

## 1. Markets, Shop Fronts & Street Trading Economic Recovery

- 1.1. The Council's much-loved street markets have remained a cornerstone of Hackney's communities for generations. They are part of Hackney's identity and along with providing a vast and diverse array of goods and produce, gives Hackney's residents and visitors valued interaction and engagement with each other alongside a unique shopping experience.
- 1.2. The Markets, Shop Fronts and Street Trading Service operate 6 Street Markets and 32 Satellite Street Trading Sites across the borough which provide a platform for approximately 650 small businesses to operate from and also provides Shop Front and Pavement licences to support approximately 447 bricks and mortar premises with low cost trading options to extend their enterprises onto the public highway.
- 1.3. Each year the Council's Markets Service provides approximately 25,000 pitches on-street to facilitate the wide array of the borough's diverse traders and their commodities and serves over 6 million visitors across the portfolio.
- 1.4. The negative impacts of the pandemic and the ongoing restrictions were severe and resulted in a loss of 237 out of 845 businesses and traders from the portfolio and borough between April 2020 and March 2021. However with a number of mitigations and a robust business recovery plan and roadmap, we have supported the existing businesses successfully navigate the height of the pandemic and the start of the economic recovery phase. We have been using other tools at our disposal, to support residents bring their business ideas to life and begin trading their enterprises or new start ups within the borough and have seen 194 new businesses begin right here in Hackney, between March 2021 to March 2022. A copy of the Roadmap can be accessed [here](#).
- 1.5. At this juncture in the pandemic the SEG scrutiny commission would like to understand what has happened to the local economy within the remit of the Markets, Shop Fronts and Street Trading Service during the pandemic. The Commission is keen to identify if the council's decisions and government measures have helped to keep the local economy stable and establish what businesses have managed to remain steady and survive. The following information requests by the commission have been answered below;

### 2. **What data does the council collate and monitor about businesses in the economy pre and post pandemic? *Please can you provide a list of the data held and how this is used.***

2.1. The service holds the following data sets both pre and post pandemic;

- Licence and commodity types
- Employee/Assistant information
- Trading locations and frequency of trading utilised
- Footfall data sets
- Basket Spend
- Customer satisfaction & Product purchase data sets
- Shopping patterns and trend data sets
- Payment data sets

- 2.2. We do not collate or request sales or detailed transactional data from the licence holders or small businesses we licence for commercial activities across the borough. This data is retained only by the individual business operator.
- 2.3. Footfall and basket spend data sets are recorded and analysed to build an understanding of the key trading times and locations in any given area. This information is usually cross referenced and presented with other data sets such as customer satisfaction or purchase information to build a picture of the customer profiles and trends.
- 2.4. These data sets are then shared with the local businesses and traders to support them in making more informed business decisions to improve their range, conversion of footfall and deployment of staff to maximise any possible income yield and improve the overall level of service provided which in turn generates repeat custom and growing the local and inclusive economies.
- 2.5. The data captured in trading locations and commodity types tend to be data sets that again are analysed together to understand what commodity and service provisions are being offered in any given location. This in turn then builds a picture of volumes of differing or similar retail and hospitality based propositions within a town centre or high street. This information is then used to ensure when attracting or targeting new business or traders we can focus on missing commodity mixes or service offerings and ensure we manage any oversaturation levels to improve the overall attractiveness and appeal to local demographics, which in turn stimulates footfall and opportunities for conversion into transactional spend and income generation.
- 2.6. Payment type and basket spend data sets support the council and local businesses in identifying cash vs cashless volumes, average spend, frequency of spend and overall average transactional spend per shop. This assists in identifying the disposable income yields per area, identifying spend trends and commodities and services which are currently in demand to ensure both the council and businesses can adapt and ensure the commodities and services available, meet this demand and support businesses new and existing in building customer bases and commodity mixes that meet the communities needs in any given location.
- 2.7. We regularly review these types of data sets and present them back in various different formats. A copy of a footfall and usage study can be viewed [here](#) and a copy of a basket spend study during the pandemic can be viewed [here](#).

