



The world on a plate: Queens Market

The economic and social value of London's most ethnically diverse street market.

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photo: Chris Jepson www.chrisjepson.com

Executive summary

This report considers the economic and social value of the Queens Market in Newham, East London, in the context of plans announced by Newham Council and property developers St Modwen to demolish the existing market and replace it with a new market as part of larger retail and housing redevelopment. The report was commissioned by the Friends of Queens Market.

Drawing upon the results of original research carried out by **nef** (the new economics foundation) in March and April 2006 with customers and traders at Queens Market and, the report features the results of an economic impact study which highlights the economic and employment value that the market delivers to the local economy. It has five main strands:

1. The role of Queens Market in providing access to high-quality affordable food and other affordable goods.
2. The key findings from **nef**'s economic model for Queens Market that quantifies the key economic and employment impacts for the local economy.
3. The market's record in promoting and sustaining independent small businesses.
4. The potential threats to the market as a result of the proposed regeneration and their implications for the value of the market.
5. The potential for an alternative model of ownership and development of the market that would maximise the social and economic value of the market to the local community.

Based on fieldwork carried out in April 2006, the results show that Queens Market is thriving, attracting an estimated 415,000 visitors each year with more than a

quarter of the customers visiting two to three times per week. It is highly valued by customer and traders alike.

The report finds that:

- **A 'shopping basket' exercise found that items bought at the market were on average 53 per cent cheaper than at a local ASDA Wal-Mart supermarket.** Moreover, the market offers particular benefits to low-income customers not available at supermarkets. They can use the bargaining and haggling culture to achieve substantial discounts. This process reaches a climax at the end of the market day where produce is reduced to clear or given away free rather than left to waste.
- **The exceptional choice of goods available is the main factor that attracts customers to the market. Eighty per cent of customers at the market said that the market sold goods that were not available elsewhere.** More than two-thirds were also attracted by the market's atmosphere. This reflects the distinctive ethnic and cultural mix of foods, textiles, clothing and other products available at the market catering to the needs of specific ethnic communities and the general shopper.
- **In total, Queens Market generates over £13 million for the local economy with £9 million spent on food.** It delivers substantial economic value to the local economy. Customers spend an average of £34 when they visit the market, £25 of which is spent on food. This spending is worth more than £11.5 million to the local economy each year. Customers also spend an estimated £1.8 million at shops close to the market.
- **The market delivers twice as many jobs per square metre as a food superstore.** Queens Market provides significant employment providing 581 jobs with 308 people employed at the market live in the immediate local area. Market jobs are more varied than those at a food superstore, involving a richer skill set and greater opportunities to start a business and to acquire business knowledge.
- **The market provides a space in which entrepreneurs are encouraged, nurtured and supported. Twenty-six per cent of traders had begun trading at the market over the last five years, but over half had been trading for more than ten.** Queens Market is particularly effective at supporting independent small businesses at a time of increasing concern about the collapse of independent business and the increasing dominance of the high street by chain stores and supermarkets. Ninety-nine per cent of the businesses at the market are independent traders.
- **Queens Market provides a particularly fertile environment for black and minority ethnic (BME) entrepreneurs who face particular barriers when starting businesses.** Seven out of ten businesses surveyed at the market were owned by BME traders. The role of markets in providing suitable business space is underlined by research from the London Development Agency which found that start-up and growth of BME businesses are disproportionately disadvantaged by lack of access to suitable business premises.
- **The market structure provides space for an extraordinary range and variety of businesses, some 35 different kinds of businesses, from sole traders to businesses employing 25 staff.** Eighty-one per cent of traders surveyed cited flexibility and 72 per cent cited reasonable rents as their reasons for trading at the market.
- **Queens Market is providing a vital source of accessible, affordable and good quality food in an area, designated as a 'food desert', that is, it provides poor access to fresh and affordable food.** Newham residents spend 1.5 times more of their disposable income on food than the national average and less on healthy food options like fruit and

vegetables. Half the wards in Newham have been designated as food deserts.

A number of threats to a thriving Queens Market arise from the plans put forward by Newham Council and St Modwens. These can be summarised as follows:

- A reduction in the estimated £13 million of positive local economic impacts and money flows in the local economy.
- The introduction of clone town chains and multiples at the expense of independent retail.
- Increased barriers to entry for new entrepreneurs as a result of the imposition of higher costs, such as service charges for traders.
- A reduction in the variety and range of business types and sizes.
- A loss in the range and quality of employment for local residents.
- Fewer opportunities for business growth and expansion for existing traders as a result of the availability of shop units in the new redevelopment.
- Design changes in the new market affecting visitor numbers and the quality of the unique and rich shopping experience
- Less, affordable fresh food available in an areas designated as a food desert
- A reduction in the exceptional range of ethnic food and other goods available at the market.

There is a legacy of poor investment and management by Newham Council that has contributed to a shopping environment in need of urgent improvement. The cost involved in carrying out improvements has formed the rationale for the decision to agree to the redevelopment of the market by St Modwen. However, the cost of essential refurbishments to the market is contested by the market traders.

An independent inquiry into the plans to redevelop the market was held by The East London Communities Organisation (TELCO)/. The weight of evidence received by the enquiry and the results of extensive consultation with the local community on the St Modwen/Newham Council plans, commissioned by the independent inquiry were overwhelmingly against proceeding with the current redevelopment proposal. Its report, published in May 2006, notes that “there is almost no enthusiasm for the Council’s plans to invite a private developer.” Moreover, Sir Robin Wales, Mayor of Newham, admits that the Council does not have the expertise to run the market. This would seem to leave the market caught between “the devil and the deep blue”. In fact, there is an alternative that has the potential to retain the distinctive nature of this thriving market currently threatened by the St Modwen/Newham Council proposal. This report makes the case for investigating other forms of social and community ownership and management for Queens Market that would enable Market traders working with the local community to plan a sensitive redevelopment for the market.

Introduction

This report has been commissioned by the Friends of Queens Market. There has been extensive publicity and press coverage, much of it excellent, about the future of Queens Market. The East London Citizens Organisation (TELCO) conducted a wide-ranging independent enquiry into proposals to regenerate the market and recently published its findings.¹ This report does not aim to re-invent the wheel by going over this ground again. Instead, it aims to present the results of original research carried out by **nef** that analyses and quantifies for the first time, the distinctive and unique social and economic value of Queens Market and of the threats posed by the current plans for its regeneration.

After putting the market in context, Chapter 2 of the report sets out to examine the vital role that the market plays in providing fresh food that offer choice, diversity and affordability in an area of deprivation that has been designated a food desert. It features a price comparison between Queens Market, ASDA Wal-Mart and Edmonton market and presents the results of a survey of market customers. It highlights the reasons why customers visit the market as well as pointing to the exceptional ethnic diversity of visitors to the market.

Chapter 3 reports the results of an economic impact study of Queens Market. Based on a survey of market traders and customers, it provides figures about the number of visitors to the market. For the first time it quantifies the value of market trader income and customer spending at Queens Market and estimates its value to the local economy. It also highlights the markets role in providing local employment opportunities.

Chapter 4 looks at role the market plays in stimulating small business start-ups, entrepreneurship, business growth, and innovation. It reports the results of the survey on the diversity and mix of businesses.

Chapter 5 considers that the key threats posed by the Newham Council/St Modwen redevelopment to the range of positive impacts delivered by Queens Market.

Chapter 6 outlines the preferences of customer and traders for redeveloping the market and sets out an alternative approach.

Chapter 7 draws a number of conclusions from the study.

Appendix One sets out the methodology employed for the study.

1. Context

Queens Market is a thriving market in London's East End. One of an estimated 70 street markets in London² it forms part of London's heritage and is numbered amongst its most ancient institutions. The Romans established the first street market, believed to be close to current site of Leadenhall Market, with Tacitus in AD60 describing the riverside as ideal for trading.³ The presence of street markets and market squares determined the very shape and urban redevelopment of the city. By the middle ages, their presence dominated the metropolis.

Peter Ackroyd in *London: The Biography* notes "it is possible to envisage the central axis of twelfth and thirteenth-century London as one continuous street market from the Shambles at Newgate to the Poultry by Cornhill."⁴ Street markets are also deeply rooted in our modern popular culture. The daily dramas of *Eastenders*, our most popular soap opera, unfolds around a vibrant East London street market, not unlike Queens Market.

Yet the first national survey of retail markets concluded that the retail markets were in crisis with the sector in serious decline; a similar trend is apparent in London.⁵ As one observer noted, this has serious consequences at a time of increasing public concern about the emergence of clone towns on London's high streets signified by a loss of retail diversity and the onward march of chain stores and big box food superstores.

London markets are also affected by these trends. Phil Harris, author of *London Markets* noted: "There is no doubt that London's local food markets are in jeopardy. Every year, dozens of traders, some of whose families had run a stall for a century or more, give up their barrows. Few young men and women are taking their places. Government and Councils need to take action to reverse the decline, but so do we, the punters, or all we'll be left with is the monotony and expense of supermarkets."⁶

Research carried out in London by **nef** in 2005 highlighted the value of markets to the local economy.⁷ Key findings from that report were that street markets:

- Provide access to affordable fresh food at prices that are considerably lower than supermarkets. This is of particular value to low-income groups for whom food consumes a large part of their disposable income.
- Are powerful economic forces contributing to local economies in London through generating significant income and employment.
- Act as a focus for destination shopping thereby promoting distinctiveness and can revive run-down shopping areas.

