

<b>Agenda Item</b>	<b>11d</b>
<b>Report No</b>	<b>CIA/44/19</b>

## THE HIGHLAND COUNCIL

**Committee:** City of Inverness Area Committee

**Date:** 29 August 2019

**Report Title:** Inverness Common Good Fund  
Victorian Market – Action Plan – Annual Review

**Report By:** Joint Report by the Director of Development and  
Infrastructure and the Inverness City Area Manager

### 1. Purpose/Executive Summary

- 1.1 At the meeting of the City of Inverness Area Committee (CIAC) held on 19<sup>th</sup> June 2017, ([City of Inverness Area Committee | The Highland Council](#)) Members approved:
- the Action Plan (attached to the above Weblink);
  - the Management Arrangements described in **Appendix 1**;
  - the Lettings Framework detailed in **Appendix 2**;
  - to the Inverness City Area Manager taking necessary steps to provide for the Council to engage a Market Manager and;
  - the establishment of a new Victorian Market Stakeholder Management Group;
- 1.2 This report updates Members on the progress that has been made on the development and delivery of the Action Plan. Approvals are invited to allow the delivery of the Action Plan to progress.

### 2. Recommendations

- 2.1 Members are asked to:
- i. Agree to the continued development of the ‘Branding’ of the Victorian Market as described within the report to include ,Marketing, Signage, Naming **Appendix 3**;
  - ii. Agree the Business Case for the redesign of the Market Hall at **Appendix 4**;
  - iii. Note that the proposal referred to at ii above will be detailed in a separate report recommending a redesign of the Market Hall and the Fish Hall and that further reports will be presented to the City of Inverness Area Committee to progress the project programme as required; and
  - iv. Agree the updated Action Plan Summary as endorsed by the Victorian Market

### **3. Implications**

#### **3.1 Resource**

**Appendix 6** details the Running Costs for the Market set for the last five Financial Years. A sustainable income stream from this Common Good Fund asset remains essential for the viability of the Market and the Retailers within it and the City centre.

There will be a reduction in income to the Inverness Common Good Fund over the next 3 years as the new costs are absorbed and the implications of the Lettings Framework detailed in **Appendix 2** are felt. It is anticipated that income will recover as the Action Plan generates increased Unit occupancy and customer footfall.

#### **3.2 Legal**

The Council will continue to meet all its legal obligations under the terms of any contracts agreed and processes will comply with the Councils Financial Regulations and Contract Standing Orders.

#### **3.3 Community (Equality, Poverty, Rural and Island)**

The proposals detailed in this report will potentially attract private sector investment and promote job growth.

#### **3.4 Climate Change / Carbon Clever**

All contracts will be managed in a manner which meets the Council's obligations in relation to climate change.

#### **3.5 Risk**

Business Plans will be prepared giving attention to the points highlighted by the Action Plan and the need to provide for sustainability. The risks identified range from the need to detail management responsibilities, to being clear about expectations on developing the tenancy mix and Market Brand. **Appendix 4** provides a Business Case for the Market Hall/Fish Hall redesign, which if approved will be supported by an Economic Impact assessment at the time tenders are considered by this Committee.

**Appendix 1** is a diagram which describes the management arrangements, clarifying that the Council retains governance over the allocation of resources with the Inverness City Area Manager retaining overall responsibility for the administration of the Market as Budget Holder. The Victorian Market Stakeholder Management Group continues to have an influential role in the decisions regarding ongoing development and implementation of the Action Plan and Business Cases.

#### **3.6 Gaelic**

There are no known Gaelic implications arising from this report.

## 4. Introduction

4.1 The Victorian Market (The Market) is an Asset of the Inverness Common Good Fund (the Fund) and is managed by the Council on behalf of the Fund. The Council is under a duty to ensure that Fund assets are managed efficiently and effectively to produce a Market Value rate of return. Resources are targeted on:

- managing the tenancies so that they produce a Market Value rate of return;
- managing the daily operation of the Market through the provision of onsite Facilities Management Services; and
- ensuring that the fabric and structure of the Market is maintained.

4.2 The Victorian Market Manager (VMM) has led on progressing :

- establishing strong relationships with Market retailers, partners and members of the Victorian Market Stakeholder Management Group;
- developing a co-ordinated approach to marketing;
- establishing a website;
- working up a Market Branding Plan;
- delivering physical improvements to the Market; and
- developing plans to deliver major projects for Market shopfronts, The Market Hall and the Academy Street entrance.

4.3 All work is underpinned by the duty to ensure the long term sustainability of the Market as an asset of the Fund.

## 5. Market Retailer and Stakeholders

### 5.1 Market Retailers

Trading conditions are difficult in line with National trends. The VMM has worked with Retailers to develop business sustainability including promotional activity and events which have helped drive Footfall. **Appendix 7** details Vacancy Rates in both a Local and National context. **Appendix 8** details footfall in the Victorian Market. The figures indicate that trading conditions within the Market Hall/Fish Hall are particularly challenging. This supports the case for transforming the Market Hall/Fish Hall through the Redesign project. The Business Case for the transformation of the Market and Fish Halls refers to the need to recognise that retailers are not thriving because of the location of their business and the VMM is focussing on events and activities to mitigate low Footfall.

### 5.2 Victorian Market Stakeholder Management Group (The Group)

Scrutiny, advice and challenge has been strong which has helped focus the revision of the Action Plan into the Action Plan summary attached **Appendix 5**. A good example being the debate on potential renaming of the Victorian Market. This was debated thoroughly on at least 3 occasions with the decision being taken to retain the name 'Victorian Market. The Group have the overall strategic aim of making the Victorian Market a primary attraction to draw people into the City Centre.

