

NABMA

the voice of markets



MAKING THE
CASE FOR
MARKETS 2024

April 2024

INTRODUCTION

NABMA has always taken an active role on seeking to influence government policy relating to Markets. Currently we seek to engage with government through the All Party Parliamentary Markets Group and the Retail Markets Forum. In the last twenty five years NABMA has secured some important concessions for Markets. These include:

- 1) Protecting market rights in the face of proposed government legislation and European legislation aimed their removal.
- 2) Securing Transitional Business Rates Relief for Market Traders.
- 3) Protecting traditional Markets from the impact of VAT.
- 4) Securing the early opening of Markets following the Covid pandemic
- 5) Embedding the importance of Markets in planning and policy guidance.
- 6) Ensuring that the case for Markets is heard in Parliament as evidenced in the last twelve months when the argument for changing the legislation on Business Rates and reviewing government support for Markets has been strongly made.

As we approach a General Election it is important that we continue to make the case for Markets. This policy document sets out NABMA's position on the importance of Markets and the issues we would like to see addressed by the new government. We hope that you will share this policy document with your local politicians and get from them a commitment to support Markets going forward.

MARKETS GENERALLY

There are currently around 1150 regular Markets in the UK. The majority, some 82%, are managed or operated by local authorities. Markets operate under different legislation with the situation in London significantly different to the rest of the UK. Most local authority London Markets operate under Street Trading Legislation. Under such legislation there is a restriction on making a surplus and no Business Rates are applied. In the rest of the UK Markets are operated under a miscellany of powers including Royal Charters, Custom and Practice, Local Legislation and General Legislation particularly Part III of the Food Act 1984. These Markets can make a surplus and generally are liable for Business Rates.

There are currently some very successful Markets and they are an important part of the fabric of the towns and small cities where they are located. At the same time there are many more Markets facing serious challenges to their future.

This is highlighted by the reduced number of market traders and the fact that, based on NABMA's National Retail Markets Survey in 2022, less than half of the Markets outside London recorded a surplus in the previous financial year.

<https://nabma.com/markets-in-the-uk-national-survey-reveals-major-challenges-for-the-markets-sector/>

Markets are a discretionary service and faced with the current challenges there are serious questions about the continuance of many Markets in the next five/ten years.



THE VALUE OF MARKETS

NABMA sponsored research from the Institute of Place Management and Manchester Metropolitan University which was first published in 2015 (Markets Matter - Reviewing the evidence and detecting the market effect).

<https://www.highstreettaskforce.org.uk/resources/details/?id=d174affb-58bf-4043-beee-03a9e676260b>

The conclusions of that research are:

"... the literature review conducted as part of this report provides convincing evidence that Markets matter, economically, socially and politically ...

Allowing Markets to decline is never a smart move for a town centre as Markets act as a virtual barometer for the vitality and viability of a location.

Markets are also a useful proxy of the state of the relationship between town centre stakeholders ... Our research also presents the strongest evidence to date of the market effect. The operation of a Market significantly increases footfall on each of the homogeneous shopping days by between 15% to 27%, compared to footfall in locations which do not have Markets" Professor Alan Hallsworth, Professor Cathy Parker, Nikos Ntounis and Simon Quinn.

Markets are responding to the challenges of less retail activity by becoming an **important community asset**. NABMA recently published a document Markets and Community which provided numerous examples of how Markets are providing an important community service. <https://nabma.com/Markets-and-Community/>

The importance of community value is also highlighted by further research undertaken by Markets 4 People sponsored by the University of Leeds and published in 2021 (Understanding Community Value). <https://trmcommunityvalue.leeds.ac.uk/>

This research highlighted that *"traditional Markets have played a significant role in the UK towns and cities for centuries but their central community role is being threatened by radical changes in retail trends and public sector cuts"*. The research provided case studies to illustrate where Markets are currently playing a significant community role.



MARKETS NEED SUPPORT

Markets are a local authority discretionary service and in the current climate many Markets need encouragement and support to survive. There is a need in each local authority for a Markets Champion. So often in the current local government structures Markets are included within mixed portfolios of services without any distinct voice supporting them.

Markets should be championed by a senior member of a local authority.

NABMA has published guidance to elected members on how they can support Markets in their area and what they should be doing to help Markets survive and prosper <https://nabma.com/Elected-Member-Guide-to-Markets/>

Local authorities also need to take Markets seriously. All too often they are given a low priority in terms of resourcing. They need to be professionally resourced and there should be a plan/strategy for the delivery of an effective markets service.

