

London's Street Markets

Update Report

May 2009



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Chair's foreword

It is now more than a year since the London Assembly's Economic Development, Culture, Sport & Tourism Committee reported on the state of London's street markets. We acknowledged the economic, social and cultural benefits that these markets bring to London. But we observed that, while some markets were thriving, others were struggling.

We called on the Mayor and GLA to bring the strategic vision and co-ordination necessary to support and encourage London's markets. In particular, we recommended that the Mayor should develop a '100 London Markets' strategy, to harness the energy and ideas of the various interested parties and lead a revival of our markets.

The committee has now undertaken one of its periodic reviews to check on the progress of the recommendations we made. In the 15 months since our initial report, the political and economic situation has been transformed by a change of Mayor and the move of London's economy into recession.

In assessing progress, we find that the results are mixed. The Mayor and the LDA have made some welcome commitments, in particular the LDA's draft Tourism Action Plan, which includes developing the tourist appeal of street markets as a key action in year one. The Mayor has also recently stated his intention to 'support street and farmers markets and their development and expansion' in his initial proposals for the review of the London Plan¹. But the Mayor has yet to provide a clear timeline for when the Supplementary Planning Guidance will be finalised or ensure that, in doing so, it sets out a clear strategy for supporting street markets across the capital. In addition, Transport for London has not moved as quickly as we would have liked to solve the problems affecting the markets it controls.

So, while there is some good news, we find that progress is limited and some of London's street markets remain under threat. Until we see firm evidence of the long-term strategic support we recommended in our initial report, we will keep monitoring and keep pressing the Mayor for appropriate action.

¹ Mayors 'Statement of Intent' for the review of the London Plan, released 29 April 2009

Summary

London's street markets

We published a report on London's street markets in January 2008. Since then, there has been a change of Mayor and London's economy has moved into recession. Street markets remain a vital part of London life and perhaps more than before contribute to wider social, economic and environmental strategic goals. As part of our regular updates to check on the outcome of our recommendations we decided to revisit the issues we addressed in our original report and consider how our recommendations have been taken forward.

The Mayor welcomed our report and has acknowledged the importance of street markets and the benefits they bring to local communities and those on low incomes. We are pleased that in his initial proposals to review the London Plan, the Mayor states his intention to 'support street and farmers markets and their development and expansion'. Furthermore, the LDA's recently published draft Tourism Action Plan identifies developing the tourist appeal of street markets as a key year one priority in line with our original recommendations.

The Committee welcomes these commitments and will monitor how they are translated into action. In this follow-up report we discuss the challenges that remain, particularly in the short-term while the London Plan is being developed. In doing so, we examine the issues which we covered in our original proposal for a specific '100 London Markets' strategy some of which remain to be addressed. We also reiterate the important role markets play in the vitality and viability of local economies.

1. Original report findings

1.1 In January 2008, the Economic Development Culture, Sport and Tourism Committee published a report on street markets in London informed by the first comprehensive survey of its kind. Spanning the past decade, it revealed that while some markets are flourishing, others, many of which have been at the heart of local communities for generations, are in serious decline. Some borough-managed street markets are fighting an ongoing battle with dwindling sales, competition from supermarkets and escalating rents. Some have even been forced to close.

1.2 By contrast, some street markets in London are thriving. Over half of London's boroughs reported on markets that were successful. The National Market Traders' Federation pointed to the success of Queen's Road market in Newham and the Committee visited Whitechapel Market where all 121 pitches are in use each day and there is a waiting list for traders. This suggests that with the right support traditional street markets can flourish alongside newer farmers and specialist markets.

1.3 Based on evidence from London, the UK and abroad, our report highlighted key reasons why there was a case for intervention to halt the decline of some street markets:

- Markets play an important role in the vitality and viability of local economies. For example, Queen's Market in Newham generated more than £13 million per annum for the local economy, in part through attracting customers to surrounding shops. Successful markets attract tourists and play a key role in the vibrancy and attractiveness of town centres maintaining their individuality and contributing to the character and community of the local area.
- Street markets are a source of affordable high quality food, especially to people on low incomes. This is particularly important given the declining economic situation in London since our report was published. They also contribute to environmental goals, for example, by generating less packaging.