5.3 **Appendix 9** lists the current membership of the Group.

## 6. Delivery of the Action Plan

6.1 The Action Plan Summary (**Appendix 5**) collates the key drivers which will deliver transformational improvements. These range from improvements to the Market

entrances, to a major refurbishment of the Market and Fish Hall. Progress is reviewed at every meeting of the Stakeholder Group,

6.2 The Group has met approximately every 6 weeks. This has enabled the delivery of the Action Plan to be progressed.

6.3 The Key Headlines remain relevant today, these are;

- a **valued and key asset in Inverness City Centre** that acts as a driver for change and investment;
- a **recognised 'Victorian Market'**, with a well-defined identity in terms of its physical appearance, core offer and atmosphere;
- a **location of choice for high profile Scottish brands**; and
- a **destination of choice for locals and visitors alike**.

## 7. Projects

7.1 The Action Plan available via the weblink at [City of Inverness Area Committee | The Highland Council](#) details the initial proposals. Subject to the approval of Business Cases, The Group identified the following initial projects:

7.2 The Market Entrances

The Market Entrances are a priority, with the Academy Street Entrance being first in line. With work commencing on the 20<sup>th</sup> August 2019 as detailed in **Appendix 5**.

7.3 Market Hall/Fish Hall Proposed Development

A Business Case is detailed within **Appendix 4**.

## 8. Links with other Projects

8.1 In addition the collaborative approach taken through the Stakeholder Group with the support of Inverness Business Improvement District is ensuring that the plans tie in with the wider schemes planned for the City centre. The most influential of these is the Inverness Railway Station Improvement Programme and the potential Accessing Inverness Project Programme.

8.2 The activities referred to above have been and will continue to be essential in building Business Cases for delivering on the Action Plan. The budget implications for the Fund will be a primary consideration and once approved, the expenditure will continue to be reported to the CIAC.

## 9 Project Update

9.1 The Inverness City Area Manager has overall responsibility and reports to the CIAC which includes this annual progress report on the Action Plan.

9.2 The work to the Academy Street Entrance which started on 20<sup>th</sup> August are expected to progress on budget and according to plan. If Members approve the Business Case for the Redesign of the Market and Fish Hall then Tenders will be sought and the project will proceed, all in accordance with the Council Financial Regulations and Contract Standing Orders.

## 10. Conclusion

10.1 The Action Plan Summary has fused several objectives and is a live working document and provides for momentum to deliver transformational change to the Victorian Market.

Designation: Director of Development & Infrastructure and the Inverness City Area Manager

Date: 16 August 2019

Author: David Haas – Inverness City Area Manager  
Jo Murray – Victorian Market Manager

Background Papers:



### Leasing Strategy approach

The key to a successful leasing strategy is attracting the right tenants to the right locations, to bring overall economic benefits for the Traders, Common Good Fund, as well as a welcoming, positive experience for customers and visitors.

#### Aims of strategy

1. To increase economic turnover – and build inclusive growth in which both Common Good Fund and Traders share benefits
2. To drive an increase in footfall and flow of people to different parts of the Victorian Market
3. To create more social/meeting and activity spaces and user dwell time, as part of a positive experience of market through use of available space
4. To create a broad range of stimulating retail experience – and help to trigger more repeat visits
5. To set parameters or thresholds for similar uses and shop types To draw a wider range of visitors in terms of diversity age/customer demographic partly to build next generation of market users

#### Risks of absent or poor strategy

To the performance of the above factors, thereby triggering decline, including economic, customer and tenant/occupier weakness.

#### Core principles

- Stimulate diversity as a positive mix/blend– with cap on no of same types (eg cafes, toy shops, gift shops)
- Focus on creative growth and raising profile/brand with keynote stores
- Prohibiting offices and studios – unless overtly shop-facing/customer in positive aesthetic)
- Consider turnover/staircase rents – partnering approach
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#### Mix

The tenant mix strategy should be set out, possibly in a phased manner – as the Market will change. It may include both prime and mass market, or zones may be created such as a restaurant quarter or a jewellery hub. Both Eastgate

Centre and The Victorian Market have jewellery hubs which benefit from increased footfall because of the volume and variety of offer.

### **Assessment for rent**

Areas of the market to be assessed as strong or weak locations and rents should be set accordingly. Incentives should be used to attract high footfall drivers to weaker ends of the market.

Potential occupiers should be assessed on an individual basis. The criteria they should be assessed against is twofold:

**Contribution to existing tenant mix –are they a good footfall driver?–** Would they take market share from another trader? – Could this put them both at risk of failing? – Would they benefit existing retailers by giving critical mass in a certain sector – Are they a destination retailer? Would they increase dwell times? Is their covenant good and/or do they have a realistic business plan?

You will work with the Councils Estates Service to ensure that standard set of lease terms and conditions include keep open clauses and, if appropriate, service charge contributions - e.g. marketing if you go down the £1 for £1 matching basis. For example 60 units paying £500 a year (£125 a quarter) would bring in £30,000 a year which is matched from Inverness Common Good Fund would give a substantial marketing budget of £60,000 per annum. This can be assessed either on a fixed amount per unit or sq footage basis.

### **Lease expiry**

Lease expiries should be tracked so as to decide at an early stage if you want to retain a tenant or indeed if they want to remain. This will enable discussions to be started early and if necessary desirable replacement operators targeted.

Work with tenants you want to retain, track sales performance % and monitor any trading who are badly.

### **Target retailers**

An updated list of target retailers/sectors should form part of the strategy of managing blend and mix. A replacement strategy may be needed for some closing (e.g. from retirals) with target rentals, permitted uses and available incentives.