**3. What support has Hackney Council received from the central Government to support local businesses to maintain a stable local economy? In addition, what council specific decisions have been taken in support of local businesses and what measures has the Council taken itself to support the local economy?**

- 3.1. We take a commercial approach to operating the service and it is this that has seen an end to yearly deficits as large as £1.2m. Both pre and post pandemic we will maintain extremely competitive fees - this in itself is a key reason why traders choose Hackney Markets Service to do business - it is self-defeating for us to increase fees that become

unaffordable for traders as this would lead to a decline in our markets, any future increases will continue to be firmly based on benchmarking of relative fees across London.

- 3.2. Our strategy over the last 5 years had been a combination of cost reduction (the Stalls in-sourcing the most recent example) and income growth, by driving pitch occupancy at established markets such as Ridley Rd, and the expansion of Chatsworth Road Sunday Market; as well as new trading opportunities such as Sunday trading at Broadway and working with Parks & Leisure to place street food in and around the borough's parks this coming year. Proposals to increase fees are naturally unpopular regardless of how much, however without retaining the ability to do this and being upfront about it runs the risk of the Service failing to meet its budget expectations and the deficit being picked up from the general fund for what is essentially a commercial operation that should be self-funding.
- 3.3. The service has accrued deficits for the first time in 5 years due to the pandemic and this primarily is a direct result of the lack of Government financial support for this industry, the Government rates reliefs and grants afforded to private operators and licensed traders and businesses did not extend to local authority operated markets, shop fronts and asteroid trading services resulting in all 33 London boroughs markets services accruing a financial deficit. In the case of Hackney Council we accrued approximately £1.2m across 2020/21 and 2021/22.
- 3.4. The legislation the service operated under is the London Local Authorities Act 1990 and contained within the Act is a clear directive that any deficit incurred must be passed onto the service users to be recovered. The service however has been able to access funding pots to pay for many of the temporary measures during the periods of mass restrictions imposed by the Government and innovate ways to finance the deficit without increasing fees. To this end, to support businesses we have not increased fees in either 2020/21 or 2021/22 and we will not be increasing fees in the 2022/23 financial year.
- 3.5. To date the current deficit for 2021/22 stands at £80k and the service is confident this will be eradicated and the service will return to breakeven by the end of this financial year, being the only local authority markets service to do so and being one of the only services to also not pass on the deficit to its service users in light of the economic challenges and pressures we are facing.
- 3.6. As council we have supported our licenced traders and businesses by;
  - Not charging for storage for the first 9 months of the pandemic.
  - Did not charge fees for trading or traders that did not or could not trade for the first 9 months of the pandemic.
  - Fee reductions in place once restrictions were eased for 6 months.
  - Free business development courses during lockdown.
  - Grant application support
  - Wellbeing and food poverty support and signposting
  - Introduced a trader check in process
  - Social media creations on operational support

- Created virtual online markets for the traders to participate in and continue to sell goods and services during lockdowns where they were unable to trade physically through [my virtual neighbourhood](#) and other social media platforms.
- Worked with local organisations to create click and collect hubs and delivery services for traders and licenced businesses to access and use to continue trading and upscale operation to navigate the pandemic related issues and restrictions.
- Provided advice and guidance to pubs/restaurants on the new takeaway rules.
- Educated businesses regarding changes to Government advice and guidance at regular intervals or when major changes were made such as introduction of pavement licences or changes to planning laws on new permitted development rights for temporary structures, market stalls and fairs.
- A simple covid risk assessment interview and [6 point plan](#) document for all returning licence holders and businesses to ensure they were operating in a covid secure manner and were set up to navigate the restrictions during the pandemic.
- Engaged on and created a service specific [roadmap](#) for a phased reopening to ensure each site across the borough was set up to succeed and maximise opportunities for a positive economic recovery.
- Other tools were also created to support businesses such as an [Al Fresco dining support pack](#) for businesses and updated licence holder handbooks for both [Markets and Street Trading](#) and [Shop Front and Pavement Licence Trading](#).