The value of street markets is increasingly recognised by policy-makers. The Mayor of London's draft food strategy, *Better Food for London*, notes that food markets continue to play a significant role in London and recommends advice and support for street markets in order to maintain a "robust and healthy" diversity of food retailing.⁸

The debate over the future of Queens Market provides a microcosm for the challenges involved in achieving sympathetic regeneration while retaining and enhancing one of London's most distinctive and diverse street markets.

Queens Market: the story so far

The first record of Queens Market in Stratford dates back to 1890,⁹ moving to Queens Road in 1911. It moved to its current location in Green Street in 1963, adjacent to Upton Park tube and a stone's throw from West Ham Football Club. Queens Market was set up by statute and occupies 5,600 square metres of space. The current design of the market with its enclosed box shape also dates from 1969. It is an outdoor market, though the roof is designed to provide some protection from the elements. The layout of the market incorporates 60 shops arranged around the perimeter with 80 stalls arranged in the central space. A car park is located on the roof of the building with access to the market plaza below. It is currently owned and managed by Newham Council who are responsible for maintenance.

The fabric of the building has gradually deteriorated since 1969 and there have been persistent complaints from market traders about a lack of investment and inadequate maintenance and management. For example, traders pointed to the leaking roof, poor cleanliness and lack of toilet facilities (to name but three of the complaints). With no spending on signage, marketing, and promotion of the market by Newham Council, the success of this thriving and profitable East End street market serving the diverse multi-ethnic community of Newham and the wider local area has been hampered.

In 2000, Newham Council commissioned a feasibility survey from property consultants Weatherall Green Smith to identify the key problems facing the market and to recommend a series of redevelopment options. The retention of a sheltered housing block, Harmara Ghar, was a precondition of the study. In 2003, the Council debated and considered three options.

1. To continue to own and manage Queens Market but to carry out minimal repairs and maintenance.
2. To spend an estimated £6 million on essential repairs and maintenance to the structure of the market (i.e. the roof).
3. To enter into a partnership with a developer. This would involve selling the lease of the market to a developer for a capital sum. The developer would be responsible for the regeneration of the market, which would form part of a larger retail, leisure and housing redevelopment.

In September 2004, following a marketing and tendering procedure, St Modwen was appointed as the development partner, subject to planning permission and final agreement.

The redevelopment plans published by St Modwen involve replacing the existing market with a new market (to include a supermarket) that would reduce the space available for existing market traders and fundamentally compromise its integrity. The redevelopment would also feature a library and 216 new homes (mainly luxury housing).

The plan has been opposed by the Friends of Queens Market and many market traders who think it would fundamentally compromise a thriving and vibrant local asset. In September 2005, the Friends presented a 12,000-strong petition to the Greater London Authority, asking it to intervene. With strong public support, the Friends continue to campaign for the Council to consider an alternative plan that would safeguard the market in its current form while addressing the essential management and maintenance issues. However in March 2006, St Modwen signed an agreement that formalised the £75 million redevelopment of the market.

This report considers the value of the market to the local community and quantifies its impact on the local economy.





2. Oasis in a food desert: affordable food, diversity and consumer power

This chapter looks at the kind of customers who visit the market and their reasons for shopping there. It also focuses on the food offered by the market and draws comparisons with the choice and quality provided by supermarkets.

Queens Market is valued by customers for the exceptional choice and diversity of goods and products available at affordable prices, a key reason why customers shop and visit the market.

This choice comprises a number of key elements:

- The availability of a wide range of staple foods at competitive and affordable prices.
- A rich and diverse product range that caters both to the specific cultural and culinary needs of the diverse and multi-ethnic profile of customers who visit the market while also appealing to the general market shopper.

Who visits Queens Market?

Queens Market attracts a wide cross-section of customers. It has a solid core of loyal customers who have been shopping at the market for more than five years, yet it continues to attract new customers with more than one-third who have started

visiting in the since 2000 and one in ten who have begun shopping at the market this year (see Fig. 1).

Queens Market caters to the diverse and multi-ethnic nature of the local community. Newham is London's most ethnically diverse borough with 6 out of every 10 residents from Black Minority Ethnic communities. The African British population make up 21 per cent of the population and Asian or Asian British comprises 32 per cent. This is reflected in the results of the survey (Figure 2) carried out by nef which asked customers to state their ethnic origin highlighting the wide range of African, Asian, Middle Eastern and Eastern European communities that visit the market. This is reflected in the result of a survey of shoppers at the market, carried out by Mori for Newham Council in December 2005/January 2006, which found that 54% of shoppers were Asian or Asian British, 27% Black or Black British and 16% White.¹⁰

The market caters for the needs of these communities providing a cornucopia of food, clothes, hardware and services giving it its unique multi-cultural flavour.

"This is multi-cultural coexistence at its best"

"It's a great place to come and hear your own language...Hindi, Bengali, to Cockney slang and even the occasional Banglish"

Customers are not only offered an abundant choice of food but the presence of ethnic communities regularly visiting the market has stimulated demand for a range of complimentary goods and services, attracting new businesses. For example, the market attracts enough customers buying spices, saltfish and callaloo but also sustains four hairdressers which specifically serve the Afro-Caribbean community and a rich range of fabrics and haberdashery from the Asian sub-continent, some of which are only otherwise available at Liberty's. Thirty-four per cent of customers visiting the market bought clothes or fabric and 11 per cent bought hardware.

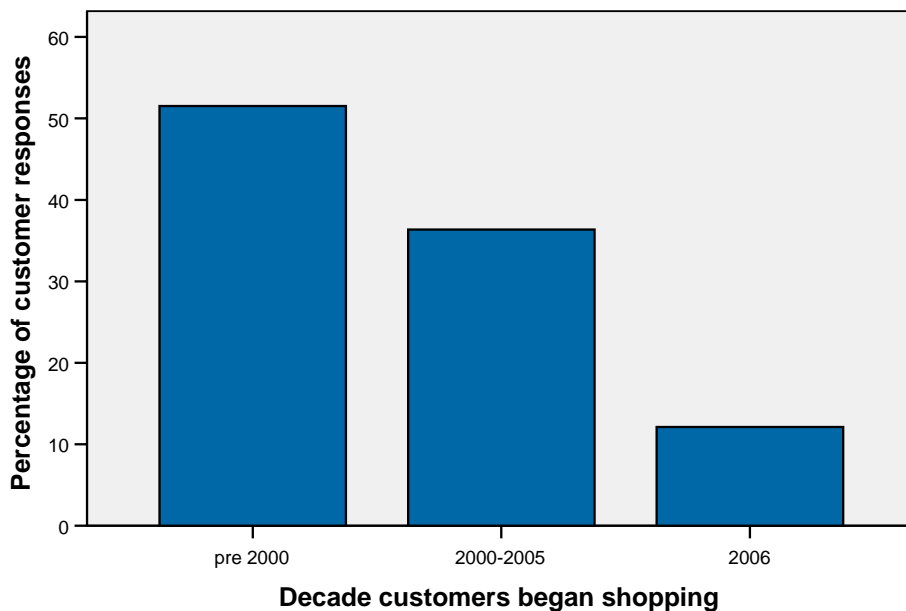


Figure 1: Customer shopping patterns

Market shoppers and ethnic diversity

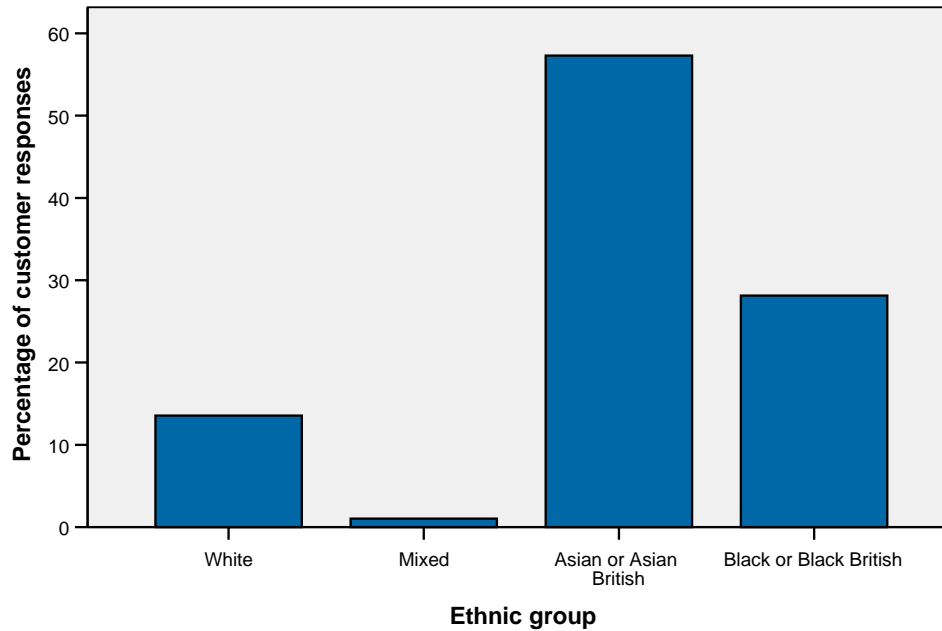


Figure 2: Ethnic diversity of customers at Queens Market: source MORI Survey of Residents, Shoppers, Market Traders and Businesses.

It also reflects the changing nature of the East End and the new communities attracted to live and work there. The market has embraced these changes summed up by poet and musician, Benjamin Zephaniah

"I have spoken to people who recall when the customers were all German immigrants and someone else who remembers when they were all Jewish. I go there sometimes and you see the white, middle-aged guys who sell to the Asian ladies and have learned a bit of Urdu."¹

Traders now stock produce attractive to Eastern European customers who visit the market. One customer told **nef**

"It is the only place I can buy Romanian meat and vegetables"

Commentators highlight the fact that Queens Market provides for its customers in a way that no supermarket does. No supermarket would stock the distinctive range of culinary and cultural products needed by particular communities.