### **The Rebranding of the Victorian Market**

The rebranding, of the Victorian Market is essential as the Market has had no clear graphic identity to date. The brand identity development includes how the name is chosen, the design of the logo, the colours and graphics used and the “tone of voice” language used. The strongest brand identities are instantly recognisable and should immediately convey a message about that business. A successful brand identity translates into a positive brand image.

The name “The Victorian Market” was debated with the Victorian Market Stakeholder Group. The re-naming to “Inverness Old Town Arcade” was initially presented and debated in 2018 but no decision was made.

To enable the development of a brand identity it was discussed at the Victorian Market Stakeholder Group meeting 9.4.2019

The name change proposal created a lot of discussion within the Press and Social Media, with The Inverness Courier running a public vote - these were the published results

7.9.18 - Yes 5.9% No 94.1%  
28.9.18 - Yes 8.7% No 91.3%  
9.10.18 - Yes 8.8% No 91.2%  
13.10.18 - Yes 7.6% No 92.4%

Views were expressed by Stakeholders, Market businesses and external organisations and these were all taken into account. The majority of comments received were negative towards the name change. Although the overall name for the Market will remain the same, consideration may be taken to renaming different parts of the Market following development. The Stakeholder Group agreed to keep the name Victorian Market as all felt it was not the right time to change it.

### **Identity Development**

The initial route taken to start looking at a new identity was using the proposed name of “Inverness Old Town Arcade”. Now that the rationale has been to revert to the original name of “The Victorian Market” the design costs and stages have been re-costed and we are now in Stage 1 (as laid out below - Exploring potential design routes) of the revised identity development. The new design will take into account the Victorian nature of the architecture, the nature of business within and its connection with the City of Inverness. It will be easily identifiable and applied to all marketing, literature, external and internal signage, alongside the Highland Council logo and the Inverness Common Good Fund logo. The new identity will be presented to the Victorian Market Stakeholder Group in due course for comment and approval. The likely Project Plan will include:

### **Stage 1- Design exploration for new branding**

*Scope of work:*

- Developing design brief and client discussions
- Design workshop
- Exploring potential design routes
- Identifying qualities and values to be projected
- Exploring options for linked identities for Hall, Arcade and overall Market
- Concept sketches, to show 3 alternative approaches
- Client meetings and discussions with architectural team
- Initial presentation of ideas, for client comment and feedback

*Deliverables:*

A design exploration report. Delivered in PDF format and issued for discussion, review and client approval.

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Stage total **£ 6,100.00** (ex VAT)

### **Stage 2 - Design development for branding and identity**

*Scope of work:*

- Developing design brief and client discussions
- Design workshop
- Exploring potential design routes
- Identifying qualities and values to be projected
- Exploring options for linked identities for Hall, Arcade and overall Market
- Concept sketches, to show 3 alternative approaches
- Client meetings and discussions with architectural team
- Initial presentation of ideas, for client comment and feedback

*Deliverables:*

A design development report. Issued as a PDF for client review, comment and approval.

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Stage total **£ 5,350.00** (ex VAT)

### **Stage 3 - Master artwork for brand identity elements**

*Scope of work:*

- Preparing master artwork for brand identity elements, including main brand and subsidiary branding for Hall, Arcade etc.
- Generating high and low res file formats for print and for online use
- Developing usage guidelines and layout templates to control usage of brand elements in print and on online items
- Liaison with client and other design specialists as required

*Deliverables:*

Master artwork in a variety of file formats

Design guidelines document

Both issued in PDF format for client approval and sign-off.

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Stage total **£ 4,800.00** (ex VAT)

### Business Case Market Hall/Fish Hall Redesign

#### The National Retail Picture

Figures and trends quoted are supplied by “The Local Data Company”

Retail footfall is now negatively affected by the growing e-commerce industry and the UK High Street is changing at a rapid pace. Declining numbers in retail and shopping centres indicates the apprehension around traditional retail shopping habits.

Throughout 2018, footfall persistently decreased.

Retail parks were the only retail location type to experience growth in number of occupied units (+0,85% in 2017)

The UK vacancy rate rose from 12.7% at the end of 2016 to 13.2% in 2017.

The current UK vacancy rate is 12.7%

There were specific areas of growth in 2017 in the UK

1. Barbers (+624)
2. Beauty Salon (+388)
3. Tobacconists, including vape stores (+381)
4. Independent Café & Tearooms (+353)
5. Nail Salons (+176)

Retail parks remain the most desirable retail location type, being the only one to experience growth in numbers of occupied units (+0.85%)

This is reflective of the growing attraction of retail parks for retailers, which offer

1. Convenience
2. Free parking
3. The right retail/leisure mix

This is all an attractive proposition for time-poor customers

Shopping Centres saw the biggest drop in numbers with a decrease of 1.88% in occupation.

There are some secondary and community centres, around the UK, which have vacancy rates above 25% with at least one in four units empty. In most cases, landlords are planning to redevelop and are looking for creative ways to make them relevant to shoppers again.

Scotland topped the chart for the net decline in occupied units. The majority of closures were

1. Fashion and general clothing
2. Travel agents

There is strong growth indicated in Scotland

1. Hairdressing

2. Health & Beauty
3. Restaurant

Shopping centres have, however, benefitted from growth in leisure, including food and beverage occupiers, with F&B taking up to 25% of the total units and in some cases up to 40%, with extensive purpose-built food courts.

High Streets performed strongly across the vacancy metrics with a reduction in vacant units by -0.8% across those vacant for less than 1 year and -0.4% drop in units vacant for more than 3 years, which is better than both shopping centres and retail parks.