3.7. The Council also provided economic support to businesses through the pandemic via the distribution of business grants

#### **4. What data does the council collate and monitor about the local high streets?**

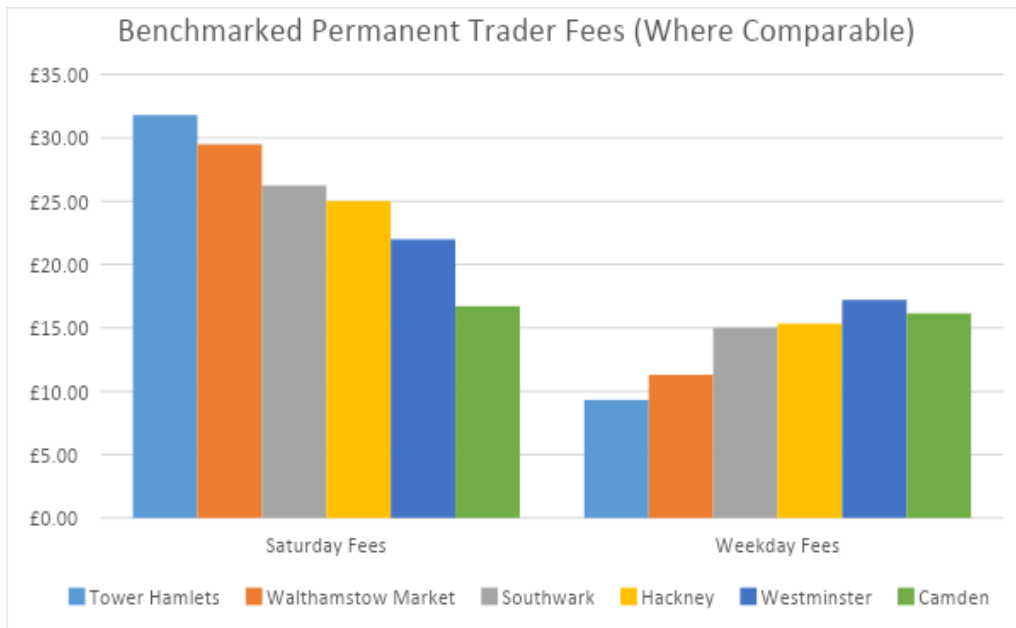
- 4.1. The data collated and used to monitor the local high streets and locations in which we operate are the same as in section 2.1
- 4.2. One additional data set we collate and review is the overall income generation for the Council across each site. The financial analysis of this is showing some very positive indicators of a successful economic recovery thus far.
- 4.3. Whilst it is widely accepted that the Covid 19 Pandemic has significantly impacted both Financial years 2020/21 and 2021/22. During these periods Ridley Road Market was the only 6 day a week operational street market that traded throughout providing much needed goods and services to the boroughs low income families and most vulnerable residents. This highlights a level of resilience and ability to continue to generate income making opportunities even in the most challenging of environments.
- 4.4. The below graph highlights the breakdown of income across both financial year periods.



- 4.5. The graph also highlights the progressive increases in income generation and pitch fees collected as restrictions eased and the service was able to respond quickly in ramping up the volume of traders and commodities permitted post-lockdown. Year to date (to period 9 inclusive) 2021/22 the Service has achieved £398,203 income from Ridley Rd market vs £140,811 for the whole of financial year 2020/21. This provides an increase of £257,392 compared to the previous year. With the final quarter of 2021/22 remaining, the Service predicts a final full year income figure of circa £500k.
- 4.6. As an example from the analysis of data held and how we apply this in our day to day delivery. This data set clearly provides further assurances that Ridley Rd market is one of the boroughs largest retail and hospitality hubs, and continues to represent a compelling proposition for small businesses and traders looking to start or grow their businesses, but also demonstrates the sustainable nature of this revenue to the Council.
- 4.7. The only other data set that is relevant to this review would be the types of benchmarking data that is collated and used for analysis and statistical purposes when reviewing potential policy or financial changes to the the service , which will have a direct impact on the local or inclusive economy such as fees and charges.
- 4.8. The service annually reviews its fees and charges schedule and benchmarks what we offer vs the rest of London to ensure that these continue to offer sustainable income generation opportunities for both the Council and the business that operate within the borough, whilst balancing these with ensuring we continue to remain both competitive and an attractive for new and existing businesses to grow and generate an income which in turn positively stimulates our local and inclusive economies, whilst also generating increased local employment opportunities.
- 4.9. The benchmarking graphs below highlight that Hackney council remains highly competitive by comparison to similar London council markets offering pitches from as little as £8 a day. Included in these fees are all of the additional services traders benefit from such as Trading Places training and development courses, provision of stall hire/set up

