

ABERDEEN CITY COUNCIL

COMMITTEE	City Growth & Resources
DATE	24 June 2021
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Feasibility of a Food & Crafts Market – Rubislaw Terrace Gardens
REPORT NUMBER	COM/21/159
CHIEF OFFICER	Richard Sweetnam
REPORT AUTHOR	Andrew Stephen
TERMS OF REFERENCE	3.3

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to report to the Committee on the feasibility of a local food and crafts market in the vicinity of Rubislaw Terrace Gardens, in Summer 2021.

2. RECOMMENDATION(S)

That Committee:-

- 2.1 Notes the findings of the work to date on the feasibility of a local food and crafts market in the vicinity of Rubislaw Terrace Gardens in Summer 2021;
- 2.2 Agrees that a market in Summer 2021 may not be feasible for the reasons noted in Section 4 of this report; and
- 2.3 Instructs Chief Officer City Growth to continue to work with local partners to explore the possibility of Rubislaw Terrace Gardens as a potential location for markets in the near future and provide any information, advice or guidance to in response to any confirmed demand from businesses/ producers.

3. BACKGROUND

- 3.1 The City Growth & Resources Committee on 11 May 2021 instructed the Chief Officer – City Growth to engage with businesses and other interested parties seeking to establish the feasibility for a local food and crafts market in the vicinity of Rubislaw Terrace Gardens and to report back to the next meeting of this Committee detailing options for potential implementation in Summer 2021 in consultation with the Depute Provost.
- 3.2 There has previously been a market in the west end of the city. The Thistle Street Food Market launched in September 2016 and operated monthly until December 2019. Its objective was to increase footfall in the West End, thereby

increasing visitor numbers to the independent businesses in the area. Initially the market was limited to food suppliers only that were not competing with local cafes.

- 3.3 It was organised by two local business people, and under the model. local food businesses were invited to host a stall themselves to promote their businesses. Feedback on the market suggests that it was a challenge for businesses as the pitch and staffing costs were not justified in terms of turnover and any other promotional benefit.
- 3.4 The market could cater for 20 food producers, but the pitches were never all sold. By December 2019, only 7 pitches were taken up and the decision was made to close.
- 3.5 An independent operator has delivered a 'one off' market in the west end, before, in 2013. Called Playpark, it incorporated a market of designers, with garden games produced by local artists to enhance public engagement. The Gardens is also used to host the Eid Festival a celebration of Eid-al-Fitr, signalling the end Ramadan in the Islamic calendar.
- 3.6 Following on from changes within the oil and gas sector since 2015, and changes in shopping patterns, the city's retail offer has faced unprecedented challenges since March 2020 and the Covid-19 pandemic. The city centre is seeing the permanent closure of a number of 'bricks and mortar' retailers such as Debenhams, John Lewis and, as footfall declines, smaller retail.
- 3.7 Overall all types of office vacancy rates have risen from a low of 2.7% in 2013 to 13.5% in May 2021 for the Aberdeen Office region. While specific retail sector vacancy rate evidence is not available, city centre footfall data until end March 2021 suggests footfall was down 75% when compared to 2019.
- 3.8 Since then UK national data (week ending 02/05/2021) indicates some modest recovery however as footfall across all UK benchmark retail destinations was down 25% compared with the same period in 2019 prior to the pandemic. Data recorded from 'average daily pedestrian counts' per month report an increase in pedestrian counts. Finally, Google mobility trends for places such as restaurants, cafés, shopping centres, theme parks, museums, libraries and cinemas is also used to assess the impact. For Aberdeen, compared to the pre-pandemic baseline, mobility had fallen by 25% in April to June 2021 period. This compares to falls of over 75% during lockdown periods of the pandemic.
- 3.9 The City Growth & Resources Committee on 11 May 2021 approved the City Centre Masterplan Review. In the short term action plan, the priority is to attract existing and new footfall to the city centre across retail, leisure, culture and recreation uses, maximising the opportunities from investments made by the Council in Aberdeen Art Gallery refurbishment, Provost Skene's House and Union Terrace Gardens.

4. ANALYSIS

- 4.1 Since the May Committee, officers have undertaken an assessment of supply of and potential demand for a local market at Rubislaw Gardens:

Supply

- 4.2 Currently, and notwithstanding the challenges presented by Covid-19 and lockdowns, there are seven local markets in the Aberdeen City Council area:

- Curated Aberdeen, Bon Accord Centre – being implemented;
- Haan (Christmas), including Haan@theGallery – implemented (annual)
- Aberdeen Art Gallery Shop at the Top – implemented
- Belmont Street – implemented
- Thistle Street – implemented
- George Street - implemented
- Food Story, George Street - under development
- Gourmet Food Festival – pilot under development by Opportunity North East (ONE), an ‘open doors’ event for regional food and drink producers in September 2021

- 4.3 Curated Aberdeen opened on 4 June 2021, and aims to work with 30-50 traders. For the Bon Accord Centre, initiatives such as this could provide some mitigation against major and structural changes in the retail sector, including the John Lewis closure. Those changes could present opportunities for new businesses, including independent businesses, to take advantage of some gaps in the market. Shopping centres in city centres will need to evolve and this new initiative enables the Bon Accord Centre to adapt.