This is pinpointed by food writer Jenny Linford,

"There are ingredients there that I have never seen before .What kind of supermarkets is going to stock five different kind of plantain – yellow black, green with all their different uses, That kind of thing just doesn't exist in supermarkets."

There is an additional benefit that reflects the value of the market to London's rich and variegated ethnic melting pot. The Mayor of London has dubbed London 'a world in one city'. In many ways Queens Market is 'a world in one market'. The rich mix of different ingredients and cuisines, along with advice and recipes from traders encourages customers to experiment, to taste foods from different countries and continents, leading to more varied and richer diets and aiding social cohesion.



Fresh and affordable food in the desert

Around four million people in the UK have difficulty in maintaining a healthy diet because they live out of reach of fresh food retailers. They live in food deserts, areas where there is no local provision of affordable fresh food, creating concentrations of local disadvantage. Newham is recognised as a food desert. More than two thirds of residents in half the borough's wards live more than half a kilometre from the nearest shop selling fresh fruit and vegetables, and Newham is singled out by Sustain and the Mayor of London's London Development Agency in *Capital Eats: An Analysis of London's Food Economy* as the prime example of food poverty and inequality in the capital.¹² *The Right to A Healthy Diet* report published by Newham Council and Newham Primary Health Care Trust quotes research that points to high levels of food poverty and disadvantage. The report finds that Newham residents spend more than 1.5 times more of their disposable income on food than the national average and spend less on healthy food options like fruit, vegetables and fibre. It notes that most deprived people in East London are often living in areas of high density housing with very few local amenities, such as food and public transport. The report identifies the existence of food deserts in Newham with people on low income often paying higher prices for lower quality foodstuffs. In this context, the Council's view that there are too many food traders at the market and intention to reduce them in the new redevelopment would seem perverse.

The other main barriers identified as preventing people from choosing and purchasing health food were a lack of cooking skills, personal taste and price.¹³ Moreover, in addition to accessibility, a health premium operates with healthy food where it is available costing up to 50 per cent more than unhealthy food, driving up unhealthy eating and contributing to the UK's rising rates of obesity and diabetes.¹⁴

Street markets like Queens Market are oases in the food desert; providing a vital source of accessible, affordable and good quality food, given the nature and extent of food poverty in the Newham and the East London Areas and its diverse population. This has been noted by market traders. Neil Stockwell, a fourth-generation fruit and vegetable trader notes

“There’s such a big influx of Asian people,’ ... ‘and they love their fruit....with the Asian community, they’ll say, ‘Neil I’m going to see my granddad, can I have a box of apples, a box of oranges and a box of bananas.’ No wonder they live so long.”¹⁵

The influential All Party Parliamentary *High Street Britain 2015* report notes that the role of market in tackling food poverty is often undervalued and overlooked: “street markets and covered markets often serve low income ethnic groups – among the very people most in need of fresh foods but their contribution is not always measured.” Newham exemplifies this point; the Newham Food Access Partnership addresses food poverty and access to food with a range of practical projects and strategies. However, though there are references to the value of street markets in general, there is no mention of Queens Market in the latest food strategy.

In this context, the value of Queens Market in providing an unparalleled choice at affordable prices is recognised by customers and food experts alike. In addition to the Newham Food Access Partnership report cited above, Jenny Linford of the Guild of Food Writers and *The Times* newspaper notes

“On Queens Market there’s stuff I’ve never seen before.”

Street markets such as Queens Market directly tackle this ‘market failure’ by providing affordable and accessible food as well as shattering the myth that supermarkets automatically provide best value for money. That markets like Queens Market attract so many customers is testament to the failure of supermarkets to provide consumers with real choice.

The Mayor of London paid tribute to the role of food markets when introducing the draft London Food Strategy.¹⁶ The valuable role played by independent retail in addressing these issues has been recognised by the Government’s Social Exclusion Unit.

nef found that 97 per cent of market customers came to the market to buy food and the amount spent on food ranged from £1.50 to £120.

Choice emerge as the overwhelming reason for visiting the market with more than three-quarters of customers interviewed as part of the **nef** customer survey citing it as the reason for visiting the market (see Table 1).

Table 1. Reasons for shopping at the market

Reasons (in order of priority)	Percentage of responses
Choice	77%
Atmosphere	60%
Price	51%

There are 50 food and vegetable shops at the market, providing an extraordinary range of food and keen competition between traders. This choice is recognised by customers. One customer noted

“I am guaranteed to get everything I need”

Despite the presence of an Iceland, Tesco and Sainsbury’s in the Green Street Area and an ASDA Wal-Mart superstore in Beckton less than two miles away, 80 per cent of customers said that the market offers goods that cannot be bought elsewhere. Customers were asked about the differences between shopping at a market and a supermarket. They highlighted the distinctive range of products, the atmosphere and the value compared with a supermarket. Eighty per cent felt the market was very important to them with 94 per cent saying that they enjoyed shopping there; every single per cent of market traders interviewed about the

supermarket/redevelopment were opposed to it with 63.6 per cent strongly opposed.

Opposition from customers to including a supermarket is overwhelming. The Council's own opinion survey, commissioned from MORI, found that only 38 per cent favoured a large supermarket against 58 per cent who opposed it. More than twice as many (39 per cent) strongly opposed it than strongly supported it. This is reinforced by more recent consultation carried out by 10 community organisations in Newham which conducted surveys which were submitted as evidence to for the Independent TELCO enquiry. Every single survey found substantial majorities against the supermarket among the local community.¹⁷ Traders were strongly opposed by almost two to one with four times more traders strongly opposing as strongly supporting another supermarket.

"I live in Beckton where they've got an Asda, but come here for all my weekly shopping – it provides for my family"

More than 8 out of 10 surveyed highlighted price as a key attraction. This is borne out by a price comparison between a shopping basket of fruit and vegetables bought at the market, a local supermarket and a 'flagship' market redeveloped by St Modwens at Edmonton. The Edmonton market has an ASDA Wal-Mart at its peak, and is serving as a blueprint for the redeveloped Queens Market.¹⁸

"There are no bargains in London like in this place – you name it – it's here going cheap,cheap,cheap"

Table 2: Fruit and vegetable price comparison

Item	Queens Market	ASDA Wal-Mart	Edmonton Green market
1 large lemon	10p	16p	10p
3 large oranges	60p	£1.18	60p
1 cucumber	20p	30p	20p
1 pomegranate	29p	51p	50p
6 kiwi fruit	50p	£1.08	60p
3 avocados	50p	£1.28	75p
1 kilo Conference pears	39p	86p	66p
1 kilo Nous pears	48p	£1.06	25-30p each
1 kilo bananas	55p	74p	60p
1 kilo Gala apples	64p	98p	80p
1 kilo sultana grapes	89p	£2.47	£1.50
1 kilo onion	30p	59p	40p
1 kilo sweet potato	45p	£1.28	
1 kilo plantain	39p	£1.09	£1.00
1 bunch coriander	29p	64p	
watercress (bunch)	55p	£1.09 –	50p

In each single case, produce from Queens Market provided the best value. Every single item was under £1 and on average was 53 per cent less than at ASDA Wal-Mart and 25 per cent less than at Edmonton. This underlines its vital role, given the nature and extent of the food poverty and food deserts in East London highlighted above.

In addition, the unique shopping culture of the market, in contrast to supermarkets, rewards bargaining and haggling thus giving exceptional consumer power to the most disadvantaged.

This is described by Danny Woodard, a seventh-generation market trader, with a mixture of affection and exasperation!

“They’re [customers] all driving me mad this morning, mind. I got a pound a bag for 10 kilos of onions. I got cauliflowers big as your head, three for a pound. A lousy knicker. And they stand there and wonder if they can have four or something!”¹⁹

Queens Market offers value through discounting and bulk buying. Many stalls offer pound-a-punnet or pound-a-scoop offers that are best value, particularly for families or communal cooking.

Immediate face-to-face feedback from customers at the market about pricing allows traders to adjust prices and react quickly to surges and drop-offs in demand. Most importantly of all, customers can use their knowledge of market sales’ patterns to garner discounts. Traders point to a late surge of bargain hunters, many of whom are on low or fixed incomes. In the later afternoon/early evening, the market echoes to the banter and calls of the traders, each outbidding each other and selling off their perishable market produce at rock-bottom prices. This reaches its climax as the market closes when produce is given away rather than thrown away. Claire Peasnell of the Friends of Queens Market describes this process:

“The stall holders all give stuff away at the end of the day. They know who all the poorest people are... so in a curious way everyone gets fed.”²⁰



3. The value of Queens Market to the local economy

Much of the debate about the economic value of Queens Market to date has been based on supposition and inference. Up to now, there has been a lack of robust economic data. To rectify this, nef has undertaken an economic impact analysis of the market which aims to quantify some of the main direct and indirect impacts of the market on the local economy.

This analysis measures three aspects of the economic impact of the Market.

1. Market attendance
2. Market and trader income as measured by customer spend
3. Local employment effects

Customer spending at Queens Market.

The number of customers that come to Queens Market is a key indicator of its value and popularity of the market. Attendance is a key driver of the economic impacts as it directly affects market traders as well as surrounding retailers. The market is open four days a week for eight hours each day. A survey of the number of visitors to the market by the University of Westminster in 2005 found that an average of 8,138 visited the market each week.²¹ This translates to an average annual attendance at the market on market days of approximately 415,038. The actual figure using the market is likely to be significantly higher than this – perhaps more than 500,000 – as the market shops are also open on non-market days (six to seven days a week). The figure of 415,000 is used for the purposes of this analysis.