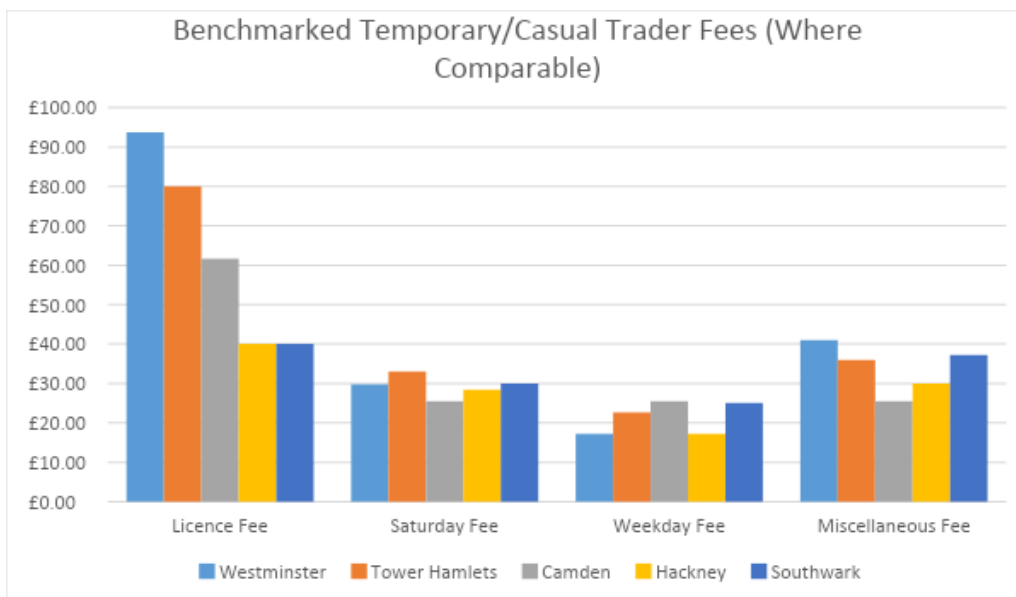
and take down, events and social media marketing for all sites within the portfolio. This is above and beyond the council's statutory licence issuing duties and what other local authorities provide for the same or similar fees. This continues to make Hackney an attractive borough for new startups and existing traders to expand their enterprises.

4.10.



\*Tower Hamlets have reduced fees across 9/10 of its markets due to a 47% decline in occupancy over the last 24 months.

4.11.