This is evidence of the increasing measures landlords and city councils are taking to reduce the vacancy rates across their towns by changing the use of persistently vacant units.

Independents perform well across the UK with statistics showing that overall, small town centres have the largest percentage of independent shops with an average of 68% of total units, with 65% independently occupied units in high streets across the UK.

#### Vegan vs. Vegetarian

Vegan restaurants have seen an impressive rise in recent years with an increase of +61.5% compared to a decline in Vegetarian restaurants by -70%

With increased levels of awareness for our health and general wellbeing, these types of offerings are predicted to grow into 2019

Entrepreneurial towns (Such as Tooting and the City of Aberdeen which has the highest number of Independents in Scotland) lead the way in in the net change of independent retailers and leisure businesses. Many of these new independents may well be the start of new chains coming through, taking advantage of available property and are taking the opportunity to start afresh in consumer minds.

BRC (British Retail Consortium)

UK footfall Feb-Apr 2018 -3.5%,

Vacancy Rates - England 11.1%, Scotland 11.9%, Wales 14.5%

Currently the Scottish vacancy rate is at 12.5%

#### **The Local Area**

The Victorian Market, as a whole, is outperforming national vacancy and footfall trends but Market Hall has the potential to decline in line or worse than these figures as it currently stands, with the vacancy rate at 12.5% before development discussions took place.

As illustrated in Appendix 8 – Vacancy Rates

July 2018

- Market Arcade 0%
- Market Hall 17.4% (above national avg.)
- Queensgate 0%
- Victorian Market as a whole 8.7% (below national avg. of 12.7%)
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There has been healthy movement on the surrounding streets of the Victorian Market with two new doughnut shops and cafes opening on Academy St and Church St. “Ashers” have relocated to Union Street. All taking advantage in the change of consumer needs for food and beverage offerings. The vacant unit next the entrance on Union Street is now occupied by “Allsorts”. All these new businesses have reported successful launches and in the case of the doughnut shops, have exceeded trading expectations.

Within the Victorian Market the same trend is evident –

Start-up business “The Highland Cake Fairy” has benefitted from similar business types nearby and has expanded within a year to employ one person part-time.

Café de Paulo (Queensgate) successfully opened earlier this year with a fully licensed offering of quality, locally sourced, meals and snacks

RWM Electrical has changed the operation to become “Sweets for My Sweet” – attracting more footfall and offering something more relevant for both the local customer and tourist visitor. Specialising in traditional loose sweets, this is an illustration of successfully adapting to retail trends.

Whilst some businesses are feeling the effects of decreased sales and a change in predictability, they are considering changes that would benefit them and in some case may consider a reduction in offer, to lower overhead costs.

### **Current Market Hall Layout**

Market Hall currently

23 units

2 offices

1 events/meeting space

488 sq.m of rentable space

Vacancy rates have varied between 5% and 17.4% over 2 years.

The tenant mix is disjointed in that key sightlines are occupied by destination businesses and businesses that rely on passing trade to attract customers in via their window displays are hidden and out of direct sight. Lighting and atmosphere is poor in the winter months which increases the problem.

As illustrated in Appendix 8 – footfall

The footfall in this area is well below that of the other 3 parts of the Market. Only 10% use the Church St entrance compared to a 30% split between Academy St, Union St and Queensgate.

Due to the current layout, there is risk that only parts of the offerings are seen.

There are some of congregation points (where people dwell and take photos) in the Hall and these are driven by the model train, the Cabarfeidh Bagpipe Shop, Ancestral Name and the clock at the lead in to the Hall.

Lead by the Action Plan, current statistics and trends the Design Team have proposed a plan of relay of the Hall to

1. Create a destination
2. Increase footfall
3. Improve movement in the space
4. Attract families
5. Increase dwell time
6. Host modest events
7. Open into the evening
8. Attract the best of Highland independent businesses

## **Conclusion**

The response has shown that the majority of businesses wish to remain in the Market. Flexibility in finding alternative letting opportunities in other parts of the Market will provide for a better mix of businesses.

## The concept design layout



## Proposed layout

585sq.m rentable space (+76 sq.m)

15 new units (8 less than current but better positioning)

Improved layout

Relevant offerings together

Central event space

The potential to open into the evening up to 10pm (+25.5hrs p/week)

Artistic impression of the dramatic Victorian roof being exposed to public view





## **Victorian Market Stakeholder Committee**

The proposed transformational design was presented to the Victorian Market Stakeholder Group who wholeheartedly approved of the design concept and specifically the option to increase the food and beverage offering (in line with current trends) They were encouraged to see the plans come together after so many discussions.

The decision was made to enter into consultations with the existing Market Hall businesses as soon as possible and these discussions took place quickly, following the presentation to them of these proposals in July 2019.

Clearly, the Market Hall businesses have raised concerns as to their future within the Market but the initial one-to-one consultations have gone some way to reassure them that we will work very closely with them and the Stakeholder Group to come up with a design and layout that benefits both them and the Market and consequently the surrounding area of the city centre.

## **Market Hall Businesses Consultation**

These are the headline results of the consultations with Market Hall businesses

5% - 1/18 are still to be consulted

61% - 11/18 are supportive of positive change

72% - 13/18 expressed an interest in staying within the Market

23% - 3/18 will leave

39% - 7/18 expressed a desire to take the opportunity to expand or improve their business

5% - 1/18 would consider a reduction in space

These findings were presented to the Victorian Market Stakeholder Group 13<sup>th</sup> August 2019

The consensus is that this is a good start to negotiations with these businesses. We have reassured them that we will work closely with them and keep them informed of progress at each stage.