This gave us a basis for estimating the economic impact of customer spending. All of the customers interviewed had come to the market to shop: indicating the

market is a destination for shoppers, in fact a magnet for shoppers. However, we have taken account of the fact that the figure for visitors includes a number who are browsing and do not spend money and that a small proportion of the visitors are children or form part of family or other groups visiting the market but not purchasing. The figure has been adjusted by 20 per cent to take account of these factors, giving us a figure of 6,511 spending customers visiting the market each week and 338, 572 each year.

A high proportion of customers told us that they visit the market more than once a week. The numbers visiting twice a week or more outnumber those visiting once a week (37 per cent). This underlines customer loyalty and the value and importance of the market to customers. A small proportion of shoppers visit fortnightly, monthly or a few times a year.

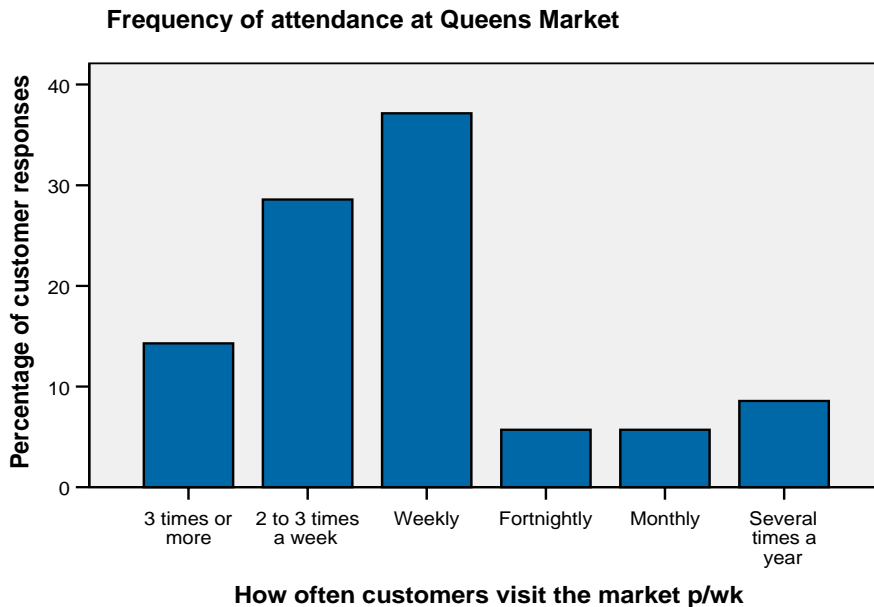


Figure 3: Frequency of attendance at Queens Market

nef asked a random sample of customers how much they had spent at Queens Market. The average customer spends £34 with £25 of that spent on food. Thus, as Table 3 indicates, customer spend at the market is very significant. It is worth £237,796 on average each week, of which £171,018 is spent on food. This equates to over £12 million spent each year at the market with nearly £9 million spent on food.

Table 3. Weekly and annual spend at Queens Market

	Weekly	Annually
Average number of visitors	8138	415,038
Average number of spending customers	6511	338 572
Average spend per customer on food	£25	
Average total spend on food	£162,775	£8,464,300
Average spend per customer on all items	£34	
Average total spend on all items	£221,374	£11,511,448

The scale of customer spending and trader income at £11.5 points to the substantial contribution that Queens market makes to the local economy.

The impact of Queens Market on local retailers

The market is also a source of additional wealth and income for the local economy. It is interesting that the MORI poll commissioned by Newham Council found that 9 out of 10 businesses in the streets immediately surrounding the market were satisfied with the area as a place to run a business; a high proportion described themselves as very satisfied. If there was any significant level of dissatisfaction with the market, these figures would be much lower. This is a result of the extra revenue spent by market customers who also visit local shops. It is not possible to quantify the exact extent of this additional revenue, but it is possible to indicate the scale and extent this extra income. Research carried out by **nef** at two London street markets in 2005 found that an average of 63.5 per cent of market shoppers spent an average of £13.81 at local shops.²² These markets were located on the High Street or on a plaza outside a shopping mall which encourages shoppers to combine shopping at the market with visiting local shops nearby. The situation at Queens Market is appreciably different. One of the positive aspects of Queens Market is its enclosed and self-contained layout with its combination of stalls surrounded by shops. This is a highly efficient and effective way of encouraging shoppers to maximise their spending at adjacent shops and stalls within the market rather than move outside. However, there will be a significant level of shopping at associated retail outlets in the vicinity of Queens Market, though it is more likely to take place before and after visiting the market. Taking account of these factors, the percentage shoppers at the market and amount spent has been reduced by one-third. Thus **nef** estimates that approximately 42 per cent of shoppers spend an average of £9.26. This equates to additional spending of £34,975 each week or £1.819 million each year.

This indicative figure demonstrates that Queens Market plays a complementary role to local retail, providing a vital source of extra revenue, particularly important as independent retail is increasingly under threat with 39 independent small shops or convenience stores closing each day.²³

Table 5: Additional spending generated at local shops by Queens Market customers

Spending customers at the market	6956
Percentage of customer who visit local shops	42%
Customer spending at local retail	3777
Average spend at local retail per customer	£9.26
Average weekly spend at local retail	£34,975
Total Annual Spend	£1,818,701

It cannot be said how much of this spending would have occurred without the market, though it is very likely that the market, as the main magnet attracting shoppers to the Green Street areas, played a significant role. This is underlined by a key finding from **nef** research at London street and farmers' markets where some businesses noted that trade falls when the market is closed.²⁴

Employment impacts

Queens Market also contributes to the local economy through employment provided by the 140 small businesses at the market. **nef** surveyed a cross-section of micro and small businesses in the market to establish the number of part-time and full-time employees and also the proportion who live locally. The number of employees taken on by each market trader varied between one part-time member

and eleven, reflecting the range of business sizes at the market.²⁵ Each business employed an average of just over four staff. Just over half live locally, demonstrating that Queens Market makes a significant contribution to local employment in an area of relatively high unemployment. The quality and diversity of this employment is discussed in more detail later.

Table 6. Employment impacts at Queens Market

Number of businesses	140
Average number of employees per trader	4.15
Total employment at Queens Market average	581
Average local employees per trader	2.2
Total local employment at Queens Market	308

Employment density

Queens Market provides a very high level of employment opportunities in a relatively small space. This is measured through employment density which provides a ratio for the number of employees per square metre of space. As seen in Table 6, Queens Market employs 581 employees. The market occupies 5,624 square metres. The employment density is 1:9.7, so there is one employee for every ten square metres. This compares with the average for food superstores of one employee for every nineteen square metres.

Queens Market employment density performance is excellent. It is delivering more than twice the number of employees per square metre than Food Superstores/Supermarkets such as ASDA Wal-Mart.²⁶

Conclusion

Queens Market makes a substantial contribution to the local economy. The wealth generated by the market itself and through additional spending at local shops is worth more than £13 million

In addition, it a substantial source of local employment providing work for more than 300 local residents in an area of high unemployment and delivering a high number of employees per square metre. If anything, this underestimates the extent of the impact as this study did not consider the positive and additional multiplier effects of the market's activity. Though it is impossible to give a precise estimate, clearly a reduction in the size of the market, as a result of the reduced number of shops and smaller stall-size proposed by the St Modwen's proposal is likely to have a significant and negative effect on revenue retained in the local economy. As a result of global sourcing and supply chains, less revenue will circulate into the local economy for supermarkets.

Conversely, increased investment in enhancing the shopping environment, cited by customers as a key area for improvement, and marketing and promoting the market would be likely to attract more customers and boost the economic impact even further.



4. The coral cluster: promoting entrepreneurship, independence and innovation in a clone town world

“Opportunity for all means a Britain where all have the opportunity not just to work, but to work there way up, to gain promotion, start a business, become self employed, upgrade their skills, and rise as far as their talents and potential can take them...And too little attention has been give to deprived areas, to women and ethnic minority communities”

Gordon Brown, Chancellor of the Exchequer.
Speech given in Newham, February 2000²⁷

Queens Market plays a key role in promoting business start-ups and enabling small and medium-sized businesses to grow in precisely the kind of disadvantaged area that Gordon Brown was referring to in his Newham speech. Newham is the eleventh most deprived local authority out of 354 in England. The market, with its low barrier to entry, (the cost of hiring a typical stall at the market is just £75 per week) provides a solution to the traditional hurdles faced by new businesses in accessing finance, raising capital and identifying affordable premises. This compares very favourably with spiralling high-street rents and property prices. This role is particularly valuable as it is one of the few viable ways for new independent entrants to enter an increasingly closed retail The *High Street Britain 2015* report concludes that “barriers to entry have become increasingly high for entrepreneurs due to costs, regulation and competition”.

This affordability also attracts a whole range of marginal entrepreneurs who are prepared to take a risk on a new venture, conscious that they will not be faced with crippling debts if it fails and is likely to contribute to high business survival rates.

In addition to affordability, the flexibility of the market with its unique mixture of stalls and shops makes it ideal for business growth and expansion as it is relatively easy to add additional stalls and/or adjoining shops to meet extra demand or to downsize if demand falls (see Case Study One for an example of this in practice).

These factors were reflected in the survey of business traders which found that more than eight out of ten cited flexibility and 72 per cent reasonable rents as the reason that they chose to trade at the market. This flexibility and affordability contributes to the extraordinary variety and age range of businesses. Thus, seventh-generation fruit and vegetable traders can be found cheek by jowl with new entrants and first-generation businesses selling pashminas or fabrics. This is borne out by the **nef** survey which found a very balanced business structure, providing opportunities for new entrants while allowing for sustainable business growth and mature businesses that become embedded in the local community. More than one-quarter of the businesses have been established for one to five years while more than half of the businesses have been there for more than ten years pointing to healthy business survival rates.