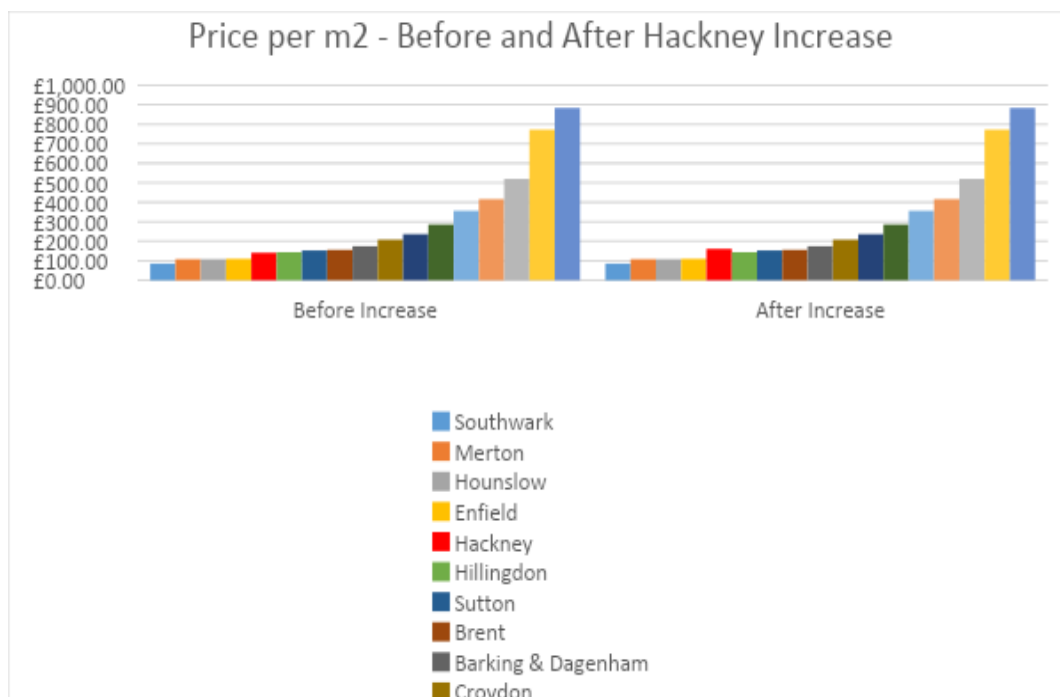


\*All fees are based on the available data. Some of the fees listed above are averages where fees vary (depending on location, etc.).

4.12. A live example of this benchmarking being put into practice, is the daily cost of a stall in Ridley Road, which starts at £8 per day, being amongst the lowest in London. The location and footfall offers businesses and traders a compelling opportunity to generate income. The footfall will only increase with the redevelopment of the street and indoor market currently underway, and the plan for the Market Services to operate the market in full on Sundays in addition to the Monday to Saturday current proposition later this year, this further indicates a thriving local and inclusive economy.

4.13. When benchmarking our m<sup>2</sup> Fees 7 Charges for Shop Front and Pavement Licences which provide tables and chairs for hospitality and night time economy based businesses, the graph below highlights both before and after the pandemic, we still offer a low cost way of expanding businesses and sit within one of the cheapest places in London to shop-front trade.

4.14.



4.15. Again this is another indicator the Council uses data sets such as these to ensure we are in a position to offer competitive and attractive rates to both support existing businesses and attract new businesses to the borough in order to continue the economic growth and development we are already seeing post pandemic.

**5. What support has been given to businesses in the local high streets and what assessment has been made of the impact of the support given?**

5.1. Section 3 provides a number of detailed answers that highlight the support mechanisms offered to businesses within our services remit.

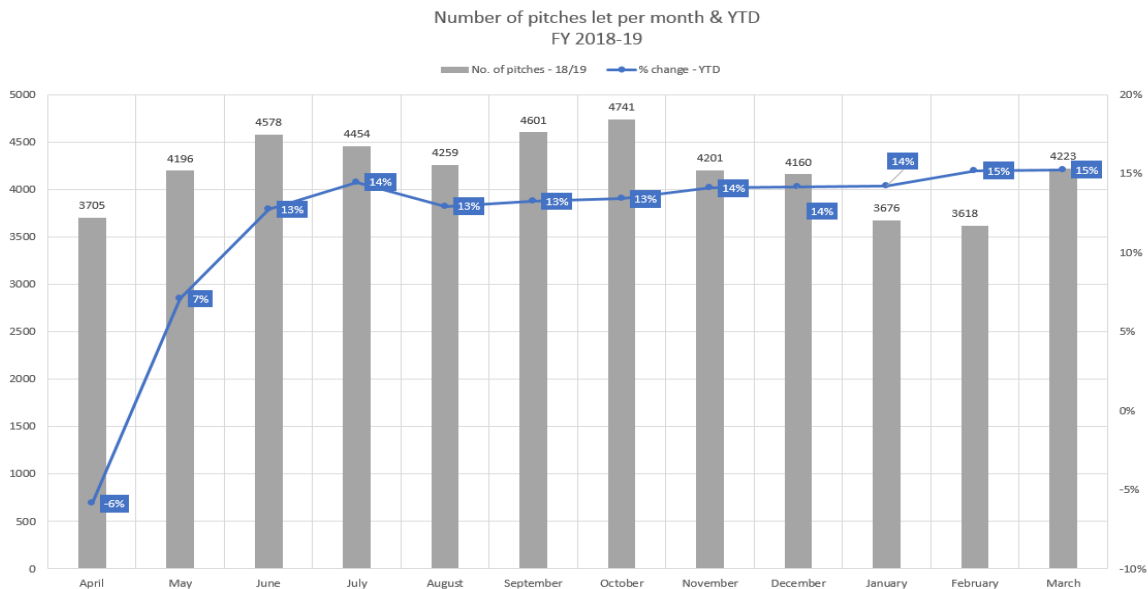
5.2. In regards to the assessment of the impact and support given, we review a number of metrics such as;