1.4 The Mayor appears to be persuaded by these arguments. Citing our original report which he described as "ground breaking", he went on to make a firm commitment: "I am determined to support street markets. I think they are a wonderful part of London life. They can bring great benefits to local communities and to people on low pay"².

1.5 The remainder of this report examines progress against the recommendations made in our first report. It sets out those areas where we believe more still needs to be done if the Mayor's commitment to support street markets is to be fully realised.

² Mayor's Question Time, September 2008

2. Mayoral support of London's markets through planning processes

Recommendations made in our initial report:

- *The Mayor should develop a '100 London Markets' strategy to protect London's markets.*
- *The Mayor should commission research to evaluate the effectiveness and impact of existing planning policies on markets and feed the findings into forthcoming guidance on town centres.*
- *The GLA should use the research as a basis for developing best practice advice to local authorities on markets.*

2.1 The Mayor has proposed using his forthcoming revision of the London Plan rather than a specific '100 London Markets' strategy to support our recommendations. He believes this alternative approach will avoid the risk of such a document being sidelined as a separate lower status policy.

2.2 In his recently published 'Statement of Intent' outlining his initial proposals for the review of the London Plan, the Mayor states his intention to 'support street and farmers markets and their development and expansion'. We welcome this commitment. The London Plan is the strategic plan that sets out an integrated social, economic and environmental framework for the future development of London. It should integrate the physical and geographic dimensions of the Mayor's other strategies, providing a framework for land use management and development. Importantly it provides the London-wide context within which individual boroughs must set their local planning policies.

2.3 If the final London Plan does provide specific strategic direction relating to the importance of street markets, this would mean that in all future planning developments across London, boroughs would have to make a provision to ensure street markets are protected, supported and exist in environments where they are encouraged to flourish.

2.4 The London Plan has a long lead-in with the final version unlikely to take effect before 2011. Markets remain under threat in the short-term, in part, as a result of the planning system. The Mayor made a commitment to commission a piece of work looking into existing planning policies and whether or not they support street market retail outlets³. It is unclear however what new research on street markets will inform the draft London Plan or supplementary planning guidance which might influence planning policy in the meantime.

2.5 Supplementary Planning Guidance represents an opportunity to support markets through the planning process in the short-term. Without the Mayor's promised research into retail markets it is difficult to see how markets will be adequately supported in the final Supplementary Planning Guidance. We remain concerned about the future of London's street markets in the short and medium term. We urge the Mayor to provide a clear timeline for when the Supplementary Planning Guidance will be finalised and ensure that in doing so, it sets out a clear strategy for supporting street markets across the capital.

³ MQT 1597/2008 Question from Jenny Jones AM '[In reference to Queens market] Would you be prepared to commission a piece of work which looks into ... existing planning policies and whether or not they do support this sort of street market retail outlet?' Answer Mayor Boris Johnson: 'Yes, I will certainly do that ...' 10 September 2008.

3. Mayor's strategic role in supporting London street markets

Recommendations made in our initial report:

- *The Mayor's '100 London Markets' Strategy should aim to ensure that markets have first class facilities and management, are financially viable and sustainable, and are promoted particularly through Visit London.*
- *The LDA and Visit London should use the '100 London Markets' scheme as a vehicle for promoting London's markets to tourists and develop a strategy to promote markets in the run up to the London 2012 Olympic and Paralympic Games.*
- *The London Development Agency should develop a programme for delivering business support to traders drawn up in consultation with the National Market Traders' Federation.*

3.1 The Mayor argues that markets are adequately supported through provisions already contained in the London Plan, the Economic Development Strategy and the local 'Food Infrastructure Project' (delivered through the Mayor's Food Strategy).

3.2 As we reported in January 2008, most of the relevant actions in the Food Strategy relate to wholesale markets and training public sector catering staff. Relatively little has been done to implement the actions specifically relating to retail street markets. The Food infrastructure Project continues until the end of 2009, and we encourage any revisions of this project to include specific actions supporting retail street markets. This might also be informed by forthcoming work from the Assembly's Planning and Housing Committee's proposed investigation into commercial food growing spaces in London.