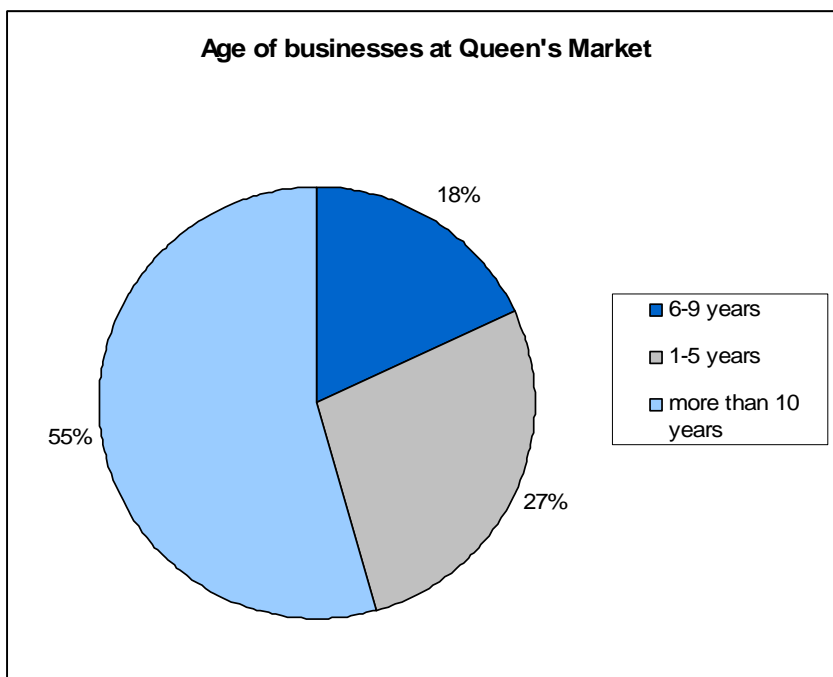


Figure 4: Time spent trading at Queens Market

Queens Market offers considerable range in terms of the size in businesses. In addition to sole traders and micro-businesses there are many small businesses, offering substantial employment and money flows into the local economy. For example, one employs 25 staff, almost all local. A thriving family-owned furniture business now has 15,000 sq ft of space at the market (see Case Study One).

Queens Market is particularly effective in enabling ethnic minority businesses to establish a foothold and grow. This is reflected in the survey of traders carried out by MORI for Newham Council in December 2005/January 2006 which found of significant number of traders from Africa, the Indian subcontinent and the Caribbean. In total 72% of traders came from ethnic minorities. Markets play a key role in enabling entrepreneurs for Black and Minority Ethnic (BME) communities to set up business. The Commission for Integrated Transport in a study of market traders in London found that there were increasing numbers of applications for market stalls from ethnic minority communities.²⁸ This is particularly important as ethnic minority businesses suffer disproportionately for poor access to affordable business premises in London. The London Development Agency concluded that

“lack of access to business premises continues to hold back ambitious BME businesses”.²⁹ Consequently Queens Market provides a vital source of flexible and affordable business space for ethnic minority businesses.

Market traders and ethnic diversity

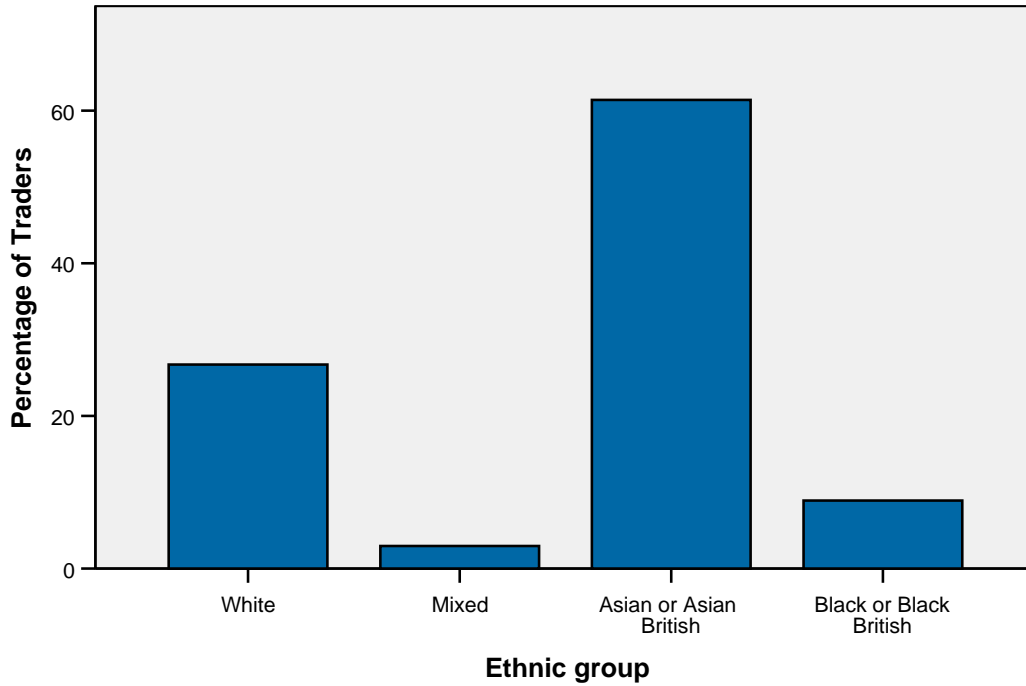


Figure 5: Ethnicity of traders: Mori. Survey of Residents, Shoppers, Market Traders and Businesses

Table 6: Queens Market traders

Percent	
White British	27%
Mixed	3%
Asian or Asian British	61%
Black or Black British	8
Total	100%

Case Study One

The Furniture shop has been a feature of Queens Market for over 30 years and occupies 15,000 sq ft of retail space. This anchor store provides the proprietor and his employees with secure employment and provides the local community with good quality, low priced furniture. It exemplifies how the affordability and flexibility of premises at Queens Market have enabled a small business to grow and mature. This sustainability is in question as a result of the proposed redevelopment of the market.

Starting with just two stalls in Queens Market, the proprietor has since built up a warehouse of furniture stored in 8,000 sq ft that can be packed and delivered on the day for sale at the back of his show room. This type of customer service is now unique but that's why it exists and is successful. The Council has never advertised the wares on sale at Queens Market and the furniture shop has never had to do any advertising, relying on word of mouth, reputation and passing trade.

Located on the main road, it occupies a prime spot and a large site now incorporating warehouse facilities at an affordable rent. In its current state Queens Market allows for businesses like this to successfully operate and expand.

It is embedded in the local community enabling the proprietor to offer high levels of personalised customer service. As a result, the shop draws regular customers from all over London and the proprietor can point to generations of customers who provide repeat business and return to the shop.

The furniture store provides 11 full-time jobs and supports around 40 other people in an area of already high unemployment. It is one example of flexible employment and low entry requirements for young people with no qualifications.

The current proposals for a new Queens Market offers the proprietor eight units totalling 2000 sq ft inside the new mini-mall – a substantial reduction in size compared to his current premises with increased costs in term of service charges. It is open to question as to whether the business in its current form will be viable as employment is likely to be reduced.

This is of particular value and importance as the Government is concerned about a substantial enterprise gap between business start-ups and enterprise development rates in deprived areas such as Newham and the rest of the country. "There is a persistent gap in the level of entrepreneurial activity between deprived areas and our most prosperous areas. If the highest rates of business activity in the UK were matched in deprived areas, there would be around an extra 160,000 businesses."³⁰

The variety and range of businesses are also quite striking. Though providing quality food is at the heart of Queens Market, it is much more than just that. In fact, it is a small-business powerhouse stimulating enterprise and innovative businesses catering to niche or specialist markets (e.g. Nigerian music) and general customers (fabrics, household goods, etc).

A snapshot survey of the market identified more than 35 different types of business. It is much more than just a fruit-and-vegetable market, offering, unprecedented business diversity, all concentrated in the thriving, bustling atmosphere of the market.

It provides a wide range of local employment opportunities, both part-time and full-time, in deprived areas with relatively high unemployment, reflecting the diversity of trading that takes place. This range and quality compares favourably with the kind of jobs provided by supermarkets: 'shelf-stacking' jobs with high turnover provide few opportunities for business skills acquisition and career development.

In fact, the compact nature of the market with its high business density and variety of businesses as suggested above, allows for traders to collaborate and to stimulate and inspire one another. This makes it an ideal place for entrepreneurs and businessmen to transfer business skills and knowledge from trader to trader.

It came as no surprise that Sir Alan Sugar (who started his business empire on a stall in an East End market) in his TV series *The Apprentice*, chose to test business skills by challenge his would be apprentices to sell fruit and vegetables at a street market rather than ask them to take on the roles of check-out assistants at a supermarket.

The compact nature also enables individual businesses to minimise costs and maximise benefits from promotion and publicity campaigns that attract visitors to the market. Rather than spend on individual marketing campaigns, they can share in the benefits that derive from promoting the market as a whole. A consistent complaint made by market traders was that in recent years there has been little or no investment by the Council in promoting the market despite repeated

suggestions from the Market Traders Association. Innovative and costed proposals to develop a Queens Market website to promote the market and to offer home delivery for shopping have been rejected by Newham Council.

Mark Jones, from the Friends of Queens Market, in a useful analogy compares markets to coral-like clusters of tiny businesses that are finely attuned to the local community and business environment in a way that no 'big box' supermarket retail can ever be. This is reflected in the responsiveness to customer feedback and business innovation.