It was so disappointing during the recent Covid pandemic that High Street businesses were given substantial Business Rates relief but local authority market operators outside London, because of the requirements of local government finance legislation, received none.

Business rates are a heavy burden for local authority Markets.

The annual bill for Business Rates is around £23m. Providing relief from Business Rates would give many Markets a much better chance of survival. The argument for Business Rates relief is much stronger now that Markets undertake such an important community role.

NABMA, supported by the Local Government Association, sought an amendment earlier this year to the Non Domestic Rates Bill enabling local authorities the power to grant Business Rates relief to its own properties but the amendment was defeated in the House of Lords. The government has already made one exception to Business Rates liability by exempting Public Conveniences.

NABMA would encourage the government to look at the position of local authority Markets.

Markets are a great place to start a business

There are some wonderful examples of new traders making a success of a new start, but we need government support to help encourage and support more traders. In the last twenty years the markets industry has lost approaching twenty thousand market traders. The age profile of most current market traders is between 50-70 which means that unless we recruit substantially more in the next few years more Markets are going to close. We need help to bring market trading to a new audience to build on the campaigns that the markets industry currently promotes such as NABMA's Love Your Local Market <https://loveyourlocalmarket.nabma.com/> and the National Market Traders Federation Young Trader Market Campaign <https://www.nmtf.co.uk/campaigns/ytm24/>

The current Mayor of London in his first term of office created a London Markets Board and this provided a strategic focus for the markets agenda. <https://www.london.gov.uk/programmes-strategies/shaping-local-spaces/london-markets> The Board has continued during the Mayor's second term of office and has undertaken several successful projects with market traders and operators to raise the profile of London's Markets.

We would encourage the government to look at the example set in London and encourage Regional Mayors and Authorities to set up other Markets Boards.



Such action would demonstrate the importance of Markets and also allow Markets to learn from a more strategic approach.

In recent years the markets industry has received many platitudes regarding its role and importance to the High Street but these platitudes have rarely been supported by positive action.

The appointment of a High Street Minister with specific responsibility for Markets would give visible recognition of the importance of Markets.

The current High Street Task Force has been a considerable disappointment to NABMA. While we have been represented on the Leaders Group of the Task Force there seems to be a lack of connectivity between the Task Force itself and the Leaders Group. If the new government is to support the continuance of the High Street Task Force consideration needs to be given to its terms of reference and how it can engage successfully with the national organisations representing the High Street.



PROTECTING MARKETS AND COMMUNITIES

In 1990, in a case involving Newcastle City Council, a car boot sale was officially designated as a Market. This ruling is important because it brings car boot sales potentially within various legal requirements relating to Markets.

Originally car boot sales were created to raise money for good causes but they quickly became commercialised and now there are hundreds of car boot sales held throughout the country particularly at weekends. Most big car boot sales are held out of town on green field sites or locations such as racecourses or disused airfields.

The extent to which these car boot sales are undermining traditional town centre Markets has never been quantified, but there is no doubt that the size and number of car boot sales have a detrimental impact on traditional Markets.

Further, there is concern that some of these car boot sales are undermining the reputation of traditional Markets because they are used to dispose of counterfeit and stolen goods. There is considerable evidence of police and trading standards action at car boot sales around the country.

Because a car boot sale is a Market it can currently only operate for 14 days in a year without formal planning approval. The government is currently consulting on increasing this number of days to 28. NABMA has expressed concern at the proposal arguing that this extension will remove one of the controls on car boot sales.

