a number of priority areas including Cornhill, City Square, the markets area as well as the High Street. This is an important document for encouraging quality and investment in Lincoln as a remarkable place.
- 4.8 **Next Stage of the Markets Strategy:** Architects plans have been revised following discussions with planners and market traders and these have been re-consulted upon. However, in order to progress with more detailed development of these plans through to implementation, some form of external funding would be required as there is not the economic viability within the market business plan to repay the investment required. The options for developing and funding a single and co-ordinated markets offer both indoor and outdoor within the city centre will be worked on through 2018/19 with partners and taking into account the following initiatives/considerations:
- The review of BIG (Business Improvement Group) business plan and deliverables. BIG currently run a range of outdoor markets throughout the year and activities within a range of public spaces. An agreement on a single, co-ordinated and joined-up approach to the markets offer and its delivery is still required in line with our jointly agreed strategy;
 - Retail assessment will be undertaken by the Council in line with our stated Vision 2020 objectives and that will review the requirements/nature of the market offer within that wider retail offer;
 - Delivery of events activity and the use of the public spaces is also being reviewed as a result of the Public Realm Strategy, BIG review and the City Centre Masterplan refresh; and
 - Further plans for the regeneration of the area need to be considered. Now that the Hub is nearing completion and the Cornhill Quarter plan is being implemented with future phases emerging, there is physical clarity as to what the area will look like moving forward and what the market will contribute to that.

2018/19 will therefore be the year in which the retail assessment, the outcome from the BIG review and the options for the market within that will be explored, funding options investigated and a decision on a way forward agreed following consultation.

- 4.9 This project reports to and is monitored monthly by the Economic Growth Vision Group, CMT and at Portfolio Holder briefing meetings.

5. Recommendation

5.1 Views and input from Performance Scrutiny Committee would be welcomed.

List of Background Papers: None

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