The last bastion of the independents

Street markets are an antidote to a dominant trend in retail. The emergence of what **nef** has termed Clone Town Britain and Ghost Town Britain. Independent retail is vanishing leaving our High Street dominated by supermarkets and chain stores, causing increasing concern to the public and policy-makers alike. Queens Market is an extraordinary powerhouse of independent retail, providing tangible evidence of its resilience in the face of the onward march of identikit chain stores and bland shopping malls. The prevailing retail trends see high streets attracting fewer people and therefore independent, specialist shops becoming less resilient to big brand competitors leading the influential All Party Committee to publish a report suggesting that independent retail may die out by 2015 if urgent action is not taken: 7,377 independent stores, more than 20 per cent of the total, closed between 2000 and 2004. The number of superstores in the UK rose from 733 to 1,147 between 1990 and 1998. In May 2005 retail analysts IGD in its authoritative *Convenience Retailing Report* noted that independent and convenience shops were closing at a rate of more than 2000 a year, or 38 each week

Contrast this with the situation at Queens Market. There are 140 shops and stalls. There is only one multiple chain store, a bookmakers. Every other trader is independent, some 99 per cent! It is difficult to think of anywhere other than street markets which exhibits such a high proportion of independent traders in one space. This concentration of independent retail is unprecedented. Sadly an express objective of the Newham Council and St Modwen redevelopment is to engineer a change to this unique retail mix, reducing the number of shop units and introducing a superstore and more multiple stores.

Queens Market – a Home Town?

In 2005, **nef** published the results of a specially designed survey carried out by residents in 140 towns and cities across the country. The survey involved counting and categorising the first 50 shops on the high street according to ownership (independently owned or chain store) and diversity (based on 25 types of shop). This enabled residents to determine whether their town was a Home Town or a Clone Town. A Home Town is one which retains its individual character and is instantly recognisable and distinctive to the people who live there as well as to those who visit. A Clone Town by contrast is one where individual high street

shops have been replaced by global and national chains and could easily be mistaken for any one of a hundred other bland town centres across the country. In London, Shepherd's Bush (49.4) scored the highest as a Home Town. A survey carried out by **nef** at Queens Market, found that the market scored highly in terms of both ownership and retail diversity and is a Home Town scoring of 50.4, even higher than Shepherd's Bush and the highest score recorded in London. Its importance in providing much needed identity and distinctiveness in Newham is vital, given that neighbouring East Ham is a Clone Town with one of the lowest scores (24) in the country!³¹

Callaloo, Dutch pots, and business innovation

Queens Market is an excellent place for business innovation. This stems from the close interaction between traders and customers. Their ability to react to customer demand and feedback and to respond quickly to customers' needs is evident. Their business depends on this responsiveness to individual customer needs in a way that is simply not the same for chain stores and supermarkets as exemplified below.

Customers come looking for Callaloo, a green-leaf spinach-like vegetable which originated in Trinidad and Tobago, an ingredient in a range of traditional Caribbean stews and soups used to be available out of season and on import only. Unavailable at local supermarkets, demand is so great that it is grown on allotments in nearby Stratford and sourced from local wholesalers, thereby ensuring its availability all year round. This is a win-win situation promoting sustainability, seasonal eating habits, enriching our agriculture and, of course, promoting a distinctive regional cuisine.

Thus a customer looking for a particular fish at the market on Saturday reported market traders obtaining it for them on Tuesday, the next time the market opened. Few supermarkets, with their focus on volume and mass demands and long supply chains can offer this level of customer service and responsiveness.

Queens Market is a powerhouse housing a wide range of independent businesses and providing tangible opportunities for citizens, particularly from ethnic minorities, to start and grow businesses.

Case Study Two offers an example of business innovation and developing product range.

Case Study Two

This hardware shop is a flourishing family business. Initially established on a stall it has now expanded into an adjacent shop. Affordable rents enable the trader to focus on providing a wide range of products at affordable prices to a broad customer base. The trader has been particularly adept at combining this with responding to the specific culinary needs and preferences of particular local ethnic communities who buy specialist food products at the market. The shop complements the food retailers by providing food utensils and equipment. These requirements are not catered for by High Street shops or manufacturers. This responsiveness drives new product innovation.

For example, the trader was inundated with requests from customers from Asian and Afro-Caribbean community who could not find Dutch pots, Korais and couscous pots and utensils sufficiently large enough for their cooking needs which often involved communal cooking for large family groups. The trader made enquiries to his suppliers and found that they were not available at all in this country. As a result of liaising closely with customers to identify their specific requirements, they identified manufacturers who produce a range of pots and utensils now stocked in the market

The prospect of increased service charges and less space in the refurbished market threaten the future viability of the shop. Its success is based on selling high volumes of affordable goods at low margins. The prospect of lower footfall and increased costs would make the shop unsustainable as the potential for passing on costs to predominantly low-income customers is limited.



5. 'The' market ... or 'a' market: the threats to a thriving market posed by the redevelopment plans ³²

As this report has sought to demonstrate and document, Queens Market is a popular, valuable and thriving local asset delivering a wide range of positive economic, social and cultural impacts to the local economy and community.

The future development of the market could be characterised as a debate about the use of the definite or indefinite article. Newham Council in October 2005 gave assurance that 'the market was being retained on site'. In reality, though 'a market' will remain, the redevelopment threatens to remove the character that makes Queens Market unique and special and successful.

This chapter aims to identify some of the key threats to these impacts that arise from the redevelopment plans and proposal put forward by property developers St Modwen and Newham Council.

These threats can be summarised as:

- Changes to existing design of the market that affect visitor numbers, and quality of the shopping experience.
- Introducing clone town chains and multiples at the expense of independent retail.
- A reduction in the estimated £15 million of positive local economic impacts and money flows in the local economy.
- Increased cost to existing traders in an indoor market.
- Less, affordable fresh food available in a food desert.

- A reduction in the exceptional range and diverse ethnic food and cuisine available at the market.
- Increased barriers to entry for new entrepreneurs as a result of the imposition of higher costs.
- Fewer opportunities for business growth and expansion for existing traders.
- Changes to the exceptional variety of business types and sizes.
- A loss to the range and quality of employment for local residents.

The current compact design of Queens Market includes shops around the edge of the market with stalls clustered around the central market space. The success of the market derives from this retail mix; the integration of shops and stalls complement each other. Many businesses combine adjacent shops and stalls and are dependent on the footfall. As has been seen earlier, this flexibility, affordability and diversity of premises available is regarded by the market traders as key to enabling the businesses to set up and grow successfully.

This design will be radically changed by the redevelopment. In publicity material distributed to local residents and shoppers, the Council states that “we are building a better market ... the new Queens Market will have the SAME number of stalls as the current one.” This is selective as the reader would not necessarily be aware of the distinction being made here between shops and stalls. The latest plans unveiled by St Modwen suggest that there will be 160 pitches but the development agreement signed by St Modwen and Newham Council would actually see a reduction in the number of shops from 60 to ‘not less than 42’, and reduced from the 54 quoted in the press in January 2006.

Thus there will be fewer large shop units and more small stalls. This is a direct threat to the livelihoods and business models of many traders who pointed out that revenue and volumes of sales are dependent on the extra floor and display space generated by the shops; the businesses would not be sustainable if this was reduced to stalls. Some traders told us that they would not be moving to the market as a result.

A number of consequences follow from this that jeopardise the current successful business model. In fact, it is this very mix that is threatened by the St Modwen redevelopment. All those who currently have shops will not be able to be represented in the new market. Moreover, the developers have not given any guarantees that traders with both shops and adjacent stalls will retain them in the new redevelopment. This takes no account of what Queens Market traders know of customer shopping behaviour. The consequences of separating the stalls and shops would be disastrous; footfall would drop substantially as customers would no longer be able to browse and move between the two.

Some traders are concerned about the consequences of proposals to replace the traditional flexible stalls. These allow good sightlines for customers and facilitate movement and browsing between stalls. These are likely to be replaced with fixed backs and sides, constraining sightlines and limiting customer movement.

Thus the essential quality of the market shopping experience is in danger of being fundamentally compromised by the reduction in shops and design.

This is summed up by Manesh Patel, Queens Market Shopkeeper and Chairman of the Market Traders Association

“The design of the market is critical to whether it works. The position of certain stalls makes particular sections of the market work. They attract the people. I have a shop and two stalls. It would be disastrous for me if my two stalls were relocated away from my shop. I also have stalls for storage.”³³

Changing the retail mix: the attack of the giant clones

The prospect of St Modwen redeveloping the market sympathetically are somewhat undermined by their own public statements. Nick Kay of St Modwen told the Market Traders that “your market is crap”.³⁴

In its development proposal St Modwen, emphasises that the redevelopment will provide “for a more co-ordinated appearance to the market, retaining the lively ethnic character and mix”. The graphic illustration chosen by St Modwen to represent the customers attracted to the new market does not inspire confidence in their commitment a lively ethnic character and mix. Every single customer depicted in the illustrations contained in the St Modwen development proposal is white!

In the same document it states that “the retail units range in size from around 1100 to 2750 sq ft at ground floor level , and have been designed to attract a range of local *and multiple retailers* (our emphasis).