3.3 The London Development Agency's draft 'Tourism Action Plan' published on 25 March sets out the focus and priorities for encouraging tourism in London. **We greatly welcome the fact that the draft Tourism Action Plan includes developing the tourist appeal of street markets as a key action in year one.**

3.4 Clearly though markets are not simply tourist attractions. By providing business support, the LDA has previously funded specific regeneration initiatives at certain markets and provided business support programmes to market traders. It would be helpful if, in response to this report, the LDA set out how this work fits in with its new priorities and what criteria it will adopt when deciding whether to offer such initiatives in future.

3.5 As highlighted in our original report, we emphasise the importance of street markets to the local economy. We hope that the Mayor, in delivering on his recent commitment to support street markets, considers the vital role they play in invigorating local economies. In our report we highlighted that Lewisham market generates more than £3.6 million a year for the local economy in addition to the £5 million that is spent at its food stores, and provides local employment valued at £400,000. Queen's Market generates more than £13 million for the local economy per annum and provides 581 jobs. We learned that companies in the proximity of Whitechapel Market, are benefiting from the market stimulating and drawing more business to the area.

4. Update on case studies

Recommendations made in our initial report:

- *TfL and the London Borough of Tower Hamlets should take immediate action, working with the traders, to resolve the problems at Whitechapel market.*
- *In the unusual circumstances of Petticoat Lane market being located just within the Congestion Charging Zone, the boundary of the zone should be redrawn thereby eliminating the problem of traders at this market having to pay the congestion charge just to unload their vehicles.*
- *TfL should review its policy on the rates it charges traders at Shepherds Bush market to ensure that it does not price traders out of business.*

4.1 *Whitechapel Market update:* We are pleased that most of our recommendations have been taken forward and are being considered by the Mayor and his functional bodies. TfL have advised us that the market area drainage system is checked and cleaned on a monthly basis, and the most recent inspection carried out on the 29 March didn't indicate any problems. We visited the markets twice (on 23 February and 17 April) and spoke to approximately 15 traders who reiterated flooding in some parts of the market can still be an issue. We are advised that TfL's network team is liaising with the London Borough of Tower Hamlets' markets management team to investigate these problem areas and establish a lasting solution. We will continue to check on the progress of this and other ongoing issues facing the market.

4.2 *Petticoat Lane Market:* At our meeting on 3 March, we were advised of the strategic barriers to redrawing the congestion charging zone around particular markets. We are aware that such a decision may leave the door open to an influx of similar requests from a number of other businesses. However, there remains a need for the Mayor and TfL to undertake a strategic reconsideration of these boundaries. The congestion charging zone is continuing to have a debilitating effect on some street markets.

4.3 *Shepherds Bush Market update:* The Mayor has specific policy leverage to influence the rents TfL charges its market traders. Shepherds Bush Market Tenants Association told us that rates for their traders increased – on average by 27 per cent – during the last year.

4.4 We are disappointed that one of the Mayor's measures to 'relieve' the economic pressure on traders (and other small businesses) by allowing them to pay their commercial rents monthly in advance as opposed to quarterly in advance⁴ will actually mean many traders pay an overall higher annual rental amount. This is because traders are still bound by their original leases, which state they have to pay interest for late payments.

4.5 TfL's management of Shepherds Bush Market provides the Mayor with a rare opportunity to demonstrate through direct policies his commitment to supporting street markets. Unfortunately, TfL's policy on rents at the market does nothing to support that commitment. Furthermore, traders at the market do not benefit from one of the proposals in the Economic Recovery Action Plan designed to support small businesses because of the nature of their contracts with TfL. We therefore urge the Mayor to instruct TfL to revisit its

⁴ As set out in the Mayor's Economic Recovery Action Plan 2008, Action 12: this will be in place from January 2009 and is expected to help typically small businesses with their cash flow'. p. 22 H<http://www.london.gov.uk/mayor/publications/2008/docs/economic-recovery-action-plan.pdf>H

management policies at Shepherds Bush Market. This is an opportunity for the Mayor to lead by example in supporting street markets.