- Overall Occupancy Data vs 2019/20,
- Volume of Licence applications and renewals

- Financial out turn performance
- Basket spend and footfall comparisons pre and post pandemic
- Volume of empty units and/or pitches

5.3. In respect of overall occupancy of paid for trading pitches or locations within the borough, the service has sold approximately 25,989 pitches year to date, which is flat vs the same metric in 2018/19 financial year. This is a fantastic result as that same year saw the service deliver +15% growth on the previous year and is a major indicator of a very strong economic recovery for our licensed traders.

5.4. The graph below highlights the 2019 performance that 2021 has mirrored in regards to occupancy;



5.5. The volume of Licence applications and renewals is also a key indicator of whether or not the economic mitigations put in place are working or have had a positive impact. As stated in 1.4, at the start of this financial year we had lost 237 licensed businesses from our portfolio of 845 due to the pandemic. As of the end of January 2022 we currently have 1097 licensed traders and businesses within the portfolio. This is an increase of 252 or +30%.

5.6. A key driver of this increase has been the various business development and support programmes the service offers to all of its licence holders for free. We were able to use our Trading Places programme to support unemployed residents who had lost their jobs during the pandemic or had used the pandemic to start their own businesses and gave them a platform to do this in the borough in one of our sites. To date 194 new licence holders are existing residents who now run their own businesses or enterprise within the borough in which they reside.

5.7. This demand for trading locations and pitches has been in response to demand from residents and visitors for a more varied offering and the desire to shop experience led retail. The post pandemic recovery also provided the Council an opportunity to review all of our existing commercial operations and how we can best support businesses, This



included identifying ways in which we could maximise on pre existing footfall, attract new footfall and visitors to the borough and provide further opportunities to convert these into transactions and overall income generation. An example of this was the engagement and trial of a new street food operation in Broadway market on a Friday and Sunday. A copy of the engagement findings can be accessed [here](#).

- 5.8. The study also corrected a long standing misconception that the core customer base are young hipsters and whilst there is some truth in this, it's not the full picture, as a large proportion of customers are in older age groups, aspirational and with more disposable income (as well as tourists) than those that use Ridley Rd for example. Whereas Ridley Rd is a true community market and its continued success is built on affordable produce/commodities and the diverse and unique range of world goods that are not supplied by supermarkets.
- 5.9. This has led to a permanent additional trading day being approved in September 2021 which is currently at full occupancy with 20 street food businesses and 10 floristry businesses and in January 2022 has just been approved to double the capacity for both commodities, due to the successful impact of the local and inclusive economy and employment within the area.
- 5.10. Other support mechanisms have seen the insourcing of the stall management function of the service which sets up and dismantles the boroughs street markets every week, which has historically always been outsourced to contractors, but is now in the process of being insourced, saving the council £351k over the next five years and creating 28 local employment opportunities for residents to apply and play an important part in the delivery of these much needed community assets.
- 5.11. The council have also stepped in and negotiated lease agreements to take over the management of and save the indoor market building in Ridley road and protect a number of small businesses, artists and makers from closure and being displaced from their community and customer bases. Whilst also providing additional affordable storage units, toilet facilities and safeguarding the future of the service by consolidating all of the service teams into one location inside the indoor market building. A copy of the briefing note can be accessed [here](#).
- 5.12. The Service has also won some national awards for the support it has given to other local authorities across the pandemic and post pandemic recovery period and the way in which it has supported its businesses and traders. The Service was asked to present a snapshot of the recovery at one of the national conferences in late 2021 and a copy of the presentation can be assessed [here](#).