### Victorian Market Manager – Report on work undertaken in 2018/19

#### Physical Improvements

##### Improve Shop-Fronts and fascia signing

###### Design Team – feasibility work on Shopfront Design

Concept designs have been drawn up. These designs unify the shopfronts in way that is sympathetic to the architecture of the Arcade and allow for rebranding in line with a new Market identity. Implementation will be phased as funding permits. Opportunities will be taken as Units become vacant. Third Party Funding will also be sought wherever possible.

#### Lighting

###### Design Team

A new lighting system has been designed for both the Academy Street entrance (external) and Market Arcade (internal). The design highlights architectural detail and would improve the overall lighting quality. It would be fully flexible, allowing for seasonal changes and an opportunity to illuminate the Academy Street entrance at night. Implementation will be undertaken as funding permits. The priority at this time is to complete the first phase of the Academy street entrance by refurbishing the Stonework as detailed below.

##### Improve external and internal entrances and signing

###### Design Team

Improvement of the entrances began with Academy Street and was divided into two phases.

1. Stonework Repair
2. New Glass Entrance

Phase 1: Academy Street is the entrance to a category B listed building and attracted a 70% improvement grant from the Academy Street Townscape Heritage Project for the sensitive repair of the stonework to the entrance, with the remainder being funded by the Inverness Common Good Fund. Works started on 20<sup>th</sup> August 2019 for 8 weeks. This full scheme of repair includes the replacement of carved details, various stone indents, repointing works, repairs and the removal of redundant metal fixings.

Phase 2: Designs for a new clear glass entrance, incorporating a new design of entrance door was produced and discussed in detail with the Victorian Market Stakeholder Committee and affected Market businesses. The concept was taken to final design stage and approved. This phase of the project was deferred by CIAC on 21<sup>st</sup> February 2019 to allow for a cost effective tie-in with the work planned for the Shop Fronts in the Market arcade.

## Management

The entrances to Union Street and Church Street have had a high level clean and painted white. The redundant lightboxes at these entrances including Queensgate have been updated with new set opening times of the Market. Negotiations are ongoing to work with the Queensgate representative to complete painting works at the remaining entrance.

The glass internal doors have been removed of out of date signage and vinyl panels installed to indicate services available within.

Short term wayfinding signage has been installed at the clock and Church Street entrance to indicate business positions within Market Hall, which has been widely identified as lacking in effective footfall.

A short term logo for the Victorian Market has been created and has been used on all applications including each entrance sign and lightbox. The current external entrance treatment of grey shaped panels, are now in disrepair, partly due to recent works on Union Street and the effect of time. A solution to improve these entrances short term is being considered.

Create a new activity space

## Management

Until development of Market Hall was looked at in detail, the decision was taken to remove Unit 15, Market Hall from let. It is a well-shaped, large space which attracted more short term interest than permanent let.

The following are events and organisations that have utilised Unit 15

1. Victorian Market Stakeholder Committee meetings
2. Trader Meetings
3. Safe base for 25+ Millburn Primary school pupils during their two World of Work days
4. Workplace Chaplaincy
5. Highlandness Craft Market
6. Inverness Science Festival 2018 and 2019
7. Artist Adrian Eaton "Becoming Bellany" – workshops, meeting space, interactive art, music and final exhibition
8. Ness Book Fest 2018 and 2019
9. Loch Ness Knit Fest – display of craft
10. Zombieness city event base
11. Art for Erskine exhibition
12. Sustrans Accessing Inverness public consultation
13. Harbour Trust Heritage Trail public consultation
14. Diamond Meltdown Valentines promotion
15. Academy St Project together with Business Gateway - 3 free business workshop sessions (cancelled last minute due to lack of bookings)

16. BID Retail Security Group – open public event with Retail Action Group, Shopsafe and the City Centre Police Team
17. Author, Barbara Henderson – Local Primary school workshops, readings and puppet shows
18. Currently - a summer open exhibition by the Academy Street Townscape Project and Inverness Museum

Application has been received to use Unit 15 for up to 6 weeks leading up to Christmas 2019 by an author launching his children's books and the illustrator to conduct children's workshops and activities along with book readings.

The regular use of this space benefits the surrounding businesses in Market Hall by improving the general atmosphere and increasing dwell time. All users of the unit have benefitted and in some cases their expectations of the success of their event has been exceeded.

#### Footfall Indicators

Easter Weekend BID Egg Hunt

Friday +23% and Saturday +9% vs. the previous weekend

European Pipe Band Championships

Saturday +6% vs. the previous Saturday

Highland Games and Gala Weekend

Saturday +6% and Sunday +80% vs. previous weekend

#### Design Team

Proposed designs for a remodelled Market Hall are being explored and the provision of a modest flexible entertainment/activity space has been considered as part of these plans.

### **Marketing and operations**

#### **Activities and Events**

#### Management

A robust application form has been produced, with chargeable rates attached and detailing liability insurance requirements. Guidance was issued for buskers wishing to play in the Market.