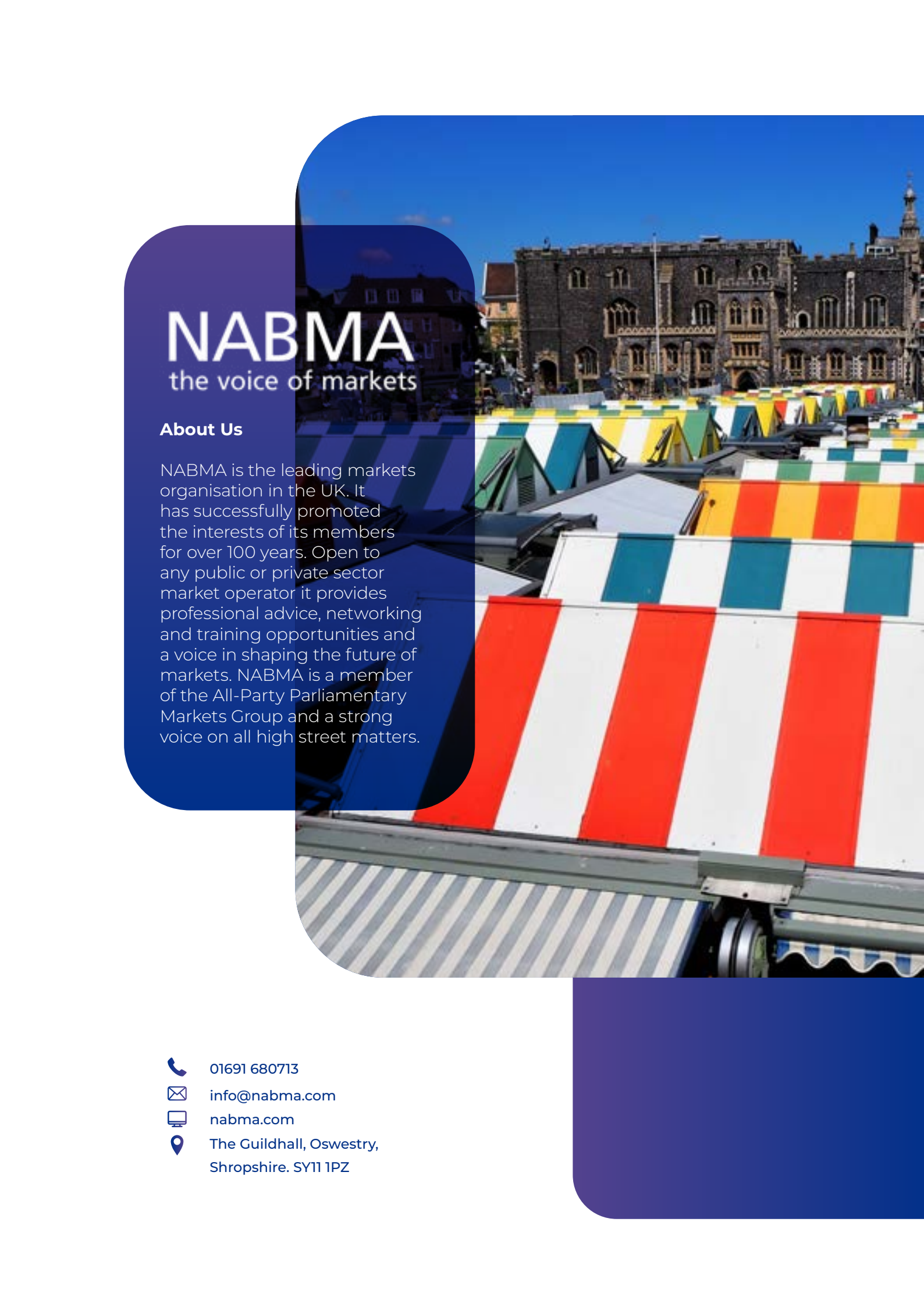
Local authority market operators, in receipt of market powers, can establish a licensing regime in respect of all market events held within 6 and 2/3 miles of their own Market. The 6 and 2/3 miles rule goes back to the middle ages but is still good law today. NABMA encourages all local authorities to establish a market licensing system so that it can monitor all market events within its area of influence and, at the same time, impose conditions regarding the way the market event is held. There is evidence that applying such licensing arrangements help to control car boot sales and the standards under which they operate.



There is also a general power, included with Section 37 of the Local Government (Miscellaneous Provisions) Act 1982, relating to Temporary Markets requiring the organiser to give notice to the local authority that an event is to be held. Using such powers enables the local authority to ensure that a car boot sale is monitored and licensing action is taken as appropriate.

Sadly, many local authorities do not have the resources to implement an effective licensing system and particularly any enforcement action that might be necessary resulting from failure to engage with a licensing process.

It would be of great help if the government is able to highlight the importance of licensing arrangements to control car boot sales and ensure that they operate in legitimate way.



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About Us

NABMA is the leading markets organisation in the UK. It has successfully promoted the interests of its members for over 100 years. Open to any public or private sector market operator it provides professional advice, networking and training opportunities and a voice in shaping the future of markets. NABMA is a member of the All-Party Parliamentary Markets Group and a strong voice on all high street matters.



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