## **6. What analysis has been undertaken of the night-time economy both pre and post pandemic?**

- 6.1. The Markets & Street Trading services do not currently issue nighttime licences or operate night markets but this is something that is explored in the next markets strategy 2022-2027.

6.2. The Shop Fronts licences for tables and Chairs and the Pavement Licence for the use of street furniture are in high demand. Both offer the option of using street furniture on the public highway, adjacent to or in front of business premises' and we have seen particularly over the summer months an upsurge in applications for these style licences.

6.3. Given the Government's drive on Al Fresco dining over the pandemic and specifically across the summer of 2021, this does skew the data somewhat to make a fair comparable to 2019 and if these are a lever in driving positive economic recovery for the night time economy. What can be proven through various studies such as the latest [government consumer trends and habits study](#) or an [independent study](#) into how these types of businesses have survived the pandemic, is that the longer people dwell in a specific retail or hospitality function, their net basket spend increases, so this does support the use of more of these types of licences but the most accurate comparable will be to review summer 2021 with summer 2022 to fully understand the impact post pandemic.

**7. What data does the council collate and monitor about licensing in relation to the businesses in the night time economy in the borough? In addition, how is this data used to understand the sector and support the stability and growth of local businesses?**

7.1. N/A

**8. How does the work of the Business Regulatory Service feed into achieving the Council inclusive economy objectives and support local economic growth and stability in the night time sector?**

8.1. N/A

**9. Conclusion**

9.1. The information and results highlighted through analysis of the various data sets we hold and collate on the businesses that are licensed and use our services indicate a positive economic recovery and performance over the last 12 months.

9.2. The data also clearly indicates that the substantive measures implemented at significant cost to the service over the pandemic to ensure our licensed businesses and traders successfully navigated the pandemic and post pandemic recovery period. Despite the ever challenging financial climate we currently find ourselves operate within. The actions of the Council have provided a strong platform and springboard for our local economy to capitalise on the returning footfall and visitor numbers and maximise on the many commercial opportunities we are currently presented with and we now find ourselves in a secure and enviable position comparatively to other services in neighbouring boroughs across London.

- 9.3. Whilst we do not hold sales figures for each of the 1097 licensed businesses, the increase in overall licensed operators when analysed with the volume of paid for pitches and use of public highway flat vs 2019 which was a double digit growth performance provides the service and borough with a very robust and positive recovery outlook.
- 9.4. The service is currently receiving approx 15 applications a week from prospective new traders, pop ups and start ups to use Hackney as the place, in which to operate their businesses from. This is the clearest indicator yet, that the economic recovery and volume of business support measures implemented by the Council are deemed a very attractive and lucrative proposition for businesses owners and operators.
- 9.5. The vast majority of our existing businesses have successfully navigated the pandemic and we have supported in excess of 50 of these expanding their enterprises across the borough which has seen them increase their turnover, generate more sales and create more local employment opportunities.
- 9.6. In closing, whilst every Council would have liked to have been able to do more to support the businesses and local.inclusive economy within Hackney, The decisions and mitigations made have been evidenced based and informed , often delivered at pace , utilising the expertise of officers.
- 9.7. The use of data from the many data sets we analyse has been key to ensuring we get decisions right first time, place customers at the heart of what we do and protect the most vulnerable within our communities. It has also played an integral role in ensuring all of our businesses receive best in class documentation and business support to meet these challenges head on, and in turn they can then make their own informed, evidenced based choices on what is best for their business over this period. Whilst we currently have a small deficit, we are confident the financial year 2022/23, will see the service be the first to generate a surplus in the account by the end of the financial year which will be the main indicator of whether or not all of the activity and measures put into practice over the last 24 months have been effective or not.