As well as the activities in Unit 15 there have been a variety of events in other parts of the Market and these are listed below

1. Charity collections eg. Munlochy Animal Aid, Kidney Support, Rotary Club
2. Buskers
3. Choirs
4. Primary Schools Christmas Carols
5. Services recruitment
6. Charity events – eg. Erskine, Highland Hospice, Mikeysline

### Valentine's Day 2018

1. Press and social media lead promotion with contributions from every Market business to win a variety of relevant luxury gifts

### Easter 2018

1. BID City Easter Egg Hunt
2. Face Painting for MFR Cash for Kids
3. Luxury Chocolate prize draw

### Halloween 2018

1. Zombieness base for the city event
2. The making of a video in the Market by American band "The Dead Daisies"

### Christmas 2017 and 2018

1. Installation of new chandeliers to Market Arcade, kindly donated by Eastgate Centre
2. BID Elf on the Shelf hunt, exclusively in the Victorian Market – prizes & activities
3. Free Santa's Grotto – donations for MFR Cash for Kids
4. Sweets and fruit goodie bags for all kids visiting Santa
5. Santa sticker
6. Luxury Prize Draw

### Summer 2019

1. Highland Hospice Go Nuts Art Trail – "Tallulahbelle".  
(Uniquely, the only one that you can donate in)

## **Strategic and Tactical Marketing**

### Management

As the Market had no clear graphic identity to date, a short term logo was produced which is a representation of the Market as it is now. This has now been used on all applications in a consistent manner. Advertising was previously ad hoc so the following has been put in place

1. A new website [www.thevictorianmarket.com](http://www.thevictorianmarket.com)  
This comprehensive site covers the following
  - a) Opening times
  - b) Shops
  - c) Cafes
  - d) Hairdressers & Barbers
  - e) Queensgate
  - f) Development
  - g) History
  - h) Join the Family
  - i) Contact Us

The website is supplied by SPP and is designed to be added or adapted to in the future. A downloadable map of the Market is planned to be added shortly. The

website has recently been updated and changed to a new provider so that the site can be monitored and data collected.

Several enquiries have been received, through the website, from foreign visitors before leaving home planning their trip to the Highlands as have potential businesses.

2. Regular press advertising as an NRS customer of SPP
  - a) Weekly generic advert in The Inverness Courier and Highland News
  - b) Two half page adverts per year
3. Monthly generic advertising in ICA Magazine with free editorial on events
4. Facebook
  - With an increase of over 1500 followers in the last year, taking it up to over 4,000 some posts have reached 10,000+ people.
  - Aug, Sep & Oct 2018 – SPP Facebook video campaign to drive awareness of the Market and the website.

To cover all local hotels, B&B's and tourist locations –

5. SPP Highlands and Moray Visitor Guide
6. Cromarty Firth Port Booklet
7. SPP “This is Inverness, Loch Ness & Nairn” hardback book
8. Landmark Press Bedroom Folder
  - Inverness, Loch Ness & Nairn
  - Northern Lights
9. Landmark Press Welcome to Scotland Guide

## **Environment and identity**

### Public Art

- Summer 2019 – Highland Hospice Go Nuts Art Trail
- Summer 2020 – Application being considered from a local charity for a public arts event

### Lighting to exploit the Victorian Heritage and identity

- Details as laid out in 2.2

### Cleaner Environment

- The entrances have been tidied up and old foliage props removed. High level fairy lights that had been in situ for several years have been removed. A high level clean is planned annually. Replacement leaflet stands are on order.

### Toilet and Facilities

- Full toilet provision is being considered in the proposed plans for the development of Market Hall.
- The current accessible toilet is used frequently.
- Positive review received from “Euan’s Guide” on social media on the facilities provided for disabled customers

## Create a Water Feature

- Provision for features are being considered for the development of Market Hall.

## **Market Mix**

### Creative Curation of Mix of Shops

Consultations are in hand to work with existing businesses on the development of Market Hall in which the balance and layout is improved for the benefit of the Market and the businesses within.

New and existing businesses have been attracted to apply to the Market with the specific knowledge that development and consequently improvement could take place.

### More Market Businesses

Through the proposed development of Market Hall, the curation of mix would be improved and new facilities created to enable targeted marketing to potential new businesses that would improve the general offering and drive footfall

### Start-up Units

Through the development of Market Hall the availability of units suitable for a start-up business would be created. The University of the Highlands have nominated support to any new business with the aid of a specific support package through Innovation Vouchers.

## **Access and signage**

### Better Signing

As explained in Appendix 3 – Rebranding, and above - The creation of a graphic identity will then be applied to all material, with a consistent approach to signage and wayfinding within the Market.

### A New Balance of Parking

There is already provision by the Highland Council for short term parking if the traffic enforcement team are notified in advance. The Accessing Inverness scheme, which would link the Market entrances better to Academy Street and the Railway Station – access to and from the Market would be greatly improved for both pedestrians and disabled groups.

There is opportunity to advertise permanently in Rose Street car park.

### Improve Crossing and Paving Surface

The Accessing Inverness scheme proposes to improve the crossings and pavement surfaces around the Victorian Market, to some extent.

### Addressing Challenge of Vehicle Access

See above

Cruise ship tour busses are managed in Ardross Street with the assistance of BID. These customers are given a map and directions to the city centre and the Victorian

Market. Some tour operator's park ad hoc in the city centre and more will be explored with these specific companies.

## **Summary**

The appointment of a Market Manager has had a transformative effect in that the Market businesses now have a regular point of contact on site. Operations are being monitored closely and reactions to daily incidents have become more effective. There are regular meetings to which everyone is invited. Several newsletters have been distributed and communication will improve as the dynamic of the Market changes. It has taken time to build trust with some of the businesses but the majority are supportive of positive change and some are very willing to work with the Market Management to make improvements for the benefit of all. The members of the Victorian Market Stakeholder Committee have been challenging and have scrutinised every stage of change.

The Market has a very low crime rate.

Our staff frequently assists and support the Market and surrounding businesses. This has helped build positive working relationships, which is an asset the Market relies on.