This lets the cat out the bag: an explicit aim of the redevelopment is to engineer a move away from its existing and successful mix of the overwhelmingly local and independent market traders and small businesses. This is also borne out by the experience of traders at the St Modwen-owned Elephant and Castle redevelopment. Trader Shammin Uddin said

“I have seen my rent rise 100 per cent in the past decade and St Modwen want to increase it a further 300 per cent. [It] intends to remove as many small traders as possible prior to redevelopment.”³⁵

At the moment, there are more than 32 different types of retail operating in the market and 99 per cent of the 140 businesses are independent small businesses, there is only one multiple chain, William Hill. There isn't a more certain way of changing the unique ethnic character and mix, than by replacing it with identikit multiples and chain stores of the type that can be found in every high street and clone town in Britain and is already represented at nearby Stratford shopping centre. Sir Robin Wales, Mayor of Newham and the chief proponent of the redevelopment, is on record as saying that he envisages a complex to ‘rival Bluewater’! the epitome of out of town clone town shopping development and totally out of character with Queens Market and the inner city East London community.

Clone town shops arrive, money and employment flow out

One of the most serious consequences of changing the retail mix and introducing multiples is the impact it is likely to have on revenue, money flows and employment in Newham. A study of comparative money flows from retail into local communities carried out in Chicago found that every 100 dollars spent at local shops generates 60 per cent more revenue than the same amount spent at a chain store – local shops tend to re-invest more income, employ more local people and source their supplies locally. Similar trends have been identified in the UK.³⁶ A study that tracked the income and money flows from a Cornish vegetable box scheme revealed that money spent on locally produced food generates almost twice as much income for the local economy as the same amount spent in a typical supermarket.³⁷ Every £10 spent is worth £25 for the local area, compared with just £14 when the same amount is spent in a supermarket. This is due to the ‘multiplier effect’ where the same amount is worth more with local schemes as it stays in the local area – its value increases as it is reinvested many times over as a result of spending on local suppliers, employment etc.³⁸ A Friends of the Earth Study of food schemes that included farmers’ markets found that 50 per cent of business revenue was re-circulated and reinvested in the local economy.³⁹

Similar trends have been identified at Queens Market. The local economic impact from the market is estimated to be least £15 million per year (see Chapter 5).

There is evidence of significant money flows and multipliers as a result of income from turnover being re-invested and local employment for 308 people. All traders interviewed reported spending and trading with other market outlets and local retail. Though a full local multiplier study has not been carried out at the market, it is clear that the introduction of multiples and chain stores including the ASDA Wal-Mart

superstore will reduce these positive impacts and will result in the loss of millions of pounds each year spent locally in Newham, one of the most disadvantaged areas in the country.

Increasing the barriers to business

Queens Market is an excellent incubator for stimulating entrepreneurship, business start-ups, and enabling small and medium-sized businesses to grow. As outlined in Chapter 5, the market has low barriers to entry offering access to affordable premises. The ease of adding of extra stalls or leasing shops makes it ideal for business growth and expansion. There is a very diverse business base of 35 different types of business activities ranging in size from one-person businesses to large shops employing significant number of local people. It is particularly effective at offering opportunities for ethnic minority entrepreneurs; 70 per cent of the traders surveyed came from ethnic minorities. The new market threatens this in a number of ways.

The reduction in the number of shops available at affordable rents in the St Modwen proposal reduces the availability of premises and limits opportunities for business expansion.

There are no guarantees that existing traders who currently have shops and adjacent stalls will retain them under the St Modwen proposal. A number of traders who depend on high volume on low margin items told **nef** that losing this stall/shop integration would have severe implications in terms of reduced footfall and display space making business unprofitable.

The unique mix of business size is threatened. Large businesses cannot be accommodated. One of businesses currently occupying 15,000 sq ft has only been offered 2,000 sq ft in the new market. The reduction in available space makes the business in its current form unviable.

The property developers have told businesses that they will introduce service charges on top of the rent currently paid by traders. This has implications for new business start-ups and existing Queens Market businesses. Higher costs will increase the barriers to entry and are likely to act as a particular deterrent for ethnic minority entrepreneurs who find it harder to start up businesses.

More than 8 out of 10 market traders interviewed said that the increased costs through service charges were a major deterrent to moving into the new market. Two-thirds of traders and three-quarters of customers thought that these higher costs would have to be passed on to customers in the form of higher prices. This would depress customer sales and profitability and threaten the business model. Some traders were concerned that the enormous economic might of ASDA Wal-Mart would lead to unfair competition from the supermarket in the form of predatory pricing and loss leaders. There is ample of evidence of such tactics being employed by supermarkets uncovered and recorded in *High Street Britain 2015*.⁴⁰

Employment

The existing market is a significant employer. It is estimated to employ 581 people of whom 308 are local. One of the main reasons for putting a new ASDA Wal-Mart superstore is the creation of the 200 new jobs. Thus the existing market employs three times as many jobs as the supermarket. The case for the supermarket is hardly compelling given the strong performance of the market in creating and sustaining employment. Moreover, the employment density of one job for every 10 square metres of market space is outstanding and more than twice that generated by supermarkets. The jobs created at the supermarket need to be offset against the number of jobs lost as a result of existing market traders deciding not to relocate to the new market. The **nef** survey of market traders found that some of the large employers are currently considering not taking space in the new market, for the reasons set out above.

There is no evidence that any new ASDA Wal-Mart will be able to match the local employment record of the market. As mentioned in Chapter 5, the 'shelf-

stacking' jobs that are predominantly available to residents at a supermarket compare unfavourably with the diversity and variety of jobs opportunities at the market and their potential as a route towards entrepreneurship and self employment.

Fewer food stalls, fewer visitors to the market

This intention to change the retail mix is also reflected in the statement from Newham Council that "it suffers from a proliferation of certain uses such as meat sales and fruit and vegetables". In short, the Council argues that there are too many food shops at the market. Yet both customers and traders were unanimous that it is the choice and affordability of food that attracts people to the market. Over 90% of shoppers surveyed told us they visited the market to buy food. Reducing the main attraction would be likely to reduce footfall to market with implications for other non-food traders: the majority of customers surveyed told us that they visited non-food shops and stalls when coming to the market.

Food range and diversity

One of the strengths of the current market is the sheer variety of different foods available. The cornucopia of specialist foods reflects the ethnic diversity of the customers visiting the market. This is threatened by the aforementioned policy to reduce food outlets and their potential viability as a result of increased costs and service charges faced by traders moving into the new market. Reducing this range would once again reduce the number of destination shoppers who visit the market and as well as changing the multi-ethnic customer base. Shoppers may decide that ASDA Wal-Mart and the remaining market does not cater sufficiently for their needs and may not return. They will have to travel further to buy goods such as yams and cassava which cannot be found in abundance at supermarkets or local shops. A reduction in variety, freshness and choice available to all consumers and any significant decrease in customer numbers would affect the profitability of the market as a whole.

Reducing the availability of affordable food in Newham's food desert

Imposing a reduction in the number of food shops would also mean less choice and competition between the market's thriving food stalls and would drive up the cost of affordable fresh seasonal food. A price comparison between Queens Market, ASDA Wal-Mart and Edmonton Market (recently refurbished by St Modwen along similar lines to what is proposed at Queens Market) found that fruit and vegetables cost twice as much on average at the supermarket and more than 25 per cent more at Edmonton. Deliberately reducing the availability of fresh fruit and vegetables would be particularly perverse in an area of high food-related poverty which policy-makers have dubbed as a food desert.

The overall affect for Queens Market and Newham is borne out by findings from *High Street Britain 2015*, an influential House of Commons enquiry which found that the overall impact of big box retail such as ASDA Wal-Mart was negative.

*"The overall and long term effects are detrimental. The local as well as nearby communities suffer general retail and associated business decline, unemployment, changes in job quality, loss of revenue and thus lower resources for communities."*⁴¹

The analysis of some of the key threats to Queens Market is in stark contrast to Newham Council's recent claim, made in a leaflet handed out to customers at the market that "the new Queens Market will RETAIN all that is good about the existing one – but it will be a lot BETTER" !

We have seen the future and it doesn't work: the story of Edmonton market

St Modwen likes to point to its considerable experience of owning and operating markets. In the redevelopment and regeneration proposal submitted to Newham Council it seeks to re-inforce this by pointing to its successful redevelopment of Edmonton Market in North London. The site is featured prominently on the St Modwen website as a prime example of successful retail-led mixed-use redevelopment.

The story of Edmonton Market is instructive as it gives a clear insight into what is likely to happen at Queen market if the St Modwen proposal receives planning permission.

Enfield Council sold the market to St Modwen in 2000 and gave permission for the redevelopment which replaces an existing thriving market with an indoor 'market in a mall', with an ASDA Wal-Mart supermarket at its heart and an influx of multiple retailers. One trader, Louis Bullen of Moore Fruit told the *Evening Standard* that St Modwen had 'sucked the life' out of the market. He compared the market before and after the St Modwen refurbishment.

*"I used to sell 1,000 boxes of bananas a week. Now I doubt if it's even 50."*⁴²

Local traders have dubbed it 'the market in a morgue' after seeing the number of visitors and customer footfall drop and costs increase. Mr Moore has to pay £80,000 in service charges and faces rent increases later in the year now that the rent freeze has expired. The charges and unsympathetic redevelopment are deterring businesses and customers alike.

"If people see empty units and empty shops they just don't want to go"

The East London Citizens Enquiry (TELCO) concerned about the future of Queens Market visited Edmonton market, taking evidence from St Modwen who told them that it had implemented a whole package of measures that had improved the market. Curious members visited Edmonton market for themselves to assess these claims and concluded

"It was evident that the market was almost deserted at what would have been an expected busy period on a Friday morning. The disjunction between the perceptions of St Modwen and the stallholders was marked!"



6. The alternative

Few dispute that Queens Market is in need of refurbishment and sensitive redevelopment. However, the challenge is to achieve this sympathetically and to enhance its strengths rather than replace it with redevelopment that, as argued elsewhere in this report, compromises its essential qualities.