- 4.4 Councillor Stewart has been collaborating with Queens Cross Church to set up a farmers/ craft market on 26 June 2021 to support the local community in its recovery and deliver a new event. It is understood that there is interest from 17 stall holders.

- 4.5 In addition, there are local markets in the following locations within the city region. These are highlighted as often the same producers and businesses are participating in these markets.

- Aboyne – second Saturday, Monthly
- Ballater – fourth Saturday, Monthly
- Banchory – third Saturday, Monthly
- Ellon – fourth Saturday, Monthly
- Huntly - first Saturday, Monthly
- Inverurie – second Saturday, Monthly
- Peterhead – first Saturday, Monthly
- Stonehaven – first Saturday, Monthly
- Westhill – first Saturday, Monthly

- 4.6 In supply terms, there is a limited pool of local producers that can accommodate existing provision, constrained by costs and risk. For example, a food producer

has to consider overheads around costs of production, transport costs and where weather is poor, patronage suffers and producers are left with unsold stock. Similarly, other producers of non-perishable unsold stocks may not have the outlet to sell on.

- 4.7 This leads to another growing area of supply – online ‘pop up’ activity. Local markets have changed significantly during the pandemic with many niche retailers turning to the internet as an outlet, as ‘bricks and mortar’ retailers have also had to do. For independent traders, the online market is accounting for the majority of sales, and niche products are available online at any time and the regular market model may be in less demand as traders sell across the UK.
- 4.8 In response to this channel shift, in May 2020, the Council approved a short term response to the immediate impacts of Covid-19 in the form of a Socio-Economic Rescue Plan and has funded a ‘pop up shop’ pilot at Aberdeen Art Gallery for retail of local crafts produce. The ‘Shop At The Top’ model promotes and supports the work of local artists, designers and makers living and working in AB postcode areas. Under the model, the shop features 3-4 makers at a time, on a three-month rotation, who will each then nominate a maker for the next slot. The Gallery does not charge the makers to exhibit, but there is a charge of 25% commission on sales.
- 4.9 If a local market was to operate from Rubislaw Terrace Gardens, a number of items would need to be incorporated into plans of the organising business.
- In terms of the Covid-19 pandemic, timescales for relaxed controls around temporary outdoor hospitality during the pandemic are fluid. However the Council’s position is that these are reviewed at the end of September 2021, when Scottish Government guidance on Buildings Standards currently runs to;
 - A pop-up local market would however likely require other accreditation such as Market Traders licenses, or Environmental Health certification if relevant;
 - The Rubislaw Terrace Gardens would be able to accommodate a market of some description, but this would need to be carefully controlled; and
 - Consideration of any planning implications - size, use, space estimate.

Demand

- 4.10 In order to establish information around cost and demand, the following consultations have been undertaken with private sector operators, Aberdeen Inspired and Aberdeenshire Council. There are two areas of demand – from businesses wishing to rent pitches at a market; and ultimately their customers.
- 4.11 In general, when deciding on participating in markets, footfall is key to the stallholders’ decision making. When footfall is high and predictable, it generates both repeat bookings and new enquiries as word spread amongst producers. But when footfall drops, for example during periods of bad weather or holiday season, stallholders are unlikely to commit. For the ultimate customers of a market, while there may be good intentions to support local or independent retail, markets are not as convenient as fast food outlets and this behaviour is a challenge.