INVERNESS COMMON GOOD FUND  
VICTORIAN MARKET RUNNING COSTS

Appendix 6

	20.43%	15.71%	7.83%	8.64%	8.31%	9.01%	8.84%	9.63%	11.52%	Note
	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
	£	£	£	£	£	£	£	£	£	
Running Costs - Direct	191,815.26	243,477.31	215,290.71	172,598.90	144,412.58	130,338.73	158,819.92	169,887.86	216,544.38	1
Other Running Costs	173.19	1,490.09		0.00	1,208.00					2
Indirect Costs -										
< THC Property Management Fees	15,744.89	15,360.89	16,798.46	16,760.62	16,273.78	16,245.46	14,788.02	15,603.07	16,088.16	3 6% of rental income
< Central Support Charges	6,005.45	7,678.73	4,268.09	4,975.60	4,986.38	5,387.19	7,101.90	7,484.08	7,280.32	3 pro rated on expenditure budget
< CGF Investment Management Fees	8,471.07	6,954.78	3,372.62	5,251.96	5,739.33	5,000.77	3,414.67	4,256.26	4,766.57	3 pro rated on expenditure budget
< Advertising	8,462.37	222.05	671.89	447.45	106.76	4,688.34	5,065.00	9,193.25	4,349.60	4
< Marketing & Publicity	2,003.00	22,473.72	5,961.00	7,894.00	7,748.00	2,460.00	2,209.26	5,860.00	26,492.00	4
	232,675.24	297,657.57	246,362.77	207,928.53	180,474.82	164,120.49	191,398.77	212,284.52	275,521.02	
Rental Income	(262,414.85)	(256,014.88)	(279,974.34)	(279,343.71)	(271,229.63)	(270,757.64)	(246,467.02)	(260,051.15)	(268,135.94)	
Net (surplus)/deficit	(29,739.61)	41,642.69	(33,611.57)	(71,415.18)	(90,754.81)	(106,637.15)	(55,068.25)	(47,766.63)	7,385.08	
Windows Replacement Project				38,762.31	48,441.37					5
Other costs coded to similar expense heads	1,925.00	965,844.04	63,523.97	16,634.41	36,452.78	2,872.80	4,659.96	11,720.96	778.96	6
Grants		12,292.80	2,000.00							
	1,925.00	978,136.84	65,523.97	55,396.72	84,894.15	2,872.80	4,659.96	11,720.96	778.96	

NOTES

1. Costs coded direct to VM and Vm Management cost centres but **excluding** expense heads normally used for projects eg Architects Fees - (these are included as per note 6).
2. Costs coded to other cost centres but with VM included in description. Included in total here, but may only require a proportion - detail on the "possible VM costs" tab
3. Proportion of Corporate Costs - 40% estimated to be allocated to VM.
4. Some costs not coded direct to VM.
5. Costs coded direct to Project cost centre.
6. As per note 1 - other potential "project costs" coded direct to VM, but to expense heads normally used for projects.

**INVERNESS COMMON GOOD FUND  
VICTORIAN MARKET RUNNING COSTS**

**Appendix 6**

	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Running Costs	191,988	244,967	215,291	172,599
Central Support/Corporate Costs -				
< THC Property Management Fees	15,745	15,361	16,798	16,761
< Central Support Charges	6,005	7,679	4,268	4,976
< CGF Investment Management Fees	8,471	6,955	3,373	5,252
Marketing/Publicity	10,465	22,696	6,633	8,341
	<b>232,675</b>	<b>297,658</b>	<b>246,363</b>	<b>207,929</b>
Rental Income	(262,415)	(256,015)	(279,974)	(279,344)
Net (surplus)/deficit before Capital Projects	(29,740)	41,643	(33,612)	(71,415)
Capital Projects	1,925	978,137	65,524	55,397
Net (surplus)/deficit net of Capital Projects	(27,815)	1,019,780	31,912	(16,018)

2014/15	2015/16	2016/17	2017/18	2018/19
£	£	£	£	£
145,621	130,339	158,820	169,888	216,544
16,274	16,245	14,788	15,603	16,088
4,986	5,387	7,102	7,484	7,280
5,739	5,001	3,415	4,256	4,767
7,855	7,148	7,274	15,053	30,842
<hr/>				
180,475	164,120	191,399	212,285	275,521
(271,230)	(270,758)	(246,467)	(260,051)	(268,136)
(90,755)	(106,637)	(55,068)	(47,767)	7,385
84,894	2,873	4,660	11,721	779
(5,861)	(103,764)	(50,408)	(36,046)	8,164

## Appendix 7

This Appendix shows Vacancy Rates

For the Victorian Market

Records begin in November 2017 and have been subject to some challenging trading times, but the figures indicate that these are normal retail fluctuations in the current trading conditions and are in line with national trends.

### Vacancy Rates

The table below indicates the number of available units within the Victorian Market and the vacancy rate for each section – Market Arcade, Market Hall, Queensgate (Although this section is privately owned it is widely accepted as part of the whole) and the Victorian Market as a whole – alongside National vacancy rates.