The Council outlines its rationale for redevelopment as follows "Whilst the market is a busy shopping area, it has suffered from numerous problems including crime, poor environment, inadequate facilities and limited investment. In the year 2000, the Council commissioned a feasibility study to establish the extent of the problems and how the shopping experience may be changed. As a result of the feasibility study, in 2003 the Council formally sought development partners willing and able to work in partnership with the Council. A primary objective of the feasibility study was to protect the future of the market for the long term, in the context of a national retail environment, where traditional street markets are disappearing."⁴³

Its argument is worth considering in detail. The problems of crime, environment and inadequate facilities are in fact the responsibility of the Council as current Landlord. Market traders complain that the market is poorly maintained and that requests to improve security and cleanliness are routinely ignored. Thus Council neglect becomes a self-fulfilling prophecy and a reason to rationalise and justify their proposed redevelopment. Two additional points are worth making. The Police have confirmed that crime in Newham is in fact no worse than elsewhere in the borough. A safer, cleaner and more welcoming environment could be achieved through better market management and investment. The market currently makes a profit of £240,000 per annum, a small proportion of which would fund these improvements. The return on investment would be partially paid for by the increased number of shoppers attracted by a better shopping environment, thereby increasing profitability. The Council makes much play of protecting the future of traditional street markets but in fact threatens the essential character of the market

and undermines a successful and viable business model for stallholders, which currently generates returns for the Council.

nef asked market traders about their priorities for improving the market. These are set out below: 10 out of 11 wanted to see a cleaner market and greater investment.

Traders felt that the market has suffered from a lack of investment and poor management contributing to a shopping environment in need of improvement. The top priority for investment was the existing ceiling which regularly leaks and needs repairing and replacing with a better structure and better lighting. A substantial number of lighting tiles have not been replaced. Many traders noted that toilet facilities are inadequate as the public lavatories at the front of the market are closed. Cleanliness of the market is a constant concern and traders pointed to part of the market structure that had not been cleaned for years. Offers by traders to clean the area themselves have been consistently rejected. There was a strong perception among some traders that the management and maintenance of the market is being deliberately run down in order to strengthen the case for the St Modwen redevelopment. Newham Council has estimated the cost of refurbishment at £6 million but this is disputed by the Friends of Queens Market. In fact a much smaller capital sum would probably resolve a number of the essential improvements required. An independent survey of the market is required to identify the true cost of essential improvements.

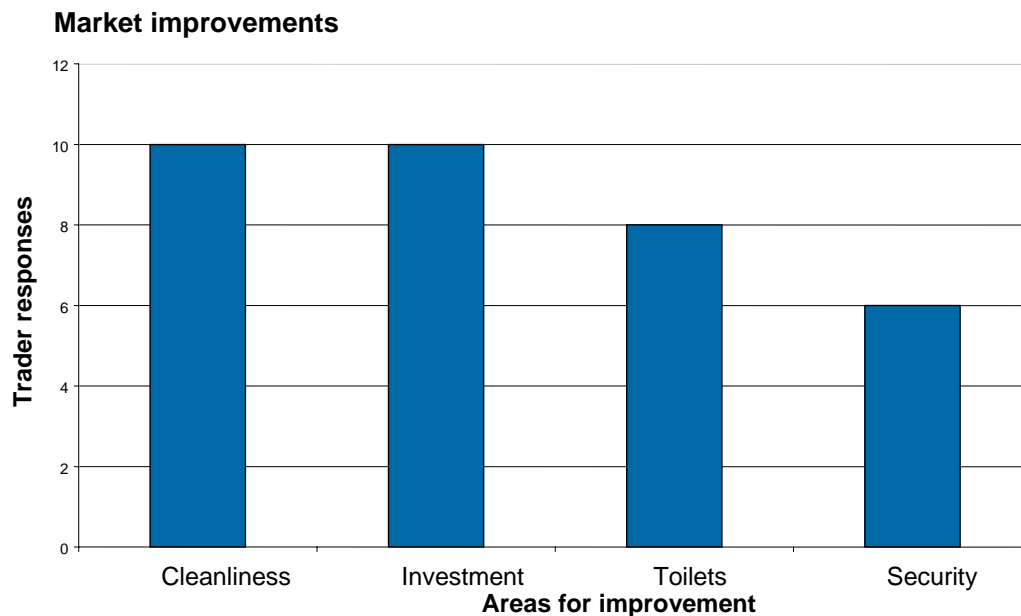


Figure 5. Market Trader Priorities for Improvements

Market traders want a more attractive entrance to the market and improved signage. Some traders have suggested a canopy that could provide all-weather protection to traders who work in the open air at the front of the market. There is currently no signage at Upton Park tube station directing customers to the market, In contrast, signage to West Ham Football Club is prominently displayed.

Despite attracting 400,000 visitor each year, Newham Council currently spends nothing on marketing and promoting the market. James Fergusson, author of *Kandahar Cockney*, describes it as

“one of London’s best kept secrets – an extraordinary shopping experience”

It was recently featured in *Time Out* and *What’s On* and a range of food guides and tourist books. Its distinctiveness gives it its considerable potential to increase its pull to visitors and destination shoppers. It already attracts customers from as far

afield as Beijing and Montreal. Traders recently approached the Council about establishing a Queens Market website and offering free delivery to customers but were turned down flat.

This legacy of poor management and lack of investment has been used by Newham Council to justify the decision to sell the market to St Modwen. As set out in this report, the St Modwen proposal threatens a unique and prized local institution. There is still time to reconsider. Planning permission has not been granted and an alternative based on community needs should be investigated. This should recognise the unique value of Queens Market to the local community and could draw upon the strong support from customers for retaining the market that has been manifested in the 12,000-strong petition and the results of the independent citizens' enquiry organised by TELCO. The market in its current form is profitable and would be attractive to investors.

There is a strong case for investigating some form of social and community ownership that would bring together local residents, customers and market traders. This would be particular opportune given that the TELCO's independent inquiry shows that there is little support for the Council/St Modwen approach.

“There is almost no enthusiasm for the Council's plans to invite a private developer.”

Queens Market would seem to have all the pre-requisites to be run as a social enterprise. The practice of transferring income-generating assets from public to local community ownership has become increasingly common and there is a host of successful examples of which the most famous is Coin Street, transferred by the then Greater London Council to the Coin Street Community Trust in 1984. In Newham, St Lukes, Custom House, and Canning Town Renewal Project offer a local example of what can be achieved. It is open to the London Borough of Newham to dispose of the land on a long-term leasehold or freehold arrangement to a trust for a nominal sum, peppercorn or favourable rate. The transfer of Queens Market to community ownership, perhaps in the form of a Development Trust offers exciting potential to transform the design and management of the market and maximise its potential for the local community. The first step would be to carry out an independent feasibility assessment and development appraisal that would ascertain the financial and commercial viability of managing and maintaining the market and to identify potential sources of funding and investment.

7. Conclusion

Sharon Osborne's face gazes down from a billboard at Upton Park tube, next to Queens Market. Ms Osborne recently headed a multi-million advertising campaign for ASDA Wal-Mart. The billboard slogan states: 'it's all about shopping'.

The debate about the future of Queens Market is indeed all about shopping: two different visions of shopping. For St Modwen/Newham Council, 'it is a horrible dirty market' that should be replaced with a 'market in a mall' with an ASDA Wal-Mart at its heart. This reflects the Council's vision for regenerating the area where out-of-town shopping centres such as Bluewater represent the ultimate retail experience.

For market traders, shoppers and the local community, Queens Market needs investment and better management which would enhance its role as a thriving and distinctive market. As this report highlights, it provides affordable food and other products, vital revenue and employment in a disadvantaged area as well as housing a highly productive and innovative set of independent small shops and businesses.

But it is also about more than just shopping; it is about retaining a unique way of life and one of the East London's most vibrant and successful social and cultural institutions that has adapted, survived and thrived for more than a 100 years. The value and importance of the campaign is summed up by poet and musician Benjamin Zephaniah who states:

"It's not just about money, it's about culture, and our culture is priceless."

Appendix 1: Methodology

nef carried out original research in March and April 2006. We conducted surveys with a random sample of 36 customers and 11 market traders. All statistics, unless otherwise stated are based on the data obtained from these interviews. **nef** also carried out a Clone Town survey at Queens Market during April 2006.

The fruit and vegetable price comparison was carried out by Friends of Queens Market at Queens Market, ASDA Wal-Mart supermarket at Beckton, Newham, and Edmonton Green market.

Information on the number of customers who visit local shops and the average amount spent was obtained by **nef** during surveys conducted at Lewisham and Walthamstow street markets in April 2005 and published in *Trading places: the local economic impact of street and farmers' markets* in November 2005 by the London Development Agency. The average was 63.5 per cent. This figure was adjusted down to 42 per cent to reflect the specific shopping circumstances at Queens Market which maximise spending within the market area and consequently are likely to reduce the proportion of spending at local retail.

nef has drawn upon a detailed footfall survey was carried out for the University of Westminster in May 2005 at Queens Market during three market days: two weekdays and a Saturday. Customers were observed entering the market at five different points. Data was collected for one hour at each of the five points during five hourly slots at different times during the day. Weekly and annual averages were then calculated using this data to produce a figure of 8,138 per week. Figures were adjusted and reduced by 20 per cent take account of visitors to the markets who do not purchase anything in order to produce a figure of 6,511 spending customers.

Figures for average customer spend on all items at the market and food items individual was obtained from the customer survey and applied to the data about weekly and annual visitor figures.

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