

TIVERTON PANNIER MARKET

Balance of Trade and Trader mix Policy

Mid Devon District Council recognises the important contribution markets make to the local economy and the character of the area. It not only serves the local community and visitors, but creates local employment opportunities and contributes to the local economy in relation to wealth creation within the town (multiplying factor).

To ensure that the market is a viable and sustainable part of the local economy, it is necessary that there is a policy in relation to the balance of trade (i.e. goods) and the trader mix. This policy must also take into account any legal requirements and must encourage constructive competition which will benefit all parties concerned.

This policy will apply to the specific market days which are Tuesday, Friday and Saturday and Mid Devon DC is committed to maintaining an acceptable balance throughout the market and ensuring its consistency in the way it is operated. The standard of the market must be appropriate to the demographics of its customer and should always be flexible to allow for changes in customer habits, supply etc.

Monitoring of performance of the market is paramount in establishing this balance so it allows traders to be successful and at the same time standards of service and offer are of the highest quality at the level the customer wants.

Policy Aim

The policy should promote a positive shopping environment through being attractive to customers and in turn generates better performance from the traders which will result in higher footfall and greater customer spend.

The policy should balance and address:

- Fair and reasonable retail business opportunities for the local community.
- Provide the management with a policy that is appropriate to the trader/produce/product mix, which is not too prescriptive and best reflects the ever changing retail environment.
- The needs of the customer wanting a real choice of products, produce and services.
- Maintaining a diverse retail offer with healthy competition between traders.
- Careful consideration of whether a certain product, produce or service is under or over represented.
- Reduce the number of vacant stalls which can be to the detriment of the wider market.

- The policy should be reviewed regularly so that the ideal tenant/goods mix reflects the customers' preferences.

Legal Considerations

Briefly the law prohibits agreements and certain other arrangements which may prevent, restrict or distort competition. Where a market has a written policy on a business rationale for decisions on the balance and tenant mix which is appropriate, then there is not a breach of the Competition Act. The Office of Fair Trading advises that restricted user clauses will not, generally, be regarded as a breach of the Competition Act and that such provision can legitimately be used to achieve an appropriate mix of traders within a retail development.

Policy

There will be an appropriate mix of goods so it remains attractive to the customer.

This will be taken into account by the markets management when deciding on the balance between the level of individual traders offering for sale a certain item, the provision of local business opportunities and ensuring a diverse retail offer.

There cannot be a monopoly on the market but the balance must be such that there is a diverse offer for the customer, a choice of where to buy and sufficient customers to enable a trader to be viable. This is not easily obtained and it is therefore essential that all the above factors are known before a decision is made. This must be fair and the Markets Manager/Officer has a duty to ensure that fair and reasonable business opportunities for the local community is maintained, whilst recognising the potential detriment of nearby market businesses may lead to traders ceasing to trade altogether.

Within this policy there will be a restriction that it only allows a trader to offer for sale a specific list of products (named in their licence) is important on maintaining a healthy balance of trade. However flexibility is required to allow for a trader to react to new products demanded by the customer.

Flexibility is also essential as the trader mix is rarely static due to the market, market offer and changes in customer preference changing constantly, this being especially so during the last few years. It is therefore a necessity for the Market Manager to regularly review their trader mix and balance of goods policy to ensure it remains relevant to the ever changing marketplace.

Critically, the trader mix and layout are aimed at making the market attractive to customers, they are not aimed at, nor do they have the effect of, creating sole exclusiveness for a trader.

It should be remembered that there are potential legal challenges and potential breaches of the Competition Act. It is therefore imperative that the Markets Management are able to justify a decision based on knowledge of the trading on the market and the impact over subscription has on the viability of the market.