	Arcade		Hall		Queensgate		Victorian Market		National
	No. of units available	Vacancy %	No. of units available	Vacancy %	No. of units available	Vacancy %	No. of units available	Vacancy %	
<b>2017</b>									<b>13.7%</b>
Nov	11/12	8.4%	21/24	12.5%	11/11	100%	44/47	6.4%	
<b>2018</b>									<b>13.2%</b>
Jan	11/12	8.4%	20/24	16.7%	11/11	0%	43/47	8.5%	
Feb	11/12	8.4%	21/24	12.5%	11/11	0%	44/47	6.4%	
Mar	11/12	8.4%	20/24	16.7%	10/11	9.1%	42/47	10.6%	
Apr	11/12	8.4%	21/24	12.5%	10/11	9.1%	43/47	8.5%	
May	11/12	8.4%	21/24	12.5%	10/11	9.1%	43/47	8.5%	
June	11/12	8.4%	21/24	12.5%	11/11	0%	44/47	6.4%	
July	11/12	8.4%	21/24	12.5%	11/11	0%	44/47	6.4%	
Aug	11/12	8.4%	21/24	12.5%	11/11	0%	44/47	6.4%	
Sept	11/12	8.4%	22/24	12.5%	11/11	0%	45/47	4.3%	
Oct	11/12	8.4%	22/23	8.3%	11/11	0%	45/46	2.2%	
Nov	11/12	8.4%	22/23	8.3%	11/11	0%	45/46	2.2%	
Dec	11/12	8.4%	22/23	8.3%	11/11	0%	45/46	2.2%	
<b>2019</b>									<b>12.7%</b>
Jan	11/11	0%	21/23	8.7%	11/11	0%	44/46	4.4%	
Feb	11/11	0%	21/23	8.7%	10/11	9.1%	43/46	6.5%	
Mar	11/11	0%	21/23	8.7%	10/11	9.1%	43/46	6.5%	
Apr	11/11	0%	21/23	8.7%	10/11	9.1%	43/46	6.5%	
May	11/11	0%	19/23	17.4%	11/11	0%	43/46	6.5%	
June	11/11	0%	19/23	17.4%	11/11	0%	42/46	8.7%	
July	11/11	0%	19/23	17.4%	11/11	0%	42/46	8.7%	

The reasons for businesses leaving the Market in this period are varied and range from a decline in regular predictable sales to changing their business operations.

The new businesses are start-ups and expansions of existing businesses.

The drop in available units in October 2018 is due to Unit 15, Market Hall being removed from market to be utilised by the Market as a flexible space as approved by CIAC 30<sup>th</sup> August 2018. The drop in available units in January 2019 is due to a unit being designated as a site office for the Academy Street entrance works.

The rise in vacancy rates from February 2019 is due to being unable to promote these units while the proposals of development in Market Hall were widely discussed. All available units have now been removed from market while we are in consultation with our Market Hall businesses. This is in line with discussions at earlier meetings of CIAC at the time the Victorian Market Action Plan was approved.

These figures indicate dynamic changes within the retail offering within the Market which is a healthy indication of adaptability to the challenges of the current retail trends. It indicates that previously established businesses could not continue in the same way and that the new businesses are exploiting current trends.

## Appendix 8

This Appendix shows show footfall movement in the Victorian Market

Footfall has been recorded manually from April 2019 using a basic formula to calculate movement both in and out of each of the four entrances. This is conducted at regular set intervals throughout the day by the Market staff. Counting manually has eliminated the doubt about accuracy of the previous electronic monitors, and is now accepted as a reasonably accurate indication of footfall throughout the Market. The figure measured is the average movements, both in and out, on average per hour.

### Footfall Figures

<b>Average footfall per hour by entrance</b>					
<b>2019</b>	Academy Street	Union Street	Church Street	Queensgate	Average footfall per hour in the whole Market
<b>April</b>	<b>321</b>	<b>342</b>	<b>118</b>	<b>351</b>	<b>1132</b>
	29%	30%	10%	31%	
<b>May</b>	<b>344</b>	<b>386</b>	<b>137</b>	<b>341</b>	<b>1208</b>
	29%	30%	12%	29%	+7% vs. April
<b>June</b>	<b>364</b>	<b>340</b>	<b>126</b>	<b>324</b>	<b>1154</b>
	32%	29%	12%	28%	-5% vs. May
<b>July</b>	<b>413</b>	<b>347</b>	<b>150</b>	<b>364</b>	<b>1274</b>
	32%	27%	12%	29%	+10% vs. June

The figures illustrated indicate that the footfall traffic through the Market is driven almost equally by Academy Street, Union Street and Queensgate – all with around 30% share. Around 10-12% of customers use the Church Street entrance.

The figures illustrated indicate a dip in footfall in June by 5% but recovered by 10% in July.

This data can be used to monitor

1. Internal events
2. External events
3. Comparisons to national trends

Also

1. Business placement
2. Operational planning

## Victorian Market Stakeholder Group Members Contact List

	<b>Company/Shop</b>
Provost Helen Carmichael	Highland Council
CLlr Isabelle MacKenzie (Chair)	Highland Council
CLlr Bet McAllister	Highland Council
CLlr Graham Ross	Highland Council
CLlr Janet Campbell	Highland Council
CLlr Richard Laird	Highland Council
David Haas	Inverness City Area Manager Highland Council
Jo Murray	Victorian Market Manager
Mike Smith	Manager Inverness BID
Claire Armstrong	Inverness Chamber of Commerce
David Richardson	Federation of Small Businesses
Malcolm Fraser	Duncan Fraser Butchers Queensgate Arcade Victorian Market
Kasia Pogodzinska	Saffron Oriental Food Market Hall, Victorian Market
William Morrison	William Morrison Jewellers Market Arcade, Victorian Market
John Ewart	The Milk Bar
Pat Bloczynski	Aeternum, Victorian Market
Caroline MacKenzie	Inverness Souvenirs, Victorian Market
Brian Philip	The Music Station, Church Street
Colin Craig	Oil and Vinegar, Union Street
Jane Cuthbert	MCM Investments, Queensgate
Donald Maclean	P J MacKenzie, Academy Street
Jackie Cuddy	Eastgate Centre