- 4.12 Views were sought on the potential for a local market at Rubislaw. There may be some interest in organising and delivering content for an event that could incorporate for example independent traders operating under the HAAN and FINE brands. But there was recognition that in response to impact of Covid-19, a number of such 'local market events' are popping up such as Inspired Nights, Thistle Street Market, Affa Fine Car Boot and Backyard Collective at the beach. It is recommended that any new market would seek to expand on these and look to programme multiple markets encompassing quality offer of food, drink, art and music.
- 4.13 Quality and distinctiveness is key to a successful market. Feedback from repeat customers to existing markets is that there is very little variety from market to market. But the cycle is that at the same time businesses need repeat visitors to build a customer base and brand loyalty. A constraint in the Aberdeen city region is that there may not be a large enough pool of local producers to satisfy customers, and not enough customers to satisfy the objectives of stall holders.
- 4.14 This may suggest looking at a 'local market event' as opposed to a frequent market, particularly in the context of the existing supply in the city region, and online channels. Markets alone are not seen as a sufficient draw and tend to be successful over time, and benefit from being part of a wider event or activity in the city. To deliver the footfall thresholds needed, 'piggy backing' on another event that generates footfall provides customers with more than one reason to be in the city and attend a market, thereby spending more time in the city. The Events 365 programme, through the CCMP, provides a calendar of events and exhibitions that could facilitate planning. In the short term, Aberdeen Art Gallery will be delivering the British Artshow and other national exhibitions. The Tour of Britain Grand Depart is scheduled for September, while in due course major business conferences will be returning to P&J Live.
- 4.15 Consultees were also asked about location and timing. Given the existing uncertainty in terms of covid-19, existing commitments to other markets, a market in Summer 2021 may be premature. The Rubislaw Terrace Gardens location was also perceived as detracting from the push to attract and keep people in the city centre.
- 4.16 Start up costs are estimated at up to £6,000 for stalls, canopies, rent, promotion and advertising. Income depends on rent and occupancy. This would need to be assessed by the event organiser. An organiser will typically spend three days a week running a market. Operational activity includes:
- Compliance – eg road management, licensing, environmental health regulations;
 - Administration eg bookings, invoicing, collection;
 - Promotion eg images and product news, proofing and approval; and
 - Funding eg market licensing, public liability insurance and road management costs. Pitch rents do not cover these so some additional resource may be needed.

Recommended Next Steps

- 4.17 The consultation suggests that if there is to be a new local food and art market, it has a better chance of success if it is underpinned by or aligned to an existing substantial event to maximise the opportunity from the footfall that is attracted to the location anyway. Depending on location this would still need to be managed as the existing retail/ trade is not supportive of any activity that is in direct competition with their offer.
- 4.18 A city centre location is the preferred approach and an event outwith the centre, even at Rubislaw, is perceived as drawing footfall away from city centre businesses.
- 4.19 There is a significant amount of preparatory work in advance of holding a market. This lead-in time and resource to set up should not be underestimated.
- 4.20 This report has relied on the input of existing or previous providers of markets in the Aberdeen city region. At the time of writing there has been no contact with local businesses or parties wishing to organise a market at Rubislaw Terrace Gardens, and provide the resources to do so. Using evidence from the Queens Cross event on 26 June, it is suggested that more work is needed before any decision can be made by organisers on whether or not to pilot a one off market event in the vicinity of or at Rubislaw in Summer 2021.
- 4.21 If there is interest from an operator in holding a market, now or in the future as a 'test market', officers will provide any information, advice or guidance on the event itself to the organisers.

5. FINANCIAL IMPLICATIONS

- 5.1 The analysis above indicates the likely costs and other resources needed to deliver a successful event. For some existing events, organisers have benefitted from the support of the Council funded City Centre Manager within Aberdeen Inspired. As it has been focused on the new ballot, and depending on the outcome of that, it is not clear what non-financial support could be available.
- 5.2 There is no resource currently allocated in the Council budget for grant support for an organiser to deliver a local market.

6. LEGAL IMPLICATIONS

- 6.1 There are no direct legal implications arising from the recommendations of this report.

7. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Strategic Risk	In not proceeding, does not contribute to Council priorities around city centre	L	The Council provides support to businesses, including independent retail through existing interventions
Compliance	A new market does not comply with relevant regulations	L	Information would be provided to market owners/organisers
Operational	A market at Rubislaw could affect existing activity in response to Covid-19	L	Information would be provided to market owners/organisers
Financial	N/A	N/A	N/A
Reputational	N/A – this is not a Council activity. But If the Council were to support a market, it could be perceived as having a negative impact on existing markets and city centre footfall	M	Any new intervention would need to add to existing provision elsewhere in the city
Environment / Climate	N/A	N/A	N/A

7. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement	Independent market activity could, if successful, generate footfall in the city, depending on location
Aberdeen City Local Outcome Improvement Plan	
Prosperous Economy Stretch Outcomes	The proposals are unlikely to have a significant impact in the short term on supporting stretch outcome targets around tourism, leisure and hospitality jobs (Stretch 1).
Prosperous People Stretch Outcomes	N/A
Prosperous Place Stretch Outcomes	Destination markets can support place outcomes around a vibrant and attractive tourist and retail centre. This relies on scale, distinctiveness and

	quality of product, and a reputation. It is challenging for a new market to establish these credentials in the short term.
Regional and City Strategies	N/A
UK and Scottish Legislative and Policy Programmes	N/A

8. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	Not Required
Data Protection Impact Assessment	Not Required

9. BACKGROUND PAPERS

- 9.1 Socio-Economic Rescue Plan Final Update - COM/21/099, City Growth and Resources Committee, 11 May, 2021.
- 9.2 City Centre Masterplan Review - RES/21/115, City Growth and Resources Committee, 11 May, 2021.

10. REPORT AUTHOR CONTACT DETAILS

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